

Corporate Governance

This Interim Report has been reviewed by the Audit Committee of the Board, which has a majority of its members appointed from the Independent Non-executive Directors.

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2002, in compliance with the Code of Best Practice contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Purchase, Sale or Redemption of the Company's Listed Shares

During the period, the Company repurchased a total of 13,240,500 shares of HK\$5.00 each of the Company on The Stock Exchange of Hong Kong Limited at an aggregate price of HK\$396 million. Details of the repurchase are set out in Note 16 of the Accounts. All the shares repurchased to 30 June 2002 have been cancelled. The repurchases were effected by the Directors for the enhancement of long-term shareholder value.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the period.

Directors' Interests

The interests of Directors in the shares of the Company as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (SDI Ordinance) as at 30 June 2002 were as follows:

Directors	No. of Ordinary Shares Held				Total Interests
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
The Hon. Michael D. Kadoorie	–	1,243	–	472,423,717 <i>Notes (1) & (2)</i>	472,424,960
W. E. Mocatta	–	100,000	–	–	100,000
J. S. Dickson Leach	3,436	–	–	–	3,436
The Hon. Sir S. Y. Chung	393,789	–	–	–	393,789
R. J. McAulay	13,141	–	–	439,787,424 <i>Notes (1) & (3)</i>	439,800,565
William K. Fung	120,000	–	–	–	120,000
R. Bischof	25,000	–	–	–	25,000
Andrew Brandler	60,600	–	–	–	60,600
Peter P. W. Tse	20,600	–	–	–	20,600
Peter W. Greenwood	5,600	–	–	–	5,600

Notes:

- (1) 233,379,505 shares were held by discretionary trusts, of which The Hon. Michael D. Kadoorie and Mr. R. J. McAulay are two of the beneficiaries.
- (2) 239,044,212 shares were held by discretionary trusts, of which The Hon. Michael D. Kadoorie is a beneficiary.
- (3) 206,407,919 shares were held by discretionary trusts, of which Mr. R. J. McAulay, his wife and members of his family are beneficiaries.

Mr. S. F. Goldmann had disclosed a personal interest in 2,400 American Depositary Receipts for CLP Holdings shares as at 30 June 2002.

At no time during the period was the Company or any of its subsidiary companies a party to any arrangement to enable any Director of the Company or the spouse or children under 18 years of age of any Director to acquire benefits by an acquisition of shares in the Company or any other body corporate.

Substantial Shareholders' Interests

As at 30 June 2002, Bermuda Trust Company Limited had disclosed interests in 682,978,836 ordinary shares of the Company as recorded in the register maintained by the Company under Section 16(1) of the SDI Ordinance.

The interests of Bermuda Trust Company Limited in the Company are duplicated by the interests in the shares of the Company held by discretionary trusts as disclosed above by the Directors.