

CORPORATE GOVERNANCE

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period, the Company repurchased certain of its own shares on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) as follows:-

Date	Number of shares	Purchase price per share		Total purchase price
		Highest US\$	Lowest US\$	
6 June 2002	1,000	0.38	0.38	381
Add: brokerage and commission charges				<u>2</u>
				<u>383</u>

The repurchase noted above was made in order to minimise fractional entitlements of the proposed special dividend by way of distribution in specie of the Company’s investment in ASPPL to the Company’s shareholders.

The repurchased shares were immediately cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of US\$373 was charged to the retained profits and an amount equivalent to the nominal value of the repurchased shares of US\$10 was transferred from the retained profits to the capital redemption reserve.

Except for the foregoing, the Company did not purchase, redeem or sell any of the Company’s listed securities during the period.

DISCUSSION AND ANALYSIS OF PERFORMANCE AND MATERIAL FACTORS UNDERLYING RESULTS AND FINANCIAL POSITION

These matters are considered in detail in other sections of this interim report and no further discussion and analysis is required to present a balanced review of the Company’s operations for the period.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2002, except for Mr Vincent J Warner who held 4,777 shares in the Company in a personal capacity, none of the Directors or their associates was interested, beneficially or otherwise, in any listed shares of the Company. Save as disclosed herein, no rights have been granted to the Directors, their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debt securities of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2002, the register kept by the Company under Section 16(1) of the Securities (Disclosure of Interests) Ordinance showed that the Company had been notified of the following interests, being 10% or more of the Company's issued share capital:-

Name	Number of shares	Percentage
Swiss Reinsurance Company	4,590,104	18.83
Friends Ivory & Sime Plc	2,602,486	10.68

COMPLIANCE WITH CODE OF BEST PRACTICE (LISTING RULES APPENDIX 14)

The Company complied with paragraphs 1 to 13 of the Code of Best Practice as set out in Appendix 14 to the Listing Rules of the Stock Exchange throughout the accounting period for the six months ended 30 June 2002, except that the independent non-executive directors are not appointed for specific terms, but are subject to retirement by rotation in accordance with Articles 89(B) and 89(C) of the Company's Articles of Association.

AUDIT COMMITTEE

The Company established an audit committee on 4 September 1998 in accordance with paragraph 14 of the Code of Best Practice.

The Audit Committee has reviewed with management the Company's financial reporting process and discussed auditing and internal control matters, including a review of these interim financial statements which have not been audited.