

CORPORATE GOVERNANCE

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company did not purchase, redeem or sell any of its own 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 or analysis is required to present a balanced review of the Company's operations for the period.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2003, the register maintained under Section 352 of the Securities and Futures Ordinance ("SFO") showed that the Director held the following beneficial interest in the shares of the Company:

Name	Nature of Interest	Number of shares	Percentage
Vincent J Warner	Personal	4,777	0.02

Save as disclosed above, no Director or their respective associates had any interest or had been granted any rights to subscribe for shares in or debt securities of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2003, the register maintained under Section 336 of the SFO shows that the Company had been notified of the following interests in the shares of the Company held by substantial shareholders:

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 2003, 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.

CORPORATE GOVERNANCE (continued)

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.