

## OTHER INFORMATION

### Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th June, 2001 (2000: Nil).

### Directors' Interests in Shares and Options

As at 30th June, 2001, the interests of the directors and chief executives and their associates in the shares of the Company and its associated corporations as recorded in the register required to be kept under section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

(1) *Directors' interest in Shares*

Name of Director	Number of shares held Personal Interests
Mr. Zhang Yongjian	1,478,400
Mr. Dong Shu Sen	1,500,000

(2) *Directors' interests in share options granted by the Company*

Name of Director	Number of share options held (Note)
Mr. Kwong Che Keung, Gordon	4,500,000
Mr. Zhang Yongjian	1,000,000
Mr. Dong Shu Sen	3,500,000

*Note:* These share options were granted on 20th March, 2000 under the share option scheme approved by the shareholders of the Company on 17th January, 1992 to the Directors and are exercisable at HK\$0.656 per share at any time between 20th March, 2001 and 16th January, 2002.

(3) *Directors' interests in share options granted by associated corporation*

Name of associated corporation	Name of Director	Number of share options held <i>(Note)</i>
COSCO Pacific Limited ("COSCO Pacific")	Mr. Kwong Che Keung, Gordon	250,000

*Note:* These share options were granted on 6th April, 2000 and are exercisable at HK\$3.584 per share at any time between 6th April, 2001 and 5th April, 2002.

Save as disclosed herein, as at 30th June, 2001, none of the directors and the chief executive of the Company had any interest in the share capital of the Company or any associated corporations (within the meaning of the SDI ordinance) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 or part I of the Schedule to the SDI Ordinance) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein.

## Substantial Shareholders

As at 30th June, 2001, the interests of those persons in the share capital of the Company as recorded in the register kept under section 16(1) of the SDI Ordinance were as follows:

Name of shareholders	Number of shares held
COSCO	829,360,511
COSCO (Hong Kong) Group Limited* ("COSCO (Hong Kong)")	829,360,511
True Smart International Limited*	527,060,904
COSCO Investments Limited*	302,299,607

\* These companies are the wholly-owned subsidiaries of COSCO and their interests are recorded as the interests of COSCO.

Save as disclosed above, the Company has not been notified of any interests representing 10% or more of the issued share capital of the Company.

## Specific Performance Obligations on Controlling Shareholder

Under paragraph 3.7.1 of Practice Note 19 of the Listing Rules, the Company discloses the following loan agreements which contain covenants requiring specific performance obligations of the controlling shareholder:

- (a) A HK\$1,129 million secured long term loan facility was granted by a syndicate of financial institutions with HSBC China Services Limited as agent to Century Metro Development Limited ("Century Metro"), a wholly-owned subsidiary of the Company, on 30th March, 1998 to finance the PSPS Project at Shun Wan Road, Aberdeen Inland Lot No. 435. The term loan is repayable on or before 31st January, 2002. The loan is guaranteed unconditionally and irrevocably by COSCO (Hong Kong) which undertakes amongst other conditions that it will remain the ultimate beneficial owner of at least 51% of the entire issued share capital of Century Metro and SSCE, unless consented by the agent acting on the instruction of majority of the syndicate.

- (b) A US\$100 million secured three-year term loan facility was granted by Bank of China, Hong Kong Branch to the Company in August 1998 to partly refinance the shareholder's loan advanced by COSCO (Hong Kong) when the Company acquired the beneficial interest in eight floors of the COSCO Tower in April 1998. On 18th June, 2001, the Company entered into an agreement with Bank of China, Hong Kong Branch to extend the repayment date of the loan facility for 60 months, that is, on or before 18th June, 2006 and the denominated currency of the loan facility was converted from US dollars to Hong Kong dollars with an equivalent amount of HK\$780 million. The loan is guaranteed unconditionally and irrevocably by COSCO (Hong Kong) which undertakes amongst other conditions that:
- (i) COSCO (Hong Kong) will procure that the ultimate holding company will maintain a 100% equity interest, either directly or indirectly, in it and such equity interest remains free from any security interest (save for any of such existing thereon prior to the date of the guarantee);
  - (ii) COSCO (Hong Kong) will procure that the ultimate holding company will maintain an equity interest, either directly or indirectly, of not less than 35% in the Company and such equity interest remains free from any security interest (save for any of such existing thereon prior to the date of the guarantee);
  - (iii) COSCO (Hong Kong) will maintain an equity interest, either directly or indirectly, of not less than 35% in COSCO Pacific, a fellow subsidiary of the Company, and such equity interest remains free from any security interest (save for any of such existing thereon prior to the date of the guarantee); and
  - (iv) COSCO (Hong Kong) will maintain an equity interest, either directly or indirectly, of not less than 35% in the Company and such equity interest being the single largest shareholding in the Company.

### **Purchase, Sale or Redemption of Listed Securities**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2001.

### **Corporate Governance**

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30th June, 2001, in compliance with the Code of Best Practice as set out in the Appendix 14 of the Listing Rules.

### **Audit Committee**

The Audit Committee has discussed the internal controls and financial reporting matters with management and reviewed the Interim Financial Statements for the six months ended 30th June, 2001.