

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN EQUITY SECURITIES OF THE COMPANY

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance, shows that as at 30th June, 2002, the Company had been notified of the following shareholders' interests, being 10% or more of the issued share capital of the Company:

Name of shareholder	Number of ordinary shares	Percentage of issued share capital
RIL (<i>Note 1</i>)	162,000,000	45.00
Greatwood Investment Trading Limited (<i>Note 2</i>)	97,100,000	26.97
Mr Susanto (<i>Note 2</i>)	97,100,000	26.97

Notes:

1. RIL is ultimately owned by Mr Rusli and Mr Lee as to 37.50% and 45.83% respectively. Accordingly, the effective voting power of Mr Rusli and Mr Lee in the Company are deemed to be 16.88% and 20.62% respectively. These interests are the same interests of Mr Rusli and Mr Lee as disclosed in the section headed "Directors' interests in equity or debt securities".
2. These shares are held by Greatwood Investment Trading Limited, which is wholly-owned by Mr Susanto.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the HKSA.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited interim accounts for the six months ended 30th June, 2002.

The Audit Committee comprises independent non-executive directors, namely Mr Lam Chi Kuen, Frank and Mr Lau Siu Ki, Kevin during the period. Mr Kwok Lam Kwong, Larry was appointed on 15th July, 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the period except that the independent non-executive directors are not appointed for a specific term. The independent non-executive directors are subject to retirement by rotation in accordance with the provisions of the Company's Bye-Laws.

APPRECIATION

The dedication of the Group's management and staff are important ingredients necessary to meet the challenges and opportunities ahead. On behalf of our shareholders and fellow directors, I wish to record my heartfelt thanks to them all.

On behalf of the board

Rusli Hendrawan

Chairman

Hong Kong, 22nd August, 2002