

SUPPLEMENTARY INFORMATION

SUBSTANTIAL SHAREHOLDERS

As the H shares of the Company were listed and commenced trading on the Stock Exchange on 31 July 2002, the Company was not required to maintain a register pursuant to section 16(1) of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) prior to 31 July 2002. For information purposes, the following shareholders had an interest of 10% or more in the total issued share capital of the Company as at 30 June 2002:

Name	Number of domestic shares held	Approximate percentage of holding %
Mr. Wang	150,169,100	38.505
Mr. Lu	107,755,600 (Note)	27.629

Note: Mr. Lu is deemed to be interested in 44,800,700 domestic shares representing about 11.487% interest in the then issued share capital of the Company which are held by Guangzhou Rongjie, a company owned as to 84% by Mr. Lu, pursuant to the SDI Ordinance.

DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS

As the H shares of the Company were listed and commenced trading on the Stock Exchange on 31 July 2002, the Company was not required to maintain a register pursuant to section 29 of the SDI Ordinance nor the Directors, supervisors and chief executives of the Company were required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of listed companies (appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) prior to 31 July 2002. For information purposes, the Directors, supervisors and chief executives of the Company had the following interests in the total issued share capital of the Company as at 30 June 2002:

Name of Director/ Supervisor/Chief executive	Corporate Interests %	Personal Interests %	Family Interests %	Other Interests %	Total Interests %
Mr. Wang	N/A	38.505	N/A	N/A	38.505
Mr. Lu	11.487 (Note)	16.142	N/A	N/A	27.629
Mr. Xia	N/A	8.433	N/A	N/A	8.433

Note: The 11.487% equity interest in the Company is held by Guangzhou Rongjie, a company owned as to 84% by Mr. Lu.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares since the Listing on 31 July 2002 up to the date of this report. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the same period.

INTERIM DIVIDEND

The Company’s H shares were not listed on the Stock Exchange during the six months ended 30 June 2002. The Directors do not recommend an interim dividend for the six months ended 30 June 2002.

SUPPLEMENTARY INFORMATION (cont'd)

AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 8 July 2002 in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review the financial reporting process of the Group. The audit committee consists of the two independent non-executive Directors, namely Professor Li Guo-xun and Mr. Kang Dian and the non-executive Director, Mr. Lu. A meeting was convened by the Company's audit committee, senior management of the Group and the Company's external auditors, PricewaterhouseCoopers to review the Group's financial statements, the accounting principles and practices adopted by the Group and to discuss scope of audit reviews, internal control and risk management and financial reporting matters (including the unaudited interim financial statements for the six months ended 30 June 2002 before recommending them to the board of directors of the Company ("Board") for approval).

COMPLIANCE WITH THE CODE OF BEST PRACTICE UNDER THE LISTING RULES

The Board is pleased to confirm that the Company has complied with the Code of Best Practice under the Listing Rules.

None of the Directors is aware of any information that would reasonably indicate that the Group is not, or was not for any part of the Period, in compliance with the Code of Best Practice as set out in the Appendix 14 to the Listing Rules during the Period.

By order of the Board
Wang Chuan-fu
Chairman

Hong Kong, 26 August 2002