



DIRECTORS' INTEREST IN SHARE EQUITY AND DEBT SECURITIES

At 30th June 2002, the interests of the directors in the shares of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”)) as recorded in the register maintained by the Company under Section 29 of SDI Ordinance or as notified to the Company are as follows:-

Name of directors	Personal interests	Number of ordinary shares	
		Family interests	Corporate interests
Mr. Lao Yuan-Yi	42,080,000	–	75,308,000
Prof. Woo Chia-Wei	–	72,000	–

Arrangement on share options granted to directors are set out in the previous part of this report. Saved as disclosed above, none of the directors had any interests in the shares and options of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30th June 2002.

Apart from the share option scheme as mentioned in the previous part of this report, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executive (including their spouse and children under 18 years of age) of the Company and its associated corporations, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

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 substantial shareholder's interests, being 10% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Name of shareholder	Number of ordinary shares in the Company
China Assets (Holdings) Limited	238,032,000



SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

China Assets is a Hong Kong listed company, which is also an associated company of the Group. Apart from the above, so far as the directors are aware, there are no parties which were, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital of the Company as at 30th June 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.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including a review of the unaudited interim accounts for the six months ended 30th June 2002 approved by the directors.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the period, except that the independent non-executive directors of the Company are not appointed for specific terms and are subject to re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

By order of the Board

LAO Yuan Yi

Chairman and Managing Director

Hong Kong, 13th September 2002