

EMPLOYEES

As at 30 June 2002, the Group employed approximately 430 employees including 289 crew (31 December 2001: 370 employees including 237 crew). The Group remunerated its employees in accordance with their performances, experiences and prevailing market practices and provided them with usual fringe benefits.

OUTLOOK

Looking ahead, the global economy is expected to continue a trend of slow recovery in the foreseeable future. The dry bulk market has just started to pick up quite strongly due to strong demand and therefore we are optimistic for the rest of 2002. The Group is confident that there would be sufficient demand to meet its tonnage commitments. While focusing the core shipping businesses, the Group will continue taking efforts to improve efficiency, reduce the operating costs and remain conscious to the changing market conditions in mapping out its business and investment strategies.

DIRECTORS' INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES

As at 30 June 2002, the directors had the following interests in the share capital of the Company and its associated corporations which is required to be recorded in the Register of Directors' Interests pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies:

Name	Type of interests	No. of shares in the Company	No. of shares in Jinhui Shipping and Transportation Limited
Mr. Ng Siu Fai	Interests other than personal, family and corporation	Note	Note
Mr. Ng Kam Wah Thomas	Interests other than personal, family and corporation	Note	Note
Mr. Ng Ki Hung Frankie	Interests other than personal, family and corporation	Note	Note
Mr. So Wing Hung Peter	Family interests	2,500,000	15,000

Note: Lorimer Limited, in its capacity as trustee of the Ng Hing Po 1991 Trust, is the legal owner of the entire issued share capital of Fairline Consultants Limited which is the legal and beneficial owner of 303,856,282 shares of the Company and 494,049 shares of Jinhui Shipping and Transportation Limited as at 30 June 2002. The Ng Hing Po 1991 Trust is a discretionary trust, the eligible beneficiaries of which include members of the Ng family. Both Messrs. Ng Siu Fai and Ng Kam Wah Thomas are directors of Fairline Consultants Limited.

Save as disclosed herein, none of the directors or their associates had any interest either beneficially or non-beneficially in any shares of the Company, its holding company or any of its subsidiaries and associated corporations within the meaning of the SDI Ordinance at balance sheet date and at no time during the six months ended 30 June 2002 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors or any of their spouses or children under eighteen years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

According to the register of substantial shareholders maintained under section 16(1) of the SDI Ordinance, the following shareholder had an interest representing 10% or more of the issued share capital of the Company as at 30 June 2002:

Name of shareholder	No. of shares in the Company
Fairline Consultants Limited	303,856,282

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2002.

CODE OF BEST PRACTICE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not at any time during the six months ended 30 June 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the Non-Executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

By Order of the Board
Ng Siu Fai
Chairman and Managing Director

Hong Kong, 18 September 2002