



SUBSTANTIAL SHAREHOLDERS

As at 30 June 2002, according to the register kept by the Company under Section 16(1) of the SDI Ordinance, the following persons were, directly or indirectly, beneficially interested in 10% or more of the issued share capital of the Company:

Name of shareholder	<i>Notes</i>	Number of ordinary shares held
Shougang Holding (Hong Kong) Limited ("Shougang HK")	1	900,821,925
Grand Invest International Limited ("Grand Invest")	2	568,340,765
Cheung Kong (Holdings) Limited ("Cheung Kong")	3	255,401,955

Notes:

- 320,000,000 shares held by Shougang HK were registered in the name of The Hongkong Chinese Bank, Limited (the "Bank") as such shares were pledged by Shougang HK to the Bank pursuant to a share mortgage deed dated 3 November 2000.
- Grand Invest is a wholly-owned subsidiary of Shougang HK and its interests are included in the interests held by Shougang HK.
- By virtue of their interests in Cheung Kong, the following person and companies are each deemed to be interested in the 255,401,955 shares held by Cheung Kong:

Mr. Li Ka Shing
 Li Ka-Shing Unity Holdings Ltd
 Li Ka-Shing Unity Trustee Co Ltd
 as trustee of The Li Ka-Shing Unity Trust
 Li Ka-Shing Unity Trustee Corporation Ltd
 as trustee of The Li Ka-Shing Unity Discretionary Trust



AUDIT COMMITTEE

The Company has engaged the Auditors to assist the Audit Committee to review the 2002 interim results of the Group. A meeting of the Audit Committee was held with the Auditors and the management of the Company on 13 September 2002 for, amongst other things, reviewing the interim results of the Group for the period ended 30 June 2002.

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the directors of the Company is aware of information which would reasonably indicate that the Company is not, or was not, for any part of the six months ended 30 June 2002, in compliance with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of the Company's articles of association.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By Order of the Board
Cao Zhong
Managing Director

Hong Kong, 25 September 2002