



PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2002.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY AND ITS RESPECTIVE ASSOCIATED CORPORATIONS

As at 30 June 2002, none of the directors, chief executives or their respective associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Name of shareholder	Notes	Number of shares held
Shougang HK	(1)	279,797,400
Shougang International	(2)	279,797,400
Fair Union Holdings Limited ("Fair Union")		279,797,400
Richson Limited ("Richson")	(3)	144,984,400

Notes:

- (1) Shougang HK was deemed to be interested in those shares by virtue of its controlling interest in Shougang International.
- (2) Shougang International was deemed to be interested in those shares by virtue of its 100% shareholding in Fair Union.
- (3) Richson is a wholly owned subsidiary of Fair Union and the interest in the 144,984,400 shares held is included in the interest in 279,797,400 shares reported by Fair Union.

Save as disclosed above, no other person had registered an interest in the share capital of the Company under Section 16(1) of the SDI Ordinance.



AUDIT COMMITTEE

The Audit Committee of the Company acts in an advisory capacity, review and make recommendations to the Board in respect of the Company's financial reporting matters (including interim financial statements for the six months ended 30 June 2002 before the Board's approval) and internal control at the Audit Committee meeting held on 9 September 2002.

CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the accounting period under review, except in relation to guideline 7, where the non-executive directors are not appointed for specific terms. Non-executive directors are subject to retirement by rotation and re-election at the annual general meetings of the Company, in accordance with the Company's articles of association.

APPRECIATION

On behalf of the Board, I would like to express my sincere thanks for the shareholders, the management team and the employees of the Company for their support and consistent hard work respectively.

By Order of the Board

Tong Yihui

Managing Director

Hong Kong

25 September 2002

This interim report can also be accessed through the internet at the Company's website <http://www.shougangcentury.com.hk>.

