

PURCHASE, SALE OR REDEMPTION OF SHARES

125,000,000 RCCPS of US\$0.01 each were redeemed at par for cash and 125,000,000 ordinary shares of US\$0.01 each were issued at par for cash. Also on the same date, all the authorised RCCPS of US\$0.01 each have been converted into ordinary shares of US\$0.01 each of the Company.

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period from 27th June, 2003, the date of listing of the Company's shares, to 30th June, 2003.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2003, the interests and short positions of the directors ("Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name	Interests in Shares		Total number of Shares	Percentage of issued Shares
	Number of Shares in which interested (other than under equity derivatives)	Number of Shares in which interested under physically settled equity derivatives		
Mr. YANG, Tou-Hsiung	424,325,488 (Note 1)	4,500,000 (Note 3)	428,825,488	29.45%
Mr. YANG, Chen-Wen	424,325,488 (Note 2)	4,500,000 (Note 3)	428,825,488	29.45%
Mr. YANG, Cheng	—	4,500,000 (Note 3)	4,500,000	0.31%
Mr. YANG, Kun-Hsiang	—	4,500,000 (Note 3)	4,500,000	0.31%
Mr. WANG, Joel J.	—	4,500,000 (Note 3)	4,500,000	0.31%
Mr. HUANG, Ching-Jung	—	500,000 (Note 3)	500,000	0.03%
Mr. LAM, Tuan	—	500,000 (Note 3)	500,000	0.03%
Mr. CHAO, Pei-Hong	—	500,000 (Note 3)	500,000	0.03%
Ms. CHUANG Shu-Fen	—	500,000 (Note 3)	500,000	0.03%

Notes:

1. Mr. YANG, Tou-Hsiung's interest in Shares are held in the following capacities:

Capacity	Number of Shares	Number of Shares through physically settled equity derivatives ****
Beneficial owner	—	4,500,000***
Interest of company controlled by him	82,897,246*	—
Others	341,428,242**	—

* Mr. YANG, Tou-Hsiung is entitled to exercise or control the exercise of more than one-third of the voting power of King International Limited ("King International") and King International is the holder of such 82,897,246 Shares (of which 55,472,000 Shares have been lent to DBS Asia Capital Limited under certain stock borrowing/lending agreement).

** Mr. YANG, Tou-Hsiung is entitled to exercise or control the exercise of more than one-third of the voting power of King International, which is the holder of 40 per cent. of all the issued and outstanding units in the Royal Trust and is taken to be interested in the 341,428,242 Shares in which DBS Trustee Limited as trustee of the Royal Trust is interested. These 341,428,242 Shares include 62,172,933 Shares held by each of Concord Worldwide Holdings Ltd. ("Concord Worldwide") and High Capital Investments Limited ("High Capital") and 217,082,376 Shares held by DBS Trustee Limited as trustee of the Royal Trust.

*** Mr. YANG, Tou-Hsiung is interested in 4,500,000 Shares pursuant to the options granted to him on 13th June, 2003 under the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13th June, 2004 to 12th June, 2008.

**** These derivatives are unlisted.

2. Mr. YANG, Chen-Wen's interest in Shares are held in the following capacities:

Capacity	Number of Shares	Number of Shares through physically settled equity derivatives ****
Beneficial owner	—	4,500,000***
Interest of company controlled by him	62,172,933*	—
Others	362,152,555**	—

* Mr. YANG, Chen-Wen is entitled to exercise or control the exercise of one-third of the voting power of High Capital and High Capital is the holder of such 62,172,933 Shares.

** Mr. YANG, Chen-Wen is entitled to exercise or control the exercise of one-third of the voting power of High Capital, which is the holder of 30 per cent. of all the issued and outstanding units in the Royal Trust and is taken to be interested in the 362,152,555 Shares in which DBS Trustee Limited as trustee of the Royal Trust is interested. These 362,152,555 Shares include 62,172,933 Shares held by Concord Worldwide, 82,897,246 Shares held by King International and 217,082,396 Shares held by DBS Trustee Limited as trustee of the Royal Trust.

*** Mr. YANG, Chen-Wen is interested in 4,500,000 Shares pursuant to the options granted to him on 13th June, 2003 under the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13th June, 2004 to 12th June, 2008.

**** These derivatives are unlisted.

3. Various interests of the Directors and chief executive pursuant to physically settled equity derivatives are through share options granted pursuant to the Pre-IPO Share Option Scheme. Details are set out in the paragraph headed "Share Option Schemes" below.

Save as disclosed above, as at 30th June, 2003, none of the Directors and chief executive of the Company and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSABLE UNDER THE SFO

So far as is known to any Directors or chief executive of the Company, as at 30th June, 2003, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Interests in Shares		Total number of Shares	Percentage of issued Shares
	Number of Shares in which interested (other than under equity derivatives)	Number of Shares in which interested under physically settled equity derivatives		
Billion Power Limited	460,237,609	—	460,237,609	31.61%
Taiwan Vedan	460,237,609 (Note 1)	—	460,237,609	31.61%
DBS Trustee Limited	424,325,488 (Note 2)	—	424,325,488	29.14%
The Development Bank of Singapore Ltd. ("DBS Bank")	625,938,391 (Note 3)	55,472,000 (Note 4)	681,410,391	46.80%
DBS Group Holdings Limited ("DBS Holdings")	625,938,391 (Note 5)	55,472,000 (Note 5)	681,410,391	46.80%
King International	424,325,488 (Note 6)	—	424,325,488	29.14%
Concord Worldwide	424,325,488 (Note 7)	—	424,325,488	29.14%
High Capital	424,325,488 (Note 8)	—	424,325,488	29.14%
J.P. Morgan Chase & Co.	85,604,000 (Note 9)	—	85,604,000	5.88%

Notes:

1. Taiwan Vedan is entitled to exercise or control the exercise of more than one-third of the voting power of Billion Power and is therefore taken to be interested in these 460,237,609 Shares held by Billion Power.
2. Of these 424,325,488 Shares, 217,082,376 Shares are held by DBS Trustee Limited as trustee of the Royal Trust and the remaining 82,897,246, 62,172,933 and 62,172,933 Shares are held by King International, Concord Worldwide and High Capital respectively, each of which is party to an agreement under section 317(1)(a) of the SFO with DBS Trustee Limited.
3. Of these 625,938,391 Shares, 201,612,903 Shares are held by DBS Nominees (Private) Limited as nominee of DBS Bank, 217,082,376 Shares are held by DBS Trustee Limited as trustee of the Royal Trust and DBS Bank is entitled to exercise or control the exercise of more than one-third of the voting power of DBS Trustee Limited and the remaining 82,897,246, 62,172,933 and 62,172,933 Shares are held by King International, Concord Worldwide and High Capital respectively, each of which is party to an agreement under section 317(1)(a) of the SFO with DBS Trustee Limited.
4. Such interests pursuant to physically settled equity derivatives are through certain over-allotment option granted by the Company to DBS Asia Capital Limited. DBS Bank is entitled to exercise or control the exercise of more than one-third of the voting power of DBS Asia Capital Limited and is therefore taken to be interested in such Shares.
5. DBS Holdings is entitled to exercise or control the exercise of more than one-third of the voting power of DBS Bank and is therefore taken to be interested in the Shares in which DBS Bank is interested.
6. King International directly holds 82,897,246 Shares (of which 55,472,000 Shares have been lent to DBS Asia Capital Limited under certain stock borrowing/lending agreement) and is the holder of 40 per cent. of all the issued and outstanding units in the Royal Trust. Accordingly, King International is taken to be interested in the 341,428,242 Shares in which DBS Trustee Limited as trustee of the Royal Trust is interested. These 341,428,242 Shares include 62,172,933 Shares held by each of Concord Worldwide and High Capital and 217,082,376 Shares held by DBS Trustee Limited as trustee of the Royal Trust.
7. Concord Worldwide directly holds 62,172,933 Shares and is the holder of 30 per cent. of all the issued and outstanding units in the Royal Trust. Accordingly, Concord Worldwide is taken to be interested in the 362,152,555 Shares in which DBS Trustee Limited as trustee of the Royal Trust is interested. These 362,152,555 Shares include 62,172,933 Shares held by High Capital, 82,897,246 Shares held by King International and 217,082,396 Shares held by DBS Trustee Limited as trustee of the Royal Trust.
8. High Capital directly holds 62,172,933 Shares and is the holder of 30 per cent. of all the issued and outstanding units in the Royal Trust. Accordingly, High Capital is taken to be interested in the 362,152,555 Shares in which DBS Trustee Limited as trustee of the Royal Trust is interested. These 362,152,555 Shares include 62,172,933 Shares held by Concord Worldwide, 82,897,246 Shares held by King International and 217,082,396 Shares held by DBS Trustee Limited as trustee of the Royal Trust.
9. J.P. Morgan Chase & Co. is interested in a lending pool of 10,140,000 Shares representing 0.70% of the issued Shares.

Short position in Shares

Name	Number of Shares in which a short position under stock borrowing/lending agreement	Percentage of issued Shares
DBS Bank	55,472,000 <i>(Note 1)</i>	3.81%
DBS Holdings	55,472,000 <i>(Note 2)</i>	3.81%

Notes:

1. DBS Asia Capital Limited has a short position in these 55,472,000 Shares pursuant to certain stock borrowing/lending agreement. DBS Bank is entitled to exercise or control the exercise of more than one-third of the voting power of DBS Asia Capital Limited and is therefore taken to be interested in such short position.
2. DBS Holdings is entitled to exercise or control the exercise of more than one-third of the voting power of DBS Bank and is therefore taken to be interested in such short position.

Save as disclosed above, as at 30th June, 2003, there was no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the Directors of the company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules at any time during the period from 27th June, 2003, the date of listing of the Company's shares, up to the date of this report.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters included a review of the unaudited condensed accounts for the six months ended 30th June, 2003 with the Directors.

SHARE OPTION SCHEMES

On 13th June, 2003, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were approved by shareholders under which the Directors of the Company may, at their discretion, offer any employee (including any executive director) of the Company or of any of its subsidiaries, options to subscribe for shares in the Company subject to the terms and conditions stipulated in the two schemes.

Options to subscribe for 29,770,000 Shares had been granted to employees on 13th June, 2003 under the Pre-IPO Share Option Scheme. No further options can be, or have been, issued under the Pre-IPO Share Option Scheme from 27th June, 2003, the date of listing of the Shares on the Stock Exchange.

Details of the share options outstanding as at 30th June, 2003 which have been granted to the Directors and 24 employees of the Company and its subsidiaries under the Pre-IPO Share Option Scheme are as follows:

Director/Employees	Number of options			exercise price	date of grant	exercise period
	granted during the period	exercised during the period	held as at 30th June, 2003			
Mr YANG, Tou-Hsiung	4,500,000	—	4,500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr YANG, Chen-Wen	4,500,000	—	4,500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 2nd June, 2008
Mr YANG, Cheng	4,500,000	—	4,500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr YANG, Kun-Hsiang	4,500,000	—	4,500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr WANG, Joel J.	4,500,000	—	4,500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr HUANG, Ching-Jung	500,000	—	500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr LAM, Tuan	500,000	—	500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Mr CHAO, Pei-Hong	500,000	—	500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
Ms CHUANG Shu-Fen	500,000	—	500,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008
24 employees	5,270,000	—	5,270,000	HK\$0.801	13th June, 2003	13th June, 2004 to 12th June, 2008