



## DIRECTORS' INTERESTS IN SHARES

As at 30 June 2003, the directors or chief executive of the Company have the following interests or short positions in shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

<b>Name of director</b>	<b>Name of corporation in which interests are held</b>	<b>Number of shares under options</b>	<b>Nature of interests</b>
Wang Qinghai	The Company (Note 1)	8,278,679	Personal
Cao Zhong	The Company (Note 1)	8,278,679	Personal
Li Shaofeng	The Company (Note 2)	8,278,679	Personal
Xu Xianghua	The Company (Note 1)	8,278,679	Personal
Leung Shun Sang, Tony	The Company (Note 1)	5,795,075	Personal
Leung Shun Sang, Tony	The Company (Note 2)	2,483,604	Personal
Tam King Ching, Kenny	The Company (Note 1)	400,000	Personal
Choy Hok Man, Constance	The Company (Note 1)	400,000	Personal
Cao Zhong	Shougang Concord Technology Holdings Limited ("Shougang Technology") (Note 3)	8,026,000	Personal
Li Shaofeng	Shougang Technology (Note 3)	8,026,000	Personal
Xu Xianghua	Shougang Technology (Note 3)	8,026,000	Personal

**DIRECTORS' INTERESTS IN SHARES (continued)**

<b>Name of director</b>	<b>Name of corporation in which interest in held</b>	<b>Number of shares under option</b>	<b>Nature of interest</b>
Leung Shun Sang, Tony	Shougang Technology (Note 3)	4,816,000	Personal
Leung Shun Sang, Tony	Shougang Technology (Note 4)	3,200,000	Personal
Choy Hok Man, Constance	Shougang Technology (Note 3)	400,000	Personal

During the period, no share options granted were exercised.

*Note 1:* Under the share option scheme of the Company adopted on 7 June 2002, the options to subscribe for shares of HK\$0.01 each in the capital of the Company are exercisable at any time from 23 August 2002 to 6 June 2012 at a subscription price of HK\$0.73 per share of the Company, subject to adjustment. The options were granted on 23 August 2002 to each grantee at a consideration of HK\$1.00.

*Note 2:* Under the share option scheme of the Company adopted on 7 June 2002, the options to subscribe for shares of HK\$0.01 each in the capital of the Company are exercisable at any time from 6 March 2003 to 5 March 2013 at a subscription price of HK\$0.76 per share of the Company, subject to adjustment. The options were granted on 6 March 2003 to each grantee at a consideration of HK\$1.00.

*Note 3:* The Company beneficially owned 46.3% of Shougang Technology. The options to subscribe for shares of HK\$0.25 each in the capital of Shougang Technology are exercisable at any time during the period from 15 November 2002 to 14 November 2012 at an exercise price of HK\$0.58 per share, subject to adjustment. The options were granted on 15 November 2002 to each grantee at a consideration of HK\$1.00.

*Note 4:* The options to subscribe for shares of HK\$0.25 each in the capital of Shougang Technology are exercisable at any time during the period from 14 March 2003 to 13 March 2013 at an exercise price of HK\$0.495 per share, subject to adjustment. The options were granted on 14 March 2003 to each grantee at a consideration of HK\$1.00.

Save as disclosed above, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## DIRECTORS' RIGHT TO ACQUIRE SHARES

Apart from as disclosed under the paragraphs headed "DIRECTORS' INTEREST IN SHARES" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS

At 30 June 2003, the following persons (other than a director or chief executive of the Company) who have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Notes	Number of Shares held	%
Wheeling Holdings Limited	1	430,491,315	50.18
Shougang Holding (Hong Kong) Limited ("Shougang Holding")	1	430,491,315	50.18
Cheung Kong (Holdings) Limited ("CKH")	2, 3	133,048,717	15.51
Max Same Investment Limited	3	91,491,193	10.66

Notes:

1. Wheeling Holdings Limited is a wholly-owned subsidiary of Shougang Holding and its interests above are in respect of the same interests held by Shougang Holding. Shougang Holding is a wholly-owned subsidiary of Shougang Corporation, a state-owned enterprise in Mainland China.
2. By virtue of their interests in CKH, the following person and companies are each deemed to be interested in the 133,048,717 shares held by CKH:
  - Mr. Li Ka-Shing
  - Li Ka-Shing Unity Holdings Ltd.
  - Li Ka-Shing Unity Trustee Company Ltd.
  - Li Ka-Shing Unity Trustee Corporation Ltd.
3. Max Same Investment Limited is a wholly-owned subsidiary of CKH and its interests above are included in the interests held by CKH.

Save as disclosed above, no other person (other than a director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



## **PURCHASE, SALE, REDEMPTION AND CANCELLATION OF THE COMPANY'S SECURITIES**

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Neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities during the period.

## **AUDIT COMMITTEE**

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The Audit Committee engaged the auditors of the Company to assist in its review of the 2003 interim results of the Company and the auditors conducted their review in accordance with Hong Kong Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A meeting of the Audit Committee was held on 18 September 2003 with the auditors for, amongst other things, reviewing the interim results of the Company for the period ended 30 June 2003.

## **CODE OF BEST PRACTICE**

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In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2003 except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

## **APPRECIATION**

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The Board of Directors would also like to take opportunity to express our gratitude to our shareholders for their continued support, and to all our staff for their dedication and hard work.

By order of the Board of Directors

**Cao Zhong**  
*Vice-Chairman*

Hong Kong, 26 September 2003