

SUBSTANTIAL SHAREHOLDERS' INTEREST

At 30 September 2003, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as is known to the Directors, the Shareholders, other than a Director or chief executive of the Company, who had an interest or short position in the shares and 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 who were directly or indirectly interested in 10 per cent. or more of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company together with the number of shares in which they were deemed to be interested were:

Name of Shareholder	Number of issued ordinary shares held	No. of underlying ordinary shares (unissued) held	Total number of ordinary shares (issued and unissued held)	Approximate percentage of the issued shares
Cititrust (Bahamas) Limited (note i)	396,213,620	1,800,000	398,013,620	65.15%
Chiangs' Industrial Holdings Limited (note i)	396,213,620	1,800,000	398,013,620	65.15%
CH Investments (note i)	396,213,620	1,800,000	398,013,620	65.15%
MA Jwung Hwa (note ii)	396,213,620	4,800,000	401,013,620	65.64%
Heinrich WEISS (note iii)	39,466,380	–	39,466,380	6.46%
SMS Aktiengesellschaft (note iii)	39,466,380	–	39,466,380	6.46%
Battenfeld Gloucester Engineering Co. Inc. (note iii)	39,466,380	–	39,466,380	6.46%
Battenfeld Capital Corporation (note iii)	39,466,380	–	39,466,380	6.46%
The Capital Group Companies Inc.	37,032,000	–	37,032,000	6.06%

Notes:

- i This represents the same parcel of shares held by CH Investments. Cititrust (Bahamas) Limited is deemed to have interest in the relevant shares by virtue of being trustee of The Chiang Chen Industrial Charity Foundation, the relevant shares are held through its controlled corporations as follows:

Name of corporation	Controlled by	Approximate percentage of control
Chiangs' Industrial Holdings Limited	Cititrust (Bahamas) Limited	100%
CH Investments	Chiangs' Industrial Holdings Limited	74.42%

Details of the interests in underlying ordinary shares (unissued) derived from share options granted under the share option scheme of the Company adopted on 23 August 2002 and remain outstanding are as follows:

Name of holder	Number of share options outstanding	Exercise price	Date of grant*	Exercise period		Total interests (approximate percentage of the issued shares)
				From	To	
		(HK\$)	(D/M/Y)	(D/M/Y)		
CH Investments	600,000	1.988	11/03/2003	11/03/2004	10/03/2013	1,800,000
	600,000	1.988	11/03/2003	11/03/2006	10/03/2013	(0.29%)
	600,000	1.988	11/03/2003	11/03/2008	10/03/2013	

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

- ii This represents the deemed interest held by Dr. Chen CHIANG, the spouse of MA Jwung Hwa. Please refer to the section "Directors' Interests in Securities" for the details of Dr. Chen CHIANG's interest.

- iii This represents the same parcel of shares held by Battenfeld Capital Corporation, the share capital of which is controlled by the following corporations:

Name of corporation	Controlled by	Approximate percentage of control
SMS Aktiengesellschaft	Heinrich WEISS	50%
Battenfeld Gloucester Engineering Co. Inc.	SMS Aktiengesellschaft	100%
Battenfeld Capital Corporation	Battenfeld Gloucester Engineering Co. Inc.	100%

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES 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 under review.

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 including the review of the unaudited interim results for the six months ended 30 September 2003.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code"), as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the interim report, except that the non-executive directors of the Company are not appointed for a specific term as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

By Order of the Board
Chen CHIANG
Chairman

Hong Kong, 28 November 2003