

DIRECTORS' RIGHT TO ACQUIRE SECURITIES

At no time during the six months ended 30 September 2003 was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company as of 30 September 2003, as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance, are as follows:

Name of shareholder	Notes	Number of ordinary shares held	Percentage of issued share capital
Winhale Ltd.	(a)	490,934,400	58.11%
Braveway Limited	(b)	490,934,400	58.11%
HSBC Holdings plc	(c)	490,934,400	58.11%
HSBC Bank plc	(c)	490,934,400	58.11%
Midcorp Limited	(c)	490,934,400	58.11%
Griffin International Limited	(c)	490,934,400	58.11%
HSBC Europe BV	(c)	490,934,400	58.11%
HSBC Europe (Netherlands) BV	(c)	490,934,400	58.11%
HSBC International Trustee Limited	(c)	490,934,400	58.11%
Guideshare Investments Limited	(d)	47,546,628	5.63%
Shek Yuen Ling	(d)	47,546,628	5.63%

Notes:

- (a) The above interest in the name of Winhale Ltd. was also disclosed as interests of Mr Ngai under the heading "Interests of Directors and Chief Executive Officer". In addition, these shares are ultimately beneficially owned by the Xyston Trust.
- (b) Winhale Ltd. is wholly owned by the Braveway Unit Trust. Braveway Limited being the trustee of the Braveway Unit Trust is deemed to be interested in the 490,934,400 shares in the Company held by Winhale Ltd.
- (c) HSBC International Trustee Limited being the trustee of Xyston Trust is deemed to be interested in the 490,934,400 shares in the Company held by Xyston Trust. Each of HSBC Holdings plc, HSBC Bank plc, Midcorp Limited, Griffin International Limited, HSBC Europe BV and HSBC Europe (Netherlands) BV being the holding company of HSBC International Trustee Limited is deemed to be interested in the 490,934,400 shares in the Company held by Xyston Trust.
- (d) Ms. Shek Yuen Ling, who controls Guideshare Investments Limited, is deemed to be interested in the 47,546,628 shares in the Company held by Guideshare Investments Limited.



INTEREST OF ANY OTHER PERSONS

As of 30 September 2003, the Company had not been notified of any persons (other than the substantial shareholders or the directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2003.

CORPORATE GOVERNANCE

Audit Committee Review

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters. The Audit Committee has also reviewed the unaudited interim financial statements.

Code of Best Practice

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

To comply with the Code of Best Practice, the Audit Committee comprising the two independent non-executive directors of the Company was set up on 8 September 2000 with written terms of reference for the purpose of reviewing and providing supervision on the financial reporting process and internal control of the Group.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members of the Group for their hard work and dedication and the all shareholders of the Company for their support.

On behalf of the Board
Ngai Chun Hung
Chairman

Hong Kong, 11 December 2003