

DIRECTORS' INTEREST IN SHARES

As at 30 September 2003, none of Director and chief executive of the Company is interested in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2003, so far as is known to the Company, the following shareholders, other than directors or chief executives of the Company, had 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 is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Name of Shareholder	Number or attributable number of Shares or underlying Shares held or short position	Approximate percentage or attributable percentage of shareholding (%)
Heng Fung Holdings Limited	302,728,157 (L) <i>(Note 1)</i>	24.97
	300,000,000 (S) <i>(Note 2)</i>	24.74
EnerSave Holdings Limited	300,000,000 (L) <i>(Note 2)</i>	24.74
Hai Xia Finance Holdings Limited	101,549,457 (L) 101,549,457 (S)	8.38
Wong Kai Wing	69,106,000 (L)	5.7

L: Long Position

S: Short Position

Notes:

1. These shares or underlying shares are held as to 84,100,700 shares by Sure World Capital Limited, as to 10,104,000 shares by Rasa Sayang Limited, as to 3,388,000 shares by Heng Fung Capital Company Limited and as to 200,000 shares by Heng Fung Underwriter Limited, all of which are wholly-owned subsidiaries of Heng Fung Holdings Limited and as to the remaining 204,935,457 Shares by Heng Fung Holdings Limited.
2. The Company has been informed by Heng Fung Holdings Limited that it has granted a call option to EnerSave Holdings Limited for the subscription of 300,000,000 shares of the Company. Details of which were stated in the Company's announcement dated 5 September 2003.

Save as disclosed above, the Company has not been notified of any other shareholders who had any 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 is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company as at 30 September 2003.

CORPORATE GOVERNANCE

Audit Committee

The Audit Committee, comprising Messrs. Zhao Yuhua, Mao Er-wan and Wong Sin Yue, Cynthia has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 September 2003.

Compliance with Code of Best Practice

The Directors are of the opinion that the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") from 1 April 2003 to 30 September 2003.

Purchase, Sale and Redemption of Shares

For the six months period ended 30 September 2003, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

By Order of the Board of
Liu Ming Hui
Managing Director

22 December 2003