

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that, as at 30th September, 2003, the Company had been notified of the following substantial shareholders' interests and short position, being 5% or more of the Company's issued share capital.

Name of shareholder	Number of shares held	Approximate percentage of the total number of shares in issued
Ordinary shares of HK\$0.01 each of the Company		
Shen Gang Limited <i>(Note)</i>	70,568,000	23.9%
Parkwin Global Limited	49,312,000	16.7%

Note: The interest is also disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" disclosed above.

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital as at 30th September, 2003.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim financial report for the six months ended 30th September, 2003.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, during the six months ended 30th September, 2003 in compliance 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, except that the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association and as the Company's directors are reside in both mainland China and Hong Kong. They were unable to convene together to hold a full board meeting during the first half-year.

By Order of the Board

Wang Chun Lin

Chairman

Hong Kong, 22nd December, 2003