

SUBSTANTIAL SHAREHOLDERS

As at 31 October 2003, the register of substantial shareholders maintained by the Company, pursuant to Section 336 of the SFO, showed that the following persons, other than the Directors of the Company, whose interests are disclosed above, had an interest of 5% or more of the nominal value of the issued share capital of the Company carrying right to vote in all circumstances at general meeting of the Company:

Name of shareholders	Number of shares of HK\$0.01 each held in the Company	Percentage of issued share capital held
Invest Gain Limited	1,200,000,000	57.81%
Wealth Bonus Limited	240,591,000	11.59%

Save as disclosed above, the Directors are not aware of any other person interested in 5% or more of the issued share capital of the Company as at 31 October 2003.

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

Save as disclosed, during this six months ended 31 October 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group as well as the review of the unaudited interim financial statements. The Committee comprises Mr. Zhang Yuan Duan and Ms. Nie Mei Sheng, two independent non-executive directors of the Company.

CODE OF BEST PRACTICE

In the opinion of Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the year.

*By Order of the Board of
Neo-China Group (Holdings) Limited
Li Song Xiao
Chairman*

Hong Kong, 16 January, 2004