

Going forward, the Board would continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet size as appropriate; maintain a balance in its employment mix by engaging part of its fleet in longer term charters to ensure certainty in future earnings for the Group; and adopt more stringent risk management procedures.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES

As at 30 June 2004, the directors of the Company had the following interests and long positions in shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"):

Name	Type of interests	The Company		Jinhui Shipping	
		No. of shares in the Company	Percentage of total issued shares of the Company	No. of shares in Jinhui Shipping	Percentage of total issued shares of Jinhui Shipping
Ng Siu Fai	Family interests	2,134,000	4.06%	–	–
	Other interests	Note	Note	Note	Note
Ng Kam Wah Thomas	Other interests	Note	Note	Note	Note
Ng Ki Hung Frankie	Other interests	Note	Note	Note	Note
So Wing Hung Peter	Family interests	218,000	0.41%	15,000	0.02%

*Note: Lorimer Limited, in its capacity as trustee of the Ng Hing Po 1991 Trust, is the legal owner of the entire issued share capital of Fairline Consultants Limited which is the legal and beneficial owner of 30,385,628 shares of the Company (representing 57.74% of the total issued shares of the Company) and 494,049 shares of Jinhui Shipping and Transportation Limited ("Jinhui Shipping") (representing 0.5% of the total issued shares of Jinhui Shipping) as at 30 June 2004. The Ng Hing Po 1991 Trust is a discretionary trust, the eligible beneficiaries of which include members of the Ng family. Both Messrs. Ng Siu Fai and Ng Kam Wah Thomas are directors of Fairline Consultants Limited.*

Save as disclosed above, as at 30 June 2004, none of the directors, chief executive or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded and kept in the register in accordance with Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable any director or chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor chief executive of the Company or any of their spouses or children under the age of 18 had any interest in, or had been granted, any right to subscribe for the shares in or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), or had exercised any such right during the period.

### **SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2004, in accordance with the register kept under Section 336 of the SFO, the following person (other than the directors or chief executive of the Company) had interests representing 5% or more of the issued share capital of the Company:

<b>Name of shareholder</b>	<b>No. of shares in the Company</b>	<b>Percentage of total issued share of the Company</b>
Fairline Consultants Limited	30,385,628	57.74%

Save as disclosed herein, as at 30 June 2004, the Company has not been notified of any person (other than the directors or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2004.