

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2004, the directors of the Company (the "Directors") and chief executive of the Company had the following interests or short positions in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or 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 ("Model Code"), were as follows:

| Name of Director | Name of corporation in which interests are held | Number of Shares | Number of Shares under options | Nature of interests | % to the issued share capital as at 30.6.2004 |
|-------------------------|---|------------------|--------------------------------|---------------------|---|
| Wang Qinghai | Company | 8,278,679 | - | Personal | 0.88 |
| Cao Zhong | Company | 8,278,679 | 21,447,000 (Note 1) | Personal | 3.16 |
| Chen Zheng | Company | - | 18,015,000 (Note 1) | Personal | 1.92 |
| Wang Tian | Company | - | 16,299,000 (Note 1) | Personal | 1.74 |
| Cheng Xiaoyu | Company | 8,278,679 | 15,441,000 (Note 1) | Personal | 2.53 |
| Leung Shun Sang, Tony | Company | 8,278,000 | 75 (Note 2) 604 (Note 3) | Personal | 0.88 |
| Choy Hok Man, Constance | Company | 400,000 | - | Personal | 0.04 |

Notes:

- Under the share option scheme of the Company adopted on 7 June 2002 and the terms and conditions as set out in the circular of the Company dated 10 May 2004, the options to subscribe for the Shares will be exercisable not later than 7 June 2014 at a subscription price of HK\$0.82 per Share, subject to adjustment and the following restrictions on the exercise period of the options and sale of the relevant shares:
 - up to 40%, 70%, the balance of the share options will be exercisable from the 13th, the 25th and the 37th month respectively after the date of offer of grant;
 - the Shares then in issue may not be sold within 90 days from their relevant allotment dates.

The options were granted on 8 June 2004 to each grantee at a consideration of HK\$1.00.
- Under the share option scheme of the Company adopted on 7 June 2002, the options to subscribe for the Shares are exercisable at any time from 23 August 2002 to 6 June 2012 at a subscription price of HK\$0.73 per Share, subject to adjustment. The options were granted on 23 August 2002 to each grantee at a consideration of HK\$1.00.
- Under the share option scheme of the Company adopted on 7 June 2002, the options to subscribe for the Shares are exercisable at any time from 6 March 2003 to 5 March 2013 at a subscription price of HK\$0.76 per Share, subject to adjustment. The options were granted on 6 March 2003 to each grantee at a consideration of HK\$1.00.



DIRECTORS' INTERESTS IN SECURITIES (continued)

Save as disclosed above, none of the Directors and chief executive of the Company hold any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) notifiable to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, according to the register kept by the Company under Section 336 of the SFO, the following persons and companies were interested in 5% or more in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

| Name | Notes | Number of Shares held | % |
|--|-------|-----------------------|-------|
| Shougang Holding (Hong Kong) Limited ("Shougang Holding") | 1 | 445,731,315 | 47.45 |
| Wheeling Holdings Limited | 1 | 430,491,315 | 45.83 |
| Cheung Kong (Holdings) Limited ("Cheung Kong") | 2,3 | 133,048,717 | 14.16 |
| Max Same Investment Limited | 3 | 91,491,193 | 9.74 |

Notes:

1. Wheeling Holdings Limited is a wholly-owned subsidiary of Shougang Holding and its interests are included in the interests held by Shougang Holding.
2. By virtue of their interests in Cheung Kong, the following person and companies are each deemed to be interested in the Shares held by Cheung Kong:

Mr. Li Ka-Shing

Li Ka-Shing Unity Trustcorp Limited as a trustee of a discretionary trust holding units in the Li Ka-Shing Unity Trust.

Li Ka-Shing Unity Trustee Company Limited as trustee of the Li Ka-Shing Unity Trust.

Li Ka-Shing Unity Trustee Corporation Limited as trustee of the Li Ka-Shing Unity Discretionary Trust.

3. Max Same Investment Limited is a wholly-owned subsidiary of Cheung Kong and its interest is included in the interests held by Cheung Kong.

