

### **DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the period was the Company or its subsidiaries a party to any arrangements to enable the directors or the chief executives of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **DIRECTORS' INTEREST AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2004, none of the Directors of the Company were beneficially interested in or had short position in any equity or debt securities 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 maintained 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.

### **SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2004, according to the register of interest in shares and short positions required to be kept by the Company under Section 336 of the SFO showed that the Company had been notified of the following parties with interests representing 5% or more of the issued share capital of the Company:

<b>Name of shareholder</b>	<b>Number of shares held</b>	<b>% of total issued shares</b>
HC Technology Capital Company Limited ("HC Technology")	279,241,379 (a)	53.7
Fujian Investment and Development Company Limited ("FIDC")	279,241,379 (a)	53.7
Sino Earn Holdings Limited ("Sino Earn")	72,553,382 (b)	14.0
Fujian Huaxing Trust & Investment Company ("FHTI")	72,553,382 (b)	14.0
Fujian Huaxing Industrial Company ("FHIC")	72,553,382 (b)	14.0

Notes:

- (a) HC Technology beneficially holds 279,241,379 shares in the Company. Pursuant to the SFO, FIDC is deemed to be interested in the 279,241,379 shares by virtue of its being beneficially interested in 100% of the issued share capital of HC Technology. FIDC is a state-owned corporation in the PRC.
- (b) Sino Earn beneficially holds 72,553,382 shares in the Company. Pursuant to the SFO, each of FHTI and FHIC is deemed to be interested in the 72,553,382 shares by virtue of their being beneficially interested in 30% and 70% of the issued share capital of Sino Earn respectively. Both FHTI and FHIC are state-owned corporations in the PRC.

Save as disclosed above, as at 30 September 2004, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO.

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

Neither the Company nor any of its subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the period.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30 September 2004.

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE**

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2004, in compliance with Appendix 14 of the Listing Rules.

By Order of the Board  
**Fujian Holdings Limited**  
**Wang Xiaowu**  
*Chairman*

Hong Kong, 29 December 2004