

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 30 June 2005, the persons or corporations (not being a Director or chief executive of the Company) who have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

Name	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
Li Ka-shing	Founder of discretionary trusts & interest of controlled corporations	1,429,024,545 (L) <i>(Notes 1 &amp; 2)</i>	36.74%
Li Ka-Shing Unity Trustee Corporation Limited <i>(as trustee of The Li Ka-Shing Unity Discretionary Trust)</i>	Trustee & beneficiary of a trust	1,429,024,545 (L) <i>(Notes 1 &amp; 2)</i>	36.74%
Li Ka-Shing Unity Trustcorp Limited <i>(as trustee of another discretionary trust)</i>	Trustee & beneficiary of a trust	1,429,024,545 (L) <i>(Notes 1 &amp; 2)</i>	36.74%
Li Ka-Shing Unity Trustee Company Limited <i>(as trustee of The Li Ka-Shing Unity Trust)</i>	Trustee	1,429,024,545 (L) <i>(Notes 1 &amp; 2)</i>	36.74%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	1,429,024,545 (L) <i>(Notes 1 &amp; 2)</i>	36.74%
Cheung Kong Investment Company Limited	Interest of controlled corporations	476,341,182 (L) <i>(Note 1)</i>	12.25%
Cheung Kong Holdings (China) Limited	Interest of controlled corporations	476,341,182 (L) <i>(Note 1)</i>	12.25%

Name	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
Sunnylink Enterprises Limited	Interest of a controlled corporation	476,341,182 (L) (Note 1)	12.25%
Romefield Limited	Beneficial owner	476,341,182 (L) (Note 1)	12.25%
Hutchison Whampoa Limited	Interest of a controlled corporation	952,683,363 (L) (Note 2)	24.49%
Hutchison International Limited	Interest of a controlled corporation	952,683,363 (L) (Note 2)	24.49%
Easterhouse Limited	Beneficial owner	952,683,363 (L) (Note 2)	24.49%
Chau Hoi Shuen	Interest of controlled corporations	952,683,363 (L) (Note 3)	24.49%
Cranwood Company Limited	Beneficial owner & interest of controlled corporations	952,683,363 (L) (Note 3)	24.49%
Schumann International Limited	Beneficial owner	580,000,000 (L) (Note 3)	14.91%
Handel International Limited	Beneficial owner	348,000,000 (L) (Note 3)	8.95%
Lehman Brothers Holdings Inc.	Interest of controlled corporations	371,263,047 (L) 125,500,004 (S) (Note 4)	9.54% 3.23%
Lehman Brothers U.K. Holdings (Delaware) Inc.	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%

Name	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
Lehman Brothers Spain Holdings Limited	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%
Lehman Brothers Luxembourg Investments Sarl	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%
Lehman Brothers UK Holdings Limited	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%
Lehman Brothers Holdings Plc.	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%
Lehman Brothers International (Europe)	Interest of controlled corporations	339,062,474 (L) 125,500,004 (S) (Note 4)	8.72% 3.23%

(L) denotes a long position

(S) denotes a short position

*Notes:*

- (1) Romefield Limited is a wholly-owned subsidiary of Sunnylink Enterprises Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Holdings (China) Limited. Cheung Kong Holdings (China) Limited is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited.

By virtue of the SFO, Cheung Kong Investment Company Limited, Cheung Kong Holdings (China) Limited and Sunnylink Enterprises Limited are all deemed to be interested in the 476,341,182 shares of the Company held by Romefield Limited.

Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”). Each of TDT1 and TDT2 hold units in The Li Ka-Shing Unity Trust.

- (2) Easterhouse Limited is a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited. By virtue of the SFO, Hutchison Whampoa Limited and Hutchison International Limited are deemed to be interested in the 952,683,363 shares of the Company held by Easterhouse Limited.

In addition, subsidiaries of Cheung Kong (Holdings) Limited are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of Hutchison Whampoa Limited. By virtue of the SFO, Mr. Li Ka-shing, being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, Li Ka-Shing Unity Trustee Corporation Limited, Li Ka-Shing Unity Trustcorp Limited, Li Ka-Shing Unity Trustee Company Limited and Cheung Kong (Holdings) Limited are all deemed to be interested in the 476,341,182 shares of the Company and 952,683,363 shares of the Company held by Romefield Limited and Easterhouse Limited respectively.

- (3) Schumann International Limited and Handel International Limited are companies controlled by Cranwood Company Limited and Ms. Chau Hoi Shuen is entitled to exercise more than one-third of the voting power at the general meetings of Cranwood Company Limited.

By virtue of the SFO, Cranwood Company Limited is deemed to be interested in the 580,000,000 shares of the Company and 348,000,000 shares of the Company held by Schumann International Limited and Handel International Limited respectively in addition to 24,683,363 shares of the Company held by itself.

By virtue of the SFO, Ms. Chau Hoi Shuen is deemed to be interested in 24,683,363 shares of the Company, 580,000,000 shares of the Company and 348,000,000 shares of the Company held by Cranwood Company Limited, Schumann International Limited and Handel International Limited respectively.

- (4) Lehman Brothers International (Europe) is a wholly-owned subsidiary of Lehman Brothers Holdings Plc. which in turn is a wholly-owned subsidiary of Lehman Brothers UK Holdings Limited. Lehman Brothers UK Holdings Limited is a wholly-owned subsidiary of Lehman Brothers Luxembourg Investments Sarl which in turn is a wholly-owned subsidiary of Lehman Brothers Spain Holdings Limited. Lehman Brothers Spain Holdings Limited is a wholly-owned subsidiary of Lehman Brothers U.K. Holdings (Delaware) Inc. which in turn is a wholly-owned subsidiary of Lehman Brothers Holdings Inc. By virtue of the SFO, Lehman Brothers Holdings Inc., Lehman Brothers U.K. Holdings (Delaware) Inc., Lehman Brothers Spain Holdings Limited, Lehman Brothers Luxembourg Investments Sarl, Lehman Brothers UK Holdings Limited and Lehman Brothers Holdings Plc. are deemed to be interested in the 339,062,474 shares of the Company and short position in 125,500,004 shares of the Company held by Lehman Brothers International (Europe).

By virtue of the SFO, Lehman Brothers Holdings Inc. is also deemed to be interested in the 7,856,104 shares of the Company, 21,991,528 shares of the Company and 2,352,941 shares of the Company held by its subsidiaries, namely Lehman Brothers Finance S.A., Lehman Brothers Commercial Corporation Asia Limited and Lehman Brothers Inc.

Save as disclosed above, as at 30 June 2005, the Directors are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Frank Sixt and Mrs. Susan Chow, the Chairman of the Company and a non-executive Director respectively, are executive directors of HWL, Cheung Kong Infrastructure Holdings Limited (“CKI”) and Hutchison Global Communications Holdings Limited (“HGCH”) and directors of certain of their respective Associates (collectively referred to as “HWL Group”, “CKI Group” and “HGCH Group” respectively). Mr. Frank Sixt is also a non-executive director of CKH and director of certain of its Associates (collectively referred to as “CKH Group”). Mr. Frank Sixt and Mrs. Susan Chow are also non-executive directors of Hutchison Telecommunications International Limited and directors of certain of its Associates (collectively referred to as “HTIL Group”). Mr. Edmond Ip, a non-executive Director, is an executive director of CKH and a director of certain of its Associates. HWL Group is engaged in e-commerce and general information portals, event production, broadband content, sports-related content, event management and advertising and outdoor media. Both the CKH Group and the CKI Group are engaged in information technology, e-commerce and new technology. HGCH Group has four core businesses: fixed network services, data centre operations, powerline-broadband service and IT solutions. HTIL Group is engaged in providing mobile and fixed-line telecommunications services, including broadband data services, multimedia services and mobile and fixed-line Internet services and Intranet services. The Directors believe that there is a risk that such businesses may compete with those of the Group.

Mr. Sing Wang, an executive Director and Chief Executive Officer of the Company, holds 4.55% of the equity interests in 北京雅寶在線拍賣有限公司 (“Yabuy Online”) whose main business consists of the operation of ChinaEC.com (formerly known as yabuy.com), an online auction website in the PRC as well as its subsidiary. The Directors believe that there is a risk that the business of Yabuy Online may compete with those of the Group.

Ms. Tommei Tong, an executive Director and Chief Financial Officer of the Company, is a beneficial owner of less than 1% of the equity interest in Qin Jia Yuan Media Services Company Limited (“Qin Jia Yuan”) whose principal business engaged in the provision of media services in the PRC. The Directors believe that there is a risk that the business of Qin Jia Yuan may compete with those of the Group.

Save as disclosed above, during the six months ended 30 June 2005, none of the Directors or their respective Associates have any interests in a business which competes or may compete with the business of the Group.

## AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) in January 2000. Written terms of reference in compliance with the Listing Rules has been adopted for the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Henry Cheong, Ms. Anna Wu and Mr. James Sha and a non-executive Director, namely, Mrs. Angelina Lee. Mr. Henry Cheong is the chairman of the Audit Committee.

The unaudited consolidated results of the Group for the six months ended 30 June 2005 have been reviewed by the Audit Committee.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (“Code on CG Practices”) contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2005, with deviations from code provisions B.1.1, B.1.3, C.3.3 and D.2.1 of the Code on CG Practices as summarised below.

Under the code provisions B.1.1 and B.1.3 of the Code on CG Practices, a remuneration committee should be set up with specific written terms of reference which should include, as a minimum, the duties specified in code provision B.1.3 of the Code on CG Practices and a majority of the members of the remuneration committee should be independent non-executive directors. Although the remuneration committee of the Company (“Remuneration Committee”) was set up in 2000, there was no written terms of reference and a majority of its members comprised of non-executive Directors. During the period, the Company adopted a written terms of reference which includes the terms set out in code provision B.1.3 of the Code on CG Practices for the Remuneration Committee and the members of the Remuneration Committee have been changed so that a majority of the members comprise of independent non-executive Directors.

Under the code provision C.3.3 of the Code on CG Practices, the terms of reference of the audit committee should include at least the duties specified therein. Previously, the terms of reference adopted by the Audit Committee did not include all the duties specified in code provision C.3.3 of the Code on CG Practices. During the period, the terms of reference of the Audit Committee has been revised so as to comply with the aforesaid code provision.

Under the code provision D.2.1 of the Code on CG Practices, where board committees are established to deal with matters, the board should prescribe sufficiently clear terms of reference to enable such committees to discharge their functions properly. The Company has established an executive board committee (“Exco Committee”). Previously, the Exco Committee has no written terms of reference. During the period, the Company has adopted a written terms of reference for the Exco Committee.

As at 30 June 2005, the Company was in compliance with all the code provisions set out in the Code on CG Practices.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2005.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

*As at the date of this document, the directors of the Company are:*

*Executive Directors:*

*Mr. Sing Wang*

*Ms. Tommei Tong*

*Non-executive Directors:*

*Mr. Frank Sixt (Chairman)*

*Ms. Debbie Chang*

*Mrs. Susan Chow*

*Mr. Edmond Ip*

*Mrs. Angelina Lee*

*Mr. Wang Lei Lei*

*Independent non-executive Directors:*

*Mr. Henry Cheong*

*Ms. Anna Wu*

*Mr. James Sha*