



## SUPPLEMENTARY INFORMATION

### Directors' and Supervisors' Interest in Securities

As at 30 June 2006, the interests and short positions of each of the directors, supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") upon listing of the H shares on the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which were required to be recorded in the register referred to in section 352 of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 (the "Model Code") in the Listing Rules, are as follows:

Name of Director/ Supervisor	Capacity/ Nature of Interest	No. of Shares	Approximate Percentage of Domestic Shares %	Approximate Percentage of H Shares %	Approximate Percentage of Total Shares %
Mr. Wei Jian Jun	Interest of a controlled company	398,726,760 (L)*	58.46	—	42.23
	Total:	398,726,760 (L)*	58.46	—	42.23

Note:

(L) denotes a long position in shares of the Company.

\* represents domestic shares.

Save as disclosed above, as at 30 June 2006, none of the directors, supervisors or chief executive of the Company has any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have), or which were required to be recorded in the register referred to in section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.



### Shares held by Substantial Shareholders

As at 30 June 2006, the following persons, other than a Director, supervisor or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or had direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group:

Name	No. of Shares	Approximate Percentage of Domestic Shares %	Approximate Percentage of H Shares %	Approximate Percentage of Total Shares %
保定市沃爾特管理諮詢有限公司 (Baoding Woerte Management Consultant Company) (Note 1)	381,920,000(L)*	56.00	—	40.45
保定市南市區南大園鄉集體 資產經管中心 (the Management Centre of Collective Assets of Nandayuan Town, Nanshi District, Baoding) ("The Management Centre") (Note 2)	283,273,240(L)*	41.54	—	30.00
保定市螞蟻物流網絡有限公司 (Baoding Ants Logistics Company Limited) (Note 3)	16,806,760(L)*	2.46	—	1.78
Cheah Cheng Hye (Note 4)	34,168,000(L)	—	13.03	3.62
Value Partners Limited	34,168,000(L)	—	13.03	3.62
Baring Asset Management Ltd.	18,905,000(L)	—	7.21	2.00

(L) denotes a long position in shares of the Company.

\* represents domestic shares.

Note:

- (1) 保定市沃爾特管理諮詢有限公司 (Baoding Woerte Management Consultant Company) ("Woerte") was established on 1 December 2005 with a registered capital of RMB7,638,400. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is No. 1588 Great Wall Street South, Baoding, Hebei Province. It is engaged in corporate planning and management consultancies (operations that require pre-approvals according to the law, administrative regulations and the State Council can only be conducted after obtaining approvals). Mr. Wei Jian Jun and his associates are beneficially interested in the entire equity interests of Woerte.
- (2) The Management Centre was established on 28 March 2001 as an enterprise under collective ownership with a registered capital of RMB17,260,000. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is 210, Nandayuan Town, Nanshi District, Baoding. It is engaged in the management of the equity interests of the collective assets of the town.



- (3) 保定市螞蟻物流網絡有限公司 (Baoding Ants Logistics Company Limited) (“Ants Logistics”) was established on 4 March 2002 with a registered capital of RMB120,000,000. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is Guihua Road No. 2, Phase II, High and New Technology Zone, Baoding, Hebei Province. It is engaged in the transport, warehousing and delivery of goods (other than those operations prohibited under the national law and regulation). Mr. Wei Jian Jun and his associates beneficially own the entire share capital of Ants Logistics.
- (4) Cheah Cheng Hye is deemed or taken to be interested in the 34,168,000 H Shares owned by Value Partners Limited, a company controlled by him.

Save as disclosed above, as at 30 June 2006, so far as the directors, supervisors or chief executive of the Company are aware, no person other than a Director, supervisor or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or had direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

#### Public Float

As at the date of this report, the directors confirm that 27.77% of the issued capital of the Company was held by the public.

#### Material Litigations

The litigation regarding 北京佳美亞投資有限公司 (Beijing Jiameiya Investment Company Limited) and 保定中信內燃機製造有限公司 (Baoding Zhongxin Internal Combustion Engine Manufacturing Company Limited) as disclosed in the 2005 annual report of the Company was being judged by the Higher People’s Court of Hebei Province on 28 June 2006. The case is still pending for verdict.

Save and except for the above case, the Company is not involved in nor aware of any other significant proceedings instituted against the Company.

#### Purchase, Sale or Redemption of the Company’s listed Securities

There were no purchases, redemption or sale of the Company’s listed securities by the Company or its subsidiaries during the period.

#### Corporate Governance

To the knowledge of the Board, the Company has complied with all the provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Ltd (the “Stock Exchange”) throughout the period.



### **Audit Committee**

The Company has set up an audit committee (the "Audit Committee") for the purposes of reviewing and providing supervision over financial reporting process and internal controls of the Group. The Audit Committee comprises four independent non-executive directors of the Company. The Audit Committee held a meeting on 21 August 2006 to consider and review the interim report and interim financial statements of the Group and to give their opinion and recommendations to the Board. The Audit Committee considers that the 2006 interim report and interim financial statements of the Company have complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

### **Remuneration Committee**

The remuneration committee of the Company was set up on 3 March 2006, comprising two independent non-executive directors and one executive director. The remuneration committee is responsible for making recommendations on the remuneration policies in relation to the directors and senior management of the Group, and determining the remuneration packages of executive directors and senior management, including benefits in kind, pension rights and compensation payments.

### **Compliance with the model code for securities transactions by directors of listed issuers**

The Company has adopted the Model Code as code of conduct for securities transactions by all Directors. Upon specific enquiries made to the Directors and in accordance with information provided, the Board confirmed that all Directors have complied with all the provisions under the Model Code during the period.