

## SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2003, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholders of the Company had an interest of 10 per cent or more of the issued share capital of the Company:

|                             | <b>Number of shares</b> |        |
|-----------------------------|-------------------------|--------|
| He Fu International Limited | 481,691,250*            | 50.18% |

\* *These shares are held by He Fu International Limited, and have been disclosed as the corporate interests of Mr. Zhang Hongwei in the section headed "DIRECTORS INTEREST IN SHARES".*

Save as disclosed above, the Company has not been notified of any other interests representing 10 per cent or more of the Company's issued share capital as at 30th September, 2003.

## PURCHASE SALE AND REDEMPTION OF SALES

During the six months ended 30th September, 2003 the Company and its subsidiaries have not purchased, sold or redeemed any listed securities of the Company.

## AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim accounts for the six months ended 30th September, 2003.

## CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate the Company is not, or was not for any part of the six months ended 30th September, 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

By order of the Board  
**Zhang Hongwei**  
*Chairman and Managing Director*

Hong Kong, 18th December, 2003