

## SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Ordinary shares of HK\$0.02 each of the Company

### 1. LONG POSITIONS

Name	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Worth Achieve Assets Limited	Beneficial owner	480,000,000	14.33
Mr. Jonathan Lau	(Note 1)	562,702,500	16.80
Tat Cheong Limited	Beneficial owner	405,000,000	12.09
Mr. Chen ShiKang	(Note 2)	405,000,000	12.09
Kingston Finance Limited	Beneficial owner	480,000,000	14.33
Ms. Ma Siu Fong	(Note 3)	480,000,000	14.33
Ms. Chu Yuet Wah	(Note 4)	480,000,000	14.33
Billirich Investment Limited	Beneficial owner	885,000,000	26.42
CATIC (H.K.) Limited	(Note 5)	885,000,000	26.42
CATIC International Holdings Limited	(Note 5)	885,000,000	26.42
China Aviation Industries Corporation II	(Note 5)	885,000,000	26.42
China Aviation Industries Corporation I	(Note 5)	885,000,000	26.42
China National Aero-Technology Import & Export Corporation	(Note 5)	885,000,000	26.42
Tacko International Limited	(Note 5)	885,000,000	26.42
Asian Basin Limited	Beneficial owner	300,000,000	8.00
Mr. Yan Fa Qiang	(Notes 6 and 8)	300,000,000	8.00
Helmsman Limited	Beneficial owner	300,000,000	8.00
Ms. Xue Li Yan	(Notes 7 and 8)	300,000,000	8.00

## SUBSTANTIAL SHAREHOLDERS (Continued)

### 2. SHORT POSITIONS

Name	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Worth Achieve Assets Limited	480,000,000	14.33
Mr. Jonathan Lau (Note 1)	480,000,000	14.33
Tat Cheong Limited	405,000,000	12.09
Mr. Chen ShiKang (Note 2)	405,000,000	12.09

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions representing 5% or more of the issued share capital of the Company as at 31st December, 2004.

*Notes:*

1. Mr. Jonathan Lau is interested by virtue of his beneficial interest in Worth Achieve Assets Limited. He also holds 82,702,500 ordinary shares in the Company personally.
2. Mr. Chen ShiKang is interested by virtue of his beneficial interest in Tat Cheong Limited.
3. Ms. Ma Siu Fong is interested by virtue of her beneficial interest in Kingston Finance Limited.
4. Ms. Chu Yuet Wah is interested by virtue of her beneficial interest in Kingston Finance Limited.
5. Billirich Investment Limited is a wholly owned subsidiary of CATIC International Holdings Limited ("CATIC"). Tacko International Limited which owns approximately 33.83% equity interest in CATIC, is a wholly-owned subsidiary of CATIC (H.K.) Limited, which is in turn a wholly-owned subsidiary of China National Aero-Technology Import & Export Corporation ("CNATIEC"). CNATIEC is owned as to 50% by China Aviation Industries Corporation I and as to 50% by China Aviation Industries Corporation II.
6. Mr. Yan Fa Qiang is interested by virtue of his beneficial interest in Asian Basin Limited.
7. Ms. Xue Li Yan is interested by virtue of her beneficial interest in Helmsman Limited.
8. Each of Helmsman Limited and Asian Basin Limited is beneficially interested in 100,000,000 shares and 100,000,000 2005-Warrants and 100,000,000 2006-Warrants of the Company.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 31st December, 2004.

### **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial matters including the review of unaudited financial statements.

The interim financial report has been reviewed by the Company's auditors in accordance with Statement of Audit Standards No. 700 "Engagement to review interim financial reports".

### **CODE OF BEST PRACTICE**

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the period.