

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2004, the following persons, not being a Director, chief executive of the Company had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Capacity/ Nature of interest	Number of shares held	Percentage of holding (%)	Name of Company
China GeoMaxima Co., Ltd.	Corporate	1,662,795,650	54.85	the Company

## OTHER PERSONS' INTERESTS

As at 30 June 2004, the following persons, not being a Director, chief executive of the Company had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Number of shares held	Percentage of holding (%)	Name of Company
Hong Kong San Jiu Enterprises Limited	237,500,000 (L) 210,000,000 (S) (Note 1)	7.83 6.93	the Company the Company
Shenzhen Venture Capital (BVI) Company Limited	210,000,000 (L) (Note 2)	6.93	the Company
Mei Jian	210,000,000 (L) (Note 2)	6.93	the Company
Zhang Minlong	210,000,000 (L) (Note 2)	6.93	the Company

L: Long Position

S: Short Position

### Notes:

- 237,500,000 shares were owned by Hong Kong San Jiu Enterprises Limited. Hong Kong San Jiu Enterprises Limited had granted a security interest over 210,000,000 shares to Shenzhen Venture Capital (BVI) Company Limited.
- Shenzhen Venture Capital (BVI) Company Limited had a security interest over 210,000,000 shares. The issued share capital of Shenzhen Venture Capital (BVI) Company Limited was owned as to 50% by Mr. Mei Jian and as to 50% by Mr. Zhang Minlong.



Saved as disclosed above in this section and the previous section headed “Substantial Shareholders’ Interests”, as at 30 June 2004, the Company has not been notified of any other persons (other than the directors or chief executive of the Company) who had any interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

During the six months period ended 30 June 2004, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises three Independent Non-Executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Group.

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

### **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 accounting period covered by this interim report, in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange except that all non-executive directors of the Company are not appointed for any specific term of office but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

### **CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code (the “Model Code”) for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct and rules governing dealing by all directors in the securities of the Company.

All directors have complied with the required standard regarding directors’ securities dealings set out in the Model Code during the six months period ended 30 June 2004.

By Order of the Board  
**Zhu Jia Zhen**  
Chairman

Hong Kong, 24 September 2004

*As at the date hereof, the executive directors are Messrs. Zhu Jia Zhen, Sun Tian Gang, Guo Ting; the non-executive director is Mr. Zhao Xin Xian; and the independent non-executive directors are Messrs. Yu En Guang, Zhang Xue Min and Yip Ching Shan.*

