

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June 2002, according to the register of substantial shareholders kept by the Company under Section 16(1) of the SDI Ordinance, the following companies had notified the Company that they were interested in 10% or more of the issued share capital of the Company:

Name of shareholder	Number of ordinary shares	Percentage of total issued shares
COSCO Investments Limited	220,120,000	10.25%
COSCO (Hong Kong) Group Limited *	1,178,166,411	54.87%
China Ocean Shipping (Group) Company *	1,178,166,411	54.87%

* Since COSCO Investments Limited ("COSCO Investments") is a wholly owned subsidiary of COSCO (Hong Kong) Group Limited ("COSCO Hong Kong") which is in turn a wholly owned subsidiary of China Ocean Shipping (Group) Company ("COSCO"), the interests of COSCO Investments are recorded as the interests of COSCO Hong Kong and in turn the interests of COSCO Hong Kong are recorded as the interests of COSCO.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the issued share capital of the Company as at 30th June 2002.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its listed shares during the six months ended 30th June 2002. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the six months ended 30th June 2002.

AUDIT COMMITTEE

The Company has an audit committee consisting of three independent non-executive directors of the Company. The committee reviews the systems of internal controls throughout the Group, the completeness and accuracy of its financial statements and liaises on behalf of the board with external auditors and the Group's internal auditor. It met regularly with management, the external auditors and the internal auditor to review the internal and external audit reports and the interim and annual financial statements of the Group.

CORPORATE GOVERNANCE

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 the period for the six months ended 30th June 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

By Order of the Board
SHI Qin
Managing Director

Hong Kong, 5th September 2002