

Notes:

- (1) The share options were granted during the period from 28th October 2003 to 6th November 2003 under the 2003 Share Option Scheme at an exercise price of HK\$9.54. The options are exercisable at any time within ten years from the commencement date which is the date on which an offer is accepted or deemed to be accepted by the grantee pursuant to the 2003 Share Option Scheme (the “Commencement Date”). The Commencement Date of the options of the grantees was from 28th October 2003 to 6th November 2003.
- (2) These options represent personal interests held by the relevant director as beneficial owner.
- (3) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$12.19.
- (4) During the period, no share options were cancelled under the 2003 Share Option Scheme.

DIRECTORS’ INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June 2004, the interests of the Company’s directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

(a) Long positions in shares of the Company

<u>Name of director</u>	<u>Capacity</u>	<u>Nature of interest</u>	<u>Number of ordinary shares held</u>	<u>Percentage of total issued share capital</u>
Mr. KWONG Che Keung, Gordon	Beneficial owner	Personal	250,000	0.012%
Dr. LI Kwok Po, David	Beneficial owner	Personal	258,000	0.012%
Mr. LEE Yip Wah, Peter	Beneficial owner	Personal	150,000	0.007%

(b) Long positions in underlying shares of equity derivatives of the Company

Share options were granted to certain directors of the Company pursuant to the 1994 Share Option Scheme and the 2003 Share Option Scheme. Details of the directors' interests in share options granted by the Company are set out under the section headed "Share Options" of this report.

(c) Long positions in underlying shares of equity derivatives of associated corporation

Movement of the share options granted to the directors of the Company by an associated corporation during the period is set out below:

Name of associated corporation	Name of director	Capacity	Nature of interest	Number of share options				Outstanding at 30th June 2004	Percentage of total issued share capital
				Outstanding at 1st January 2004	Granted during the period	Exercised during the period	Lapsed during the period		
COSCO International Holdings Limited*	Capt. WEI Jiafu	Beneficial owner	Personal	1,800,000	—	—	—	1,800,000	0.128%
	Mr. LIU Guoyuan	Beneficial owner	Personal	1,800,000	—	—	—	1,800,000	0.128%
	Mr. LI Jianhong	Beneficial owner	Personal	1,800,000	—	—	—	1,800,000	0.128%
	Mr. ZHOU Liancheng	Beneficial owner	Personal	1,800,000	—	—	—	1,800,000	0.128%
	Mr. SUN Jiakang	Beneficial owner	Personal	1,200,000	—	(300,000)	—	900,000	0.064%
	Mr. HE Jiale	Beneficial owner	Personal	1,800,000	—	—	—	1,800,000	0.128%
	Mr. LIANG Yanfeng	Beneficial owner	Personal	1,200,000	—	—	—	1,200,000	0.085%
	Mr. WONG Tin Yau, Kelvin	Beneficial owner	Personal	800,000	—	—	—	800,000	0.057%
	Mr. MENG Qinghui	Beneficial owner	Personal	1,200,000	—	—	—	1,200,000	0.085%

* The share options were granted by COSCO International Holdings Limited ("COSCO International"), a fellow subsidiary of the Company, on 26th November 2003 under the share option scheme approved by the shareholders of COSCO International on 17th May 2002 and are exercisable at HK\$0.57 per share at any time between 23rd December 2003 and 22nd December 2008.

Save as disclosed above, as at 30th June 2004, none of the directors or chief executives of the Company had any interests or short positions in any shares or underlying shares or interests in debentures of the Company or any of its associated corporations (within the meaning of Part XV 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 interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

So far as was known to any director of the Company, as at 30th June 2004, the interests of shareholders in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Nature of interests	Number of ordinary shares/Percentage of total issued share capital						Note
			Long positions	%	Short positions	%	Lending pool	%	
COSCO Investments Limited	Beneficial owner	Beneficial interest	200,120,000	9.28	—	—	—	—	(1)
COSCO (Hong Kong) Group Limited	Beneficial owner and interest of controlled corporation	Beneficial interest and corporate interest	1,144,166,411	53.08	—	—	—	—	(1)
China Ocean Shipping (Group) Company	Interest of controlled corporation	Corporate interest	1,144,166,411	53.08	—	—	—	—	(1)
J.P. Morgan Chase & Co.	Beneficial owner, investment manager and custodian corporation/ approved lending agent	Beneficial interest and corporate interest	172,170,044	7.99	—	—	57,986,582	2.69	(2)

Notes:

- (1) 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.
- (2) The corporate interest of J.P. Morgan Chase & Co. was attributable on account through a number of its wholly-owned subsidiaries and non wholly-owned subsidiaries, including, Robert Fleming Asset Management Ltd. (99.96% control), Robert Fleming Holdings Ltd. (96% control) and JF Asset Management Limited (99.99% control).

Save as disclosed above, as at 30th June 2004, the Company has not been notified of any other interests or short positions in the Shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.