

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company adopted a share option scheme on 27th June, 2000. CSH and China Enterprises Limited (a fellow subsidiary of the Company) adopted an Executive Share Option Scheme on 20th July, 1992 and 7th June, 1994 respectively.

None of the directors of the Company or their spouses or children under the age of 18 had been granted, or exercised, any right to subscribe for the equity or debt securities of the above companies during the six months ended 30th June, 2001 and no outstanding options of the above companies (if any) were held by any of the above parties as at 30th June, 2001.

Save for the above, at no time during the period was the Company, any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, the following shareholders had an interest of 10% or more in the share capital of the Company.

	Number of shares			Percentage of issued share capital	Note
	Direct interest	Deemed interest	Total interest		
CSH	–	852,076,620	852,076,620	74.98%	c
China WTO.com Limited ("CWTO")	140,006,620	592,420,000	732,426,620	64.45%	a
Expert Commerce Limited	250,000,000	–	250,000,000	22.00%	a
Golden Flower Limited	342,420,000	–	342,420,000	30.13%	a
Wealthy Gain Limited	119,650,000	–	119,650,000	10.53%	b
Ruby Enterprises Limited ("REL")	–	119,650,000	119,650,000	10.53%	b

Notes :

- Expert Commerce Limited, which directly owns 250,000,000 shares of the Company, and Golden Flower Limited, which directly owns 342,420,000 shares of the Company, are wholly-owned subsidiaries of CWTO. CWTO is a wholly-owned subsidiary of CSH and directly owns 140,006,620 shares of the Company. Accordingly, CWTO is deemed by the SDI Ordinance to be interested in an aggregate of 732,426,620 shares of the Company.
- Wealthy Gain Limited, which directly owns 119,650,000 shares of the Company, is a wholly-owned subsidiary of REL which in turn is a wholly-owned subsidiary of CSH. Accordingly, REL is deemed by the SDI Ordinance to be interested in an aggregate of 119,650,000 shares of the Company.
- As CSH held entire beneficial interest in the above companies as mentioned in notes a. and b., CSH is accordingly deemed by the SDI Ordinance to be interested in an aggregate of 852,076,620 shares of the Company.

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 30th June, 2001.