

Management Discussion and Analysis

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Name of shareholder	Capacity	Number of issued ordinary shares held			Percentage of the Company's issued share capital
		Personal interest	Corporate interest	Aggregates interest	
Smart Orient	Beneficial owner	23,717,928	–	23,717,928	10.45%
Sinolink	Beneficial owner and interest of controlled corporation	68,081,902	23,717,928 <i>(note 1)</i>	91,799,830	40.44%
Asia Pacific Promotion Limited	Interest of controlled corporation	–	91,799,830 <i>(note 2)</i>	91,799,830	40.44%
Mr. Ou Yaping	Interest of controlled corporation	–	91,799,830 <i>(note 3)</i>	91,799,830	40.44%
Atlantic Cay International Limited	Beneficial owner	48,160,569	–	48,160,569	21.21%
Warburg Pincus Ventures International, L.P.	Interest of controlled corporation	–	48,160,569 <i>(note 4)</i>	48,160,569	21.21%
Warburg Pincus Equity Partners, L.P.	Interest of controlled corporation	–	48,160,569 <i>(note 5)</i>	48,160,569	21.21%

Name of shareholder	Capacity	Number of issued ordinary shares held			Percentage of the Company's issued share capital
		Personal interest	Corporate interest	Aggregates interest	
Warburg Pincus Ventures, L.P.	Beneficial owner	13,211,382	–	13,211,382	5.82%
Warburg Pincus & Co.	Interest of controlled corporation	–	61,371,951	61,371,951 (note 6)	27.03%

Notes:

1. The shares in which Sinolink is shown as being interested include and are in duplicate with interest in the shares of the Company held by Smart Orient. Smart Orient is the wholly owned subsidiary of Sinolink. Sinolink is deemed by the SFO to have an interest in the shares held by Smart Orient.
2. The shares in which Asia Pacific Promotion Limited ("Asia Pacific") is shown as being interested include and are in duplicate with interest in the shares of the Company held by Sinolink and Smart Orient. Asia Pacific holds 67.31% interests in Sinolink. Asia Pacific is deemed by the SFO to have an interest in the shares held by Sinolink.
3. Mr. Ou is the sole beneficial shareholder of Asia Pacific. Mr. Ou is deemed by the SFO to have an interest in the shares held by Asia Pacific.
4. The shares in which Warburg Pincus Ventures International, L.P. ("WPVI") is shown as being interested include and are in duplicate with interest in the shares of the Company held by Atlantic Cay International Limited ("Atlantic Cay"). WPVI is the shareholder of Atlantic Cay holding 50% of its shares. WPVI is deemed by the SFO to have an interest in the shares held by Atlantic Cay.
5. The shares in which Warburg Pincus Equity Partners, L.P. ("WPEP") is shown as being interested include and are in duplicate with interest in the shares of the Company held by Atlantic Cay. WPEP is the shareholder of Atlantic Cay holding 50% of its shares. WPEP is deemed by the SFO to have an interest in the shares held by Atlantic Cay.
6. The shares in which Warburg Pincus & Co ("WPC") is shown as being interested include and are in duplicate with interest in the shares of the Company held by Atlantic Cay and Warburg Pincus Ventures, L.P. ("WPV"). WPC is the general partner of the limited partnerships WPVI, WPEP and WPV. WPC is deemed by the SFO to have an interest in the shares held by the three companies.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2003.