



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND EQUITY DERIVATIVES

At 30 June 2004, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the directors, the following persons have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions or short positions in the shares of the Company

Name of shareholders	Nature of interests	Number of shares	Approximate percentage of interest
Vision Ocean	Corporate (Note 4)	130,004,818	47.05%
Sunny Fortune Limited	Corporate	37,000,000	13.39%
Mr. Lok Fai	Personal (Note 5)	37,000,000	13.39%

Notes:

- The 130,004,818 shares are held by Vision Ocean, a company incorporated in the British Virgin Islands, with limited liability and beneficially owned by Ms. Lo.
- The 37,000,000 shares are held by Sunny Fortune Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially owned by Mr. Lok Fai.

Long positions or short positions in equity derivatives in, or in respect of, underlying shares

Name of note holder	Number and description of equity derivatives	Number of underlying shares	Nature of interests	Approximate percentage of interest in the Company immediately after conversion of equity derivatives
Payton Place (Note 6)	conversion rights attached to the convertible notes	82,608,695	Corporate	23.02%

Note:

- Payton Place is a company incorporated in the British Virgin Islands, with limit liability and beneficially owned by Ms. Lo.



Save as disclosed above, at 30 June 2004 so far as is known to the directors or chief executive of the Company, there is no other person (other than a director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or any option in respect of such capital.

PURCHASE, SALE OR REDEMPTION OF OWN SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2004.

AUDIT COMMITTEE

The Audit Committee of the Company comprised three independent non-executive directors namely Mr. WONG Wai Kin, Mr. MA Shiu Kin and Mr. LEUNG Wai Chuen. The main function of the Audit Committee is to review with management the Group's internal control procedures and financial reporting matters including a review of the Group's unaudited interim financial statements for the six months ended 30 June 2004.

CODE OF BEST PRACTICE AND MODEL CODE

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules and the Code of Best Practice ("Code of Best Practice") as set out in Appendix 14 to the Listing Rules.

None of the directors is aware of any information that would reasonable indicate that the Company or any of its directors is not or was not in compliance with the Model Code or the Code of Best Practice for any part of the period ended 30 June 2004.

By Order of the Board
LO Yuk Yee
Chairman

Hong Kong, 3 September 2004

Board of Directors

Executive Directors:

Ms. LO Yuk Yee (Chairman)
Ms. HE Jin Hung
Dr. CAO Wu
Mr. SIU Siu Ling, Robert

Independent Non-executive Directors:

Mr. WONG Wai Kin
Mr. MA Shiu Kin
Mr. LEUNG Wai Chuen