

OTHER INFORMATION

DIRECTORS' INTEREST

As at 30 June 2004, the interest and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as follows:—

Long position in the shares of the Company

Name of Director	Capacity	No. of shares held	% of issued share capital of the Company
Han Junran, <i>Chairman</i>	Beneficial owner <i>(Note)</i>	13,587,900	5%

Note:

Pursuant to a share charge entered into between New Rank Groups Limited ("NRG") and Mr. Han Junran as chargors and Starry Joy Properties Investment Ltd. ("Starry Joy"), a wholly-owned subsidiary of Continental Mariner Investment Company Limited ("CMIC"), as chargee dated 23 June, 2003, Mr. Han Junran charged his interest in 5% of the issued share capital of the Company, representing 13,587,900 shares of the Company, in favour of Starry Joy.

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Save as disclosed above and certain nominee shares in subsidiaries held by the Director in trust for the Group, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2004 which is required to be recorded in the register to be kept 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 Companies.

INFORMATION ON SHARE OPTION SCHEME

Details of the movement of share options during the six months ended 30 June 2004 were as follows:

Name of grantees	Date of Grant	Exercise Period	Exercise Price (HK\$)	Number of share options outstanding				
				Balance as at 1.1.2004	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Balance as at 30.6.2004
Han Junran, Chairman	15.2.2001	15.2.2001 to 14.2.2004	0.69	5,000,000	—	—	5,000,000	—
Employees	21.2.2001	21.2.2001 to 20.2.2004	0.96	1,000,000	—	—	1,000,000	—
				<u>6,000,000</u>	<u>—</u>	<u>—</u>	<u>6,000,000</u>	<u>—</u>

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Save as disclosed above, no other options were outstanding, granted, exercised, cancelled or lapsed under the share option scheme of the Company during the six months ended 30 June 2004. Similarly, none of the spouses or children under the age of 18 of the directors had any rights to subscribe for securities of the Company or had exercised any such rights during the six months ended 30 June 2004.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2004, the following shareholders were interested in 5% or more in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:—

Name	Capacity	Number of shares (Long Position("L")/ Short Position ("S"))	Approximate percentage of holding (Long Position("L")/ Short Position ("S"))
CMIC	Person having a security interest in shares (Note 1)	67,939,500(L)	25%(L)
NRG	Beneficial owner (Notes 1 and 2)	54,351,600(L) 54,351,600(S)	20%(L) 20%(S)
Silver World Limited	Interest of controlled corporation (Note 3)	54,351,600(L) 54,351,600(S)	20%(L) 20%(S)
Royal Bank of Canada Trust Company (Cayman) Limited	Interest of controlled corporation (Note 4)	54,351,600(L) 54,351,600(S)	20%(L) 20%(S)
Wei Ping	Beneficial owner	47,032,000(L)	17.31%(L)
Lu Shu Guang	Beneficial owner (Notes 1 and 5)	13,587,900(L)	5%(L)

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Notes:

- (1) Pursuant to a share charge entered into between NRG and Mr. Han Junran as chargors and Starry Joy, a wholly-owned subsidiary of CMIC, as chargee dated 23 June 2003, NRG and Mr. Han Junran charged their respective interests in 20% and 5% of the issued share capital of the Company, representing 54,351,600 shares and 13,587,900 shares of the Company respectively, in favour of Starry Joy. Therefore, CMIC is deemed to be interested in 67,939,500 shares of the Company under the SFO.
- (2) NRG is a wholly-owned subsidiary of Silver World Limited which is, in turn, wholly-owned by Royal Bank of Canada Trust Company (Cayman) Limited ("Royal Bank Trustee")
- (3) Royal Bank Trustee is the trustee of a discretionary trust called New Rank Trust. The beneficiaries of the New Rank Trust include a holding company and its wholly owned subsidiary and certain relatives of Mr. Leung Kwo and Ms. Lau Shun, wife of Mr. Leung Kwo, provided that such individuals are not residents of Canada for tax purpose nor residents of the PRC. The holding company is wholly owned by another discretionary trust called Hold Trust.
- (4) The beneficiaries under the Hold Trust include the lineal descendants (together with their spouses) of every degree of consanguinity of the paternal grandfather and maternal grandfather of each of Mr. Leung Kwo and Ms. Lau Shun provided that they are not residents of Canada for tax purposes or residents of the PRC.
- (5) Ms. Lu Shu Guang is the spouse of Mr. Han Junran, a director and chairman of the Company. Ms. Lu is deemed to be interested in the 13,587,900 shares of the Company held by Mr. Han Junran under the SFO.

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So far as is known to any director or chief executive of the Company, the companies (other than members of the Group) directly or indirectly interested in 5% or more of the voting power at general meetings of the subsidiaries of the Company are set out below:

Name of owner	Name of subsidiary	Percentage of equity interest
Guozheng Economic Development Company Limited ("Guozheng") <i>(Note 1)</i>	Beijing Zhong Zheng Real Estate Development Co., Ltd ("Beijing Zhong Zheng")	34%
Starry Joy <i>(Note 2)</i>	Tong Sun Limited ("Tong Sun")	49%

Notes:

- (1) Beijing Zhong Zheng was established on 5 June 1995. Its existing joint venture partners are Tong Sun, a subsidiary of the Company, Guozheng and Beijing Finance Street Construction & Development Co. Ltd. ("Finance Street Development") and its capital contributions are as to 66% by Tong Sun and 34% by Guozheng. Pursuant to an agreement entered into between Finance Street Development, Guozheng and Tong Sun on 9 October 1999, Tong Sun became entitled to 100% of the economic benefit of Beijing Zhong Zheng and Guozheng becomes entitled to a fixed distribution by way of the ownership right of an office space in the China Securities Plaza of gross floor area of 7,000 square metres upon the completion of construction of the China Securities Plaza.

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- (2) Starry Joy is entitled to a preferred dividend of HK\$94.6 million of Tong Sun and repayment of its loan and loan from CMIC together with interest accrued thereon are in priority over the preferred dividend payment to the Group by Tong Sun, which is up to HK\$136 million. After the payment of the aforesaid preferred dividend payments and repayment of all loans from Starry Joy and CMIC, dividend and/or distribution to be declared by Tong Sun will be in the following proportion:

The Group: 75%

Starry Joy: 25%

Save as disclosed above, the Directors are not aware of any other persons (other than the Directors and chief executive of the Company) who have interest or short positions representing 5% or more of the issued share capital of the Company as at 30 June 2004 which is required to be recorded in the register pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2004.

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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 accounting period covered by this Interim Report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

The Audit Committee has reviewed and auditors have audited the financial statements of the Company for the six months ended 30 June 2004.

By Order of the Board

Han Junran

Chairman

Hong Kong, 7 September 2004

INTERIM RESULTS

The Board of Directors (the “Board”) of New City (Beijing) Development Limited (the “Company”) is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2004 together with the comparative figures for the corresponding period in 2003.

The following interim report was extracted from the audited financial statements of the Company for the six months ended 30 June 2004 dated 28 August 2004.