

SUBSTANTIAL SHAREHOLDERS

So far as is known to any director or the chief executive of the Company, as at the 30 June 2004, the persons or companies (not being a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 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 were as follows:

Long position in shares

Name	Notes	Capacity	Number of shares of the Company held		
			Direct interests	Deemed interests	% of holding
Well Success	1	Beneficial owner	559,703,240	145,200,000	63.52%
Ko Shing Limited ("Ko Shing")	1	Beneficial owner	145,200,000	–	13.08%
First Dynamic	1	Held by controlled corporation	–	704,903,240	63.52%
Alexon International	1	Held by controlled corporation	–	704,903,240	63.52%
Royal Pacific	1	Held by controlled corporation	–	704,903,240	63.52%
Frensham Investments Limited ("Frensham")	2	Held by controlled corporation	–	704,903,240	63.52%
Pou Yuen Industrial (Holdings) Limited ("Pou Yuen (Holdings)")	2	Held by controlled corporation	–	704,903,240	63.52%
Yue Yuen Industrial Limited ("Yue Yuen Industrial")	2	Held by controlled corporation	–	704,903,240	63.52%
Pou Hing Industrial Company Limited ("Pou Hing Company")	2	Held by controlled corporation	–	704,903,240	63.52%

Name	Notes	Capacity	Number of shares of the Company held		
			Direct interests	Deemed interests	% of holding
Yue Yuen Industrial (Holdings) Limited ("Yue Yuen")	2	Held by controlled corporation	–	704,903,240	63.52%
Wealthplus Holdings Limited ("Wealthplus")	2	Held by controlled corporation	–	704,903,240	63.52%
Pou Chen Corporation ("Pou Chen")	2	Held by controlled corporation	–	704,903,240	63.52%
Madam Lau Yuk Wah	3	Held by controlled corporation	–	714,803,240	64.41%
Madam Ng Shuk Fong	3	Held by controlled corporation	–	711,503,240	64.11%
Chang Tsung Yuan	4	Person acting in concert	–	145,200,000	13.08%
Chou Mei Yueh	4	Person acting in concert	–	145,200,000	13.08%

Notes :

1. The bonus issue on the basis of one bonus share for every ten existing shares held was approved by the shareholders of the Company at the Annual General Meeting on 12 May 2004 ("Bonus Issue"). Based on 508,821,128 shares directly held by Well Success and 132,000,000 shares directly held by Ko Shing before the Bonus Issue, 50,882,112 and 13,200,000 bonus shares were issued to Well Success and Ko Shing respectively. Well Success is now directly interested in 559,703,240 shares of the Company and deemed to be interested in 145,200,000 shares of the Company held by Ko Shing which is its wholly-owned subsidiary.

First Dynamic held more than one-third of the issued share capital of Well Success. Royal Pacific and Alexon International each held more than one-third of the issued share capital of First Dynamic.

Accordingly, Well Success, First Dynamic, Royal Pacific and Alexon International are deemed to be interested in 704,903,240 shares of the Company.

2. Frensham held more than one-third of the issued share capital of Well Success. Frensham is a wholly-owned subsidiary of Pou Yuen (Holdings) which in turn is a wholly-owned subsidiary of Yue Yuen Industrial. Yue Yuen Industrial is a wholly-owned subsidiary of Pou Hing Company which in turn was a wholly-owned subsidiary of Yue Yuen. Wealthplus, a wholly-owned subsidiary of Pou Chen, held over 35% interests in Yue Yuen.

Accordingly, Frensham, Pou Yuen (Holdings), Yue Yuen Industrial, Pou Hing Company, Yue Yuen, Wealthplus and Pou Chen are deemed to be interested in 704,903,240 shares of the Company.

3. Madam Lau Yuk Wah ("Madam Lau") is the wife of Mr. Sze Sun Sun, Tony ("Mr. Sze"), a director of the Company. Mr. Sze is interested in the entire issued share capital of Alexon International, which is deemed to be interested in 704,903,240 shares of the Company (see Note 1). Mr. Sze was granted 9,000,000 share options of the Company on 9 January 2004. 3,000,000 options were exercised on 25 February 2004, pursuant to the Bonus Issue, 300,000 bonus shares were issued to Mr. Sze. Outstanding share options were adjusted by a factor of 0.9091, hence Mr. Sze's 6,000,000 outstanding options after adjustment amount to 6,599,934. Mr. Sze is deemed to be interested in a total of 714,803,174 shares of the Company. Madam Lau is deemed to be interested in 714,803,174 shares of the Company.

Madam Ng Shuk Fong ("Madam Ng") is the wife of Mr. Chan Ting Chuen ("Mr. Chan"), a director of the Company. Mr. Chan is interested in the entire issued share capital of Royal Pacific which is deemed to be interested in 704,903,240 shares of the Company (see Note 1). Mr. Chan was granted 6,000,000 options of the Company on 9 January 2004. 2,000,000 options were exercised on 17 February 2004 and 4,000,000 were exercised on 7 April 2004. Pursuant to the Bonus Issue, 600,000 bonus shares were issued to Mr. Chan who is deemed to be interested in a total of 711,503,240 shares of the Company. Madam Ng is deemed to be interested in 711,503,240 shares of the Company.

4. Ko Shing had a direct interest in 145,200,000 shares of the Company (see Note 1). Mr. Chang Tsung Yuan ("Mr. Chang") is deemed to be interested in 145,200,000 shares of the Company pursuant to a subscription agreement dated 27 May 2003 to acquire interests in the Company. Madam Chou Mei Yueh is the wife of Mr. Chang and is deemed to be interested in 145,200,000 shares of the Company.

Short position in shares

Other than as disclosed above, none of the director or the chief executive of the Company has been notified of any other relevant interests or short positions in the issued share capital of the Company or its underlying shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company and the amount of each such person's interest in such securities together with particulars of any options in respect of such capital.