

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June, 2004, the interests of the directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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 Issuers (the "Model Code") were as follows:

(i) Interests in ordinary shares of the Company

| Name of director | Capacity | Number of shares held | Approximate percentage of interests held |
|-------------------------------|---|-----------------------|--|
| Mr. Heung Wah Keung | Beneficial owner/ interest of spouse/ interest of controlled corporation | 81,004,410* | 26.66 |
| Ms. Chen Ming Yin, Tiffany | Beneficial owner/ interest of spouse/ interest of controlled corporation | 81,004,410* | 26.66 |
| Ms. Li Yuk Sheung | Beneficial owner | 16 | 0.00 |

All interests stated above represent long positions.

- * These shares are held as to 14,395,000 shares by Mr. Heung, as to 7,429,410 shares by Ms. Chen (the spouse of Mr. Heung), as to 40,670,000 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen) and as to 18,510,000 shares by Dorest Company Limited ("Dorest") (a company wholly-owned by Glenstone Investments Limited which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES – continued**(ii) Rights to acquire shares in the Company**

At 30th June, 2004, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

| Name of director | Exercisable period* | Exercise price per share HK\$ | Number of underlying shares comprised in the outstanding share options | | Total | Approximate percentage of interests held |
|-------------------------------|-------------------------|-------------------------------------|---|-------------------------------|------------------|--|
| | | | Direct interest | Deemed interest | | |
| Mr. Heung Wah Keung | 21.11.1996 – 20.11.2006 | 60.510 | 337,135 | 337,134 | 674,269 | |
| | 28.03.2000 – 27.03.2010 | 16.783 | 461,061 | 461,062 | 922,123 | |
| | 02.06.2000 – 01.06.2010 | 8.134 | 208,753 | 208,753 | 417,506 | |
| | 16.07.2002 – 15.07.2012 | 1.716 | 110,723 | 110,723 | 221,446 | |
| | 17.07.2003 – 16.07.2013 | 0.564 | 228,500 | 228,500 | 457,000 | |
| | | | <u>1,346,172</u> | <u>1,346,172</u> [#] | <u>2,692,344</u> | <u>0.89</u> |
| Ms. Chen Ming Yin, Tiffany | 21.11.1996 – 20.11.2006 | 60.510 | 337,134 | 337,135 | 674,269 | |
| | 28.03.2000 – 27.03.2010 | 16.783 | 461,062 | 461,061 | 922,123 | |
| | 02.06.2000 – 01.06.2010 | 8.134 | 208,753 | 208,753 | 417,506 | |
| | 16.07.2002 – 15.07.2012 | 1.716 | 110,723 | 110,723 | 221,446 | |
| | 17.07.2003 – 16.07.2013 | 0.564 | 228,500 | 228,500 | 457,000 | |
| | | | <u>1,346,172</u> | <u>1,346,172</u> ⁺ | <u>2,692,344</u> | <u>0.89</u> |
| Ms. Li Yuk Sheung | 16.07.2002 – 15.07.2012 | 1.716 | 1,109,557 | – | 1,109,557 | |
| | 17.07.2003 – 16.07.2013 | 0.564 | 2,285,000 | – | 2,285,000 | |
| | | | <u>3,394,557</u> | <u>–</u> | <u>3,394,557</u> | <u>1.12</u> |

All interests stated above represent long positions.

[#] These share options are held by Ms. Chen, the spouse of Mr. Heung. Mr. Heung is therefore deemed to be interested in these share options.

⁺ These share options are held by Mr. Heung. Ms. Chen is therefore deemed to be interested in these share options.

^{*} The exercisable period commenced on the date of grant of the relevant share options.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES – continued

Other than as set out above, at 30th June, 2004, none of the directors or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required 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.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or had exercised any right to subscribe for the securities or had exercised any such rights.

SHARE OPTION SCHEME

Pursuant to a resolution passed at the annual general meeting of the Company held on 27th May, 2002, the share option scheme adopted by the Company on 23rd October, 1996 (the "Old Option Scheme") was terminated and a new share option scheme (the "New Option Scheme") was adopted.

As the Old Option Scheme was terminated on 27th May, 2002, no further share options can be granted under the Old Option Scheme thereafter. However, all outstanding share options granted under the Old Option Scheme prior to the said termination shall remain valid and exercisable in accordance with the provisions of the Old Option Scheme.

Apart from the New Option Scheme, the Company has no other share option scheme in place.