

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2004, so far as was known to the directors and the chief executives of the Company, the following persons, other than a director or chief executive of the Company, had an interest or short position 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, 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 the Company or any other members of the Group:

Name of shareholder	Capacity	Number or attributable number of shares held or short position	Approximate percentage or attributable percentage of shareholdings (%)
Heng Fung Holdings Limited	Beneficial owner	160,002,000 (L)	9.12
		(Note 1)	
		160,000,000 (S)	9.12
		(Note 2)	
Hai Xia Finance Holdings Limited	Beneficial owner	150,000,003 (L)	8.55
		150,000,003 (S)	8.55

L: Long position

S: Short position

### Notes:

- (1) These shares are held as to 159,759,000 shares by Heng Fung Holdings Limited and as to 243,000 shares by Sure World Capital Limited, a wholly owned subsidiary of Heng Fung Holdings Limited.
- (2) Pursuant to the Sale and Purchase Agreement, the Heng Fung Group has agreed to sell and Mr. Liu has agreed to acquire an aggregate of 250,000,000 shares in cash at an aggregate consideration of HK\$180,000,000. As at 30 September 2004, the sale and purchase of 90,000,000 shares has been completed.
- (3) On 28 September 2004, a warrant placing agreement was entered into between the Company and Mr. Kan Che Kin, Billy Albert ("Mr. Kan") in relation to a private placing of 180,000,000 warrants at an issue price of HK\$0.01 per warrant of which it entitled Mr. Kan to subscribe for 180,000,000 new Shares of the Company at an initial exercise price of HK\$0.66 per new Share for a period of five years commencing from the date of issue of the warrants. As at 30 September 2004, Mr. Kan beneficially owned 10,000,000 shares of the Company, representing 0.57% of the issued share capital of the Company.
- (4) On 28 September 2004, a warrant placing agreement was entered into between the Company and Mr. Liu Zhi He ("Mr. LZH") in relation to a private placing of 80,000,000 warrants at an issue price of HK\$0.01 per warrant of which it entitled Mr. LZH to subscribe for 80,000,000 new Shares of the Company at an initial exercise price of HK\$0.66 per new Share for a period of five years commencing from the date of issue of the warrants. As at 30 September 2004, Mr. LZH beneficially owned 28,264,000 shares of the Company, representing 1.61% of the issued share capital of the Company.
- (5) On 30 September 2004, a subscription agreement was entered into between the Company and Apollo Elite International Limited ("Apollo Elite") in relation to the subscription of 90,000,000 new Shares of the Company at a subscription price of HK\$0.52 per new Share. As at 30 September 2004, Apollo Elite did not hold any shares of the Company.

Save as disclosed herein, as at 30 September, 2004, the directors and the chief executives of the Company were not aware of any person who had an interest or short position in the shares or 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, 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 the Company or any member of the Group.