

SUBSTANTIAL SHAREHOLDERS

As at 30 September, 2004, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company:

Name of shareholder	Long/short position	Capacity	Number of ordinary shares/ underlying shares held	Percentage of issued capital
Madam Ng Sze Mui	Long	Founder of a discretionary trust	237,803,029 (Note 1)	48.86%
Madam Ng Shuk Fong, Aman	Long	Beneficial owner and interest of spouse	242,178,029 (Note 2)	49.76%
Harmony Link Corporation	Long	Beneficial owner	237,803,029	48.86%
The Lui Family Company Limited	Long	Trustee	237,803,029 (Note 3)	48.86%
Trident Corporate Services (B.V.I.) Limited (formerly known as "Ansbacher (BVI) Limited")	Long	Trustee	237,803,029 (Note 3)	48.86%

Notes:

- (1) Interests in these shares represent interests held by Madam Ng Sze Mui by virtue of her being a founder of a discretionary trust which has interests in 237,803,029 shares, details of the trust have also been disclosed in Note (1) under the section "Directors' interests in shares – Long position in the shares of the Company" above.
- (2) Interests in these shares include interests in 625,000 shares and options to subscribe for 625,000 shares both held by Madam Ng Shuk Fong, Aman personally and interests in 240,928,029 shares through interest of her spouse, Mr. Lui Shing Chung, Victor as disclosed in Note (2) under the section "Directors' interest in shares - Long position in the shares of the Company" above.
- (3) The two references to 237,803,029 shares relate to the same block of shares in the Company. Each of The Lui Family Company Limited as trustee of The Lui Unit Trust and Trident Corporate Services (B.V.I.) Limited (formerly known as "Ansbacher (BVI) Limited") as trustee of a discretionary trust is taken to have a duty of disclosure in relation to the interests of Harmony Link Corporation in the said shares of the Company as described in Note (2) under the section "Directors' interests in shares – Long position in the shares of the Company" above.

SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed herein, as at 30 September, 2004, the Company has not been notified by any other person or corporation, other than the directors of the Company whose interests are set out above, having interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

PARTICULARS OF DIRECTORS OF THE COMPANY WHO WERE DIRECTORS/EMPLOYEES OF SUBSTANTIAL SHAREHOLDERS

Messrs. Lui Chi, Lui Shing Ming Brian, Lui Shing Cheong and Lui Shing Chung Victor are directors of Harmony Link Corporation and The Lui Family Company Limited.

SHARE OPTION SCHEMES

On 5 September, 2002, the Old Scheme was terminated and a new share option scheme (the "New Scheme") was adopted. The details of the New Scheme were disclosed in the 2004 Annual Report. There were no changes in any terms of the New Scheme during the six months ended 30 September, 2004. Upon termination of the Old Scheme, no further share options will be granted thereunder but all outstanding share options granted under the Old Scheme will not be affected by the New Scheme. As at 30 September, 2004, the number of shares in respect of which share options had been granted and outstanding under the Old Scheme was 1,125,000. No share options were granted under the New Scheme since its adoption on 5 September, 2002.

The following share options were outstanding under the Old Scheme during the six months ended 30 September, 2004:

Name or category of participant	Number of share options					As at 30 September, 2004	Date of grant of share options	Exercise period of share options	Adjusted price of share options** HK\$	Price of Company's shares***	
	As at 1 April, 2004	Exercised during the period	Cancelled during the period	Lapsed during the period						At grant date of options HK\$	At exercise date of options HK\$
Directors											
Lui Chi	1,250,000	1,250,000	-	-	-	30 October, 1997	30 October, 1997 to 26 December, 2006	0.3507	0.5300	0.5000	
	1,875,000	1,875,000	-	-	-	31 December, 1999	31 December, 1999 to 26 December, 2006	0.2240	0.2900	0.5000	
	3,125,000	3,125,000	-	-	-						
Lui Shing Ming, Brian	1,250,000	1,250,000	-	-	-	30 October, 1997	30 October, 1997 to 26 December, 2006	0.3507	0.5300	0.5000	
	4,375,000	4,375,000	-	-	-						

SHARE OPTION SCHEMES (Continued)

Name or category of participant	Number of share options					Date of grant of share options	Exercise period of share options	Adjusted exercise price of share options** HK\$	Price of Company's shares*** HK\$	
	As at 1 April, 2004	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 September, 2004				At grant date of options	At exercise date of options
Other employees										
In aggregate	625,000	-	-	-	625,000*	31 December, 1999	31 December, 1999 to 26 December, 2006	0.2240	0.2900	N/A
	250,000	-	-	-	250,000	8 July 2000	8 January, 2001 to 26 December, 2006	1.0960	1.6500	N/A
	250,000	-	-	-	250,000	5 September, 2000	5 September, 2001 to 26 December, 2006	1.4048	2.2000	N/A
	7,500,000	-	-	7,500,000	-	6 March, 2000	23 September, 2000 to 26 December, 2006	2.7744	5.6000	N/A
	8,625,000	-	-	7,500,000	1,125,000					
	13,000,000	4,375,000	-	7,500,000	1,125,000					

Notes:

- * The share options to subscribe for 625,000 ordinary shares at HK\$0.2240 per share in the Company that were granted to the spouse of Mr. Lui Shing Chung, Victor have been included in the "Other employees" category above and remained outstanding as at 30 September, 2004.
- ** The exercise price is subject to adjustment in the case of any future rights or bonus issues, or other similar changes in the Company's share capital.
- *** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange's closing price of the Company as at the date of the grant of the share options.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are cancelled prior to their exercise date are deleted from the register of outstanding share options.