

## GENERAL INFORMATION

### DIRECTORS' SERVICE CONTRACTS

At 30 June 2005, no director had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 1.5 to the condensed consolidated interim financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries, holding companies and fellow subsidiaries was a party during the six months ended 30 June 2005.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2005, the interests of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as 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 Issuers (the "Model Code"), were as follows:

#### Long positions in ordinary shares of the Company:

| Name of director       | Number of shares held | Capacity and nature of interest  | Percentage of the Company's issued share capital |
|------------------------|-----------------------|----------------------------------|--|
| Mr. Ng Kong Fat, Brian | 8,792,755             | Through a controlled corporation | 1.78   |

#### Long positions in ordinary shares of an associated corporation of the Company:

| Name of director       | Name of associated corporation  | Relationship with the Company | Number of shares held | Capacity and nature of interest | Percentage of the associated corporation's issued share capital |
|------------------------|---------------------------------|-------------------------------|-----------------------|---------------------------------|---|
| Mr. Ng Kong Fat, Brian | BD Ah Yat Abalone Group Limited | Company's subsidiary          | 1,462,000             | Directly beneficially owned     | 21.5  |

The interests of the directors in the share options of the Company and its associated corporation are separately disclosed under the heading "Share option scheme" below.

### **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES** (continued)

In addition to the above, Mr. Ng Kong Fat, Brian has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2005, none of the directors and chief executive and their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the heading "Directors' and chief executive's interests and short positions in shares and underlying shares" above and the heading "Share option scheme" below, at no time during the six months ended 30 June 2005 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### **SHARE OPTION SCHEME**

The Company operates a share option scheme (the "Scheme") to give executives and key employees of the Group an interest in preserving and maximising shareholders' value in the longer term, to enable the Company and the relevant subsidiaries to attract and retain individuals with experience and ability and to reward individuals for future performance. Eligible participants of the Scheme include the executive directors and employees of the Company or any of its subsidiaries. The Scheme became effective on 18 June 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date on which the offer of the share options is accepted or on the expiry date of the Scheme, whichever is earlier.

**SHARE OPTION SCHEME** (continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of the offer of the share options; (ii) the average of the closing prices of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Pursuant to the Scheme, the following share options were outstanding during the six months ended 30 June 2005:

| Name/category of participant | Notes | Number of share options |                             |                 |
|------------------------------|-------|-------------------------|-----------------------------|-----------------|
|                              |       | At 1 January 2005       | Cancelled during the period | At 30 June 2005 |
| <b>Directors:</b>            |       |                         |                             |                 |
| Mr. Ng Kong Fat, Brian       | (a)   | 2,300,000               | –                           | 2,300,000       |
|                              | (b)   | 1,200,000               | –                           | 1,200,000       |
|                              |       | 3,500,000               | –                           | 3,500,000       |
| Mr. E Meng                   | (a)   | 1,600,000               | –                           | 1,600,000       |
|                              | (b)   | 1,200,000               | –                           | 1,200,000       |
|                              |       | 2,800,000               | –                           | 2,800,000       |
| Mr. Li Kangying <sup>#</sup> | (b)   | 2,700,000               | –                           | 2,700,000       |
| Mr. Cao Wei <sup>#</sup>     | (b)   | 2,500,000               | –                           | 2,500,000       |
| Mr. Zhao Jifeng <sup>*</sup> | (c)   | 2,800,000               | (2,800,000)                 | –               |
| <b>Other employees:</b>      |       |                         |                             |                 |
| In aggregate                 | (a)   | 4,240,000               | (180,000)                   | 4,060,000       |
|                              | (b)   | 12,500,000              | –                           | 12,500,000      |
|                              |       | 16,740,000              | (180,000)                   | 16,560,000      |
|                              |       | 31,040,000              | (2,980,000)                 | 28,060,000      |

<sup>#</sup> Mr. Li Kangying and Mr. Cao Wei were appointed as directors on 15 March 2005.

<sup>\*</sup> Mr. Zhao Jifeng resigned as a director on 15 March 2005.

**SHARE OPTION SCHEME** (continued)

Notes:

- (a) These options were granted on 19 June 2001 at an exercise price of HK\$1.13 per share. The options can be exercised in two or three equal portions. The first portion is exercisable at any time commencing on 1 January 2002, and each further portion becomes exercisable on 1 January in each of the following years. All of the options, if not otherwise exercised, will lapse on 26 June 2006.
- (b) These options were granted on 18 January 2002 at an exercise price of HK\$1.00 per share. The options can be exercised in three equal portions. The first portion is exercisable at any time commencing on 18 January 2002, and each further portion becomes exercisable on 1 January in each of the following years. All of the options, if not otherwise exercised, will lapse on 17 January 2007.
- (c) These options were granted on 2 October 2003 at an exercise price of HK\$1.05 per share. The options can be exercised in three equal portions. The first portion is exercisable at any time commencing on 2 October 2003, and each further portion becomes exercisable on 1 January in each of the following years. All of the options, if not otherwise exercised, will lapse on 1 October 2008.

No share options were exercised during the six months ended 30 June 2005. At 30 June 2005, the Company had 28,060,000 share options outstanding under the Scheme, which represented approximately 5.7% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 28,060,000 additional ordinary shares of the Company and additional share capital of HK\$28,060,000 and share premium of HK\$1,035,000 (before issue expenses).

In addition, at 30 June 2005, the interests of a director of the Company in options to subscribe for shares of Beijing Enterprises Holdings Limited ("BEHL"), the Company's holding company, under the share option scheme of BEHL were as follows:

| Name of director | Number of share options |          |
|------------------|-------------------------|----------|
|                  | Note (a)                | Note (b) |
| Mr. E Meng       | 50,000                  | 450,000  |

Notes:

- (a) These options were granted on 3 March 1998 at an exercise price of HK\$17.03 per share. The options can be exercised at any time in the next 10 years commencing on 1 September 1998. No such options were exercised during the six months ended 30 June 2005.
- (b) These options were granted on 23 June 1998 at an exercise price of HK\$17.03 per share. The options can be exercised in nine equal portions. The first portion is exercisable at any time commencing on 1 January 1999 and one additional portion becomes exercisable on 1 January in each of the following years. All of the options (to the extent not exercised) will become exercisable on 1 January 2007 and, if not otherwise exercised, will lapse on 1 January 2009. No such options were exercised during the six months ended 30 June 2005.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2005, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions in ordinary shares of the Company:

| Name                                    | Notes | Capacity and nature of interest  | Number of shares held | Percentage of the Company's issued share capital |
|---|-------|----------------------------------|-----------------------|--|
| Idata Finance Trading Limited           |       | Directly beneficially owned      | 275,675,000           | 55.81  |
| Illumination Holdings Limited           |       | Directly beneficially owned      | 49,825,613            | 10.09  |
| BEHL                                    | (a)   | Through a controlled corporation | 275,675,000           | 55.81  |
| Beijing Enterprises Investments Limited | (b)   | Through a controlled corporation | 275,675,000           | 55.81  |
| Beijing Holdings Limited                | (c)   | Through controlled corporations  | 325,500,613           | 65.90  |

#### Notes:

- Idata Finance Trading Limited ("IFTL") is held directly as to 100% by BEHL. Accordingly, BEHL is deemed to be interested in the shares owned by IFTL.
- BEHL is held indirectly as to approximately 66.5% by Beijing Enterprises Investments Limited ("BEIL"). Accordingly, BEIL is also deemed to be interested in the shares owned by IFTL.
- BEIL is held indirectly as to approximately 66.5% by Beijing Holdings Limited ("BHL"). Illumination Holdings Limited ("IHL") is held indirectly as to 100% by BHL. Accordingly, BHL is deemed to be interested in the shares owned by IFTL and IHL.

Save as disclosed above, as at 30 June 2005, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2005.