

## DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2005, the interests and short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

### 1. Interest in shares of the Company

Director	Nature of interest/ Capacity	Number of shares	% to the issued share capital of the Company
Jiang Quanlong	Interest of spouse (Note)	592,550,000	60.04%
Qian Yuanying	Beneficiary of a trust (Note)	592,550,000	60.04%
Huang Chunhua	Beneficial owner	2,868,000	0.29%

*Note:* These shares are held through YY Holdings Limited, the entire issued share capital of which is held by YYT Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her children.

### 2. Interests in shares, underlying shares or equity interests in associated corporations

#### (a) *Xinwei Rare Earth Group (Hong Kong) Limited*

Director	Capacity	Number of issued shares
Jiang Quanlong	Beneficial owner	7,000,000 non-voting deferred shares
Qian Yuanying	Beneficial owner	3,000,000 non-voting deferred shares

(b) *Yixing Xinwei Leeshing Rare Earth Company Limited*

<b>Director</b>	<b>Nature of interest</b>	<b>Equity interests</b>
Jiang Quanlong	Interests of a controlled corporation (Note)	5%

(c) *YY Holdings Limited*

<b>Director</b>	<b>Capacity</b>	<b>Number of issued shares</b>
Qian Yuanying	Beneficiary of a trust	1 ordinary share
Qian Yuanying	Beneficiary of a trust	25,000 preference shares

*Note:* The equity interest is held by Yixing Xinwei Group Co. Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with remaining 10% owned by his son. Mr. Jiang is also the legal representative of the enterprise.

**3. Interests in underlying shares of the Company**

<b>Director</b>	<b>Capacity</b>	<b>Number of shares issuable under options granted</b>	<b>% to the issued share capital of the Company</b>
Fan Yajun	Beneficial owner	5,000,000	0.51%

Details of the options granted to the above director were disclosed in "Share Option Scheme" above.

Save as disclosed above, as at 30 June 2005, none of the directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.