

## DISCLOSURE OF INTERESTS

### (A) Interests and short positions of the directors and the chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations

At 30 June 2005, no directors or chief executive of the Company, save as disclosed below, has an interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies which are to be notified to the Company and the SEHK:

*Long position in issued shares and underlying shares :*

Name of director	Capacity	Nature of interests	Number of shares held	Number of underlying shares held	% of total issued shares
Leung Chung Shan ("Mr. Leung")	Interests of a controlled corporation	Corporate	880,762,000 (Note 1 & 2)	-	45.45%
Mr. Leung	Beneficial owner	Personal	58,212,000 (Note 1 & 2)	-	3.01%

## **DISCLOSURE OF INTERESTS** *(Continued)*

### **(A) Interests and short positions of the directors and the chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations** *(Continued)*

*Note:*

1. The 880,762,000 shares are held by Tees Corporation ("Tees"), a Company incorporated in the British Virgin Islands and is wholly-owned by Mr. Leung. Together with Mr. Leung's personal interest in 58,212,000 shares, Mr. Leung is deemed to be interested in an aggregate of 938,974,000 shares.
2. The Company received a letter on 24 June 2004 from Mr. J R Lees informing the Company that he had been appointed as provisional liquidator of TKR Finance Limited ("TKR Finance"). Thereafter, the Company was informed that out of 982,212,000 shares, representing 50.69% of the entire issued shares of the Company in aggregate held by Mr. Leung and Tees, 882,212,000 shares, representing 45.53% of the entire issued shares of the Company were pledged to TKR Finance for personal reasons.

On 18 April 2005, the provisional liquidator of TKR Finance informed Mr. Leung that 43,238,000 pledged shares, which was held by Tees, were sold. The Company was informed that, as at 22 April 2005, 838,974,000 shares in aggregate held by Mr. Leung and Tees, representing 43.29% of the entire issued shares of the Company were pledged.

### **(B) Share options**

There are no changes in any terms of the share options scheme during the six months ended 30 June 2005. The detailed terms of the share options scheme were disclosed in the Company's 2004 annual reports.

## DISCLOSURE OF INTERESTS (Continued)

### (B) Share options (Continued)

Details of the share options outstanding at 30 June 2005 which have been granted under the scheme whereas follows:

Grantees	Date of grant	Exercise price per share	Options (note)			
			Number of options			
			Outstanding at 1 January 2005	Lapsed/Cancelled during the period	Exercised during the period	Outstanding at 30 June 2005
Directors	-	-	-	-	-	-
Employees	10 July 2000	HK\$0.392	30,780,000	-	-	30,780,000

Note:

The options were granted under the share option scheme adopted by the Company on 2 June 1997. The options are exercisable subject to the terms and conditions stipulated each time options are granted. All the options granted will expire at the end of ten years from the date of grant.

Save as disclosed above, none of the directors or chief executive of the Company or their spouses or children under 18 years of age, had any right to subscribe for equity or debt securities of the Company, or had exercised any such right during the period.

Apart from the foregoing, at no time during the period was the Company or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company or any of their spouses or children under 18 years of age to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

## DISCLOSURE OF INTERESTS *(Continued)*

### (C) Interests and short positions of shareholders discloseable under the SFO

So far as is known to any director or chief executive of the Company, at 30 June 2005, shareholders (other than directors or chief executives of the Company) who had interests or short positions in the share or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

(i) *Long positions of substantial shareholders in the shares and underlying shares of the Company*

Name of Shareholder	Capacity	Number of shares held	Number of underlying shares held	% of total issued shares
Tees Corporation ("Tees")	Beneficial Owner	880,762,000 (Note 1 & 3)	–	45.45%
Leung Chung Shan ("Mr. Leung")	Interest of a controlled corporation/beneficial owner	938,974,000 (Note 2 & 3)	–	48.46%
TKR Finance Limited ("TKR Finance")	Interest of a controlled corporation/beneficial owner	871,186,144 (Note 3 & 4)	–	44.96%
Winway H.K. Investments Limited ("Winway")	Beneficial Owner	153,000,000 (Note 5)	–	7.90%

## **DISCLOSURE OF INTERESTS** *(Continued)*

### **(C) Interests and short positions of shareholders discloseable under the SFO** *(Continued)*

*Notes:*

- 1) Tees is a company incorporated in the British Virgin Islands and wholly owned by Mr. Leung.
- 2) In view of note 1 above, by virtue of Tees's interest in 880,762,000 shares and Mr. Leung's personal interests in 58,212,000 shares, Mr. Leung is deemed to be interested in an aggregate of 938,974,000 shares of the Company. For the avoidance of doubt, the same interests have been disclosed by Mr. Leung under the heading "Interests and short positions of the directors and the chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations" above.
- 3) The Company received a letter on 24 June 2004 from Mr. J R Lees informing the Company that he had been appointed as provisional liquidator of TKR Finance. Thereafter, the Company was informed that out of 982,212,000 shares, representing 50.69% of the entire issued share of the Company in aggregate held by Mr. Leung and Tees on 24 June 2004, 882,212,000 shares, representing 45.53% of the entire issued shares of the Company were pledged to TKR Finance for personal reasons.

On 18 April 2005, the provisional liquidator of TKR Finance informed Mr. Leung that 43,238,000 pledged shares, which was held by Tees, were sold. The Company was informed that, as at 22 April 2005, 838,974,000 shares in aggregate held by Mr. Leung and Tees, representing 43.29% of the entire issued shares of the Company were pledged.

## **DISCLOSURE OF INTERESTS** *(Continued)*

### **(C) Interests and short positions of shareholders discloseable under the SFO** *(Continued)*

- 4) The Company received copies of the disclosure of interests forms filed pursuant to the SFO by the provisional liquidator of TKR Finance claiming its securities interests in shares of the Company. Based on the information on the disclosure of interests forms, TKR Finance held 909,690,144 shares of the Company as at 19 June 2004, held 888,870,144 shares of the Company as at 10 November 2004 and 871,186,144 shares of the Company as at 23 December 2004. The provisional liquidator of TKR Finance informed the Company that, as at 22 April 2005, TKR Finance has a security interest in 867,434,144 shares of the Company.
- 5) Winway is a wholly-owned subsidiary of Culturecom Investments Limited ("CIL"), which in turn is a wholly-owned subsidiary of Culturecom Holdings (BVI) Limited ("CHBVIL"), and CHBVIL is a wholly owned subsidiary of Culturecom Holdings Limited ("CHL"). By virtue of the SFO, CIL, CHBVIL and CHL were deemed to be interested in 153,000,000 shares of the Company held by Winway.

Save as disclosed above, as at 30 June 2005, the Company according to the records required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short positions in the shares or underlying shares of the Company.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2005.