

- (i) The volatility measured at the standard deviation of expected share price returns is based on the daily closing prices over the one year immediately preceding the date of grant.
- (ii) The above calculation is based on the assumption that there is no material difference between the expected volatility over the whole life of the options and the historical volatility of the shares on the Stock Exchange.
- (iii) Expected ordinary dividend is based on 2005 prospective dividend yield of the shares as at 2nd February, 2005.

## DIRECTORS' INTERESTS IN SHARES

At 30th June, 2005, the interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO were as follows:

### (A) Long Positions in shares of the Company

| Directors                   | Capacity  | No. of shares held        | Total           | % of issued share capital of the Company |
|-----------------------------|---|---------------------------|-----------------|--|
| Mr. Poon Siu Chung          | Beneficial owner<br>Interest of spouse and controlled corporation | 17,290,000<br>101,757,630 | 119,047,630 (a) | 38.49                                    |
| Mr. Leung Ying Wai, Charles | Interest of spouse and controlled corporation                     | 63,097,200                | 63,097,200 (b)  | 20.40                                    |
| Mr. Ip Siu On               | Beneficial owner  | 6,803,600                 | 6,803,600       | 2.20                                     |
| Mr. Tsui Yan Lee, Benjamin  | Beneficial owner  | 3,411,000                 | 3,411,000       | 1.10                                     |
| Mr. Ng Siu Yu, Larry        | Beneficial owner  | 880,000                   | 880,000         | 0.28                                     |

#### Notes:

- (a) Mr. Poon Siu Chung was the beneficial owner of 17,290,000 shares (“Shares”) of the Company and he was deemed to be interested in 101,757,630 Shares which were held through Mime Limited, a limited company incorporated in Hong Kong and owned as to 55% by Mr. Poon Siu Chung and as to 45% by his spouse, Ms. Lau Kwai Ngor. Of these shares, 618,200 shares are held in trust for others.

- (b) Mr. Leung Ying Wai, Charles was deemed to be interested in 63,097,200 Shares which were held through Nielsen Limited, a limited company incorporated in Hong Kong and beneficially owned by Mr. Leung Ying Wai, Charles, his spouse, Ms. Tai Yee Foon and his family members.

**(B) Right to acquire shares of the Company**

Other than the share options disclosed in the section “Share Option Scheme”, at no time during the period was the Company or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by the means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

**(C) Long Position in shares of associated corporations of Company**

| Directors                   | Name of associated corporation        | Capacity           | No. of shares held | Total      | % of issued share capital of associated corporation |
|-----------------------------|---------------------------------------|--------------------|--------------------|------------|---|
| Mr. Poon Siu Chung          | Perfectech International Limited      | Beneficial owner   | 200                |            |   |
|                             |                                       | Interest of spouse | 200                | 400 (c)    | 50  |
|                             | Sunflower Garland Manufactory Limited | Beneficial owner   | 60,800             |            |   |
|                             |                                       | Interest of spouse | 20,800             | 81,600 (d) | 51  |
| Mr. Leung Ying Wai, Charles | Perfectech International Limited      | Interest of spouse | 400                | 400 (e)    | 50  |
| Mr. Ip Siu On               | Sunflower Garland Manufactory Limited | Beneficial owner   | 28,800             | 28,800     | 18  |
| Mr. Tsui Yan Lee, Benjamin  | Sunflower Garland Manufactory Limited | Beneficial owner   | 28,800             | 28,800     | 18  |

*Notes:*

- (c) Mr. Poon Siu Chung was the beneficial owner of 200 non-voting deferred shares (“Perfectech Shares”) of HK\$100 each in Perfectech International Limited, a subsidiary of the Company and was deemed to be interested in 200 Perfectech Shares through interests of his spouse, Ms. Lau Kwai Ngor.

- (d) Mr. Poon Siu Chung was the beneficial owner of 60,800 non-voting deferred shares (“Sunflower Shares”) of HK\$1 each in Sunflower Garland Manufactory Limited, a subsidiary of the Company and was deemed to be interested in 20,800 Sunflower Shares through interests of his spouse, Ms. Lau Kwai Ngor.
- (e) Mr. Leung Ying Wai, Charles was deemed to be interested in 400 Perfectech Shares through interests of his spouse, Ms. Tai Yee Foon.

Other than as disclosed above and nominee shares in certain subsidiaries held in trust for the Group, none of the directors, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SFO.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

Other than the interests disclosed above in the section “Directors’ Interests”, as at 30th June, 2005, the register of substantial shareholders’ interests and short positions in the shares and underlying shares of the Company maintained under Section 336 of the SFO showed that the Company had been notified of the following interests, being 5% 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.

### Long Positions in shares of the Company

| Shareholders      | Capacity                                      | No. of shares held | Total          | % of issued share capital of the Company |
|-------------------|---|--------------------|----------------|--|
| Ms. Lau Kwai Ngor | Interest of spouse and controlled corporation | 119,047,630        | 119,047,630(f) | 38.49                                    |
| Ms. Tai Yee Foon  | Interest of spouse and controlled corporation | 63,097,200         | 63,097,200(g)  | 20.40                                    |

*Notes:*

- (f) Ms. Lau Kwai Ngor was deemed to be interested in 119,047,630 Shares through interests of her spouse, Mr. Poon Siu Chung (Please refer to Note (a) above).
- (g) Ms. Tai Yee Foon was deemed to be interested in 63,097,200 Shares through interests of her spouse, Mr. Leung Ying Wai, Charles (Please refer to Note (b) above).

## PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.