

DIRECTOR'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Directors' Interest in Contracts

No contract of significance to which the Company or any of its subsidiaries was a party, in which a Director of the Company had a material interest, subsisted at the end of the period or at any time during the period.

Directors' Interests and Short Positions

As at 30 June 2005, the directors and their respective associated corporations had interests in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") as follows:

Name of director	Number of shares held		Number of underlying ordinary shares held under equity derivatives	Total	Percentage of the issued share capital*
	Personal interests	Corporate interests			
Ni Xinguang	40,530,000	2,000,000,000 (Note)	37,000,000	2,077,530,000	55.81%
Wang Zhiming	39,530,000	2,000,000,000 (Note)	37,000,000	2,076,530,000	55.78%
Ha Shu Tong	85,000,000	–	35,000,000	120,000,000	3.22%
Ng Chun Chuen David	30,000,000	–	35,000,000	65,000,000	1.75%

Note: 2,000,000,000 shares were owned by Group First Limited, a private company beneficially owned by Mr. Ni Xinguang as to 60% and Mr. Wang Zhiming as to 40%, representing approximately 53.72% of the issued share capital of the Company.

* The percentage has been calculated based on the total number of ordinary shares of the Company in issue as at 30 June 2005 (i.e. 3,722,792,000).

Other than the holdings disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any director or his associates of the Company or their respective associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein. Nor any of the directors (including their spouses and children under the age of 18) had, as at 30 June 2005, any interest in, or had been granted any right to subscribe for the securities and options of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

Share Options

By resolutions of the shareholders of the Company at a meeting of shareholders held on 28 May 2004, the Company had adopted a share option scheme (the “Scheme”).

Movements of the share options under the Scheme during the period are as follows:

Category	Date of grant	Number of option shares held as at 01/01/2005	Number of option shares granted during the period	Number of option shares exercised during the period	Number of options shares lapsed during the period	Number of option share held as at 30/06/2005	Exercise price HK\$	Exercise period
Directors								
Ni Xinguang	20/12/2004	37,000,000	-	-	-	37,000,000	0.113	27/6/2005 – 26/12/2007
Ho Shu Tong	20/12/2004	35,000,000	-	-	-	35,000,000	0.113	24/6/2005 – 23/12/2007
Wang Zhiming	20/12/2004	37,000,000	-	-	-	37,000,000	0.113	27/6/2005 – 26/12/2007
Ng Chun Chuen David	20/12/2004	35,000,000	-	-	-	35,000,000	0.113	24/6/2005 – 23/12/2007

Substantial Interests in the Share Capital of the Company

As at 30 June 2005, the interests of those persons (other than the directors) in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Percentage of the issued share capital
Group First Limited	Beneficial owner	2,000,000,000	53.72%
Wong Chung Pak	Beneficial owner	333,200,000	8.95%

All the interests disclosed under this section represent long position in the shares of the Company.

Apart from the aforesaid, as at 30 June 2005, the Company had not been notified of any interests and short position in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.