

## SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th June 2005, the Company had been notified that the following shareholders (not being Directors or the chief executive of the Company) were interested, or were deemed to be interested, in the following interests and/or short positions in the shares or underlying shares of the Company, notifiable to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO. These interests are in addition to those disclosed in the section "Directors' interests in securities" above in respect of the Directors and the chief executive of the Company.

Name of shareholder	Long/short position	Number of shares held				Total	Approximate percentage of issued share capital
		Directly beneficially owned	Through spouse or minor children	Through controlled corporation(s)	Through discretionary trust(s)/ as beneficiary or trustee of trust(s)		
Silver Tree Holdings Inc.	Long position	188,260,000 <i>(Note a)</i>	—	—	—	188,260,000	70.05%
Ms. Daisy TING	Long position	—	188,260,000 <i>(Note e)</i>	—	—	188,260,000	70.05%
Mr. TANG Yue Nien, Martin	Long position	—	—	—	23,860,000 <i>(Note f)</i>	23,860,000	8.88%
HSBC International Trustee (New Zealand) Limited	Long position	—	—	—	29,206,000 <i>(Notes f and g)</i>	29,206,000	10.87%
HSBC International Trustee Limited	Long position	—	—	29,206,000 <i>(Note h)</i>	10,000 <i>(Note h)</i>	29,216,000	10.87%

Save as disclosed above, as at 30th June 2005, no other person (other than a Director or the chief executive of the Company) known to any Director or the chief executive of the Company had an interest or short position in the shares or underlying shares 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.

Notes to paragraphs headed "Directors' interests in securities" and "Substantial shareholders" under section headed "Disclosure of interests" above (per information as at 30th June 2005):

- a. 188,260,000 shares were beneficially owned by Silver Tree Holdings Inc., a company wholly-owned by Mr. Peter WANG.
- b. 1,379,000 shares were held by Euroworld Investment Holding Corporation (formerly known as "Euroworld Trustee Holdings Corporation") (under the registered name of HKSCC Nominees Limited) as trustee of a unit trust, units of which were held by a trust, the discretionary objects of which included Madam Koo. Another 158,000 shares were held by Main World Investment Limited, the entire issued share capital of which was beneficially owned by the same unit trust.
- c. 1,085,800 shares in Hua Thai were held by Ms. Daisy TING, the spouse of Mr. Peter WANG.
- d. 7,500 shares in Hua Thai were held by Madam Koo and 2,500 shares in Hua Thai were held by the late Mr. WANG Seng Liang, the spouse of Madam Koo.
- e. 188,260,000 shares were beneficially owned by Silver Tree Holdings Inc., a company wholly-owned by Mr. Peter WANG (see Note a), the spouse of Ms. Daisy TING.
- f. HSBC International Trustee (New Zealand) Limited held 23,860,000 shares as trustee of a trust of which Mr. TANG Yue Nien, Martin was a discretionary beneficiary.

- g. *HSBC International Trustee (New Zealand) Limited held 29,206,000 shares as trustee for various trusts and all the shares were registered in the name of HSBC International Trustee Limited.*
- h. *29,206,000 shares were held by HSBC International Trustee (New Zealand) Limited (see Notes f and g), a company accustomed/obliged to act in accordance with the directions or instructions of HSBC International Trustee Limited. Another 10,000 shares were held by HSBC International Trustee Limited as trustee (other than a bare trustee).*

## SHARE OPTIONS

A share option scheme was adopted by the shareholders of the Company at the special general meeting held on 28th November 1997, pursuant to which options may be granted to full-time employees (including executive directors) of the Company or its subsidiaries to subscribe for shares in the Company (the "Share Option Scheme"). The Share Option Scheme will remain in force for a period of ten years from 28th November 1997. As at the date of this Interim Report, 20,994,025 shares, representing 7.81% of the issued share capital of the Company, are available for issue under the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules.

No share options under the Share Option Scheme were outstanding at the beginning and at the end of the six months ended 30th June 2005 and no share options were granted, exercised, cancelled or lapsed during the said period.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the six months ended 30th June 2005. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30th June 2005.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles and complied with all the code provisions (except for code provision C.2 on internal control which would be implemented for accounting periods commencing on or after 1st July 2005) set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30th June 2005, except for the following deviations during the period:

### CODE PROVISION A.2.1

- Code specification : The roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.
- Deviation : During the first half of 2005, Mr. Peter WANG was the Chairman of the Board and Chief Executive Officer of the Company.
- Considered reasons for such deviation : As explained in the Corporate Governance Report set out in the Company's 2004 annual report, the Board considered that the function of the Chairman and Chief Executive Officer in the Company's strategic planning and development process are overlapping and it might not be beneficial to the Company and its shareholders as a whole to have separate individuals occupying these two offices given the current size of the Group and its stage of development.

### CODE PROVISION A.4.1

- Code specification : Non-executive directors should be appointed for a specific term, subject to re-election.
- Deviation : The non-executive Directors (including independent non-executive Directors) were not appointed for specific terms since all of them (other than the Honorary Chairlady) are subject to retirement by rotation in accordance with the Company's Bye-Laws.