

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30th September, 2005, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Rules Governing the Listing of the Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Yau Shum Tek, Cindy	Interest of controlled corporation	71,345,900 (Note)	32.27%

Note: At 30th September, 2005, Multiple Wealth International Limited ("Multiple Wealth") and Pacific Rim Investment Management Enterprises Limited ("Pacific Rim") held 9,615,900 ordinary shares and 26,730,000 ordinary shares of the Company, respectively. Multiple Wealth and Pacific Rim are wholly-owned subsidiaries of Hastings Gold Limited ("Hastings Gold"), which in turn, is a wholly-owned subsidiary of Mainland Talent Developments Limited ("Mainland Talent"). Ms. Yau Shum Tek, Cindy wholly owns and controls Red China Holdings Limited ("Red China") and Capital Sun Industries Limited ("Capital Sun"). Capital Sun wholly owns Future Star Group Limited ("Future Star"). Each of Red China and Future Star is interested in 50% of the issued share capital of Mainland Talent. On 13th June, 2005, the Company entered into a conditional subscription agreement for the issue of 35,000,000 ordinary shares to Goodnews Resources Limited ("Goodnews"). The completion date of the subscription agreement will be on or before 1st February, 2006. Goodnews is wholly-owned by Greatdeal Investments Limited ("Greatdeal") which in turn is wholly-owned by Ms. Yau Shum Tek, Cindy. Accordingly, Ms. Yau Shum Tek, Cindy is deemed to be interested in a total of 71,345,900 ordinary shares of the Company held by Multiple Wealth, Pacific Rim and Goodnews.

## INNER MONGOLIA DEVELOPMENT (HOLDINGS) LIMITED

The interests stated above represent the directors' interests in the shares of the Company, the directors' interests in the share options of the Company are disclosed in the section headed "Share Option Scheme" above.

Save as disclosed above, at 30th September, 2005, none of the directors nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above, at no time during the six months ended 30th September, 2005 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the directors, or their spouses or children under the age of eighteen, had any right to subscribe for the securities of the Company, or had exercised any such rights during the period.

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At 30th September, 2005, the register of shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of shareholder	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Mainland Talent	Interest of controlled corporation	36,345,900 (Notes 1 & 2)	16.44%
Capital Sun	Interest of controlled corporation	36,345,900 (Notes 1 & 2)	16.44%