

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that, as at 30 September 2005, other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Farsight (Note)	Beneficial owner	63,854,189	1.17%
	Interest in corporation	2,782,698,894	<u>51.17%</u>
			52.34%
DiChain Holdings	Beneficial owner	2,782,698,894	51.17%

Note:

Farsight is interested in more than one-third of the voting shares of DiChain Holdings and is deemed to be interested in the 2,782,698,894 shares in the issued share capital of the Company beneficially owned by DiChain Holdings.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2005.

SHARE OPTIONS SCHEME

Pursuant to a written resolution of the sole shareholder passed on 21 June 2002, the Company's share option scheme (the "Scheme") was set up for the primary purpose of providing incentives to directors and eligible employees, and which will expire on 20 June 2012. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the issued share capital of the Company from time to time, without prior approval from shareholders of the Company. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the Company's issued share capital or with a value in excess of HK\$5 million, otherwise it must be approved by the shareholders of the Company.

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from 12 months from the date of acceptance of the offer to the term anniversary of the date of grant. The exercise price is determined by the directors of the Company, and shall not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant and the nominal value of the shares of the Company. The vesting period is 12 months from the date of grant.

The following table discloses the total entitlement of the employees (including directors):

Name of director	Exercise price	Exercisable period	Outstanding at 1.4.2005	Granted during the period	Exercise during the period	Lapsed during the period	Outstanding at 30.9.2005
Fan Di	0.1200	20.5.2004 – 21.6.2012	45,000,000	-	-	-	45,000,000
	0.0620	18.8.2005 – 20.6.2012	22,000,000	-	-	-	22,000,000
Li Xinggui	0.1200	20.5.2004 – 21.6.2012	20,000,000	-	-	-	20,000,000
	0.0620	18.8.2005 – 20.6.2012	3,000,000	-	-	-	3,000,000
	0.0630	29.8.2006 – 20.6.2012	-	41,000,000	-	-	41,000,000
Wu Shiyue (resigned on 30 August 2005)	0.1200	20.5.2004 – 21.6.2012	25,000,000	-	-	-	25,000,000
	0.0620	18.8.2005 – 20.6.2012	10,000,000	-	-	-	10,000,000
Zheng Yingsheng	0.0120	20.5.2004 – 21.6.2012	7,500,000	-	-	-	7,500,000
	0.0620	18.8.2005 – 20.6.2012	3,000,000	-	-	-	3,000,000
	0.0630	29.8.2006 – 20.6.2012	-	41,000,000	-	-	41,000,000
Zhou Li Yang	0.0120	20.5.2004 – 21.6.2012	3,500,000	-	-	-	3,500,000
	0.0620	18.8.2005 – 20.6.2012	12,000,000	-	-	-	12,000,000
	0.0630	29.8.2006 – 20.6.2012	-	5,000,000	-	-	5,000,000
Wang Shizhen	0.1200	20.5.2004 – 21.6.2012	5,000,000	-	-	-	5,000,000
	0.0620	18.8.2005 – 20.6.2012	2,000,000	-	-	-	2,000,000
Robert Fung Hing Piu	0.1200	20.5.2004 – 21.6.2012	1,500,000	-	-	-	1,500,000
	0.0620	18.8.2005 – 20.6.2012	2,000,000	-	-	-	2,000,000



Name of director	Exercise price	Exercisable period	Outstanding at 1.4.2005	Granted during the period	Exercise during the period	Lapsed during the period	Outstanding at 30.9.2005
Iain Ferguson	0.1200	20.5.2004 – 21.6.2012	1,500,000	–	–	–	1,500,000
Bruce	0.0620	18.8.2005 – 20.6.2012	2,000,000	–	–	–	2,000,000
Barry John	0.1200	20.5.2004 – 21.6.2012	1,500,000	–	–	–	1,500,000
Buttifiant	0.0620	18.8.2005 – 20.6.2012	2,000,000	–	–	–	2,000,000
Victor Yang	0.0624	28.9.2005 – 20.6.2012	2,000,000	–	–	–	2,000,000
Employees	0.1200	20.5.2004 – 21.6.2012	7,500,000	–	–	(2,500,000)	5,000,000
	0.0620	18.8.2005 – 20.6.2012	17,000,000	–	–	(4,000,000)	13,000,000
	0.0664	6.4.2006 – 20.6.2012	–	5,000,000	–	–	5,000,000
	0.0630	29.8.2006 – 20.6.2012	–	256,500,000	–	–	256,500,000
Total			<u>195,000,000</u>	<u>348,500,000</u>	<u>–</u>	<u>(6,500,000)</u>	<u>537,000,000</u>

Save as described above, as at 30 September 2005, none of the Directors or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its subsidiary companies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Code of conduct regarding securities transaction by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.