

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2006, the interests and short positions of the directors and the chief executive of the Company 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 (the "SFO")) which are required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive are taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities ("Listing Rules") on the Hong Kong Stock Exchange, were as follows:

Interests and short positions in the Company

(i) Interest in ordinary shares

Name of Director	Capacity/nature of interests	Number of ordinary shares held	Long/short position	Approximate percentage of holding
Liang Jiang	Personal	230,000	Long position	0.026%

Note: The number of ordinary shares of the Company in issue as at 30 June 2006 was 901,583,285.

(ii) Interests in options relating to ordinary shares

Name of Director	Date of options granted# (dd.mm.yy)	Number of options held as at 1 January 2006 ('000)	Options granted Jan-Jun 2006		Period during which share options is exercisable* (dd.mm.yy)	Total consideration paid for share options granted (HK\$)	Price per ordinary share payable on exercise of options (HK\$)	Number of options exercised Jan-Jun 2006 ('000)	Number of options held as at 30 June 2006 ('000)	Share Price	
			Date # (dd.mm.yy)	Number ('000)						At share option grant date** (HK\$)	At share option exercise date (HK\$)
Liang Jiang	06.02.04	2,000	—	—	06.05.04–05.05.09	10	1.582	—	2,000	—	—
	—	—	09.03.06	2,000	09.06.06–08.03.16	1	1.660	—	2,000	1.610	—
Tan Yunbiao	06.02.04	1,500	—	—	06.05.04–05.05.09	10	1.582	—	1,500	—	—
	—	—	09.03.06	2,000	09.06.06–08.03.16	1	1.660	—	2,000	1.610	—
Tsang Hon Nam	—	—	09.03.06	300	09.06.06–08.03.16	1	1.660	—	300	1.610	—
Zhao Leili	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—
Luo Fanyu	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—
Liang Jianqin	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—
Gerard Joseph McMahon	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—
Tam Wai Chu, Maria	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—
Li Kar Keung, Caspar	—	—	09.03.06	200	09.06.06–08.03.16	1	1.660	—	200	1.610	—

- # The vesting period of the share options is from the date of grant until the commencement of the exercisable period or the grantee's completion of half year's full time service with the Company or its subsidiaries, whichever is the later.
- * If the last day of any of the option periods is not a business day in Hong Kong, the option period shall end at the close of business on the last business day preceding that day.
- ** The share price disclosed as "At share option grant date" is the closing price of the shares of the Company quoted on the Hong Kong Stock Exchange on the trading day immediately prior to the date of grant of the share options.

Interests and short positions in Guangdong Investment Limited

Interest in ordinary shares

<u>Name of Director</u>	<u>Capacity/nature of interests</u>	<u>Number of ordinary shares held</u>	<u>Long/short position</u>	<u>Approximate percentage of holding</u>
Zhao Leili	Personal	200,000	Long position	0.003%
Liang Jianqin	Personal	200,000	Long position	0.003%

Note: The number of ordinary shares of Guangdong Investment Limited in issue as at 30 June 2006 was 6,022,248,071.

Interests and short positions in Kingway Brewery Holdings Limited

Interest in ordinary shares

<u>Name of Director</u>	<u>Capacity/nature of interests</u>	<u>Number of ordinary shares held</u>	<u>Long/short position</u>	<u>Approximate percentage of holding</u>
Luo Fanyu	Personal	70,000	Long position	0.005%
Liang Jianqin	Personal	46,000	Long position	0.003%

Note: The number of ordinary shares of Kingway Brewery Holdings Limited in issue as at 30 June 2006 was 1,395,568,000.

Interests and short positions in Guangdong Tannery Limited

Interest in ordinary shares

<u>Name of Director</u>	<u>Capacity/nature of interests</u>	<u>Number of ordinary shares held</u>	<u>Long/short position</u>	<u>Approximate percentage of holding</u>
Luo Fanyu	Personal	70,000	Long position	0.013%

Note: The number of ordinary shares of Guangdong Tannery Limited in issue as at 30 June 2006 was 524,154,000.

Save as disclosed above and other than certain nominee shares in subsidiaries of the Company held by the directors in trust for the Group, as at 30 June 2006, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be: (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive are taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period was the Company, its holding companies or any of its subsidiaries or associated corporation a party to any arrangements to enable the directors of the Company or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Note: Miss Liang Jianqin resigned as a non-executive director of the Company on 8 August 2006.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2006, so far as is known to any director and chief executive of the Company, the following persons (other than a director and chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company 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 kept by the Company under Section 336 of the SFO:

<u>Name of Shareholder</u>	<u>Number of ordinary shares beneficially held</u>	<u>Long/short position</u>	<u>Approximate percentage of issued share capital</u>
廣東粵港投資控股有限公司 (Guangdong Yue Gang Investment Holdings Company Limited) ("Yue Gang") (Note)	536,380,868	Long position	59.49%
GDH Limited ("GDH")	536,380,868	Long position	59.49%

Note: The attributable interest which Yue Gang has in the Company is held through its 100 per cent direct interest in GDH.

Save as disclosed above, no other person (other than a director and chief executive of the Company) known to any director and chief executive of the Company as at 30 June 2006 had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

On 11 June 2004, the Company adopted a new share option scheme ("2004 Share Option Scheme") enabling the Company to attract, retain and motivate high caliber and talented participants to make contributions to the Group. On the same day, the Company also terminated its share option scheme that was adopted on 24 August 2001 ("2001 Share Option Scheme"). Options granted under the 2001 Share Option Scheme prior to 11 June 2004 remain valid until lapsed.

During the period, options were not exercised nor lapsed. On 9 March 2006 options were granted under the 2004 Share Option Scheme enabling the holders to subscribe for a total of 11,770,000 shares of the Company.

As at 30 June 2006, save as disclosed in the section of "Directors' Interests and Short Positions in Securities", the following share options were outstanding under the 2001 and 2004 Share Option Schemes. Each option gives the holder the right to subscribe for one share of par value HK\$0.5 each of the Company.