

*Notes:*

1. 396,454,000 shares (of which interests in 6,600,000 shares were short position) were held by Glorious Sun Holdings (BVI) Limited (the entire issued voting share capital of which was held as to 51.934% by Dr. Charles Yeung, SBS, JP and as to 48.066% by Mr. Yeung Chun Fan), 233,540,000 shares were held by Advancetex Holdings (BVI) Limited (the entire issued voting share capital of which was held as to 51.934% by Dr. Charles Yeung, SBS, JP and as to 48.066% by Mr. Yeung Chun Fan) and 1,740,000 shares were held by G. S. Strategic Investment Limited (the entire issued voting share capital of which was held as to 50% by each of Dr. Charles Yeung, SBS, JP and Mr. Yeung Chun Fan).
2. 32,430,000 shares were held by Unicom Consultants Limited, a company wholly owned by Mr. Yeung Chun Ho.
3. Ms. Cheung Wai Yee is the spouse of Mr. Yeung Chun Fan. 6,730,000 shares related to the same block of shares held by Ms. Cheung Wai Yee and 631,734,000 shares related to the same block of shares held by three companies controlled by Mr. Yeung Chun Fan.

Save as disclosed above, as at 30 June 2006, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**SHARE OPTION SCHEME**

On 1 September 2005, the shareholders of the Company approved the termination (to the effect that the Company can no longer grant any further options) of the share option scheme adopted by the Company on 2 September 1996 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme"). All share options granted and outstanding prior to the termination of the Old Scheme will remain in full force and effect.

**(a) Old Scheme**

The Old Scheme was adopted by the Company on 2 September 1996.

Details of the movement in share options under the Old Scheme during the six months ended 30 June 2006 were as follows:

Category of participant	Number of shares subject to options				Share options				Price of Company's share***	
	At	During the year			At	Date of grant*	Exercise period	Subscription Price**	Immediately	At exercise
	1 January 2006	Exercised	Lapsed	Cancelled	30 June 2006				before the exercise date	of share options
	'000	'000	'000	'000	'000		HK\$	HK\$	HK\$	
Employees in aggregate	7,800	4,800	-	-	3,000	16/06/1997	15/06/2000 to 14/06/2007	2.876	3.705	3.713
	12,816	288	-	-	12,528	30/08/1997	16/09/1997 to 29/08/2007	2.564	3.550	3.562
	6,656	-	-	-	6,656	31/10/1997	31/10/1997 to 30/10/2007	1.800	-	-
	<u>27,272</u>	<u>5,088</u>	<u>-</u>	<u>-</u>	<u>22,184</u>					

Notes to the reconciliation of share options under the Old Scheme outstanding during the period:

- \* The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- \*\* The subscription price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the closing prices quoted from the Stock Exchange immediately before the dates on which the options were exercised.

No theoretical value of share option is disclosed as no share options were granted during the period.

**(b) New Scheme**

The New Scheme was adopted by the Company on 1 September 2005, unless otherwise terminated or amended, the New Scheme will remain in force for 10 years from the date of adoption. Details of the terms of the New Scheme were disclosed in the Annual Report of the Company for the year 2005.

During the period, no share options were granted or exercised under the New Scheme. Therefore, no theoretical value of share option is disclosed.

**SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2006, the register required to be kept by the Company pursuant to Section 336 of the SFO showed that the following shareholders (other than Directors of the Company) had disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO an interest or a short position in the shares or underlying shares of the Company:

Name of shareholder	Capacity	Number of shares held		Total	Percentage of issued share capital (%)
		Long Position	Short Position		
Glorious Sun Holdings (BVI) Limited	Beneficial owner	389,854,000	6,600,000	396,454,000	37.598
Advancetex Holdings (BVI) Limited	Beneficial owner	233,540,000	-	233,540,000	22.148
Mr. Cheah Cheng Hye	(i) Beneficial owner	500,000	-	61,815,000	5.862
	(ii) Interest of child under 18 or spouse	240,000	-		
	(iii) Interest of a controlled corporation	61,075,000 <sup>(1)</sup>	-		
Value Partners Limited	Investment manager	61,775,000	-	61,775,000	5.858
Commonwealth Bank of Australia	Interest of controlled corporations	62,935,100	-	62,935,100 <sup>(2)</sup>	5.968