

DISCLOSURE OF ADDITIONAL INFORMATION

Directors' interests in shares

At 30 June 2002, the interests of a Director and his associates in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Ordinary shares of the Company

Name of Director	Nature of interest	Number of ordinary shares held
Mr. Xu Peixin	Corporate	256,338,000

These shares are owned by Ultimate Fortune Limited ("Ultimate Fortune"), a company incorporated in the British Virgin Islands. The entire issued share capital of Ultimate Fortune is beneficially owned by Mr. Xu Peixin.

Save as disclosed above, none of the Directors, or their associates had any personal, family, corporate or other interests in the equity securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

Directors' rights to acquire shares or debentures

At no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)***Share option scheme**

The Company operates a share option scheme (the “SO Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the SO Scheme include the Directors, including independent non-executive Directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entities providing research, development or other technological support to the Group, any minority shareholders in the Company’s subsidiaries and other groups or classes of participants as determined by the Directors. The SO Scheme became effective on 26 June 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the SO Scheme is an amount equivalent, upon their exercise, to 30% of the ordinary shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the SO Scheme within any 12-month period is limited to 1% of the ordinary shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the ordinary shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options or the expiry date of the SO Scheme, if earlier.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

The exercise price of the share options is determinable by the Directors, but may not be less than the higher of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the Company's shares.

During the Period, no options had been granted or outstanding under the SO Scheme operated by the Group.

No options had been granted to the participants (including the employees of the Group, the suppliers of goods or services and all other participants under the SO Scheme) pursuant to the SO Scheme for the period from the date of adoption of the SO Scheme to 30 June 2002. Accordingly, no options had been granted to any participant under the SO Scheme in excess of the individual limit set out in the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Substantial shareholders

At 30 June 2002, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

Name	Number of shares held	Percentage of issued share capital of the Company
Ultimate Fortune	256,338,000 #	63.45%

The shareholding is duplicated in the paragraph headed "Directors' interests in shares" disclosed above.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

Save as disclosed above, no person, other than the Director, whose interests are set out in the paragraph headed “Directors’ interests in shares” above, had registered an interest of 10% or more in the share capital of the Company as at 30 June 2002 that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

Purchase, redemption or sale of listed securities of the Company

The Company’s shares were listed on the Main Board of the Stock Exchange on 28 June 2002. Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities since 28 June 2002.

Code of best practice

In the opinion of the Directors, the Company has complied with the Code of Best Practice (the “Code”) as set out in appendix 14 of the Listing Rules since the listing of the Company’s shares on the Stock Exchange on 28 June 2002.

Audit Committee

The Audit Committee was established on 6 June 2002 in accordance with the requirements of Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls.

The interim results of the Group for the Period had not been audited, but had been reviewed by the Audit Committee.

Publication of detailed results announcement of interim report

The printed copy of the 2002 interim report will be sent to shareholders on or around 23 September 2002. A detailed results announcement containing all the information required by paragraph 37 of appendix 16 of the Listing Rules will be published on the Stock Exchange’s website www.hkex.com.hk in due course.

On behalf of the Board

Mr. Xu Peixin

Chairman

Hong Kong, 13 September 2002