

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation" above and "Share Option Scheme" below, at no time during the period was the Company or its subsidiaries a party to any arrangement to enable the directors or any of their spouses 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2004, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the directors and chief executives of the Company) had interests, being 5% or more of the Company's issued share capital, and short positions in the shares and underlying shares of the Company:

	Number of shares held			Number of underlying shares held under equity derivatives		Total interests as % of the relevant issued share capital
	Direct/Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Personal/Family interests	Total interests	
SAL	52,907,250 ⁽ⁱ⁾	–	–	–	52,907,250	20.57%
CGL	–	–	30,914,000 ⁽ⁱⁱⁱ⁾	–	30,914,000	12.02%
WU Mei Yung, Quinly	–	53,095,177 ⁽ⁱⁱ⁾	30,914,000 ⁽ⁱⁱⁱ⁾	2,000,000 ^(iv)	86,009,177	33.44%
HSBC International Trustee Limited	–	–	30,914,000 ^(iv)	–	30,914,000	12.02%

Notes:

- (i) SAL is wholly owned by Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. This interest is also included as corporate interests of Dr. TAI Tak Fung, Stephen, JP in "Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation".
- (ii) Out of the 53,095,177 shares, 187,927 shares, representing 0.07% of the Company's issued share capital, are beneficially owned by FSMHL. SAL and CGL which in aggregate hold more than one-third of the issued share capital of FSMHL. SAL is wholly-owned by Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly; whereas CGL is owned by a discretionary trust, the Tai Family Trust, the eligible beneficiaries of which include members of the family of Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. Accordingly, Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests in those 187,927 shares of the Company's issued share capital held by FSMHL. The remaining 52,907,250 shares, representing 20.57% of the Company's issued share capital, are owned by SAL, and Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are therefore deemed to have interests therein. This interest is also included as corporate interests of Dr. TAI Tak Fung, Stephen, JP in "Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation".
- (iii) CGL is owned by a discretionary trust, the Tai Family Trust, the eligible beneficiaries of which include members of the family of Dr. TAI Tak Fung, Stephen, JP and Dr. WU Mei Yung, Quinly. This interest is also included as trust and similar interests of Dr. TAI Tak Fung, Stephen, JP in "Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation".
- (iv) HSBC International Trustee Limited is the trustee of the discretionary trust, the Tai Family Trust, referred to in note (iii) above.
- (v) Of which, 800,000 share options were granted to Dr. WU Mei Yung, Quinly. Another 1,200,000 share options were granted to her spouse Dr. TAI Tak Fung, Stephen, JP. Dr. WU Mei Yung, Quinly is therefore deemed to have interest therein. The share options were granted on 11 November 2003, exercisable from 1 May 2004 to 31 October 2005 at an exercise price HK\$0.93. This interest is also included as personal/family interests in the underlying shares held under equity derivatives of Dr. TAI Tak Fung, Stephen, JP in "Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation".

All the interests stated above represent long positions in the shares/underlying shares of the Company. Other than as disclosed above, as at 30 September 2004, the Company had not been notified of any persons (other than the directors or chief executives of the Company) who had an interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the Company's issued share capital, and short positions in the shares and underlying shares of the Company.