

## SHARE OPTION SCHEME

The Company did not have any outstanding options at the beginning and at the end of the period. During the period, no options have been granted under the share option scheme adopted by the Company on 2 September 2002.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2006, the interests and short positions of the directors and chief executives of the Company (including those interests and short positions which were taken or deemed to have been taken under the provisions of the Securities and Futures Ordinance (the "SFO")) in the shares and underlying shares of the Company and its associated corporations (within the meaning 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 which were notified to the Company or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### (a) Interests in shares of the Company

Name of director	Number of shares held			Total interests	
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Total interests	as % of the relevant issued share capital
TAI Tak Fung, Stephen	5,800,000	53,095,177 <sup>(i)</sup>	30,914,000 <sup>(ii)</sup>	89,809,177	34.59%
YIP Wai Keung	736,360	–	–	736,360	0.28%
TAI Chun Leung	–	–	30,914,000 <sup>(iii)</sup>	30,914,000	11.91%
CHAN Kay Cheung	800,000	–	–	800,000	0.31%
LAN Yee Fong, Steve John	800,000	–	–	800,000	0.31%

*Notes:*

- (i) Out of the 53,095,177 shares, 187,927 shares, representing 0.072% of the Company's issued share capital, are beneficially owned by Four Seas Mercantile Holdings Limited ("FSMHL"). Special Access Limited ("SAL") and Careful Guide Limited ("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 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 and his spouse Dr. WU Mei Yung, Quinly. Accordingly, Dr. TAI Tak Fung, Stephen 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 20.38% of the Company's issued share capital, are owned by SAL, and Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly are therefore deemed to have interests therein.
- (ii) 30,914,000 shares, representing 11.91% of the Company's issued capital, are owned by CGL whose shares are 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 and his spouse Dr. WU Mei Yung, Quinly. Thus Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests therein.
- (iii) Such interests in the shares are held by CGL, a company controlled by the Tai Family Trust under which Mr. TAI Chun Leung is a discretionary beneficiary. As Director of the Company, Mr. TAI Chun Leung is taken to have a duty of disclosure in relation to such shares under the SFO.

**(b) Interests in shares of the associated corporation**

Directors' interests in the equity of FSMHL are as follows:

Name of director	Number of shares held			Total interests as % of the relevant issued share capital	
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Total interests	
TAI Tak Fung, Stephen	–	193,856,000 <sup>(i)</sup>	82,000,000 <sup>(iii)</sup>	275,856,000	69.04%
YIP Wai Keung	680,000	–	–	680,000	0.17%
TAI Chun Leung	–	–	82,000,000 <sup>(iii)</sup>	82,000,000	20.52%

*Notes:*

- (i) Of which, 81,250,000 shares, representing 20.34% of the issued share capital of FSMHL, are owned by SAL, which in turn is wholly-owned by Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly. Another 112,606,000 shares, representing 28.18% of the issued share capital of FSMHL, are owned by Capital Season Investments Limited, a company wholly-owned by Advance Finance Investments Limited ("AFIL"). Since AFIL is wholly owned by the Company, which in turn Dr. TAI Tak Fung, Stephen, SAL, CGL and FSMHL in aggregate hold more than one-third of the issued share capital of the Company. Therefore, Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests in 112,606,000 shares of FSMHL.

- (ii) The shares, which represent 20.52% of the issued share capital of FSMHL, are owned by CGL whose shares are 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 and his spouse Dr. WU Mei Yung, Quinly. Thus Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests therein.
- (iii) Such interests in the shares are held by CGL, a company controlled by the Tai Family Trust under which Mr. TAI Chun Leung is a discretionary beneficiary.

All the interests stated above represent long positions in the shares of the Company. Save as disclosed above, as at 30 September 2006, none of the directors or chief executives of the Company had, or were deemed under the SFO to have, any interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## 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" and "Share Option Scheme" above, 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 2006, 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:

Name	Number of shares held				Total interests as % of the relevant issued share capital	
	Direct/ Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Total interests	
SAL	52,907,250 <sup>(i)</sup>	–	–	–	52,907,250	20.38%
CGL	–	–	–	30,914,000 <sup>(iv)</sup>	30,914,000	11.91%
WU Mei Yung, Quinly	–	5,800,000 <sup>(iii)</sup>	53,095,177 <sup>(iii)</sup>	30,914,000 <sup>(iv)</sup>	89,809,177	34.59%
HSBC International Trustee Limited	–	–	–	30,914,000 <sup>(v)</sup>	30,914,000	11.91%

*Notes:*

- (i) SAL is wholly owned by Dr. TAI Tak Fung, Stephen and his spouse Dr. WU Mei Yung, Quinly. This interest is also included as corporate interests of Dr. TAI Tak Fung, Stephen in “Directors’ and Chief Executives’ Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation”.
- (ii) The shares, which represent 2.23% of the issued share capital of the Company, are beneficially held by Dr. TAI Tak Fung, Stephen. Therefore, his spouse Dr. WU Mei Yung, Quinly is deemed to have interests therein. This interest is also included as personal interests of Dr. TAI Tak Fung, Stephen in “Directors’ and Chief Executives’ Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation”.
- (iii) Out of the 53,095,177 shares, 187,927 shares, representing 0.072% of the Company’s issued share capital, are beneficially owned by FSMHL. SAL and CGL in aggregate hold more than one-third of the issued share capital of FSMHL. SAL is wholly-owned by Dr. TAI Tak Fung, Stephen 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 and his spouse Dr. WU Mei Yung, Quinly. Accordingly, Dr. TAI Tak Fung, Stephen 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 20.38% of the Company’s issued share capital, are owned by SAL, and Dr. TAI Tak Fung, Stephen 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 in “Directors’ and Chief Executives’ Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation”.
- (iv) 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 and Dr. WU Mei Yung, Quinly. This interest is also included as trust and similar interests of Dr. TAI Tak Fung, Stephen in “Directors’ and Chief Executives’ Interests and Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporation”.
- (v) HSBC International Trustee Limited is the trustee of the discretionary trust, the Tai Family Trust, referred to in note (iv) above.

All the interests stated above represent long positions in the shares of the Company. Other than as disclosed above, as at 30 September 2006, 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.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

The Group’s borrowings are primarily denominated in Hong Kong dollars and US dollars. The Group has no significant exposure to foreign exchange fluctuations.