

(ii) Interest in options to subscribe for shares in the Company outstanding under the share option scheme of the Company adopted on 25 April 2002

Save as disclosed under the heading “Share option scheme” below and other than certain nominee shares in subsidiaries held by certain directors in trust for the Group, as at 30 September 2006, none of the directors nor chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the 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 of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading “Directors’ interests and short positions in shares” above, and “Share option scheme” below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouses or minor children, 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.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 September 2006, no person other than directors whose interests are set out in the section headed “Directors’ interests and short position in shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO.

Name of Shareholder	Number of ordinary share/ underlying share (Note 1)	Capacity and nature of interest	Approximate percentage of interests (Note 2)
Climax Park Limited	300,000,000 (L) 80,000,000 (S)	Beneficial owner (Notes 3 and 4)	24.39
Chance Partner Investments Limited	300,000,000 (L)	Person having a security interest in shares	24.39
CMEC International Trading Import & Export Co., Ltd.	80,000,000 (L)	Beneficial owner (Note 3)	6.50

Name of Shareholder	Number of ordinary share/ underlying share (Note 1)	Capacity and nature of interest	Approximate percentage of interests (Note 2)
China National Machinery & Equipment Import & Export Corporation	80,000,000 (L)	Interest of a controlled corporation (Note 3)	6.50
Kan Che Kin, Billy Albert	516,240,000 (L)	Interest of a controlled corporation and beneficial owner (Note 5)	41.97
Kan Kung Chuen Lai	516,240,000 (L)	Interest of spouse (Note 6)	41.97
Deutsche Bank Aktiengesellschaft	113,920,000 (L) 113,920,000 (S)	Beneficial owner	9.26

Notes:

1. The letters “L” and “S” represent the entity’s long and short positions in the shares and underlying shares of the Company respectively.
2. This percentage is calculated on the basis of 1,230,163,158 shares of the Company in issue as at 30 September 2006 but does not take into account of any shares which may fall to be allotted and issued upon the exercise of any options or warrants which remained outstanding as at 30 September 2006.
3. Climax Park Limited granted a call option to CMEC International Trading Import & Export Co., Ltd. on 19 July 2005, pursuant to which CMEC International Trading Import & Export Co., Ltd. may require Climax Park Limited to sell to it up to 80,000,000 shares. CMEC International Trading Import & Export Co., Ltd. is a company incorporated in the People’s Republic of China and wholly owned by China National Machinery & Equipment Import & Export Corporation. Under the SFO, China National Machinery & Equipment Import & Export Corporation was deemed to be interested in the underlying shares of the Company under the call option.
4. Climax Park Limited is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Leung Ngai Man.
5. Chance Partner Investments Limited is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Kan Che Kin, Billy Albert, under the SFO, Mr. Kan Che Kin, Billy Albert was deemed to be interested in these 300,000,000 shares in which Chance Partner Investments Limited is interested.
6. Kan Kung Chuen Lai is the spouse of Kan Che Kin, Billy Albert, she was deemed to be interested in these 516,240,000 shares in which Mr. Kan Che Kin, Billy Albert is interested under the SFO.