

Save as disclosed above and in the section headed "Interests and Short Positions of Substantial Shareholders Discloseable under the SFO" below, as at 30 September 2004, none of the Directors or the chief executive of the Company had any interests or short positions in any Shares or underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be entered into the register maintained by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 September 2004, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital:

Long/Short positions in the Shares and underlying Shares of the Company:

Name	Notes	Nature of interest	Number of Underlying Shares	Number of Existing Shares		Percentage of Issued Share Capital
				(Long position)	(Short position)	
Kevin Charles McCabe	1	Corporate interest	250,036,000*	–	–	23.55%
Scarborough Property Group plc	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
Scarborough Property Company plc	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
SPC Group plc	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
Scarborough Developments (China) Limited	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
Skywill Agents Limited	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
Scarborough Holdings Limited	1	Interest of controlled corporation	250,036,000*	–	–	23.55%
Top Flying Investment Limited	1	Security interest	250,036,000*	–	–	23.55%
Open Mission Assets Limited	1	Beneficial owner		–	200,000,000 [#]	18.84%
		Beneficial owner			50,360,000 [#]	4.71%

Name	Notes	Nature of interest	Number of Underlying Shares	Number of Existing Shares		Percentage of Issued Share Capital
				(Long position)	(Short position)	
Mr. Li Ka Shing	2, 3 & 4	Founder of discretionary trusts and interest of controlled corporations	203,947,368	2,000	–	19.21%
Li Ka-Shing Unity Trustee Corporation Limited	2, 3 & 4	Trustee and beneficiary of a trust	203,947,368	2,000	–	19.21%
Li Ka-Shing Unity Trustcorp Limited	2, 3 & 4	Trustee and beneficiary of a trust	203,947,368	2,000	–	19.21%
Li Ka-Shing Unity Trustee Company Limited	2, 3 & 4	Trustee	203,947,368	2,000	–	19.21%
Cheung Kong (Holdings) Limited	2, 3 & 4	Interest of controlled corporations	203,947,368	2,000	–	19.21%
Hutchison Whampoa Limited	2, 3 & 4	Interest of controlled corporations	203,947,368	2,000	–	19.21%
Hutchison International Limited	2 & 4	Beneficial owner Interest of controlled corporations	203,947,368 –	– 2,000	–	19.21% 0.00018%
Promising and International Inc.	4	Interest of controlled corporations	–	2,000	–	0.00018%
Hutchison Harbour Ring Limited	4	Interest of controlled corporations	–	2,000	–	0.00018%
Hutchison Ring Toys Group Limited	4	Interest of controlled corporations	–	2,000	–	0.00018%
Billymax Investments Limited	4	Beneficial owner	–	2,000	–	0.00018%
Mr. Siu Ting	5	Beneficial owner	–	84,000,000	–	7.9%

Notes:

- * These shares represent the same security interest held by Top Fly Investment Limited.

The shareholding is duplicated in the section headed "Directors Interests and Short Positions in Shares, Underlying Shares and Debenture" disclosed above.
- Hutchison International Limited ("HIL") is the holder of a convertible note due 2004 (the "Note") issued by the Company pursuant to the sale and purchase agreement dated 24 July 2002. As at 30 September 2004, the total outstanding principal amount of the Note was HK\$155 million. If HIL exercises the conversion rights attached to the Note in full at the initial conversion price of HK\$0.76, a total of 203,947,368 new Shares will be issued to HIL. Under the SFO, HIL was deemed to be interested in these 203,947,368 underlying Shares. Subsequent to the balance sheet date, the Note expired on 8 November 2004 and the Noteholder did not exercise its conversion rights attached to the Note into new shares of the Company.

3. Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of a discretionary trust ("DT2") each holds units in The Li Ka-Shing Unity Trust ("UT1").

Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings hold interests in the shares of Cheung Kong (Holdings) Limited ("CKH").

Certain subsidiaries of CKH are entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Hutchison Whampoa Limited ("HWL"). HIL is the wholly-owned subsidiary of HWL.

By virtue of the SFO, each of Mr. Li Ka-Shing being the settlor and may being regard as a founder of DT1 and DT2 for the purpose of the SFO, TDT1, TDT2, TUT1, CKH and HWL was deemed to be interested in the 203,947,368 underlying Shares held by HIL.

4. Billymax Investments Limited ("BIL") is a wholly owned subsidiary of Harbour Ring Toys Group Limited ("HRTGL") which in turn is a wholly-owned subsidiary of Hutchison Harbour Ring Limited ("HHRL"). Promising Land International Inc. ("PLI") holds one-third or more of the issued share capital of HHRL and is a wholly owned subsidiary of HIL.

By virtue of the SFO, each of Mr. Li Ka-Shing being the settlor and may being regard as a founder of DT1 and DT2 for the purpose of the SFO, TDT1, TDT2, TUT1, CKH, HWL, HIL, PLI, HHRL and HRTGL was deemed to be interested in the 2,000 Shares held by BIL.

5. The Shares are held in the name of HKSCC Nominees Limited.

Save as disclosed above and in the section headed "Directors Interests and Short Positions in Shares, Underlying Shares and Debentures" and so far as was known to the Directors, as at 30 September 2004, there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the period ended 30 September 2004 in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange except that the independent non-executive directors of the Company have not been appointed for a specific term of office but retire from office on a rotational basis in accordance with the Company's Bye-Laws.

REVIEW BY AUDIT COMMITTEE

The interim results for the six months ended 30 September 2004 have not been audited by the Company's auditors, but have been reviewed by the Audit Committee which comprises three independent non-executive directors of the Company.

By Order of the Board
LIU Xue Lin
Chairman

Hong Kong, 29 December 2004