

Notes:

1. Mr. Wang Jian Hua, Mr. Ng Tang, David and Mr. Bao Wen Bin beneficially own 93.7%, 3.8% and 2.5%, respectively, of the issued share capital of Best Chance Holdings Limited, which in turn owns 2,256,000,000 shares of HK\$0.05 each in the Company.
2. Mr. Pak Chung has corporate interest in the Company's shares through Fortune Garden Investments Limited, which is wholly and beneficially owned by him. In addition, 50,000,000 shares were held by Mr. Pak Chung's wife, Ms. Sun Li and Mr. Pak Chung is therefore deemed to have an interest in these shares.
3. Mr. Pak Chung and Ms. Sun Ching Wai are acting in concert.

Save as disclosed above and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, as at 30th September, 2002, none of the directors of the Company or their associates had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations, within the meaning of the SDI Ordinance to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the six months ended 30th September, 2002.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted on 5th March, 1996 (the "1996 Scheme") and effective for a period of ten years after the date of adoption of the scheme, the Company granted options to directors and employees of the Company and its subsidiaries to subscribe for shares in the Company for the primary purpose of providing incentives to directors and eligible employees. Options granted must be taken up within 28 days from the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant. The subscription price, subject to adjustment, shall not be less than 80% of the average of the closing prices of the shares of the Company on the five trading days immediately before the options were offered. Options granted are exercisable for a period of four and a half years commencing on the expiry of six months after the date on which the options are granted. The total number of shares in respect of which options may be granted and had already been granted under the 1996 Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The total number of shares in respect of which options may be granted and had already been granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be grant under the 1996 Scheme.

Pursuant to a special resolution passed at the special general meetings held on 18th March, 2002, a new share option scheme (the "2002 Scheme") was adopted by shareholders to grant options to the directors and employees to subscribe for shares of the Company for the primary purpose of providing incentives to directors and employees. No further options will be granted under the 1996 Scheme and the options which have been granted during the life of the 1996 Scheme shall continue to be exercisable.

The subscription price of the option shares granted under the 2002 Scheme shall be a price to be determined by the directors of the Company being not less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business 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 grant; (iii) the nominal value of a share.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company (including the 1996 Scheme) shall not in aggregate exceed 30% of the shares in issue from time to time.

The total number of shares issued and may be issued upon exercise of the options granted to any individual under the 2002 Scheme and any other share option schemes of the Company must not exceed 1% of the shares in issue.

The 2002 Scheme will remain in force for a period of ten years commencing from the date of adoption of the 2002 Scheme, after which no further options will be granted but the options which are granted during the life of the 2002 Scheme may continue to be exercisable in accordance with their terms of issue and the provisions of the 2002 Scheme shall in all other respects remain in full force and effect in respect thereof.

Options granted under the 2002 Scheme must be taken up within 21 days of the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant.

During the six months ended 30th September, 2002, 58,800,000 share options under the 2002 Scheme were granted to a director and employees of the Company or the Group. No share options granted under the 2002 Scheme has been exercised and 58,800,000 options under the 2002 Scheme remained outstanding as at 30th September, 2002.

A summary of movements of share options under the 1996 Scheme during the six months is as follows:

	Exercisable period	Exercise price HK\$	Number of share options				Outstanding at 30.9.2002
			Outstanding at 1.4.2002	Granted during the period	Exercised during the period	Surrendered/lapsed during the period	
Category 1: Directors							
Pak Chung	17.5.2001 to 17.11.2005	0.144	2,000,000	-	-	-	2,000,000
			2,000,000	-	-	-	2,000,000
Category 2: Employees							
	7.9.2000 to 7.3.2005	0.250	1,500,000	-	-	(800,000)	700,000
	11.10.2000 to 11.4.2005	0.295	3,898,000	-	-	(400,000)	3,498,000
	17.5.2001 to 17.11.2005	0.144	3,800,000	-	-	(3,350,000)	450,000
			9,198,000	-	-	(4,550,000)	4,648,000
			11,198,000	-	-	(4,550,000)	6,648,000

At 30th September, 2002, the number of shares in respect of which options could be exercisable under the 1996 Scheme was 6,648,000 representing approximately 0.15% of the shares of the Company in issue at the date.

A summary of movements of share options under the 2002 Scheme during the six months is as follows:

	Exercisable period	Exercise price HK\$	Number of share options				Outstanding at 30.9.2002
			Outstanding at 1.4.2002	Granted during the period	Exercised during the period	Surrendered/lapsed during the period	
Category 1: Directors							
Pak Chung	17.5.2001 to 17.11.2005	0.119	-	3,000,000	-	-	3,000,000
			-	3,000,000	-	-	3,000,000
Category 2: Employees							
	17.5.2001 to 17.11.2005	0.119	-	55,800,000	-	-	55,800,000
			-	55,800,000	-	-	55,800,000
			-	58,800,000	-	-	58,800,000

Notes:

At 30th September, 2002, the number of shares in respect of which options could be exercisable under the 2002 Scheme was 58,800,000 representing approximately 1.34% of the shares of the Company in issue at the date.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures, of the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the period.

The closing price of company's shares immediately before 19th September, 2002, the date of options granted during the period, was HK\$0.119. The weighted average closing price of company's share immediately before the dates on which the options were granted was HK\$0.133.

SUBSTANTIAL SHAREHOLDERS

Other than the interest as disclosed above in respect of certain directors and their associates, the register required to be maintained under Section 16(1) of the SDI ordinance shows that the Company had not been notified of the existence of any interest representing 10% or more of the issued share capital of the Company as at 30th September, 2002.