

DIRECTORS' INTERESTS IN SECURITIES

As at 30th September 2001, the interests of directors and their associates in the securities of the Company and its associated corporations, as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Name of Directors	Nature of interests	Number of shares held	Number of warrants held
Tjia Boen Sien	Corporate (Note)	1,968,750,000	24,375,000
	Personal	124,470,000	200,000
Wang Jing Ning	Corporate (Note)	1,968,750,000	24,375,000
	Personal	15,330,000	–
Wang Ke Duan	Personal	5,600,000	–
Keung Kwok Cheung	Personal	7,000,000	110,000
Kong Kwok Fai	Personal	5,000,000	–
Siu Man Po	Personal	1,500,000	–

Note: Sparta Assets Limited ("Sparta Assets"), a company incorporated in the British Virgin Islands, was beneficially interested in 1,968,750,000 shares of the Company. Mr. Tjia Boen Sien and Mr. Wang Jing Ning own 80% and 10% of the issued share capital of Sparta Assets, respectively.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity of the Company or any of its associated corporations, as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

The Company has granted options to the Directors to subscribe for ordinary shares of the Company pursuant to the Company's Option Scheme. The share options granted to Directors to subscribe for ordinary shares of the Company which were outstanding as at 30th September 2001, were as follows:

Name of directors	Exercisable from 29th February 2002 to 28th February 2004 at HK\$0.02864	Exercisable from 23rd January 2002 to 22nd January 2004 at HK\$0.03088	Exercisable from 23rd April 2001 to 22nd April 2003 at HK\$0.0384	Total
	per share	per share	per share	
Tjia Boen Sien	35,000,000	26,000,000	–	61,000,000
Wang Jing Ning	–	5,000,000	3,000,000	8,000,000
Wang Ke Duan	–	3,000,000	2,000,000	5,000,000
Keung Kwok Cheung	–	5,000,000	–	5,000,000
Kong Kwok Fai	–	4,000,000	5,000,000	9,000,000

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or its associated corporations granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed under the section headed "Directors' interests in securities", at 30th September 2001, no person had registered as having an interest of 10% or more in the share capital of the Company that was required to be recorded under section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th September 2001, the Company repurchased a total of 24,140,000 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the particulars of which are as follows:

Month of purchase	Number of shares repurchased	Highest price paid HK\$	Lowest price paid HK\$	Total paid HK\$
April 2001	20,680,000	0.028	0.023	514,350
September 2001	3,460,000	0.025	0.025	86,500
Total	<u>24,140,000</u>			<u>600,850</u>

The repurchased shares were cancelled during the period and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the repurchase of the shares, including expenses, of HK\$373,770 has been charged to the share premium account. An amount equivalent to the par value of the shares cancelled has been transferred from the retained profits of the Company to the capital redemption reserve. The repurchase of the Company's shares during the period was effected by the directors pursuant to the mandate from shareholders with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Apart from the above, there was no other purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30th September 2001.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th September 2001.

CODE OF BEST PRACTICE

The directors are not aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of the Stock Exchange, for any part of the accounting period covered by the interim report, except that the independent non-executive directors of the Company are not appointed for specific terms, but are subject to retirement by rotation in accordance with the Company's articles of association.

By Order of the Board

Tjia Boen Sien

Managing Director and Deputy Chairman

Hong Kong, 18th December 2001.