

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executives of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including 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 securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2004, the persons (other than directors and chief executives of the Company) who had interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:–

Long positions in the ordinary shares of HK\$0.1 each of the Company

Name of shareholder	Capacity	Total interest in shares	Percentage of the issued share capital of the Company
Sinochem Corporation	Held by controlled corporation	778,477,633	21.17%

Note: These shares are held by Sinochem Hong Kong (Holdings) Company Limited, a company which is wholly owned by Sinochem Corporation.

As at 30 September 2004, Sinochem Hong Kong (Holdings) Company Limited was interested in 103 convertible redeemable non-voting preference shares. Subject to the bye-laws of the Company, the Companies Act 1981 of Bermuda and other applicable laws and regulations from time to time, the convertible redeemable non-voting preference shares are convertible into ordinary shares of the Company at an initial conversion price per ordinary share equal to the lower of (i) HK\$0.40 and (ii) the average of the 10 lowest daily closing prices per ordinary share on the Stock Exchange during the 30 days immediately prior to the date of issue of the conversion notice (subject to adjustment).

Save as disclosed above, as at 30 September 2004, no other person (other than a director or chief executive of the Company) had notified to the Company any interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO or which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 11 September 1996 (“Old Share Option Scheme”) was terminated on 26 August 2002. Under the Old Share Option Scheme, apart from share options granted to the directors of the Company as mentioned in the section headed “DIRECTORS’ INTERESTS IN SHARES” above, the following share options were also granted to certain employees of the Company:

Date of grant	Exercisable period	Exercise price HK\$	Number of share options outstanding	
			At the beginning of the period	At the end of the period
01.08.2001	01.02.2002 to 31.01.2005	0.255	3,400,000	1,400,000
08.12.2001	08.06.2002 to 07.06.2005	0.378	4,000,000	2,000,000