

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.

At 30th September, 2004, the number of shares in respect of which options had been granted and remained outstanding under the 2002 Scheme was 603,700,000, representing 13.71% of the shares of the Company in issue at that date.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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, 2004.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2004, the interests of parties, other than the directors, in 5% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO are as follows:–

Name	Capacity	Interest in Shares	Interests in underlying shares	Percentage of the Company's Issued share capital
Ms. Feng Gui Ming (Note 1)	Interest By Attribution	2,256,000,000	12,000,000	51.52%
Ms. Wong Hung Wan (Note 2)	Interest By Attribution	2,256,000,000	10,000,000	51.47%
Best Chance Holdings Limited	Beneficial owner	2,256,000,000	–	51.24%
Fortune Garden Investment Limited	Beneficial owner	305,018,760	–	6.93%
Kingston Finance Limited	Security Interest	2,256,000,000	–	51.24%
Ms. Chu Yuet Wah	Interest by Attribution (Note 3)	2,256,000,000	–	51.24%
Ms. Ma Siu Fong	Interest by Attribution (Note 3)	2,256,000,000	–	51.24%

Notes:

1. The interests of spouse represents Shares and share options held by Mr. Bao Wen Bin, spouse of Ms. Feng Gui Ming.
2. The interests of spouse represents Shares and share options held by Mr. Ng Tang, David, spouse of Ms. Wong Hung Wan.
3. Ms. Chiu Yuet Wah and Ms. Ma Siu Fong beneficially own 51% and 49%, respectively, of the issued share capital of Kingston Finance Limited, which is deemed to own 2,256,000,000 Shares.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries purchase, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2004.

AUDIT COMMITTEE

The Audit Committee of the Board, consisted of three independent non-executive directors, has reviewed the Interim Report and recommended its adoption by the Board.

The Interim Report, which is prepared in accordance with SSAP 25 "Interim Financial Reporting", has also been reviewed by the Company's independent auditors Messrs. Deloitte Touche Tohmatsu in accordance with the Statement of Auditing Standards 700 "Engagement to Review Interim Financial Reports".

CORPORATE GOVERNANCE

Save that the independent non-executive directors and non-executive director of the Company are not appointed for specific terms as they are subject to retirement by rotation at annual general meeting in accordance with the Company's Bye laws, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th September, 2004.

APPRECIATIONS

The Group is sincerely grateful to all of its customers, agents, carriers, employees and shareholders for their invaluable support and continued loyalty.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

All information that is required by paragraph 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited will be published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) in due course.