

SHARE OPTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 25 April 2002 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 14 May 2012. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company.

The total number of shares in respect of which options may be granted under the 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 number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days from the date of the offer of grant of the share option. Options may be exercised at any time not later than 10 years from the date of grant of the share option. The exercise price is determined by the directors of the Company, shall not be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations 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 for the five trading days immediately preceding the date of the offer of grant; (iii) the nominal value of the shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

No options has been granted and/or exercised since the adoption of the Scheme.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 September 2003, the Company was not notified by any persons who had an interest of 5% or more in the issued share capital of the Company, which is required to be recorded under section 336 of the Securities and Futures Ordinance.

Name of shareholder	Number of shares (Note 1)	Nature of interest	Approximate percentage of interests
Climax Park Limited	600,000,000 ordinary shares of HK\$0.01 each of the Company (L)	Beneficial owner	75%
Leung Ngai Man	600,000,000 ordinary shares of HK\$0.01 each of the Company (L)	Interest of a controlled corporation (Note 2)	75%
Yu Yan	57,530,000 ordinary shares of HK\$0.01 each of the Company (L)	Beneficial owner	7.19%



Notes:

1. The letter “L” represents the entity’s interests in the shares.
2. These 600,000,000 shares were held and beneficially owned by Climax Park Limited, a company incorporated in the British Virgin Islands and wholly owned by Leung Ngai Man. Under the Securities and Futures Ordinance, Leung Ngai Man is deemed to be interested in these 600,000,000 shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MATERIAL ACQUISITIONS OR DISPOSALS

There was no material acquisitions or disposals of subsidiaries or associates during the six months ended 30 September 2003.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Listing Rules, throughout the six months accounting period ended 30 September 2003, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Company’s Articles of Association.

AUDIT COMMITTEE

The Company has an audit committee (the “Committee”) which was established in accordance with the requirements of the Code and comprises the two independent non-executive directors of the Company. The interim report for the six months ended 30 September 2003 has been reviewed by the committee which has been established for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls.

By order of the Board

Yeung Kit

Director

Hong Kong, 29 December 2003

