

Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

Long Position in the shares and share options of the Company

Name of Directors	Capacity	Interests in shares	Interests in underlying shares (share options)	Percentage of the issued share capital of the Company	
Wang Jian Hua	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Wang Jian Hua		Beneficial owner	–	339,900,000	7.72%
Wang Jian Hua	<i>Note 2</i>	Interest by attribution	–	12,000,000	0.27%
Ng Tang, David	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Ng Tang, David		Beneficial owner	–	10,000,000	0.23%
Bao Wen Bin	<i>Note 1</i>	Interest by attribution	2,256,000,000	–	51.24%
Bao Wen Bin		Beneficial owner	–	12,000,000	0.27%
Pak Chung	<i>Note 3</i>	Interest by attribution	305,018,760	–	6.93%
Pak Chung		Beneficial owner	11,982,000	5,000,000	0.39%
Ren Zheng		Beneficial owner	–	6,000,000	0.14%
Ma Jun Li	<i>Note 4</i>	Interest by attribution	2,256,000,000	339,900,000	58.96%
Ma Jun Li		Beneficial owner	–	12,000,000	0.27%

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, and are deemed to have interest in 2,256,000,000 shares of HK\$0.05 each in the Company.
2. The interest by attribution represents share options held by Ms. Ma Jun Li, spouse of Mr. Wang Jian Hua.
3. Mr. Pak Chung is deemed to have interest in 305,018,760 shares of the Company through Fortune Garden Investment Limited which is wholly and beneficially owned by him.
4. The interest by attribution represents shares and share options held by Mr. Wang Jian Hua, spouse of Ms. Ma Jun Li.

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, 2004, none of the directors, nor their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporation.

SHARE OPTIONS

The Company has two share option schemes which were adopted on 5th March, 1996 (the "1996 Scheme") and 18th March, 2002 (the "2002 Scheme") and the 1996 Scheme was terminated on 18th March, 2002.

The following table discloses movements in the share options which have been granted under the share option schemes of the Company during the period:

(1) 1996 Scheme

	Date of grant	Exercisable period	Exercise price HK\$	Number of share options				
				Outstanding at 1.4.2004	Granted during the period	Exercised during the period	Surrendered/ lapsed during the period	Outstanding at 30.9.2004
Director								
Mr. Pak Chung	17.11.2000	17.5.2001 to 17.11.2005	0.144	2,000,000	-	-	-	2,000,000
Other employees								
	7.3.2000	7.9.2000 to 7.3.2005	0.250	700,000	-	-	-	700,000
	11.4.2000	11.10.2000 to 11.4.2005	0.295	3,498,000	-	-	-	3,498,000
	17.11.2000	17.5.2001 to 17.11.2005	0.144	450,000	-	-	-	450,000
Sub-total				4,648,000	-	-	-	4,648,000
				6,648,000	-	-	-	6,648,000

At the date of this report, 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.

(2) 2002 Scheme

	Date of grant	Exercisable period	Exercise price HK\$	Number of share options				
				Outstanding at 1.4.2004	Granted during the period	Exercised during the period	Surrendered/ lapsed during the period	Outstanding at 30.9.2004
Director								
Mr. Wang Jian Hua	8.11.2002	8.11.2002 to 8.11.2005	0.119	339,900,000	-	-	-	339,900,000
Mr. Ng Tang, David	8.11.2002	8.11.2002 to 8.11.2005	0.119	10,000,000	-	-	-	10,000,000
Mr. Bao Wen Bin	8.11.2002	8.11.2002 to 8.11.2005	0.119	12,000,000	-	-	-	12,000,000
Ms. Ma Jun Li	8.11.2002	8.11.2002 to 8.11.2005	0.119	12,000,000	-	-	-	12,000,000
Mr. Pak Chung	19.9.2002	19.9.2002 to 19.9.2005	0.119	3,000,000	-	-	-	3,000,000
Mr. Ren Zheng	19.9.2002	19.9.2002 to 19.9.2005	0.119	6,000,000	-	-	-	6,000,000
Sub-total				382,900,000	-	-	-	382,900,000
Employees and others								
	19.9.2002	19.9.2002 to 19.9.2005	0.119	49,800,000	-	-	29,000,000	20,800,000
	23.9.2004	23.9.2004 to 23.9.2014	0.070	-	200,000,000	-	-	200,000,000
				432,700,000	200,000,000	-	29,000,000	603,700,000

At the date of this report, the number of shares in respect of which options could be exercisable under the 2002 Scheme was 603,700,000 representing approximately 13.71% of the shares of the Company in issue at the date.

The closing prices of the Company's shares immediately before 23rd September, 2004, the dates of grant of options, was HK\$0.070.

The fair value of the options granted in the current year measured at the date of grant on 23rd September, 2004 was approximately HK\$8,256,000. The following significant assumptions were used to derive the fair value, using the Black Scholes option pricing model:

	Date of grant
	23rd September, 2004
Expected life of the options granted	10 years
Expected volatility based on historical volatility	52%
Expected annual dividend yield	Nil
Hong Kong Exchange Fund Notes interest rate at the date the options were granted	0.125%

For the purposes of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited due to lack of historical data.

The Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the opinion of directors, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

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 right to subscribe for the securities of the Company or had exercised any such right.

SHARE OPTION SCHEMES

(a) The 1996 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