

SHARE OPTIONS

The details of share options under the Company's share option scheme (the "Scheme") during the Interim Period are as follows:

Name or category of participant	At 1 April 2004	Granted during the period	Number of share options Exercised during the period	Lapsed during the period	Cancelled during the period	At 30 September 2004	Date of grant of share options**	Exercise period of share options	Exercise price of share options*** HK\$	Price of Company's shares at exercise date of options**** HK\$
Directors										
Mr. Chong Sing Yuen	3,350,000	-	3,350,000	-	-	-	30-10-2002	30-10-02 to 29-10-12	0.010	0.025
Mr. Sun Tak Yan, Desmond	35,000,000	-	10,000,000	-	-	25,000,000	30-10-2002	30-10-02 to 29-10-12	0.010	0.023
Mr. Wong Siu Keung, Joe	35,000,000	-	10,000,000	-	-	25,000,000	30-10-2002	30-10-02 to 29-10-12	0.010	0.022
Mr. Chu Bu Yang, Alexander	4,500,000	-	-	-	-	4,500,000	30-10-2002	30-10-02 to 29-10-12	0.010	-
	<u>77,850,000</u>	<u>-</u>	<u>23,350,000</u>	<u>-</u>	<u>-</u>	<u>54,500,000</u>				
Employees										
Mrs. Chong Cheng Man Shan*	1,150,000	-	1,150,000	-	-	-	30-10-2002	30-10-02 to 29-10-12	0.010	0.015
Other employees	6,450,000	-	3,650,000	-	-	2,800,000	31-10-2002	31-10-02 to 30-10-12	0.010	0.021
	<u>7,600,000</u>	<u>-</u>	<u>4,800,000</u>	<u>-</u>	<u>-</u>	<u>2,800,000</u>				
Total	<u>85,450,000</u>	<u>-</u>	<u>28,150,000</u>	<u>-</u>	<u>-</u>	<u>57,300,000</u>				

* Spouse of Mr. Chong Sing Yuen

** The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

*** The exercise period of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

**** The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.

The 28,150,000 share options exercised during the year resulted in the issue of 28,150,000 ordinary shares of the Company and new share capital of HK\$281,500 as detailed in the financial statements.

At the balance sheet date, the Company had 57,300,000 share options outstanding under the Scheme which represented approximately 1.2% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 57,300,000 additional ordinary shares of the Company and additional share capital of HK\$573,000.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

At 30 September 2004, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Win Channel Investments Limited (<i>Note</i>)	Directly beneficially owned	1,300,000,000	26.90%
Chim Pui Chung (<i>Note</i>)	Through a controlled corporation	<u>1,300,000,000</u>	<u>26.90%</u>

Note: The ordinary shares are held by Win Channel Investments Limited, which is wholly-owned by Mr. Chim Pui Chung.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the Section "Directors' interests and short positions in shares" above, had registered an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Interim Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the unaudited interim consolidated financial statements for the six months ended 30 September 2004.

The Audit Committee comprises independent non-executive directors, Mr. Chan Ping Yim, Mr. Chan Shun and Mr. Cheng Kwok Hing, Andy.

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 accounting period covered by the interim report, except that the non-executive and 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 in accordance with the Company's bye-laws.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry of the Directors, none of the Directors has not complied with, for any part of the accounting period under review, the required standard set out in the Model Code and its code of conduct regarding director's securities transactions.

By Order of the Board
Chong Sing Yuen
Chairman

Hong Kong, 28 December 2004