

Notes:

1. The letters “L” and “S” represent the entity’s long and short positions in the shares respectively.
2. Climax Park Limited granted a call option to CMEC International Trading Import & Export Co., Ltd. on 19 July 2005, pursuant to which CMEC International Trading Import & Export Co., Ltd. may require Climax Park Limited to sell to it up to 80,000,000 shares. CMEC International Trading Import & Export Co., Ltd. is a company incorporated in the People’s Republic of China and wholly owned by China National Machinery & Equipment Import & Export Corporation. Under the SFO, CMEC International Trading Import & Export Co., Ltd. and China National Machinery & Equipment Import & Export Corporation are deemed to be interested in the underlying shares of the Company under the call option.
3. These 380,330,000 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 SFO, Leung Ngai Man is deemed to be interested in these 380,330,000 shares.
4. By the warrant placing agreement between the Company and Kan Che Kin, Billy Albert dated 27 July 2005, Kan Che Kin, Billy Albert was placed with 183,000,000 warrants with each warrant carries the right to subscribe for one new share. Under the SFO, Kan Che Kin, Billy Albert and his wife Kan Kung Chuen Lai are deemed to be interested in these 183,000,000 shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MATERIAL ACQUISITIONS OR DISPOSALS

There were no material acquisitions or disposals of subsidiaries or associates during the six months ended 30 September 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code (the “Model Code”) for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by its Directors. Based on specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the accounting period covered by this report.

