

**DIRECTORS' INTERESTS IN SECURITIES**

At 30 September 2005, the interests and short positions of the Directors of the Company (the "Directors") in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

**(a) Interests in ordinary shares of HK\$0.01 each in the Company:**

Name of Directors	Number and nature of interest			Shareholding percentage
	Family interests	Personal interests	Total	
Ms. Yeung Han Yi Yvonne ("Ms. Yeung")	369,995,967 (Note)	30,000,000	399,995,967	21.38%
Ms. Chan Chi Mei Miranda	–	39,288	39,288	0.00%

*Note:*

Mr. Cheung Chi Shing Kenneth ("Mr. Cheung") personally held 299,995,967 shares of the Company. As Mr. Cheung is the sole shareholder of K.Y. Limited ("KY"), he was deemed to have interests in 60,000,000 shares of the Company held by KY and Mr. Cheung is further deemed to be interested in 10,000,000 shares of the Company held by K.C. (Investment) Limited, a wholly owned subsidiary of KY.

Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 shares of the Company that Mr. Cheung is beneficially interested.

**DIRECTORS' INTERESTS IN SECURITIES** (Continued)**(b) Rights to acquire ordinary shares of HK\$0.01 each in the Company:**

Name of Director	Capacity	Number of share options	Exercise period of share options	Exercise price per share HK\$	Approximately shareholding percentage
Mr. Tam Wing Fai Johnny	Beneficial owner	17,000,000	13 Nov 2003 – 12 Nov 2006	0.0228	0.91%

*Note:*

The above share options were granted under the share option scheme as defined in the section "Share Option Scheme" below. None of the share options has been exercised during the period under review.

All the interests stated above represented long positions. At 30 September 2005, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under Section 352 of the SFO.

Save as disclosed above, at 30 September 2005, none of the directors of the Company had any interest or short position whether beneficial or non-beneficial, in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

**SUBSTANTIAL SHAREHOLDERS**

The Register of Substantial Shareholders maintained under Section 336 of the SFO shows that, at 30 September 2005, the Company had been notified of the following interests in the Company:

	Number of shares	Percentage
Mr. Cheung ( <i>Note 1</i> )	399,995,967	21.38%
Ms. Yeung ( <i>Note 2</i> )	399,995,967	21.38%
Mr. Lin Wen ("Mr. Lin") ( <i>Note 3</i> )	165,050,000	8.82%
Mr. Sun Jin Lin ("Mr. Sun") ( <i>Note 3</i> )	150,800,000	8.06%
Mr. Rajkumar M Daswani ( <i>Note 4</i> )	112,411,667	6.01%

*Notes:*

1. Please refer to the section under the heading "Directors' Interest in Securities" for details of the beneficial interests of Mr. Cheung in the shares of the Company. Mr. Cheung is the spouse of Ms. Yeung and accordingly deemed to be interested in the 30,000,000 shares of the Company beneficially interested by Ms. Yeung.
2. Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 shares beneficially interested by Mr. Cheung.
3. The interests of Mr. Lin and Mr. Sun are set out based on their notifications given to the Company on 20 August 2002 pursuant to the SFO. The Company wrote to Mr. Lin and Mr. Sun to inquire their then shareholdings in the Company on 14 June 2004. On 13 December 2004, the Company received a letter from Mr. Lin, claiming that he held approximately 5 million shares of the Company, which was substantially different from the record of Mr. Lin's interests available from the web site of the Stock Exchange and the Company. The company tried to seek valid notification under the SFO from Mr. Lin and Mr. Sun. However, up to the date of this report, the Company had not received any response from Mr. Lin or Mr. Sun.
4. The interests of Mr. Rajkumar M Daswani is set out based on his notification given to the company on 1 April 2004 pursuant to the SFO. On 7 December 2004, the Company wrote to Mr. Rajkumar M Daswani for his shareholding in the Company and received a letter dated 13 December 2004 from Mr. Rajkumar M Daswani that he and Shalini R Daswani in the joint account held 114,731,667 Shares of the Company as at 30 September 2004. The Company didn't receive valid notification pursuant to the SFO from Shalini R Daswani.

## SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of attracting and retaining quality personnel and other persons and providing them with incentive to contribute to the business and operation of the Group. Under the Scheme which was approved and adopted in a special general meeting of the Company held on 23 August 2002, the directors may, within a period of 10 years, grant options to any director, employee or consultant of the Group to subscribe for shares in the Company.

The maximum number of shares issuable under the Scheme to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive directors.

The exercise price of the share options is determined by directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant.

**SHARE OPTION SCHEME** (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following was the share option movements under the Scheme during the period:

Name of grantee	At 1 April 2005	Number of share option			At 30 September 2005	Date of grant of share options	Exercise period of share options	Exercise price per share HK\$
		Granted during the period	Exercised during the period	Cancelled during the period				
<b>Director</b>								
Mr. Tam Wing Fai Johnny	17,000,000	-	-	-	17,000,000	13 November 2003	13 Nov 2003 – 12 Nov 2006	0.0228
Employee A	14,549,800	-	-	-	14,549,800	20 June 2003	20 Jun 2003 – 19 Jun 2006	0.0148
Employee B	17,000,000	-	-	-	17,000,000	13 November 2003	13 Nov 2003 – 12 Nov 2006	0.0228
Total	<u>48,549,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,549,800</u>			

As at 30 September 2005, the Company had 48,549,800 share options outstanding under the Scheme