



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than as disclosed under the headings "Directors' and Chief Executives' Interests in Securities" above, at no time during the period was the Company or any of its subsidiaries, its holding company, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or Chief Executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any or its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other corporate.

SHARE OPTIONS

The Company adopted a share option scheme on 12 December 2003 ("Scheme"), pursuant to which the Board may, at its discretion, invite any eligible participants to take up options to subscribe for shares of the Company in aggregate not exceed 30% of the shares in issue from time to time. During the period under review, no share options were granted under the Scheme and as at 31 October 2004, the Company has no outstanding share options.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 October 2004, so far as is known to the Directors, the following persons (other than the Directors and Chief Executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the required to be kept under section 336 of the SFO:

Long positions in shares of the Company

Name	Number of Ordinary shares	Percentage of issued share capital
Capital Mate Limited	405,000,000 (<i>Note 1</i>)	65.06%
Cheah Cheng Hye	48,414,000 (<i>Note 2</i>)	7.78%
Value Partners Limited	48,414,000 (<i>Note 2</i>)	7.78%

Notes:

- These 405,000,000 ordinary shares of the Company are held by Capital Mate Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Sun Shao Feng, the Chairman and Managing Director of the Company.
- Mr. Cheah Cheng Hye is deemed to be interested in these 48,414,000 ordinary shares of the Company which are held by Value Partners Limited, a company incorporated in the British Virgin Islands and is controlled by Mr. Cheah Cheng Hye.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the six months ended 31 October 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice ("Code") as set out in Appendix 14 of the Listing Rules throughout the period under review except that Ms. Hu Bao Zheng, an independent non-executive Director of the Company, is not appointed for a specific term as required by paragraph 7 of the Code, but is subject to retirement by rotation in accordance with the Company's Bye-Laws.

AUDIT COMMITTEE

The Company established an Audit Committee on 12 December 2003 with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review the financial reporting process of the Group. The Audit Committee consists of three independent non-executive Directors, namely Mr. Lin Chuan Bi, Mr. Hu Ji Rong and Ms. Hu Bao Zheng. The Audit Committee has reviewed the unaudited Interim Financial Statements for the six months ended 31 October 2004.

By Order of the Board
China Green (Holdings) Limited
Sun Shao Feng
Chairman

Hong Kong, 19 January 2005