

With cash and marketable securities on hand as well as banking facilities, the Group's liquidity position remains healthy and the Group has sufficient financial resources to meet its commitments and working capital requirements.

EMPLOYMENT, TRAINING AND DEVELOPMENT

At 30 September 2001, the Group had a total of 1,125 employees of which 52 are based in Hong Kong and 1,073 based in PRC. The Group has committed itself to its staff training and development and structured training programs for all employees.

Remuneration packages are maintained at competitive level and reviewed on a periodical basis. Bonus and share options are awarded to certain employees according to the assessment of individual performance and practice in the industry.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2001, the interests of the directors of the Company in the share capital of the Company, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), were as follows:

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Ordinary shares of the Company	Nature of interest
Name of Director	Personal
Chan Chun Tung, John	<u>13,000,000</u>

The interests of the directors in the share options of the Company are separately disclosed in the section "Directors' rights to acquire shares".

In addition to the above, Messrs. Wong Howard, Wong Yat Fai and Chan Chun Tung, John hold shares in certain subsidiaries of the Company in a non-beneficial capacity, solely for the purpose of complying the minimum company membership requirements.

Save as disclosed above, none of the directors of the Company or their associates has any personal, family, corporate or other interests in the equity securities of the Company or any of its associated corporations as defined in SDI Ordinance or as otherwise notified

to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Under a share option scheme adopted by the Company on 22 February 1994, the directors of the Company may, on or before 21 February 2004, grant options to employees and directors of the Company or any of its subsidiaries, to subscribe for shares in the Company.

Pursuant to the Company's share option scheme as mentioned above, the Company has granted options on the Company's ordinary shares in favour of certain directors of the Company, the details of which during the Period are as follows:

Name of director	Number of share options			At 30 September 2001	Exercise period of share options	Exercise Price per share HK\$
	At 1 April 2001	Granted during the Period	Exercised during the Period			
Chan Chun Tung, John	2,400,000	–	–	2,400,000	27 March 2000 – 21 February 2004	0.1888
Lau Yuen Sun, Adrian	1,000,000	–	–	1,000,000	24 October 1998– 21 February 2004	0.1000
	18,000,000	–	–	18,000,000	3 January 2000 – 21 February 2004	0.1000
	–	3,000,000	–	3,000,000	21 August 2001– 21 February 2004	0.0215
Howard Wong	–	212,990,000	–	212,990,000	21 August 2001– 21 February 2004	0.0215
Wong Yat Fai, Desmond	–	212,990,000	–	212,990,000	21 August 2001– 21 February 2004	0.0215
Wu Qing	–	212,990,000	–	212,990,000	21 August 2001– 21 February 2004	0.0215
	<u>21,400,000</u>	<u>641,970,000</u>	<u>–</u>	<u>663,370,000</u>		

Save as disclosed above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or its associated corporations granted to any directors of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them.

Following amendments to Chapter 17 of the Listing Rules “Share Option Schemes” which became effective on 1 September 2001, the directors of the Company will be grant further options on the Company’s ordinary shares in compliance with these amendments.

SUBSTANTIAL SHAREHOLDERS

The Company has not been notified of any interest in the Company’s issued share capital at 30 September 2001 amounting to 10% or more of the Company’s ordinary shares in issue, which is required to be recorded in the register required to be kept under section 16 (1) of the SDI Ordinance.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the Period, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

On behalf of the Board
Chan Chun Tung, John
Chairman

Hong Kong, 12 December 2001