

DIRECTORS INTERESTS IN SECURITIES

As at 30 September 2002, the interests of the directors and chief executive or their associates in the securities of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”)) were as follows:

Name of director	Number of ordinary shares held as corporate interests
Cheng Wai Lun, Andrew (Note)	340,000,000

Note: Mr. Cheng Wai Lun, Andrew is one of the discretionary objects of a trust which assets include the entire issued share capital of Fung Fai Growth Limited. Fung Fai Growth Limited holds 340,000,000 shares of the Company.

Save as disclosed above, as at 30 September 2002, none of the directors and chief executive or their associates had any personal, family, corporate or other interests in equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors and chief executive, nor their respective spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2002, the following shareholders held an interest of 10% or more in the issued share capital of the Company which is required to be recorded under section 16(1) of the SDI Ordinance:

Name	Number of shares	Percentage of issued shares
Fung Fai Growth Limited	340,000,000	32.08%
Kingswell Holdings Group Limited	192,000,000	18.12%

Save as disclosed above, as at 30 September 2002, the Company was not notified by any persons who had an interest of 10% or more in the issued share capital of the Company which is required to be recorded under section 16(1) of the SDI Ordinance.

CODE OF BEST PRACTICE

Save and except that the independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2002 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The audit committee, which consists of three independent non-executive directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited Interim Accounts for the six months ended 30 September 2002.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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During the six months ended 30 September 2002, there was no repurchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

By order of the Board
Li Kwok Cheung, George
Executive Director

Hong Kong, 15 November 2002