

PEKING APPAREL INTERNATIONAL GROUP LIMITED

DIRECTORS' INTERESTS IN SHARES

At 30 September 2000, the interests of the directors in the share capital of the Company or its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the SDI Ordinance") were as follows:

(i) The Company

Name of director	Number of ordinary shares held and nature of interest	
	Corporate	Personal
Char On Man	167,832,000*	21,611,000
So Choi Hing, Stella	–	3,885,000

* These shares are held through Wellglow Investments Limited, a company in which Char On Man has aggregate interests of 89.58%.

(ii) Subsidiary – Peking Fur Factory (Hong Kong) Limited

Name of director	Nature of interest	Number of non-voting deferred shares held
Char On Man	Personal	11,444

(iii) Associated corporation – Wellglow Investments Limited

Name of director	Number of ordinary shares held and nature of interest	
	Personal	Family
Char On Man	674	100
So Choi Hing, Stella	60	–

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interest in the equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the period.

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SUBSTANTIAL SHAREHOLDERS

At 30 September 2000, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

Name	Number of shares held	%
Wellglow Investments Limited	<u>167,832,000</u>	<u>52.9</u>

This interest has also been disclosed as an interest of Char On Man under the section “directors’ interests in shares” above.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section “directors’ interests in shares” above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

AUDIT COMMITTEE

The Audit Committee comprises of two non-executive directors, namely Mr HO Wai Chi, Paul and Mr WOO, Michael. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters, including the review of the interim financial statements which have not been audited.

CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30 September, 2000, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s bye-laws.