

DIRECTORS' INTERESTS IN SECURITIES**(a) Shares**

At 30th September 2000, the interests of the directors in the ordinary shares of the Company 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:

Director	Type of interest	Number of shares
Mr. Chang Chung Wa, Eddie ("Mr. Chang")	Family (<i>Notes 1 and 2</i>)	112,800,000
Ms. Tang Kit Ching, Venus ("Ms. Tang")	Corporate (<i>Notes 1 and 3</i>)	28,200,000

Notes:

- (1) Tactful Finance Limited, a company incorporated in the British Virgin Islands, held 141,000,000 shares. Tactful Finance Limited is beneficially owned as to 80% by Spiritrider Development Inc., a company incorporated in the British Virgin Islands and as to 20% by Rubyrider Development Corp., a company incorporated in the British Virgin Islands.
- (2) The entire issued share capital of Spiritrider Development Inc. is owned by A-One International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Maple Securities Limited, a limited liability company incorporated in the British Virgin Islands, which is a discretionary trust set up by Mr. Chang, the trustee of which is HSBC International Trustee Limited. Beneficiaries of the trust include the family members of Mr. Chang.
- (3) Rubyrider Development Corp. is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Ms. Tang.

Save as disclosed above and other than certain nominee shares in the subsidiaries held in trust for the Group by certain directors, none of the directors of the chief executives, or their associates, had any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

REPORT OF THE BOARD

(b) Options

At 30th September 2000, the directors had personal interests in share options to subscribe for shares in the Company as follows:–

- (i) Share Options granted on 15th July 2000, each of which enables the holder to subscribe for one share in the Company at an exercisable price of HK\$0.568, 40% exercisable from 15th January 2001 to 14th July 2005, 30% exercisable from 15th July 2001 to 14th July 2005 and 30% exercisable from 15th January 2002 to 14th July 2005:

Name of director	At 15.07.2000	Number of Share Options		At 30.09.2000
		Exercised during the period	Cancelled during the period	
Mr. Yau Kwan Shan	1,000,000	–	–	1,000,000

- (ii) Share Options granted on 5th September 2000, each of which enables the holder to subscribe for one share in the Company at an exercisable price of HK\$0.77, 50% exercisable from 26th August 2001 to 25th August 2005 and 50% exercisable from 26th August 2002 to 26th August 2005:

Name of director	At 05.09.2000	Number of Share Options		At 30.09.2000
		Exercised during the period	Cancelled during the period	
Dr. Li Chi Kwong	500,000	–	–	500,000
Prof. Pan Xiao Mei	100,000	–	–	100,000

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance showed as of 30th September 2000 that, other than the interests disclosed under the heading “Directors’ interests in securities”, the Company had not been notified of any interests representing 10% or more of the company’s issued share capital.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2nd January, 2001 to 5th January, 2001 (both days inclusive). To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, at 5th floor, Wing On Center, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on 29th December, 2000.

PURCHASE, SALE AND REPURCHASE OF LISTED SHARES

During the period under review, neither the Company nor any of its subsidiaries purchased or redeemed any of the Company's listed shares.

AUDIT COMMITTEE

The audit committee and the management audited the accounting principles and practices adopted by the Group, and discussed issues relating to the auditing of internal control and financial reporting, including the auditing of unaudited interim financial reports.

CODE OF BEST PRACTICE

Except that the independent non-executive directors have no fixed term of office and they must resign by rotation and may be reappointed for successive terms in the Company's annual general meeting as prescribed by the Company's bye-laws, the Company complied with the Code of Best Practice set out in Appendix 14 of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30th September, 2000.