

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 October 2000, the interests of the directors and their associates in the issued share capital of the Company and its associated corporations 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:

Directors	Notes	Number of issued ordinary shares of HK\$0.10 each in the Company		Total
		Personal interests	Corporate interests	
Mr. Cheung Yan Lung	(a)	–	40,000,000	40,000,000
Mr. Haywood Cheung	(b)	–	777,980,908	777,980,908
Mr. Felipe Tan	(c)	10,086,000	29,000,000	39,086,000
Mr. So Pak Kwai		100,000	–	100,000

Notes:

- (a) The shares under "Corporate interests", which represented an approximately 1.94 percent equity interest in the Company as at 31 October 2000, were held by Benton Shares Holding Limited, a company 99 percent owned by Mr. Cheung Yan Lung.
- (b) The shares under "Corporate interests", which represented an approximately 37.73 percent equity interest in the Company as at 31 October 2000, comprised (i) 304,680,000 ordinary shares held by Haywood Shares Holding Limited; (ii) 345,300,908 ordinary shares held by Peakhurst Limited; and (iii) 128,000,000 ordinary shares held by iWin Limited. Haywood Shares Holding Limited is a company 99.99 percent owned by Mr. Haywood Cheung, whilst Peakhurst Limited is a company of which Mr. Haywood Cheung has an approximately 48.53 percent interest held through Cheung's Enterprise Holdings Limited, a company 75 percent owned by Mr. Haywood Cheung. iWin Limited is a company 70 percent owned by Mr. Haywood Cheung.
- (c) The shares under "Corporate interests", which represented an approximately 1.41 percent equity interest in the Company as at 31 October 2000, were owned by Mr. Felipe Tan and his family through their personal investment company, Join Rich Investments Limited.

Save as disclosed above, none of the directors or their associates had any beneficial interests in the issued share capital of the Company or any of its associated corporations (as defined in the SDI Ordinance) as recorded in the register required to be kept under Section 29 of the 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 (the "Model Code").

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Under the terms and conditions of the Company's employee share option scheme approved at the special general meeting held on 27 January 1994, the directors were granted options to subscribe for the Company's ordinary shares of HK\$0.10 each. Details of the share options granted to the directors of the Company remaining outstanding at 31 October 2000 were as follows:

Directors	Date of share options granted	Number of share options outstanding at 31 October 2000	Exercise price per share HK\$
Mr. Haywood Cheung	2 March 1998	25,000,000	0.28
Mr. Felipe Tan	20 January 1997 2 March 1998	5,000,000 17,500,000	0.80 0.28
Mr. So Pak Kwai	20 January 1997	300,000	0.80

The share options are exercisable during a period of ten years commencing from the date of share options granted. No share option was granted to or exercised by the Directors during the period.

Save as disclosed above, none of the directors or their respective spouses or children under 18 years of age were granted any rights to subscribe for the share capital of the Company, and there was no exercise of any such rights as recorded in the register required to be kept under Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

Pursuant to Section 16(1) of the SDI Ordinance, the Company has been notified of the following registered interests of 10 percent or more in the issued share capital of the Company as at 31 October 2000:

Name of Company	Number of ordinary shares held
Peakhurst Limited	345,300,908
RNA Holdings Limited #	345,300,908
Tem Fat Hing Fung (Holdings) Limited #	345,300,908
Cheung's Enterprise Holdings Limited #	345,300,908
Haywood Shares Holding Limited	304,680,000

These companies are deemed to have interests in the same 345,300,908 ordinary shares held by Peakhurst Limited by virtue of Section 8 of the SDI Ordinance.

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

The Company has not redeemed any of its securities during the period. Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company's securities during the period.

LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER UNDER PRACTICE NOTE 19

A wholly owned subsidiary of the Company has arranged a banking facility for a total limit of HK\$240,000,000 (the "Facility"). As at 31 October 2000, the total outstanding amount of the Facility was approximately HK\$191,377,000 which is scheduled to be fully repaid by August 2007. Under the terms of the Facility, one of the substantial shareholders of the Company provides a corporate guarantee to an extent of HK\$56,328,000 and agrees to hold not less than 4,853 shares of a corporate controlling shareholder of the Company while the guarantee is subsisting. As at 31 October 2000, the said shares represent 48.53% of the total issued capital of the said controlling shareholder which in turn holds a direct interest of approximately 16.74% of the total issued capital of the Company. As the directors are aware, the Group does not have any other borrowings with terms providing that a default would be triggered by the default of the Facility.

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 for any part of the six months ended 31 October 2000, in compliance with the Code of Best Practice set out in Appendix 14 of the Listing Rules, except that independent non-executive directors of the Company are not appointed for specific terms but they are subject to retirement by rotation in accordance with the Company's bye-laws.

AUDIT COMMITTEE

The Audit Committee has discussed and reviewed with management the interim report.

By Order of the Board
Haywood Cheung
Managing Director

Hong Kong, 18 January 2001