

**DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES**

As at 31st December 2000, none of the directors, chief executives and their associates had any interests in the share capital, apart from share options as described below, of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance.

Under a share option scheme (the "Share Option Scheme") approved by the shareholders of the Company on 28th June 1999, the directors of the Company may, at their discretion, invite employees, including executive directors of the Group, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. On 19th June 2000, the following options were granted to certain directors of the Company:

Name	Number of shares granted under the scheme*	Exercise price*	Outstanding as at 31st December 2000	Expiry date
Mr. LAM Shiu Ming, Daneil	22,500,000	0.4	22,500,000	18th June 2005
Ms. CHIU Suet Ying	22,500,000	0.4	22,500,000	18th June 2005
Mr. YEUNG Kim Piu	6,000,000	0.5	6,000,000	18th June 2005

* The number of options granted and exercise price have been adjusted following the subdivision of 1 share of HK\$0.1 each into 5 shares of HK\$0.02 each during the period (note 9).

These share options are exercisable from 19th June 2000 to 18th June 2005. As at 31st December 2000, none of the above options have been exercised.

Apart from the share option scheme mentioned above, none of the directors (including their spouse and children under 18 years of age) had been granted, or exercised, any rights to subscribe for shares of the Company.



In addition, apart from the aforesaid, at no time during the year was the Company, its holding company, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDER

At 31st December 2000, the register of substantial shareholder maintained under Section 16(1) of the SDI Ordinance shows that the Company had been notified of the following substantial shareholders' interests, being 10% or more of the Company's issued share capital.

Name of shareholder	Shareholding	Number of ordinary shares
Globalcrest Enterprises Limited	60%	567,000,000

Globalcrest Enterprises Limited is a company directly held by the trustee of a discretionary trust under which certain immediate family members of Mr LAM Shiu Ming, Daneil and Ms CHIU Suet Ying are discretionary objects.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

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

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



AUDIT COMMITTEE

On 11th October 1999, the Company established an Audit Committee, which currently comprised of Messrs NG Kwok Tung, CHIU Shin Koi and TANG Yiu Wing . The Audit Committee has reviewed and discussed with management the unaudited interim accounts for the six months ended 31st December 2000, appropriateness of accounting policies and the adequacy of disclosures.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of in the Listing Rules of the Stock Exchange for the six months ended 31st December 2000.

By the Order of the Board
Lam Shiu Ming, Daneil
Chairman and Managing Director

Hong Kong, 30th March 2001