

## Disclosure of Additional Information

### RELATED PARTY TRANSACTIONS

In April 2001, the Group received a cash advance, totally HK\$14.65 million, from the sale of premises previously owned by Winsley. Such advance is unsecured, interest free and has no fixed terms of repayment. Winsley is involved in property investment and is no longer jointly and severally liable for banking facilities granted to the Group by any of our banker.

### DIRECTORS' INTERESTS

During the Period, the interests of the Company's Directors in the share capital of the Company and its associated corporations, as recorded in the register required to be kept by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), were as follows:

**(i) The Company:**

Name of Directors	Number of shares held (other interest)
Chan Chun Choi	718,517,245
Lam Mo Kuen, Anna	718,517,245

The above shares are held by Eternal Victory Enterprises Inc., a company incorporated in the British Virgin Islands, as trustee of a unit trust, the units of which are held by a discretionary trust established for the family members of Chan Chun Choi, including Lam Mo Kuen, Anna, Chan Chun Choi holds all the issued share of Eternal Victory Enterprises Inc..

**(ii) Associated Corporations:**

Name of associated corporation	Name of director	Number of shares held	Class of shares	Type of interest
Victory Motors Centre Limited	Chan Chun Choi	100,000	Non-voting deferred	Personal
		2,800,000	Non-voting deferred	Corporate (Note)
Victory Motors Centre Limited	Lam Mo Kuen, Anna	100,000	Non-voting deferred	Personal
		2,800,000	Non-voting deferred	Corporate (Note)

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Note: The 2,800,000 non-voting deferred shares are held by Kwong Hung Hing Enterprises Co. Limited of which Chan Chun Choi and Lam Mo Kuen, Anna together hold the entire issued share capital.

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.

### SUBSTANTIAL SHAREHOLDERS

During the Period, no person other than Eternal Victory Enterprises Inc., details of whose share interest are set out under the section headed "Directors' interests", was registered as having an interest of 10% or more in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

### SIGNIFICANT POST BALANCE SHEET EVENT

On 26 July 2001, the Group completed a capital reorganisation of which the details are herein disclosed in the section of the "Business review".

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### EMPLOYEES

As at 30 June 2001, the Group had a total of 30 employees, of whom 11 were based in Hong Kong whereas 19 were local staff employed in PRC. The remuneration package for Hong Kong staff was strictly on monthly-salary basis and that for PRC employees was mainly based on their performance. Year-end bonus is linked to the financial results of the Group as well as the performance of individual staff. The remuneration policies of the Group's employees are subject to review regularly. Total staff costs for the Period were about HK\$1.94 million. On irregular but necessary basis, the Company organises product seminars, salesmanship and computer training courses and recreational activities.

The Group does not operate any pension or retirement schemes for its Directors or employees until the implementation of Mandatory Provident Fund in December 2000. The Group has a share option scheme, which was duly approved by the shareholders on 22 January

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1998, available for any full time employees of the Company or any of its subsidiaries, including any executive Directors of the Company or of any subsidiaries but no options were granted under the scheme during the Period.

### CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company had not complied with the Code of Best Practices (the “Code”) as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited during the Period. The Audit Committee, which had been developed in compliance the Code by the Company in 1999, had reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim accounts for the Period.

### PURCHASE, SALE OR REDEMPTION OF SHARES IN THE COMPANY

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There was no purchase, sale or redemption of the Company’s shares by the Company or any of its subsidiaries during the Period.

### APPRECIATION

The Directors would like to take this opportunity to thank our shareholders for their dedication and support. Also, we should appreciate our management and staff for their hard work and persistence in such a difficult trading era. We certainly hope to have their continuous support in the coming future.

On behalf of the Board  
**Chan Chun Choi**  
*Chairman*

Hong Kong, 17 September 2001