

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 June 2001 was approximately 17,150. Employees are remunerated according to nature of the job and market conditions.

DIRECTORS' INTERESTS

At 30 June 2001, the interests of the directors and their associates in the equity or debt securities of the Company and its associated corporations as required to be recorded in the Register of Directors' Interests maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Directors	Number of issued ordinary shares of HK\$2.50 each in the Company	
	Personal interests	Corporate interests
Mr. Christopher W. Ho	–	295,067,713*
Mr. C. F. Lam	303,600	–
Mr. Adrian C. C. Ma	78,000	–

* Mr. Christopher W. Ho had 100% beneficial interests in The Grande International Holdings Limited ("GIHL") which owned 295,067,713 ordinary shares in the Company through its wholly owned subsidiary, Barrican Investments Corporation ("BIC").

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the share option scheme adopted by the Company, the board of directors of the Company may grant options to eligible employees of the Group, including executive directors, to subscribe for shares in the Company. There are no options outstanding as at the date of this report.

Apart from the foregoing, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Pursuant to Section 16(1) of the SDI Ordinance, no persons other than Mr. Christopher W. Ho, GIHL and BIC, whose interests are disclosed in the “Directors’ Interests” above, had registered an interest in the Company’s issued shares at 30 June 2001 amounting to 10% or more of the ordinary shares in issue.

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

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

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors was aware of information that would reasonably indicate that the Company was not, or had not been for any part of the accounting period covered by the interim report, 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. Independent non-executive directors are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the provisions of the Company’s Bye-Laws.

AUDIT COMMITTEE

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 a review of the unaudited Interim Accounts for the six months ended 30 June 2001.

By order of the Board
Christopher W. Ho
President and Group Chief Executive

Hong Kong, 26 September 2001