

SUBSTANTIAL SHAREHOLDERS

As of 30 June 2001, according to the register kept by the Company under Section 16(1) of the SDI Ordinance, other than the directors of the Company, the following shareholder had interest in or taken or deemed to be interested in 10 per cent. or more of the nominal value of the issued share capital of the Company:

Name	Number of shares held
Porterstone Limited	407,094,300

Note: Porterstone and Dorest have direct interest in 280,528,200 shares and 126,566,100 shares respectively. Dorest is a company wholly-owned by Glenstone which is in turn beneficially owned as to 60% by Porterstone (a company wholly-owned by Ms. Chen) and as to 40% by Mr. Heung.

Save as disclosed herein, the directors and the chief executives of the Company are not aware of any person, who has direct or indirect interest in 10 per cent. or more of the nominal value of the issued share capital of the Company as at 30 June 2001.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2001.

AUDIT COMMITTEE

The principal duties of the audit committee of the Company include the review and supervision of the Group's financial reporting process and internal controls and to make recommendations to the board of directors. The unaudited interim financial statements for the six months ended 30 June 2001 have been reviewed by the audit committee of the Company. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial statements in accordance with Statement of Auditing Standards 700 issued by the HKSA.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules throughout the accounting period covered by the interim results, except that the non-executive directors were not appointed for a specific term since they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's bye-laws.

By Order of the Board
Heung Wah Keung
Chairman

Hong Kong, 24 September 2001