



DIRECTORS' INTERESTS

At 30th June, 2001, the interests of the directors and chief executive in the shares of the Company and associated corporation as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

(a) Interests in the Company

Mr. Gan Wee Sean beneficially owns 11,436,800 shares and his wife, Madam Khoo Phaik Gim, beneficially owns 991,900 shares and Hexagan Enterprises Limited, a company wholly owned by Mr. Gan Wee Sean and Madam Khoo Phaik Gim, beneficially owns 27,218,100 shares, which in aggregate represent approximately 30.5% of the shares in issue.

Mr. Gan Fock Wai, Stephen beneficially owns 4,503,700 shares and Gan's Enterprises Limited, a company in which Mr. Gan Fock Wai, Stephen has approximately 31% interest, beneficially owns 26,053,300 shares, which in aggregate represent approximately 23.5% of the shares in issue.

On 28th November, 1991, a share option scheme was approved at a special general meeting of the Company under which the directors 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. As at 30th June, 2001, no option has been granted under this scheme. Apart from the above mentioned, at no time during the period has the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company or their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

**(b) Interests in associated corporations**

Mr. Gan Wee Sean and his wife Madam Khoo Phaik Gim, and Mr. Gan Fock Wai, Stephen beneficially own the following non-voting deferred shares of HK\$1,000 each in the capital of a subsidiary, Hoe Hin Pak Fah Yeow Manufactory, Limited, and the following non-voting deferred shares of HK\$1 each in the capital of another subsidiary, Pak Fah Yeow Investment (Hong Kong) Company, Limited:

Name of subsidiary	Name of owner	No. of non-voting deferred shares
Hoe Hin Pak Fah Yeow Manufactory, Limited	Mr. Gan Wee Sean	8,600
	Madam Khoo Phaik Gim	800
	Mr. Gan Fock Wai, Stephen	2,800
Pak Fah Yeow Investment (Hong Kong) Company, Limited	Mr. Gan Wee Sean	8,244,445
	Madam Khoo Phaik Gim	711,111
	Mr. Gan Fock Wai, Stephen	2,800,000

Mr. Gan Fock Wai, Stephen holds one ordinary share in each of Hoe Hin Pak Fah Yeow Manufactory, Limited and Pak Fah Yeow Investment (Hong Kong) Company, Limited in trust for Hoe Hin Pak Fah Yeow (B.V.I.) Limited.

Other than as disclosed above, none of the directors or chief executives, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance and none of the directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights at any time during the period.

SUBSTANTIAL SHAREHOLDERS

At 30th June, 2001, no person, other than directors and companies owned by them, whose names and interests are set out above, had registered an interest in the share capital of the Company that was required to be recorded in the register maintained under Section 16(1) of the SDI Ordinance.

OTHER INFORMATION**Interim Dividend**

The Board of Directors have declared an interim dividend of HK2 cents (2000: HK4.5 cents) per share for the six months ended 30th June, 2001 payable to shareholders on the register of members of the Company on 12th October, 2001. Dividend warrants will be despatched to the shareholders on or about 31st October, 2001.



Closing of register of members

The register of members will be closed from Monday, 8th October, 2001 to Friday, 12th October, 2001, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Standard Registrars Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 5th October, 2001.

Audit Committee

Regular meetings have been held by the Committee since its establishment, the Committee meet at least two times each year. At the request of the directors, the Interim Financial Report of the Company for the six months ended 30th June, 2001 has been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, in accordance with the Statement of Auditing Standard 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants and an unmodified review conclusion has been issued. Without modifying their review conclusion, the auditors draw attention to the fact that the comparative condensed financial information for the six months ended 30th June, 2000 disclosed in the Interim Financial Report has not been subject to an equivalent review.

Staff

The Group employed 106 staff at 30th June, 2001. Salaries are adjusted annually on a performance related basis and fringe benefits such as tuition subsidies and medical insurance are offered to most employees. The Company has a share option scheme for the benefit of its directors and eligible employees of the Group. No option has been granted under this scheme since its adoption in 1991.

Purchase, sale or redemption of Company's listed shares

During the period, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

Code of best practice

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with 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.