

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OR EQUITY INTEREST OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At June 30, 2001, the beneficial interests of the Directors in the share capital or equity interest of the Company and its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance) as recorded in the register maintained by the Company pursuant to the Securities (Disclosure of Interests) Ordinance or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules were as follows:

The Company

Directors	Number of ordinary shares of HK\$0.10 each		
	Personal interests	Corporate interests	Total interests
Mr. Wing Sum LEE	616,636,752	128,014,060 <i>(Note i)</i>	744,650,812
Mr. Richard Man Fai LEE	21,660,000 <i>(Note ii)</i>	–	21,660,000
Mr. Sammy Chi Chung SUEN	300,000	–	300,000
Ms. Kam Har YUE	21,267,622	–	21,267,622

Notes:

- i. These shares are owned by Unit Cosmo International Limited, a company the entire issued share capital of which is owned by Mr. Wing Sum LEE.
- ii. Spouse's interests were included.

Associated Corporations

Directors	Associated corporations in which shares or equity interest are held or interested	Number of shares or amount of equity interest held or interested	Class and/or description of shares
Mr. Wing Sum LEE	Stoneycroft Estates Limited	15,750,000	non-voting deferred shares
	Wo Kee Hong Limited	8,500	non-voting deferred shares
	Wo Kee Services Limited	1	non-voting deferred share
	Wo Kee Hong Professional Air Conditioning Pte Ltd	3,876,000 <i>(Note 1)</i>	ordinary shares
	Best & Original Production Limited	8,448,000 <i>(Note 1)</i>	ordinary shares
	Jin Ling Electrical Company Ltd.	RMB131,750,000 <i>(Note 1)</i>	N/A

Directors	Associated corporations in which shares or equity interest are held or interested	Number of shares or amount of equity interest held or interested	Class and/or description of shares
Mr. Wing Sum LEE	Mitsubishi Heavy Industries-Jinling Air-Conditioners Company, Ltd.	US\$14,700,000 (Note 1)	N/A
	Modern Publication & Printing Limited	1 (Note 1)	ordinary share
	Mega Warehouse (B.V.I.) Limited	55 (Note 1)	ordinary shares
	ebuystore.com Limited	75 (Note 1)	ordinary shares
	WK Information Network Limited	70 (Note 1)	ordinary shares
	東莞先力電器有限公司 (Dongguan Bodysonic Electric Co., Ltd)	HK\$2,125,000 (Note 1)	N/A
	Mr. Richard Man Fai LEE	Mega Warehouse (B.V.I.) Limited	45 (Note 2)
Mega Warehouse (Hong Kong) Limited		2 (Note 2)	ordinary shares
Mega Warehouse I & E Limited		1 (Note 2)	ordinary share
ebuystore.com Limited		25 (Note 2)	ordinary shares
ebuystore.com (H.K.) Limited		2 (Note 2)	ordinary shares
WK Information Network Limited		70 (Note 2)	ordinary shares
Ms. Kam Har YUE	Wo Kee Hong Limited	400	non-voting deferred shares
	Shinwa Engineering Company, Limited	3,850,000	non-voting deferred shares
	Forward International Corporation, Limited	34,335	non-voting deferred shares
	Stoneycroft Estates Limited	340,000	non-voting deferred shares

Notes:

1. Mr. Wing Sum LEE is deemed to be interested in the shares or equity interest as a result of his interest in the Company. Apart from these shares or equity interest, all other shares of the associated corporations held by the Directors as stated herein are personal interests.
2. These shares are held directly or indirectly through corporations controlled by Mr. Richard Man Fai LEE.

Share Options

At June 30, 2001, the following Directors held share options granted to them under the 1991 Share Option Scheme, entitling them to subscribe for shares of HK\$0.10 each in the Company:

Directors	Date option granted	No. of shares in the option	Exercisable period	Subscription price per share HK\$
Mr. Wing Sum LEE	May 13, 1996	2,760,000	June 17, 1996 – June 16, 2002	0.9460
	July 28, 1997	12,500,000	August 31, 1997 – August 30, 2003	0.5330
	January 19, 1998	3,000,000	February 22, 1998 – February 21, 2004	0.2200
	December 21, 1999	6,500,000	February 11, 2000 – February 10, 2006	0.1400
	February 11, 2000	3,000,000	March 21, 2000 – March 20, 2006	0.3264
Mr. Richard Man Fai LEE	May 13, 1996	2,760,000	June 13, 1996 – June 12, 2002	0.9460
	July 28, 1997	13,500,000*	August 28, 1997 – August 27, 2003	0.5330
	January 19, 1998	3,100,000*	February 19, 1998 – February 18, 2004	0.2200
	June 10, 1998	1,000,000	July 24, 1998 – July 23, 2004	0.1053
	December 21, 1999	6,700,000*	February 7, 2000 – February 6, 2006	0.1400
	February 11, 2000	3,500,000	March 18, 2000 – March 17, 2006	0.3264
	May 28, 2001	4,000,000	June 29, 2001 – June 28, 2007	0.1000
Mr. Barry John BUTTIFANT	May 28, 2001	20,000,000	June 30, 2001 – June 29, 2007	0.1000
Mr. Sammy Chi Chung SUEN	July 28, 1997	1,000,000	August 31, 1997 – August 30, 2003	0.5330
	December 21, 1999	300,000	February 6, 2000 – February 5, 2006	0.1400
	February 11, 2000	500,000	March 22, 2000 – March 21, 2006	0.3264
	January 18, 2001	260,000	March 6, 2001 – March 5, 2007	0.1000

* Share options granted to spouse were included.

No share options were exercised by any Directors during the period.

Save as disclosed herein, none of the Directors of the Company had any beneficial interest in the share capital or equity interest of the Company or its associated corporations at June 30, 2001. Furthermore, none of the Directors of the Company, their spouses and children under 18 years of age had been granted any right to subscribe for shares of the Company or its associated corporations for the period.

The 1991 Share Option Scheme expired on June 22, 2001. A new employee share option scheme was adopted on June 28, 2001. No share options under the new scheme have been granted during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

At June 30, 2001, there were no parties (except Mr. Wing Sum LEE whose interests are disclosed above), as recorded in the register maintained by the Company pursuant to the Securities (Disclosure of Interests) Ordinance, holding 10% or more of the interests in the share capital of the Company.

SUBSCRIPTION OF NEW SHARES

On February 14, 2001, 5,000,000 shares of HK\$0.10 each of the Company were allotted and issued, for cash, at HK\$0.10 per share for a total consideration of HK\$500,000 (before expenses) to an independent third party.

In respect of the Subscription Agreements for placement of new shares of 155,000,000 and 40,000,000 to two other independent third party investors, announced in January 2001 by the Company, the two deals have lapsed on June 14 and August 28, 2001 respectively.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2001, the Company has repurchased a total of 1,200,000 shares of HK\$0.10 each of the Company ("Shares") on The Stock Exchange of Hong Kong Limited with details as follows:

Month of repurchase	No. of Shares repurchased	Price per Share		Total price paid HK\$
		Highest HK\$	Lowest HK\$	
January 2001	200,000	0.095	–	19,000
February 2001	800,000	0.097	0.090	72,700
March 2001	100,000	0.092	–	9,200
April 2001	100,000	0.079	0.077	7,888

Save as mentioned above, the Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities during the period.

COMPLIANCE

The Audit Committee of the Company disbanded subsequent to the resignation of Mr. Symon Yu Wing WONG, Independent Non-executive Director and Chairman of the Audit Committee, resigned from his office in the Company on February 1, 2001.

On May 3, 2001, the Company re-established an Audit Committee comprising Mr. Raymond Cho Min LEE (Chairman) and Mr. Boon Seng TAN, Independent Non-executive Directors of the Company. In establishing the terms of reference for this Committee, the Directors have had regard to the "Guide for Formation of an Audit Committee" issued by the Hong Kong Society of Accountants in December 1997.

Save as above, none of the Directors is aware of information that would reasonably indicate that the Company was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules for the period.

The Audit Committee of the Company has reviewed the condensed interim accounts and the Interim Report, and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong. The Interim Report has not been audited.

By Order of the Board of Directors
Barry John BUTTIFANT
Managing Director

Hong Kong, September 20, 2001