

## DIRECTORS' INTERESTS IN SECURITIES

### (1) Interests in the Company

#### (a) Shares

At September 30, 2001, the interests of the directors in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) were as follows:

<u>Name of director</u>	<u>Number of ordinary shares</u>			
	<u>Personal interests</u>	<u>Family interests</u>	<u>Corporate interests</u> <i>Note</i>	<u>Other interests</u>
Mr. Cheng Chung Hing	–	–	426,000,000	–
Mr. Cheng Tai Po	6,506,400	–	426,000,000	–

*Note:* These shares were indirectly owned by Cafoong Limited, a company incorporated in the British Virgin Islands, through an indirect interest in Man Sang International (B.V.I.) Limited (“MSBVI”), a company which directly holds these 426,000,000 shares. Cafoong Limited indirectly holds a 100% equity interest in MSBVI through Man Sang Holdings, Inc. (“MSHI”), in which Cafoong Limited directly and indirectly holds 62.42% of the common stock and all the Series A preferred stock at September 30, 2001, which totally represent 74.94% of the voting rights of MSHI. Mr. Cheng Chung Hing and Mr. Cheng Tai Po own 60% and 40% of the issued share capital of Cafoong Limited, respectively.

#### (b) Share options

At September 30, 2001, the directors had personal interests in share options to subscribe for shares in the Company as follows:

- (i) Share options granted on November 16, 1999, each of which enables the holder to subscribe for one share in the Company at an exercise price of HK\$0.2133 (initial exercise price was HK\$0.2560, adjusted on August 3, 2000 pursuant to the 1 to 5 bonus issue of shares of the Company):

<u>Name of director</u>	<u>Number of share options</u>			
	<u>At 4.1.2001</u>	<u>Exercised during the period</u>	<u>Cancelled during the period</u>	<u>At 9.30.2001</u>
Mr. Cheng Chung Hing	1,560,243	–	–	1,560,243
Mr. Cheng Tai Po	1,560,243	–	–	1,560,243
Ms. Yan Sau Man, Amy	2,400,375	–	–	2,400,375

- (ii) Share options granted on April 28, 2000, each of which enables the holder to subscribe for one share in the Company at an exercise price of HK\$0.2475 (initial exercise price was HK\$0.297, adjusted on August 3, 2000 pursuant to the 1 to 5 bonus issue of shares of the Company):

Name of director	Number of share options			
	At 4.1.2001	Exercised during the period	Cancelled during the period	At 9.30.2001
Mr. Cheng Chung Hing	12,000,000	–	–	12,000,000
Mr. Cheng Tai Po	12,000,000	–	–	12,000,000
Ms. Yan Sau Man, Amy	6,000,000	–	–	6,000,000

All options are exercisable within a period of two years commencing from six months after respective date of acceptance.

**(2) Interests in associated corporation – MSHI**

Name of director	Number of common stock of US\$0.001 each in MSHI held				Number of stock options of MSHI held (Note ii)				
	Personal interests	Family interests	Corporate interests	Other interests	Personal interests	Family interests	Corporate interests	Other interests	
			<i>Note i</i>						
Mr. Cheng Chung Hing	–	–	2,750,000	–	100,000	–	–	–	
Mr. Cheng Tai Po	–	–	2,750,000	–	100,000	–	–	–	
Ms. Yan Sau Man, Amy	–	–	–	–	100,000	–	–	–	

*Note:*

- (i) These share were directly and indirectly owned by Cafoong Limited. Cafoong Limited directly and indirectly holds 62.42% of the common stock and all the Series A preferred stock of MSHI at September 30, 2001, which totally represent 74.94% of the voting rights of MSHI. Mr. Cheng Chung Hing and Mr. Cheng Tai Po owned 60% and 40% of the issued share capital of Cafoong Limited, respectively.
- (ii) The stock options were granted under the stock option plan of MSHI adopted in October 1996 and entitle the holders thereof to subscribe for shares of common stock US\$0.001 each in MSHI at a subscription price of US\$1.22 per share. 50% of the granted stock options are exercisable on or after September 16, 1998 and the balances are exercisable on or after September 16, 1999; however none of them may be exercised after September 15, 2007.

Save as disclosed above, none of the directors 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 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 right during the period.