

Saved as disclosed above, no person, other than the directors of the Company whose interests are set out below, had registered an interest in the share capital of the Company that was required to be recorded under Section 16 (1) of the SDI Ordinance as at the balance sheet date.

DIRECTORS' INTERESTS IN THE SHARES

As at 30 September 2001, the interests of the directors and their associates in the share capital of the Company and its associated corporation as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

Interests in Company

Name of director	Nature of interest and number of shares	
	Personal	Corporate
Zou Yishang	–	176,198,000 <i>Note (ii)</i>
Chen Jian	60,000,000	–

Note (ii) These shares are beneficially owned by Able Technology Limited and the interest of Mr. Zou Yishang in Able Technology Limited has been stated in Note (i) above.

Save as disclosed above, and other than the nominee shares in certain subsidiaries of the Company held in trust for the Group, none of the directors, chief executives or their associates had any interest in the securities of the Company or its associated corporations as recorded in the register required to be kept under Section 29 of SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

As at 30 September 2001, the interests of the directors of the Company in options to subscribe shares of the Company under the Scheme were as follows:

Name of director	Number of options held
Zou Yishang	20,000,000
Ma Hongyao	15,000,000
Chen Jian	17,000,000

These options were granted on 29 August 2001 for a consideration of HK\$1.00 per grantee for the subscription of ordinary shares of the Company at a subscription price of HK\$0.352 per share. The share options granted are exercisable commencing from 1 April 2002 up to 28 August 2011 in different portions. None of these share options has been exercised since the date of grant.

Save as disclosed above, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 September 2001.

AUDIT COMMITTEE

The audit committee, which comprises of two independent non-executive directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim results.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not throughout the six months ended 30 September 2001 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's bye-laws

By Order of the Board
Zou Yishang
Chairman

Hong Kong, 28 November 2001