

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

For the six months ended 30th September 2001, none of the directors has exercised any share option to subscribe for share of the Company.

On 30th August 2001, the unexercised 1,700,000 share options held by the directors were cancelled. These options are exercisable during any intervening period up to 15th September 2007 at HK\$1.64 per share. On the same day, the Company granted options, in accordance with the terms of the Company's share option scheme, to the executive directors and other employees of the Group to subscribe for shares in the Company.

The movements of share options held by the directors in the period ended 30th September 2001 were as follows:

Name of director	Exercise period	Exercise price	Number of share options			
			As at 1st April 2001	Cancelled during the period	Granted during the period	As at 30th September 2001
Chan Ka Lai, Joseph	16th Sept. 1999 to 15th Sept. 2007	1.64	1,000,000	(1,000,000)	–	–
	1st Oct. 2001 to 30th Sept. 2011	0.48	–	–	1,000,000	1,000,000
	1st Mar. 2002 to 30th Sept. 2011	0.48	–	–	1,000,000	1,000,000
	1st Sept. 2002 to 30th Sept. 2011	0.48	–	–	1,000,000	1,000,000
	Total		1,000,000	(1,000,000)	3,000,000	3,000,000
Chiu Wai	1st Mar. 2002 to 30th Sept. 2011	0.48	–	–	600,000	600,000
	1st Sept. 2002 to 30th Sept. 2011	0.48	–	–	600,000	600,000
	Total		–	–	1,200,000	1,200,000
Ng Sai Hung	1st Mar. 2002 to 30th Sept. 2011	0.48	–	–	200,000	200,000
	1st Sept. 2002 to 30th Sept. 2011	0.48	–	–	200,000	200,000
	Total		–	–	400,000	400,000
Wong Tsui Yue, Lucy	16th Sept. 1999 to 15th Sept. 2007	1.64	700,000	(700,000)	–	–
	1st Oct. 2001 to 30th Sept. 2011	0.48	–	–	700,000	700,000
	1st Mar. 2002 to 30th Sept. 2011	0.48	–	–	400,000	400,000
	1st Sept. 2002 to 30th Sept. 2011	0.48	–	–	280,000	280,000
	Total		700,000	(700,000)	1,380,000	1,380,000
			1,700,000	(1,700,000)	5,980,000	5,980,000

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(Cont'd)

In addition, on 31st August 2001 SHHL granted 600,000 share options to Mr. Shum Wing Hon to subscribe for shares in SHHL at HK\$0.55 per share. The movements of share options held by Mr. Shum are summarized below.

Name of director	Exercise period	Exercise price	Number of SHHL share options		
			As at 1st April 2001	Granted during the period	As at 30th September 2001
Shum Wing Hon	1st May 2001 to 31st May 2010	0.50	1,000,000	–	1,000,000
	1st May 2002 to 31st May 2010	0.50	1,000,000	–	1,000,000
	1st Mar. 2002 to 30th Sept. 2011	0.55	–	300,000	300,000
	1st Sept. 2002 to 30th Sept. 2011	0.55	–	300,000	300,000
	Total		<u>2,000,000</u>	<u>600,000</u>	<u>2,600,000</u>

## SUBSTANTIAL SHAREHOLDERS

At 30th September 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that other than those of the directors and chief executives as disclosed above, the Company had not been notified of any substantial shareholders' interests being 10% or more of the Company's issued share capital.

## COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not, for any part of the accounting period, in compliance with the Code of Best Practice as set out in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

## AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the Group's unaudited interim accounts for the six months ended 30th September 2001.