

- (c) On 17 April 2001, the Company entered into a renovation agreement with Kentfull Contracting Limited, a 65% owned subsidiary of New World Services Limited, a company incorporated in the Cayman Islands and controlled by the family of Mr. Cheng Kar Shun, for the renovation of certain of the Group's office premises situated at New World Tower, 16-18 Queen's Road Central, Hong Kong, for a consideration of HK\$6,500,000. The details of this arrangement were disclosed in an announcement dated 17 April 2001 made by the Company.
- (d) The Company and CTF have provided guarantees in respect of a bank loan granted to a Company's wholly-owned subsidiary. A guarantee fee is charged by CTF and is calculated at 2% per annum on the average daily amount outstanding under such facility during a financial year. The outstanding balance of this bank loan at 30 September 2001 amounted to HK\$210,000,000 and the guarantee fee paid to CTF for the period amounted to HK\$3,337,000.
- (e) During the period, the Group engaged New World CyberBase Solutions (HK) Limited ("NWCBS") as a contractor to undertake the construction works of a data centre and a network system for the leased premises at New World Tower. Mr. Lo Lin Shing, Simon, a director of the Company, is also a director of NWCBS. As at 30 September 2001, the deposits paid by the Group to NWCBS amounted to HK\$7,800,000.
- (f) During the period, the Group was advanced a loan of HK\$70,000,000 from New World Finance Company Limited ("NWF"), a non-wholly-owned subsidiary of NWD. At 30 September 2001, the balance of HK\$70,000,000 is unsecured, bears interest at overnight HIBOR per annum and has no fixed terms of repayment. The interest paid to NWF for the period amounted to HK\$89,000.

ADDITIONAL INFORMATION

CLOSURE OF REGISTERS OF MEMBERS AND WARRANTHOLDERS

The registers of members and warrant holders of the Company will be closed from Monday, 7 January 2002 to Friday, 11 January 2002, both dates inclusive, during which period no transfer of shares and/or warrants will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates and all subscription forms in relation to the exercise of warrants issued by the Company to subscribe for shares accompanied by the appropriate subscription monies and the relevant warrant certificates must be lodged with the Company's Branch Share Registrars in Hong Kong and Warrant Registrars, Central Registration Hong Kong Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, not later than 4:00 p.m. on Friday, 4 January 2002.

DIRECTORS' INTERESTS

At 30 September 2001, the interests of the directors in the share capital or rights to subscribe for shares of the Company and its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as required to be recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or as otherwise notified the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules ("Model Code"), were as follows:

(A) Shares

(a) The Company

Name of director	Number of ordinary shares held			Total
	Personal interests	Family interests	Corporate interests	
Lo Lin Shing, Simon	1,000,000	-	70,616,222 <i>(Note 1)</i>	71,616,222
Wong Shiu Hoi, Peter	12,700,000	-	-	12,700,000
Lee Yiu Wing, William	300,000	-	-	300,000
Chan Chi On, Derek	460,000	-	-	460,000
Chan Wing Luk, Lennon	2,000,000	-	-	2,000,000
Wong Kwok Kin, Andrew	-	390,000 <i>(Note 2)</i>	-	390,000

(b) The associated corporation

Name of director	Class of shares	Name of associated corporation	Number of shares held (Corporate interests)
Lo Lin Shing, Simon	Non-voting deferred shares	Tai Fook Finance Company Limited <i>(Note 3)</i>	47,670,000 <i>(Note 1)</i>

Notes:

- (1) These shares are held by Wellington Equities Inc., a company beneficially wholly-owned by Mr. Lo Lin Shing, Simon.
- (2) These shares are held by Mrs. Wong Li Chak Wing, Winnie, the spouse of Mr. Wong Kwok Kin, Andrew.
- (3) Tai Fook Finance Company Limited is an indirect wholly-owned subsidiary of the Company.

(B) Warrants

Name of director	Number of warrants held			Total
	Personal interests	Family interests	Corporate interests	
Lo Lin Shing, Simon	200,000	-	14,123,244	14,323,244
Wong Shiu Hoi, Peter	2,480,000	-	-	2,480,000
Chan Chi On, Deek	92,000	-	-	92,000
Chan Wing Luk, Lennon	400,000	-	-	400,000

Note: These warrants are held by Wellington Equities Inc., a company beneficially wholly-owned by Mr. Lo Lin Shing, Simon.

(C) Share options

Certain directors of the Company were granted share options pursuant to the share option scheme of the Company adopted on 17 July 1996. The interests of the directors in options to subscribe for shares of the Company under the share option scheme of the Company were as follows:

Name of director	Number of options held on 1 April 2001	Number of options granted during the period	Number of options exercised during the period	Number of options held on 30 September 2001	Period during which options were exercisable	Price per share to be paid on exercise of options
Lo Lin Shing, Simon	-	4,500,000 <i>(Note)</i>	-	4,500,000	16 November 2001- 16 November 2004	0.93
Wong Shiu Hoi, Peter	-	4,500,000 <i>(Note)</i>	-	4,500,000	16 November 2001- 16 November 2004	0.93
Lee Yiu Wing, William	-	2,500,000 <i>(Note)</i>	-	2,500,000	16 November 2001- 16 November 2004	0.93
Chan Chi On, Deek	-	2,500,000 <i>(Note)</i>	-	2,500,000	16 November 2001- 16 November 2004	0.93
Luo Gang	-	1,000,000 <i>(Note)</i>	-	1,000,000	16 November 2001- 16 November 2004	0.93

Note: The granting of share options was reviewed and approved by the independent non-executive directors of the Company.

Save as disclosed above, none of the directors of the Company or their associates had any interests in the share capital or rights to subscribe for shares of the Company or any of its associated corporations within the meaning of the SDI Ordinance as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or pursuant to the Model Code as at 30 September 2001.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2001, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Notes	Number of shares held		Percentage
		Direct interests	Deemed interests	
Chow Tai Fook Nominee Limited	(1)	107,140,540	-	21.95
Chow Tai Fook Enterprises Limited	(2)	30,977,916	97,624,340	26.35
New World Development Company Limited ("NWD")	(3)	-	97,624,340	20.00
Citiplus Investment Limited ("CIL")	(4)	-	97,624,340	20.00
New World Services Limited (incorporated in the Cayman Islands) ("NWS")	(5)	-	97,624,340	20.00
New World Services Limited (incorporated in the British Virgin Islands) ("NWS (BVI)")	(6)	-	97,624,340	20.00
NWS Financial Management Services Limited		97,624,340	-	20.00
Wellington Equities Inc.	(7)	70,616,222	-	14.47

Notes:

- (1) Mr. Cheng Yu Tung beneficially owns all of the issued shares in Chow Tai Fook Nominee Limited.
- (2) Chow Tai Fook Enterprises Limited and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares deemed to be interested by NWD.
- (3) CIL is a wholly-owned subsidiary of NWD and its interests in the Company is deemed to be held by NWD.
- (4) NWS is a 51% owned subsidiary of CIL and its interests in the Company is deemed to be held by CIL.
- (5) NWS (BVI) is a wholly-owned subsidiary of NWS and its interests in the Company is deemed to be held by NWS.

- (6) NWS Financial Management Services Limited is a wholly-owned subsidiary of NWS (BVI) and its interests in the Company is deemed to be held by NWS (BVI).
- (7) These shares were shown in the corporate interests in the Company of Mr. Lo Lin Shing, Simon as set out in the section "Directors' interests".

Save as disclosed above, no person, other than the directors or the chief executive of the Company, whose interests are set out in the section "Directors' interests" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, the Company repurchased on The Stock Exchange of Hong Kong Limited a total of 394,000 of its listed shares. Details of the repurchase are as follows:

Month	Number of shares repurchased	Price per share		Total cost HK\$
		Highest HK\$	Lowest HK\$	
May 2001	110,000	1.18	1.15	128,176
July 2001	136,000	1.10	1.00	143,061
August 2001	104,000	1.08	1.02	110,530
September 2001	44,000	1.08	1.00	47,557
	<u>394,000</u>			<u>429,324</u>

The shares repurchased were duly cancelled during the period and the issued share capital of the Company was reduced by the nominal value of these cancelled shares accordingly. The directors considered that the shares were repurchased for the purpose of enhancing the net asset value and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period other than as an agent for clients of the Company or its subsidiaries.

CODE OF BEST PRACTICE

Except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws, the directors are not aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, for any part of the accounting period covered by the interim report.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with paragraph 14 of the Code of Best Practice throughout the accounting period.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of connected transactions and unaudited interim results for the six months ended 30 September 2001.