

INTERIM DIVIDEND

The Directors have resolved not to pay an interim dividend for the six months ended 30 September 2001.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2001, the interests of the directors in the shares 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:

The Company

Director	Notes	Number of ordinary shares held and nature of interest	
		Personal	Corporate
Tang Kuan Chien	(a)	3,598,000	235,065,000
Wong Chak Ming, William	(b)	–	48,300,000
Hui Lap Chun	(b)	–	48,300,000
Yiu Wing Ngok, Steve		30,000,000	–

(a) The corporate interest shares are held by Bestway Development Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Tang Kuan Chien.

(b) These shares are held by Zurich Inc., a company incorporated in the British Virgin Islands which is beneficially owned as to 65% by Mr. Wong Chak Ming, William and 35% by Mr. Hui Lap Chun.

Save as disclosed above, none of the directors, or their respective spouse, or children under 18 years of age had any personal, family, corporate or other interest in the shares of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Pursuant to the Company's share option scheme approved on 13 September 1995, the board of directors may, on or before 12 September 2005, grant options to employees and executive directors of the Company or any of its subsidiaries to subscribe for shares in the Company. The subscription price is the higher of 80% of the average of the closing share price on The Stock Exchange of Hong Kong Limited for the five trading days immediately preceding the date of the offer of the option and the nominal value of the shares. The maximum number of shares which can be granted under the scheme may not exceed 10% of the issued share capital of the Company from time to time. Under the scheme, options granted to the following directors which remained outstanding at 30 September 2001 were as follows:

Name of director	Number of share options outstanding at 30 September 2001	Exercise period of share options	Exercise price of share options <i>HK\$</i>
Tang Kuan Chien	10,000,000	27-2-00 to 26-2-03	0.100
Yiu Wing Ngok, Steve	10,000,000	27-2-00 to 26-2-03	0.100
Chan Ying Kay, Keith	10,000,000	27-2-00 to 26-2-03	0.100
	<u>30,000,000</u>		

No options have been exercised since their date of grant.

SUBSTANTIAL SHAREHOLDERS

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

Shareholder	Number of ordinary shares held	%
Bestway Development Limited	235,065,000	16.49

This interest is also included as a corporate interest of Mr. Tang Kuan Chien, as disclosed under “Directors’ Interests in Shares” above.

Save as disclosed above, no persons, other than the directors of the Company, whose interests are set out in the section “Directors’ interests in shares” 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 AND REDEMPTION OF THE COMPANY’S SHARE

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company’s listed securities during the period.

AUDIT COMMITTEE

The Company established an audit committee (the “Committee”) on 1 April 1999. The Group’s financial statements for the six months ended 30 September 2001 have been reviewed by the Committee. The principal activities of the committee include the review and supervision of the Group’s financial reporting process and internal controls. The Committee comprises two independent non-executive directors and meets at least twice annually to perform its duties.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company had not been for any part of the accounting period under review in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Stock Exchange.

Independent non-executive directors of the Company are not appointed for specific terms because all of the directors, without limitation to independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's bye-laws.

BANK CREDITORS AND POSSIBLE DEBT RESTRUCTURING

Further to our announcements dated 30 July 2001, 15 August 2001 and 14 September 2001, the Group is in continuous discussions with the Bank Creditors for the purpose of coming to agreement on an acceptable debt restructuring proposal and has obtained from the Bank Creditors an informal standstill on the repayment of all principal and interest owing to them in an approximate sum of HK\$191,271,000 as at 30 September 2001.

On behalf of the Board
Bestway International Holdings Limited
Tang Kuan Chien
Chairman

Hong Kong, 19 December 2001