

DIRECTORS' INTERESTS IN SECURITIES

As at 30th September, 2001, the interests of the Directors of the Company and their associates in the securities of the Company or any of its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company pursuant to section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:-

(A) Shares in the Company

Name of Director	Nature of interests	Number of shares held
Mr. Choi Sai Leung ("Mr. Choi")	Personal interests	127,144,278 (note)

Note: This represents the deemed interest of Mr. Choi in 127,144,278 shares in the Company held by Norham Corporation ("Norham") as at 30th September, 2001. Norham was the asset of a discretionary trust, the Celleroy Trust. Mr. Choi, being the sole shareholder and sole director of the trustee, Celleroy Limited ("Celleroy"), was deemed to have an interest in these shares pursuant to Section 8 of the SDI Ordinance.

(B) Shares in associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of shares held
Mr. Choi	SRI	Personal interests	9,000,000
	Seafeld Investments Limited	Personal interests	500,000
	Seapower Consortium (China) Limited	Personal interests	5,000
Ms. Shirley Choi Siu Lui ("Ms. Choi")	SRI	Personal interests	500,000

(C) Share Options of SRI

The Directors or their associates had interests in share options to subscribe for shares in SRI at an exercise price of HK\$0.125 per share, subject to adjustment, and exercisable within the period from 23rd May, 2000 to 22nd November, 2004.

Name of Director	Nature of interests	Outstanding share options at 30th September, 2001
Ms. Choi	Personal interests	38,584,795
Mr. Norman Choi Sung Fung ("Mr. Norman Choi")	Personal interests	10,784,435
Ms. Ou Yirong ("Ms. Ou")	Personal interests	11,981,846
Mr. Vincent Cheung Wing Hung ("Mr. Cheung")	Personal interests	1,796,116
Mr. Choi	Personal interests	38,584,795
Mr. Choi (<i>note</i>)	Family interests	38,584,795

Note: These share options were granted to Madam Hui Kam Yip ("Madam Hui"), the wife of Mr. Choi.

Save as disclosed above and under the section headed "Directors' Rights to Acquire shares or Debentures" below, as at 30th September, 2001, none of the Directors, Chief Executives or their associates had any interests in any securities of the Company or any of its associated corporations, within the meaning of the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Directors or their associates had interests in share options to subscribe for shares in the Company at an exercise price of HK\$0.23 per share, subject to adjustment, and exercisable within the period from 23rd May, 2000 to 22nd November, 2004.

Name of Director	Nature of interests	Outstanding share options at 30th September, 2001
Ms. Choi	Personal interests	12,700,000
Mr. Norman Choi	Personal interests	2,000,000
Ms. Ou	Personal interests	5,600,000
Mr. Cheung	Personal interests	1,000,000
Mr. Choi	Personal interests	12,700,000
Mr. Choi (<i>note</i>)	Family interests	12,700,000

Note: These share options were granted to Madam Hui.

No options were exercised by the Directors of the Company and their associates during the period.

Save as disclosed above, at no time during the six months ended 30th September, 2001 was the Company or any of the subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, Chief Executives or their spouses or children under the age of eighteen had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to section 16(1) of the SDI Ordinance shows that the following shareholders had an interest of 10% or more of the issued share capital of the Company as at 30th September, 2001:

Name of shareholder	Number of shares of the Company held			Percentage	Notes
	Direct interest	Deemed interest	Total interest	of issued share capital %	
Uyyear Limited ("Uyyear")	69,301,600	–	69,301,600	13.63	
Norham	–	127,144,278	127,144,278	25.01	1
Celleroy (as trustee of the Celleroy Trust)	–	127,144,278	127,144,278	25.01	2

Notes:

1. Uyyear is a wholly-owned subsidiary of Norham and the interest of Norham included its deemed interest in the 69,301,600 shares in the Company held by Uyyear.
2. Celleroy as trustee of the Celleroy Trust was deemed to be interested in 127,144,278 shares in the Company held by Norham by virtue of the Celleroy Trust's interest in Norham.

Save as disclosed above and in the section headed "Directors' Interests in Securities", the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company as at 30th September, 2001.

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

During the six months ended 30th September, 2001, neither the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRACTICE NOTE 19 (“PN 19”) TO THE LISTING RULES

Financial assistance provided to an affiliated company:

The Group has provided financial assistance by way of granting guarantee to SRI, details of which have been announced on 26th July, 2001 and the Group’s audited financial statements for the year ended 31st March, 2001. As of 30th September, 2001, the aggregate financial assistance granted by the Group to SRI were :

Affiliated company	Percentage of interest held by the Group as at 30th September, 2001 %	Guarantee given to a bank HK\$ million	Loan drawn under the Guarantee HK\$ million
SRI	27.54	39	39

Unaudited consolidated balance sheet of SRI and the Group’s attributable interest in SRI as at 30th September, 2001 disclosed pursuant to clause 3.10 of PN 19 are as follows:

	HK\$’000
Financial Position of SRI	
Non-current assets	1,482,758
Current assets	75,268
Current liabilities	(1,305,948)
Minority interests	(4,057)
Non-current liabilities	(282)
Net assets	<u>247,739</u>
Net assets attributable to the Group	<u>68,125</u>

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th September, 2001, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

By Order of the Board
Shirley Choi
Chairman

Hong Kong SAR, 20th December, 2001

I-China Holdings Limited