

INTERIM DIVIDEND

The Directors do not propose to declare any interim dividend during the period under review (2000: Nil).

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the period.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2001, the interests of the directors in the share capital of the Company or its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the SDI Ordinance") were as follows:

(i) The Company

Name of director	Number of ordinary shares held and nature of interest	
	Corporate	Personal
Char On Man	167,832,000*	42,983,000
So Choi Hing, Stella	—	3,885,000

* These shares are held through Wellglow Investments Limited, a company in which Char On Man has aggregate interests of 89.58%.

(ii) Subsidiary – Peking Fur Factory (Hong Kong) Limited

Name of director	Nature of interest	Number of non-voting deferred shares held
Char On Man	Personal	<u>11,444</u>

(iii) Associated corporation – Wellglow Investments Limited

Name of director	Number of ordinary shares held and nature of interest	
	Personal	Family
Char On Man	674	100
So Choi Hing, Stella	<u>60</u>	<u>–</u>

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interest in the equity or debt securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

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	Number of shares held	%
Wellglow Investments Limited	<u>167,832,000</u>	<u>52.9</u>

This interest has also been disclosed as an interest of Char On Man under the section “Directors’ interests in shares” above.

Save as disclosed above, no person, 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, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

AUDIT COMMITTEE

In compliance with the requirements of The Stock Exchange of Hong Kong Limited, an audit committee was formed in 1999. The committee composed of two Non-Executive Directors. The audit committee review matters within the purview of audit, such as financial statements and internal control, to protect the interests of the Company's shareholders, as well as the unaudited interim reports.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the accounting period covered by the unaudited interim report, 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 Company's bye-laws.

On behalf of the Board

CHAR ON MAN

Chairman and Managing Director

Hong Kong, 21 December 2001