

## DISCLOSURE OF ADDITIONAL INFORMATION

### DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30 September 2001, the interests of the Directors and their associates in the issued share capital of the Company or its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register maintained by the Company pursuant to section 29 of the SDI Ordinance were as follows:

<b>Name of Directors</b>	<i>Notes</i>	<b>Nature of interest</b>	<b>Number of ordinary shares held</b>
Mr. Kwok Tat Kwong	(i)	Corporate	95,200,000
Mr. Liau Leong Pin	(ii)	Corporate	40,800,000

*Notes:*

- (i) The 95,200,000 shares are registered in the name of Best Dollar Investments Limited ("Best Dollar"), a company incorporated in the British Virgin Islands ("BVI") and wholly owned by Mr. Kwok Tat Kwong.
- (ii) The 40,800,000 shares are registered in the name of Everwonder Investments Limited ("Everwonder"), a company incorporated in the BVI and wholly owned by Mr. Liau Leong Pin.

Save as disclosed above, none of the Directors, chief executives or their respective associates had any interest in the issued share capital of the Company or any of its associated corporations as defined in the SDI Ordinance.

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2001, according to the register maintained by the Company pursuant to Section 16(1) of the SDI Ordinance, other than the Directors of the Company, the following persons had an interest in 10% or more of the issued share capital of the Company:

<b>Name</b>	<b>Number of issued shares held</b>	<b>Percentage of holding</b>
Best Dollar Investments Limited	95,200,000	47.6%
Everwonder Investments Limited	40,800,000	20.4%

Save as disclosed above, the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company which was required to be recorded under Section 16(1) of the SDI Ordinance as at 30 September 2001.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

At the date of this report, pursuant to the Company's share option scheme (the "Scheme") adopted by the Company on 26 March 2001, the board of directors may, at its discretion, grant options to executive directors of the Company (excluding non-executive directors) and full-time employees of the Group to subscribe for shares in the Company. The Scheme became effective upon the public listing of the Company's shares on the Stock Exchange on 19 April 2001. The Scheme was no longer in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") since the amended Chapter 17 of the Listing Rules had come into effect from 1 September 2001. The Company has not granted any options in favour of any directors during the period and up to the date of this report.

Save as disclosed above and other than in connection with the Group reorganisation in preparation for the Company's initial public offering, at no time during the period and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

Other than in connection with the Company's initial public offering and the public listing of the Company's shares on the Stock Exchange on 19 April 2001, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period and up to the date of this report.

## **COMPLIANCE WITH THE 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 Listing Rules throughout the period covered by this report, except that the independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's bye-laws.

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules. The Audit Committee had reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the period ended 30 September 2001.

By Order of the Board  
**Luen Tai Group Limited**  
**Kwok Tat Kwong**  
*Chairman*

Hong Kong, 21 December 2001