

DIRECTORS' INTERESTS

At 30 September 2001, the interests of the directors and their associates in the securities of the Company and its associated corporations (including their rights to subscribe for shares), as recorded in the register required to be kept pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) were as follows:

(i) Interests in shares

Name of director	Number of shares of HK\$0.10 each of the Company		
	Personal interests	Other interests	Total interests
Lau Wing Hung	156,078,000	—	156,078,000
Chan Sik Ming, Harry	4,480,000	48,754,417 (Note)	53,234,417

Note: Chan Sik Ming, Harry and his family are the objects of a discretionary trust, which has appointed Earnwell Limited as its trustee. At 30 September 2001, Earnwell Limited held 48,754,417 shares representing approximately 10.5% of the issued share capital of the Company.

(ii) Interests in share options to subscribe for shares

Name of director	Number of share options at beginning and end of period	Exercise period of share options	Exercise price of each share option HK\$
Lau Wing Hung	6,000,000	2 March 2000 to 1 March 2005	0.50
Chan Sik Ming, Harry	6,000,000	2 March 2000 to 1 March 2005	0.50
Lo Sun Wah	2,000,000	2 March 2000 to 1 March 2005	0.50
Sum Kwong Yip, Derek	1,000,000	2 March 2000 to 1 March 2005	0.50

Save as disclosed above, none of the directors or their associates had any interests, whether personal, family, corporate or other, in the securities of the Company or of 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 (other than those held by the directors 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	Percentage
Earnwell Limited	48,754,417	10.5
Easy Gain Limited	47,984,416	10.3

On 4 October 2001, Lau Wing Hung (an executive director of the Company) had disposed of 50,000,000 shares and 30,000,000 shares of the Company to Daisho Denshi Co. Ltd. and Chan Sik Ming, Harry (also an executive director of the Company) respectively. Daisho Denshi Co. Ltd. has become a substantial shareholder of the Company holding approximately 10.7% of the share capital of the Company since then.

Save as disclosed herein, no person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

CODE OF BEST PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period for the 6 months ended 30 September 2001, in compliance with the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that the independent non-executive directors of the Company are not appointed for specific terms and 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 by-laws.