

DIRECTORS' RIGHT TO ACQUIRE SHARES

Pursuant to the Company's share option scheme, the Company granted options on the Company's ordinary shares in favour of certain directors, the summary details of which are as follows:

Directors	Number of share options			Exercise period	Exercise price HK\$
	At the beginning of the period	Granted during the period	As at 31 March 2002		
Mr. Chow Tak Hung	2,400,000	–	2,400,000	5 October 2000 to 17 March 2007	0.61
Ms. Chow Woon Yin	2,400,000	–	2,400,000	5 October 2000 to 17 March 2007	0.61
Ms. Wong Siu Wah	2,600,000	–	2,600,000	5 October 2000 to 17 March 2007	0.61
	<u>7,400,000</u>	<u>–</u>	<u>7,400,000</u>		

Pursuant to the consolidation of every 5 shares into 1 share of the Company on 9 November 2001 and the rights issue in the proportion of one new share for every existing issued share of the Company on 6 March 2002, the number of options exercisable and the exercise price of the share options at the beginning of the period were adjusted from 18,500,000 share options to 7,400,000 share options, and from HK\$0.244 to HK\$0.61 per share option, respectively. None of the directors of the Company had exercised their options to acquire shares during the period under review.

Save as disclosed above, at no time during the period was the Company, its holding 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.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2002, the following party was interested in 10% or more of the issued share capital of the Company as 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 issued ordinary shares held	Percentage of total issued ordinary shares
Bright Asia Holdings Limited	63,786,000	56.95%

The entire issued share capital of Bright Asia Holdings Limited is held as to 60% by Mr. Chow Tak Hung, 20% by Miss Chow Woon Yin and 20% by Miss Wong Siu Wah.

Other than as disclosed above, the Company has not been notified of any other parties with interests representing 10% or more of the Company's issued share capital.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 March 2002.

AUDIT COMMITTEE

To comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, the Company set up an Audit Committee (the "Committee") in January 2000, with written terms of reference, for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The Committee comprises the Company's two independent non-executive directors. The Group's unaudited condensed consolidated interim financial statements for the period ended 31 March 2002 have been reviewed by the Committee who are of the opinion that such financial statements comply with the applicable accounting standards, and The Stock Exchange of Hong Kong Limited's and legal requirements, and that adequate disclosures have been made.

CODE OF BEST PRACTICE

The Board is not aware of any information that would reasonably indicate that the Company is not, or was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited for any part of the accounting period covered by the interim report, save that the non-executive directors are not appointed for a specific term but are subject to retirement by rotation in accordance with the Company's bye-laws.

By order of the Board
Chow Tak Hung
Chairman and Managing Director

Hong Kong, 14 June 2002