

OTHER INFORMATION

CORPORATE GOVERNANCE

Regular meetings have been held by the audit committee of the Company since its establishment and it shall meet at least twice each year to review and supervise the Group's financial reporting process and internal controls. The Company's interim report for the six months ended 30 June 2002 has not been audited, but has been reviewed by the audit committee.

None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2002, in compliance with Appendix 14 of the Listing Rules, except that the non-executive directors of the Company are not appointed for a specific term as they 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.

SHARE OPTION SCHEME

On 24 September 1993, an Executive Share Option Scheme (the "Scheme") was approved by the shareholders of the Company (as amended by the shareholders of the Company on 28 June 2001), under which the directors of the Company may, at their discretion, offer any eligible employee (including any director) of the Company or of any of its subsidiary, options to subscribe for shares in the Company subject to and in accordance with the terms and conditions stipulated in the Scheme and Chapter 17 of the Listing Rules. The purpose of the Scheme is to attract and retain high calibre employees, and to motivate them to higher level of performance.

Details of options granted to employees under the Scheme together with movement during the period are as follows:

| | Number of options held at 1 January 2002 | Number of options lapsed during the period | Number of options held at 30 June 2002 | Exercise price per share HK\$ | Grant date | Exercisable from | Exercisable until |
|-----------------------------|--|--|--|--|------------------|---------------------|----------------------|
| Directors | | | | | | | |
| Stephen Sek-Kee Yu | 1,000,000 | – | 1,000,000 | 0.78 | 1 June 1994 | 1 June 1994 | 31 May 2004 |
| | 500,000 | – | 500,000 | 0.78 | 22 December 1995 | 22 December 1995 | 21 December 2005 |
| | 500,000 | – | 500,000 | 0.78 | 7 June 1997 | 1 June 1994 | 31 May 2004 |
| | 250,000 | – | 250,000 | 0.78 | 7 June 1997 | 22 December 1995 | 21 December 2005 |
| | 12,000,000 | – | 12,000,000 | 0.07 | 16 July 1999 | 16 July 1999 | 15 July 2009 |
| Frank Kwok-Kit Chu | 800,000 | – | 800,000 | 0.78 | 9 June 1994 | 9 June 1994 | 8 June 2004 |
| | 400,000 | – | 400,000 | 0.78 | 7 June 1997 | 9 June 1994 | 8 June 2004 |
| | 8,000,000 | – | 8,000,000 | 0.07 | 13 July 1999 | 13 July 1999 | 12 July 2009 |
| Peter Chi-Chung Luk | 4,000,000 | – | 4,000,000 | 0.07 | 12 July 1999 | 12 July 1999 | 11 July 2009 |
| Herman Man-Hei Fung | 8,000,000 | – | 8,000,000 | 0.07 | 13 July 1999 | 13 July 1999 | 12 July 2009 |
| Kenneth Kin-Hing Lam | 800,000 | – | 800,000 | 0.78 | 2 June 1994 | 2 June 1994 | 1 June 2004 |
| | 800,000 | – | 800,000 | 0.78 | 8 January 1996 | 8 January 1996 | 7 January 2006 |
| | 400,000 | – | 400,000 | 0.78 | 7 June 1997 | 2 June 1994 | 1 June 2004 |
| | 400,000 | – | 400,000 | 0.78 | 7 June 1997 | 8 January 1996 | 7 January 2006 |
| | 8,000,000 | – | 8,000,000 | 0.07 | 21 July 1999 | 21 July 1999 | 20 July 2009 |
| Continuous employees | | | | | | | |
| In aggregate | 225,000 | – | 225,000 | 0.78 | 4 June 1994 | 4 June 1994 | 3 June 2004 |
| | 555,000 | – | 555,000 | 0.78 | 10 June 1994 | 10 June 1994 | 9 June 2004 |
| | 180,000 | (180,000) | 0 | 0.78 | 27 December 1995 | 27 December 1995 | 26 December 2005 |
| | 225,000 | – | 225,000 | 0.78 | 2 January 1996 | 2 January 1996 | 1 January 2006 |
| | 4,000,000 | – | 4,000,000 | 0.07 | 16 July 1999 | 16 July 1999 | 15 July 2009 |
| | 4,000,000 | – | 4,000,000 | 0.07 | 19 July 1999 | 19 July 1999 | 18 July 2009 |
| Total: | <u>55,035,000</u> | <u>(180,000)</u> | <u>54,855,000</u> | | | | |

Directors' Interests in the Shares of the Company

As at 30 June 2002, the directors of the Company and their respective associates had interests in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") as follows:

| Name of director | Nature of interest | Number of ordinary shares held | Number of options beneficially held |
|----------------------|---------------------|--------------------------------|-------------------------------------|
| James Sai-Wing Wong | Corporate (Note) | 961,957,982 | – |
| Stephen Sek-Kee Yu | Personal | – | 14,250,000 |
| Frank Kwok-Kit Chu | Personal | 1,206,000 | 9,200,000 |
| | Family | 1,196,000 | – |
| Peter Chi-Chung Luk | Personal | – | 4,000,000 |
| | Family | 320,000 | – |
| Herman Man-Hei Fung | Personal | – | 8,000,000 |
| Kenneth Kin-Hing Lam | Personal | 276 | 10,400,000 |

Note:

These shares are held by Multi-Investment Group Limited, a company in which James Sai-Wing Wong is a director and has a beneficial interest.

Other than the holdings disclosed above, no interests were held or deemed or taken to be held (under the SDI Ordinance) by any director of the Company or their respective associates in any equity or debt securities of the Company or any of its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which are required pursuant to Section 29 of the SDI Ordinance to be entered in the register referred to therein.

Substantial Shareholders

Shown below are the names of all parties which were directly or indirectly interested in 10% or more of the issued share capital of the Company and the respective number of shares in which they were and/or were deemed to be interested as at 30 June 2002 as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance:

| Name of substantial shareholder | Number of ordinary shares | Percentage of shareholding |
|--|----------------------------------|-----------------------------------|
| James Sai-Wing Wong | 961,957,982 | 29.1% |
| Madeline May-Lung Wong | 961,957,982 | 29.1% |
| Lucky Year Finance Limited | 961,957,982 | 29.1% |
| Chinney Holdings Limited | 961,957,982 | 29.1% |
| Chinney Investments, Limited | 961,957,982 | 29.1% |
| Newsworthy Resources Limited | 961,957,982 | 29.1% |
| Multi-Investment Group Limited | 961,957,982 | 29.1% |

Note:

For the avoidance of double counting, it should be noted that in accordance with Sections 8(2), (3) and (4) of the SDI Ordinance, James Sai-Wing Wong, Madeline May-Lung Wong, Lucky Year Finance Limited, Chinney Holdings Limited, Chinney Investments, Limited and Newsworthy Resources Limited were deemed to be interested in the same parcel of 961,957,982 shares held by Multi-Investment Group Limited by virtue of their respective interest in that company.

Purchase, Sale or Redemption of the Company's Listed Shares

During the six months ended 30 June 2002, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares.