

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK2 cents per share. The interim dividend will be payable on or after 11 October 2002 to shareholders whose names appear on the register of members of the Company at the close of the business on 27 September 2002.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 25 September 2002 to 27 September 2002 (both dates inclusive). In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong for registration not later than 4 p.m. on 24 September 2002.

## **SHARE OPTION SCHEME**

Pursuant to the share option scheme adopted on 16 November 2000 ("Existing Share Option Scheme"), the board of directors has approved on 11 June 2001 to grant options to certain full time employees and to a director of the Group to subscribe for 8,649,000 and 2,000,000 shares respectively of the Company. The subscription price per share is HK\$1.228, which amounted to approximately 80% of the average closing prices of the shares of the five trading days preceding the date of offer of the option. The option period is eight years from 11 June 2001 and exercisable from 11 June 2002. There are several other restrictions imposed on the exercise of the options in the initial years during the option period as stipulated in the Existing Share Option Scheme.

During the Period, certain share options granted under the Existing Share Option Scheme were exercised by several full time employees and the director to subscribe for a total number of 2,216,000 and 600,000 shares of the Company respectively.

On 23 May 2002, the Existing Share Option Scheme was terminated and a new share option scheme ("New Share Option Scheme") was adopted to comply with the new amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") regarding share option schemes of a listed company. As a result, the Company may no longer grant options under the Existing Share Option Scheme. However, all options granted prior to the termination of the Existing Share Option Scheme will remain in full force and effect. As at 30 June 2002, there were 7,833,000 options outstanding under the Existing Share Option Scheme and no options has been granted under the New Share Option Scheme.

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

During the six months ended 30 June 2002, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **DIRECTOR'S AND CHIEF EXECUTIVE'S INTEREST IN SHARES AND OPTIONS**

### (1) Shares

At 30 June 2002, the interests of the directors and the chief executives of the Group in the share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code, were as follows:

	<b>Number of shares beneficially held</b>			
	<b>Personal Interest</b>	<b>Corporate Interest</b>	<b>Family Interest</b>	<b>Other Interest</b>
Ngan Hei Keung (note 1)	–	–	–	180,000,000
Ngan Po Ling, Pauline (note 1)	–	–	–	180,000,000
Chau King Nui, Helen	600,000	–	–	–

Note 1: The shares are legally and beneficially owned by Successful Years International Company Limited, a company ultimately and beneficially owned by NHK Trust and NPL Trust as to 40% and 60% respectively. These two trusts are discretionary family trusts settled by Mr. Ngan Hei Keung and the discretionary beneficiaries include Mr. Ngan Hei Keung, Mrs. Ngan Po Ling, Pauline, and their family members.

### (2) Options

The director had personal interests in share options granted on 11 June 2001 to subscribe for shares in the Company at an exercise price of HK\$1.228 per share exercisable from 11 June 2002 to 10 June 2009 as follows:

<b>Name of director</b>	<b>Outstanding option at 30 June 2002</b>
Chau King Nui, Helen	1,400,000

## **SUBSTANTIAL SHAREHOLDERS**

At 30 June 2002, the following declaration of interest by shareholder holding 10% or more of the issued share capital of the Company was recorded in the register of interests pursuant to Section 16(1) of the SDI Ordinance:

	<b>Number of shares</b>	<b>Percentage of shareholding</b>
Successful Years International Co., Ltd (Note 2)	180,000,000	64.19%

Note 2: Successful Years International Company Limited is owned by NHK Trust and NPL Trust as to 40% and 60% respectively. These two trusts are discretionary family trusts settled by Mr. Ngan Hei Keung and the discretionary beneficiaries include Mr. Ngan Hei Keung, Mrs. Ngan Po Ling, Pauline, and their family members.

## **CODE OF BEST PRACTICE**

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the Period, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the non-executive directors were not appointed for a specific term, but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with articles 87 and 88 of the Company's articles of association.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the auditors reviewed interim financial statements for the six months ended 30 June 2002.

## **PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE EXCHANGE**

This 2002 interim report of the Company, containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the website of the Exchange at an appropriate time.

By Order of the Board  
**MAINLAND HEADWEAR HOLDINGS LIMITED**  
**Ngan Hei Keung**  
*Chairman*

Hong Kong, 9 September 2002