

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2002, the Directors and chief executive of the Company who held office had the following interests in the issued share capital of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("the SDI Ordinance")) as recorded in the register of directors' and chief executive's share interests kept pursuant to Section 29 of the SDI Ordinance or notified to the Company and The Stock Exchange of Hong Kong Limited ("SEHK") pursuant to the Model Code for Securities Transactions of Directors of Listed Companies were as follows:

	Number of ordinary shares			
	Personal interests	Family interests	Corporate interests	Other interests
Dream International Limited				
– Kyoo Yoon Choi	–	–	487,500,000 (Note)	–
C & H Co., Ltd.				
– Kyoo Yoon Choi	197,100 (approximately 35.92% of the issued share capital of C & H Co., Ltd.)	–	–	–
– Sung Sick Kim	16,225 (approximately 2.96% of the issued share capital of C & H Co., Ltd.)	–	–	–
– Chul Hong Min	14,750 (approximately 2.69% of the issued share capital of C & H Co., Ltd.)	–	–	–
Gina World Co., Ltd.				
– Kyoo Yoon Choi	795,000 (approximately 15.9% of the issued share capital of Gina World Co., Ltd.)	–	–	–

Note:

Kyoo Yoon Choi, together with his wife, Woul Hee Cha, and his three children, Woo Jin Choi, You Jin Choi and Soo Jin Choi, hold approximately 84.57% of the issued share capital of C & H Co., Ltd. and Kyoo Yoon Choi beneficially owns 76% of the issued share capital of Uni-Link Technology Limited which is a substantial shareholder of the Company.

SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 22 January 2002 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The exercise price of the options was the highest of (i) the nominal value of the shares, (ii) the closing price of the shares on the SEHK on the date of grant and (iii) the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant. The options

are exercisable for a period to be notified by the Directors to each option holder upon the grant of the option, such period not to exceed ten years from the date on which the option is granted. The maximum number of shares which may be issued upon the exercise of all outstanding options and yet to be exercised under the share option scheme shall not exceed 30% of the issued share capital of the Company from time to time. Subject always to the above overall limit, the Directors may grant options under the share option scheme, generally and without further authority, in respect of such number of shares which may be issued upon exercise of all options to be granted under the share option scheme not exceeding 10% of the issued share capital of the Company as at 7 February 2002, being the date on which the Company's shares were listed on the SEHK. For the purpose of calculating the above, options lapsed in accordance with the share option scheme shall not be counted. As at 30 June 2002 the Directors of the Company and the employees of the Group had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company. Each option gives the holder the right to subscribe for one share and the consideration paid by each holder for the options granted is HK\$1.00.

Director	No. of options outstanding as at 30 June 2002	Date granted	Period during which options are exercisable (Note 1)	Price per share on exercise of options
Chul Hong Min	6,500,000 (Note 2)	7 February 2002	7 February 2002 to 7 February 2012	HK\$1.18
Sung Sick Kim	3,900,000	7 February 2002	7 February 2002 to 7 February 2012	HK\$1.18
Young M. Lee	3,900,000	7 February 2002	7 February 2002 to 7 February 2012	HK\$1.18

The Company has also granted 16,250,000 options to the employees of the Group, excluding the individual Directors as disclosed above.

Up to the date of this report, none of the options granted have been exercised.

Note:

- 1 The maximum percentage of the share options being exercisable is determined in stages as follows:

On or after 1st year anniversary (or 7 Feb 2003)	30%
On or after 2nd year anniversary (or 7 Feb 2004)	another 30%
On or after 3rd year anniversary (or 7 Feb 2005)	another 40%

- 2 Pursuant to a board resolution dated 11 July 2002, the number of option granted to Mr. Chul Hong Min on 7 February 2002 was changed from 9,100,000 shares to 6,500,000 shares.

The share options granted are not recognised in the financial statements until they are exercised. The weighted average value per option granted in 2002 estimated at the date of grant using the Black-Scholes pricing model was HK\$0.391. The weighted average assumptions used are as follows:

	2002
Risk-free interest rate per annum	5.75%
Expected life	10 years
Annualised volatility	61.88%
Expected dividend per share	HK\$0.72

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Because the Company's share options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the Black-Scholes option pricing model does not necessarily provide a reliable measure of the fair value of the share options.

Apart from the foregoing, at no time during the period was the Company, any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company or any of their spouses or children under eighteen 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 INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2002, the following substantial shareholders were recorded in the register of members as holding 10% or more of the share capital of the Company:

	Ordinary shares held of US\$ 0.01 each	Percentage of total issued shares
C & H Co., Ltd.	382,850,000	58.9%
Uni-Link Technology Limited	104,650,000	16.1%

Kyoo Yoon Choi, together with his wife, Woul Hee Cha, and his three children, Woo Jin Choi, You Jin Choi and Soo Jin Choi, hold approximately 84.57% of the issued share capital of C & H Co., Ltd. and Kyoo Yoon Choi beneficially owns 76% of the issued share capital of Uni-Link Technology Limited. Kyoo Yoon Choi is considered to have deemed interests in the 487,500,000 ordinary shares as to approximately 75% of the issued shares of the Company.

Save as disclosed above, as at 30 June 2002, the Company is not aware of any other registered shareholder who holds 10% or more of the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months period ended 30 June 2002, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CODE OF BEST PRACTICE (LISTING RULES APPENDIX 14)

The Company's shares were listed on the SEHK on 7 February 2002. Since that date, none of the Directors of the Company is aware of any information which would indicate that the Group 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 on SEHK at any time during the interim period ended 30 June 2002 except that Mr. Kyoo Yoon Choi, a non-executive director, who was not appointed for a specific term, and is not subject to retirement by rotation and re-election at the Company's annual general meeting, in accordance with the Company's articles of association.

By order of the board
Kyoo Yoon Choi
Chairman

Hong Kong, 16 September 2002