

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the period, the Group paid rental expense to Lap Ho Properties Limited ("Lap Ho") on lease of a property amounting to HK\$741,000 (2001: HK\$889,000). Pursuant to a sale and purchase agreement dated 5th October 2001, the Group acquired this property from Lap Ho at a consideration of HK\$76,000,000, which was arrived at with reference to an independent valuation report of the property and was negotiated on an arm's length basis based on normal commercial terms. The purchase has been completed in May 2002. Lap Ho is a company beneficially owned by Mr. Tong Nai Kan.

Save as disclosed above, there are no other contracts of significance in relation to the Group's business to which the Company or any of its subsidiary companies was a party and in which a director of the Company (the "Director") had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

The above transactions also constitute connected transaction under the Rules Governing the Listing of Securities (the "Listing Rules") on the SEHK. The Board, including the independent non-executive Directors, have reviewed these transactions and, based on the information provided by the Company concluded that such transactions were conducted in the ordinary and usual course of business of the Group and on normal commercial terms that were fair and reasonable as far as the shareholders of the Company were concerned.