

DIRECTORS' INTERESTS IN SHARES

At 30 September 2002, the interests of the directors in the share capital of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Name of director	Nature of Interest	Number of shares held
Mr. Li Wing Bun	Corporate <i>(Note A)</i>	7,710,000,000
Mr. Lee Wing Chan	Corporate <i>(Note A)</i>	7,710,000,000
Ms. Ching Mei Yee	Personal <i>(Note B)</i>	7,710,000,000

Note A: The shares are legally and beneficially owned by A-Max (Asia) Limited, its entire issued share capital is owned by Yue Fung. As at 30 September 2002, 7,392,940 shares of Yue Fung are owned by Simply Noble, a company ultimately and beneficially owned by the Simply Noble Trust. The Simply Noble Trust is a discretionary trust, the discretionary objects of which include Messrs. Li Wing Bun and Lee Wing Chan.

Note B: The shares are legally and beneficially owned by A-Max (Asia) Limited, its entire issued share capital is owned by Yue Fung. As at 30 September, 2002, 286,000 shares of Yue Fung are owned by Ms. Ching Mei Yee and Ms. Ching Mei Yee is deemed to be interested in the shares of the Company under the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

No options had been granted to any of the directors during the period and at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouses, or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2002, the following interests of 10% or more in the issued share capital of the Company were 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 shares held	Percentage of holding
A-Max (Asia) Limited <i>(Note)</i>	7,710,000,000	75%
Yue Fung International Group Holding Limited <i>(Note)</i>	7,710,000,000	75%

Note: The shares are legally and beneficially owned by A-Max (Asia) Limited, its entire issued share capital is owned by Yue Fung.



SUBSTANTIAL SHAREHOLDERS *(Continued)*

Save as disclosed above, no other person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

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

There was no purchase, redemption or sale by the Company or any of its subsidiaries of the Company's listed securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") during the period.

AUDIT COMMITTEE

Upon the completion of the Group Restructuring on 21 August 2002, the Former Directors resigned and the Current Directors were appointed, the audit committee which comprised the former independent non-executive directors was dismissed on 5 November 2001. The new audit committee (the "New Audit Committee") was established on 21 August 2002 in accordance with Paragraph 14 of the Code of Best Practice as set out in Appendix 14 to the Listing Rules, comprising the two current independent non-executive directors of the Company, to review with the management the accounting principles and practices adopted by the Group and to discuss financial and accounting matters.

The New Audit Committee had reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2002. Since the current independent non-executive directors of the Company were appointed on 21 August 2002 and no complete records were received from the Provisional Liquidators and the Former Directors, they are unable to conclude whether the information of the Group contained in this interim report is complete and accurate. However, up to the date of this report, the New Audit Committee is not aware of any material adjustments that should be made to the financial statements.

CODE OF BEST PRACTICE

The Current Directors are unable to conclude whether the Company had complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2002. However, the Current Directors will ensure full compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules in the future.

On behalf of the Board

Li Wing Bun

Chairman and Managing Director

Hong Kong, 6 November 2002