

Save as disclosed above, at no time during the period was the Company, or any of its subsidiaries a party to any arrangement, to enable the directors of the Company to acquire benefits by means of its acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the directors or their spouses or children under the age of 18 had any right to subscribe for the shares of the Company or had exercised any right during the period.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance shows that as at 30 September 2002, the Company had been notified of the following persons with interests representing 10% or more of the issued share capital of the Company:

Name	Note	Number of shares held
Chu Yu Lin, David	(1)	1,069,779,598

Note:

- (1) The interests disclosed herein include 676,353,930 shares directly held by Mr. Chu Yu Lin, David, 241,425,668 shares held by Mrs. Chu Ho Miu Hing, the wife of Mr. Chu Yu Lin, David, and 152,000,000 shares being the corporate interests of Mr. Chu Yu Lin, David as referred in note (1) under the section headed "DIRECTORS' INTERESTS IN SHARES" above.

Save as disclosed herein, no other person is recorded in the register kept under Section 16 of the SDI Ordinance as having an interest of 10% or more of the issued share capital of the Company.

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 11 September 1996 ("Old Share Option Scheme") was terminated on 26 August 2002. Under the Old Share Option Scheme, apart from share options granted to the directors of the Company as mentioned in the section headed "DIRECTORS' INTERESTS IN SHARES" above, the following share options were also granted to certain employees of the Company:

Date of grant	Exercisable period	Exercise price HK\$	Number of share options outstanding at the beginning and end of period
01.08.2001	01.02.2002 to 31.01.2005	0.255	3,400,000
08.12.2001	08.06.2002 to 07.06.2005	0.378	4,000,000

No options have been granted under the Old Share Option Scheme since the beginning of the financial period up to the termination of the scheme. No options have been exercised, cancelled or lapsed under the Old Share Option Scheme during the financial period.

On 26 August 2002, a new share option scheme (“New Share Option Scheme”) was adopted by the Company in place of the Old Share Option Scheme. The purpose of the New Share Option Scheme is to provide incentives or rewards to the eligible persons as defined in the scheme for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employee and attract human resources that are valuable to the Group. No options have been granted under the New Share Option Scheme since its adoption.

The Directors consider it inappropriate to value the options as a number of factors that are crucial for the valuation cannot be determined accurately. Accordingly, such information is not disclosed in the interim report.

STAFF

As at 30 September 2002, the Group’s operations engaged approximately 60 staff and caretakers.

The remuneration policy of the Group’s employees are reviewed and approved by the executive directors. Benefits such as medical schemes, provident fund and discretionary bonus are provided.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

AUDIT COMMITTEE

The unaudited interim financial statements of the Group for the six months ended 30 September 2002 have been reviewed by audit committee of the Company.

CODE OF BEST PRACTICE

The independent non-executive Directors of the Company were not appointed for a specific term but were subject to re-election in a specified period in accordance with the Company’s Bye-laws. Save as disclosed above, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Chu Yu Lin, David
Chairman

Hong Kong, 16 December 2002