

2. Directors' Rights to acquire Shares

Under a share option scheme approved by the shareholders of the Company on 4 July 1996. The directors may at any time during the ten years from 4 July 1996, invite at their discretion, any employees or executive directors of the Group to take up options to subscribe for shares of the Company.

As at 30 June 2002, the following Directors held share options granted to them under the share option scheme, entitling them to subscribe for shares of HK\$0.01 each in the Company:

	Exercisable period	Consideration for the option granted	Number of options	Grant date	Exercise price per share
Mr. CHEUNG Lik Chung	2/9/2000 to 1/9/2003	HK\$1.00	67,500,000	3/3/2000	HK\$0.18
Mr. YUNG Kin Hang	2/9/2000 to 1/9/2003	HK\$1.00	52,500,000	3/3/2000	HK\$0.18
Mr. YAU Yat Biu	2/9/2000 to 1/9/2003	HK\$1.00	20,000,000	3/3/2000	HK\$0.18

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 or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or chief executives, nor any of their spouses or children under 18 years of age, had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

No share option was exercised by the directors during the period.

SUBSTANTIAL SHAREHOLDER'S INTERESTS

As at 30 June 2002, the register of the Company's substantial shareholders required to be kept under Section 16(1) of the SDI Ordinance showed that the following shareholder of the Company was interested in 10% or more of the Company's issued share capital:

Name of shareholder	Name of shares held
Huge China Developments Limited	1,346,448,000 (<i>Note i</i>)

Note (i) The interest disclosed herein was also included as the corporate interests of Mr. Cheung Lik Chung in the Company as referred to note (a) under the section headed "DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES".

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the issued share capital of the Company as at 30 June 2002.

AUDIT COMMITTEE

The Audit Committee is composed of two Independent Non-executive Directors of the Company. Mr. LO Kee Wai and Mr. CHAN Nim Leung, Leon, being members of the Audit Committee, have resigned as Independent Non-executive Director of the Company with effect respectively from 11 March 2002 and 30 June 2002. Mr. CHIU Kin and Mr. YANG Keming, were appointed members of Audit Committee on 4 September 2002. The Audit Committee has reviewed the Interim Report of the Group for the six months ended 30 June 2002.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the directors of the Company is aware of information which would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2002, in compliance with Appendix 14 of the Listing Rules, with the exception that the non-executive directors of the Company have no set term of office but retire on a rotation basis in accordance with the Bye-laws of the Company.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All information required by paragraphs 46(1) to 46(6) of Appendix 16 to the listing Rules will be published on the Exchange's website in due course.

By Order of the Board
Cheung Lik Chung
Chairman

Hong Kong, 27 November 2002