

DIRECTORS' INTERESTS

As at 30th September 2002, the interests of the Directors in the share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance of Hong Kong) notified to the Company pursuant to Section 28 of that Ordinance (including interests which they are deemed or taken to have under Section 31 or Part I of the Schedule to that Ordinance) or which are required, pursuant to Section 29 of that Ordinance, to be entered in the register referred to therein were as follows:

Name	Shares in the Company of HK\$0.0125 each	
	Personal Interests	Other Interests
Wang Koo Yik Chun	-	2,191,210,880 ^{##}
Peter John Wrangham	160,000	-
Peter Stuart Allenby Edwards	-	100,000 ^{**}
Ian Lorne Thompson Conn	10,000	-

* These shares are held, directly or indirectly, by the trustees of various trusts associated with the Wang family.

Duplications of shareholdings occur among and between the parties shown below under Substantial Shareholders.

** These shares are held under a trust of which Peter Stuart Allenby Edwards is one of the beneficiaries.

Save as disclosed herein, as at 30th September 2002, none of the Directors had any interest in the share capital or debt securities of the Company or any associated corporation (as so defined) notified to the Company pursuant to Section 28 of the Securities (Disclosure of Interests) Ordinance (including interests which they are deemed or taken to have under Section 31 or Part I of the Schedule to that Ordinance) or which will be required, pursuant to Section 29 of that Ordinance, to be entered in the register referred to therein.

No contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

SHARE OPTION SCHEME

Under the terms of the new share option scheme, which was approved by the shareholders on 29th July 2002, the Directors may at their discretion grant any director (including a non-executive director and an independent non-executive director), employee or consultant of the Group, options to subscribe for the shares in the Company subject to the terms and conditions stipulated therein.

Details of the new share option granted under the scheme as at 30th September 2002 are as follows:-

Type of grantees	Time of grant	Exercise period	Subscription price per share (HK\$)	Number of options granted
Employees	September 2002*	1st August 2004 -	7.90	100,000
		16th September 2012	8.02	750,000
		1st August 2005 -	7.90	100,000
		16th September 2012	8.02	750,000
				1,700,000

* At the date before the options were granted, 16th September 2002, the market value per share was HK\$8.10.

Due to the current volatility of the share markets, the Directors consider it inappropriate to value the options which were granted under the new share option scheme.

LONG-TERM INCENTIVE SHARE SCHEME

Under the terms of the Long-Term Incentive Share Scheme ("Incentive Share Scheme") which was approved by the shareholders on 26th July 1999, the Directors may at their discretion invite full time employees of the Company and its subsidiaries, including Directors, to participate in the Incentive Share Scheme, and grant shares to such eligible employees in relation to the Company's performance in terms of total shareholder return, cash value added, and other appropriate performance indicators over a defined three-year period. The first three-year performance cycle under the Incentive Share Scheme began on 1st April 1999 and ended on 31st March 2002. Thereafter, three-year performance cycles are initiated on an annual basis. After the end of the first performance cycle, the eligible employees were awarded notional cash long term bonuses which were used to acquire 288,900 shares purchased in the open market at a price of HK\$9.00 per share subject to the terms of the Incentive Share Scheme. One-third of the shares awarded under the Incentive Share Scheme vested in the eligible employees immediately. The remaining two-third of the shares were held in a custodian account, of which 50% will vest 12 months and 50% will vest 24 months after 1st April 2002.

Apart from the new share option scheme and Incentive Share Scheme mentioned above, there were no other arrangements to which the Company or its subsidiaries was a party to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under Bermudan law in relation to issues of new shares by the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30th September 2002, the interests of every person in the share capital of the Company as recorded in the register required to be kept under Section 16(1) of the Securities (Disclosure of Interests) Ordinance were as follows:-

Name	Shares of HK\$0.0125 each
Bermuda Trust (Guernsey) Limited	358,972,480
Ansbacher (Bahamas) Limited	887,040,000
HSBC International Trustee Limited	952,357,800
HSBC Europe (Netherlands) BV	952,447,800
HSBC Europe BV	952,447,800
Griffin International Limited	952,447,800
Midcorp Limited	952,447,800
HSBC Bank plc	952,447,800
HSBC Holdings plc	970,704,799

The shares in which Bermuda Trust (Guernsey) Limited and Ansbacher (Bahamas) Limited are interested and 945,198,400 of the shares in which HSBC International Trustee Limited is interested are held, directly or indirectly, by them as the trustees of various trusts associated with the Wang family and are included in the shares in which Ms. Wang Koo Yik Chun is interested as referred to above under Directors' Interests.

The shares in which HSBC International Trustee Limited is interested form part of the shares in which HSBC Europe (Netherlands) BV is interested, which are all the shares in which HSBC Europe BV is interested, which are all the shares in which Griffin International Limited is interested, which are all the shares in which Midcorp Limited is interested, which are all the shares in which HSBC Bank plc is interested, which form part of the shares in which HSBC Holdings plc is interested, all of which are the same shares.

Save as disclosed herein, as at 30th September 2002, according to the register of interests of shares and, so far as the Directors are aware, there were no persons who, directly or indirectly, held or were beneficially interested in shares representing 10 per cent. or more of the issued share capital of the Company or (save for the Company) its subsidiaries and there was no other interest or right recorded in the register required to be kept under Section 16(1) of the Securities (Disclosure of Interests) Ordinance.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

AUDIT COMMITTEE

The Audit Committee meets regularly with the Group's senior management and the external auditors to consider and review the Group's financial statements, the nature and scope of audit reviews, and the effectiveness of the system of internal control and compliance. The members of the Audit Committee are Mr. Patrick Blackwell Paul (Chairman of the Committee), who was appointed as the Chairman of the Committee on 31st August 2002 in place of Mr. David Wylie Cairns who resigned on the same date, and Mr. Ian Lorne Thompson Conn.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

Throughout the accounting period, the Company was in compliance with the Code of Best Practice as set out in the Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited except that some of the independent non-executive directors of the Company were not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws.