

- (3) The options are vested in 3 tranches as to (i) 1/3 exercisable from the commencement of the exercise period; (ii) 1/3 exercisable from the expiry of 12 months from the commencement of the exercise period; and (iii) 1/3 exercisable from the expiry of 24 months from the commencement of the exercise period.
- (4) The lapsed options were due to expiry or cessation of employment of participants with the Group.
- (5) No option was granted, exercised or cancelled during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, the persons/companies, other than a Director or chief executive of the Company, who had notified the Company of the interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of shares	Shareholding (%)
Jeffnet Inc (Note 1)	Trustee of a discretionary trust	70,971,614	68.35
Cash Guardian (Note 1)	Interest in a controlled corporation	70,971,614	68.35
CASH (Note 1)	Interest in a controlled corporation	70,971,614	68.35
CIGL (Note 1)	Beneficial owner	70,971,614	68.35
South China Industries Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
South China Industries (BVI) Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
Wah Shing International Holdings Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
Wah Shing Toys International (BVI) Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
Wah Shing Toys Company Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
Man Wah Plastics Company Limited (Note 2)	Interest in a controlled corporation	8,115,600	7.82
Man Wah Trading Limited (Note 2)	Beneficial owner	8,115,600	7.82

Notes:

- (1) This refers to the same number of 70,971,614 shares held by CIGL and its subsidiaries. CIGL was a wholly-owned subsidiary of CASH which was owned as to approximately 42.94% by Cash Guardian (which was 100% beneficially owned by Jeffnet Inc). Jeffnet Inc held these shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to SFO, CASH, Cash Guardian, Jeffnet Inc and Mr Kwan were deemed to be interested in the shares held by CIGL. The above interest has already been disclosed as other interest of Mr Kwan in the section headed "Directors' interests in securities" above.
- (2) This refers to the same number of 8,115,600 shares held by Man Wah Trading Limited. Man Wah Trading Limited was a wholly-owned subsidiary of Man Wah Plastics Company Limited, which in turn was a wholly-owned subsidiary of Wah Shing Toys Company Limited. Wah Shing Toys Company Limited was a wholly-owned subsidiary of Wah Shing Toys International (BVI) Limited, which in turn was a wholly-owned subsidiary of Wah Shing International Holdings Limited. Wah Shing International Holdings Limited was owned as to 52.77% by South China Industries (BVI) Limited, which in turn was a wholly-owned subsidiary of South China Industries Limited. Pursuant to the SFO, Man Wah Plastics Company Limited, Wah Shing Toys Company Limited, Wah Shing Toys International (BVI) Limited, Wah Shing International Holdings Limited, South China Industries (BVI) Limited and South China Industries Limited were all deemed to be interested in the shares held by Man Wah Trading Limited.

Save as disclosed above, as at 30 June 2003, no other parties were recorded in the register required by the SFO to be kept as having an interest of 5% or more of the issued share capital of the Company.

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the Directors is aware of information that would reasonable indicate that the Company is not, or was not for any part of the accounting period from 1 January 2003 to 30 June 2003, in compliance with Code of Best Practice as set out in Appendix 14 of The Rules Governing the Listing of Securities on the Stock Exchange, save that the independent non-executive Directors of the Company were not appointed for specific terms but subject to retirement by rotation at annual general meeting as specified by the Company's bye-laws.