

## PERSONS WHO HAD AN INTEREST OR A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

As at 30th September 2003, the following persons, other than the director of the Company whose interests are disclosed above, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name                | No. of shares of HK\$0.10 each held | Capacity and nature of interest | Approximate shareholding percentage (%) |
|---------------------|-------------------------------------|---------------------------------|---|
| Mexan Group Limited | 964,431,616<br>(Note i)             | Beneficial owner                | 74.97                                   |
| Ha Ming Kuen        | 964,431,616<br>(Notes i and ii)     | Interest of spouse              | 74.97                                   |

Notes:

- i. Mr. Lau Kan Shan was deemed to be interested in the 964,431,616 shares held by Mexan Group Limited as Mr. Lau Kan Shan is entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of Mexan Group Limited.
- ii. Ms. Ha Ming Kuen, the spouse of Mr. Lau Kan Shan, was deemed to be interested in Mr. Lau's shares which represented the same parcel of shares as held by Mexan Group Limited.

Save as disclosed above, no other person (other than the directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## AUDIT COMMITTEE

The Audit Committee of the Company comprised Mr. Lau Wai and Mr. Cheng Chun Pong, Paul, both of whom are independent non-executive directors of the Company.

The Audit Committee has reviewed the unaudited interim report of the Group for the six months ended 30th September 2003 and discussed with the management the accounting principles and practices and internal control of the Group.

## 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 30th September 2003, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules with the exception that the non-executive directors of the Company are not appointed for specific terms of office but retire on a rotational basis in accordance with the Bye-laws of the Company.