

Other Information

EMPLOYEES

The Group, excluding associated companies, employs 1,470 staff. Salaries of employees are maintained at competitive levels. While adhering to the fundamental policy of hiring on merits and potential, the Group has also maintained a tight control on headcount and staff cost for the period under review. The Company has in place a share option scheme for executives.

SHARE CAPITAL

The Company has not redeemed any of its shares or 2001 warrants during the six months ended 30th June 2001. Neither the Company nor any of its subsidiary companies have purchased or sold any of the Company's shares or 2001 warrants during the six months ended 30th June 2001.

DIRECTORS' INTERESTS

As at 30th June 2001, the beneficial interest of each director in the share capital and warrants of the Company and the share capital of its listed subsidiary company, K. Wah Construction Materials Limited, and the details of any right to subscribe for shares in the Company and K. Wah Construction Materials Limited and of the exercise of such right, as recorded in the register kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(a) Ordinary Shares of the Company:

	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Lui Che Woo	224,001	6,079,030	28,383,646 ⁽¹⁾	1,070,978,693 ⁽²⁾	1,105,665,370
Francis Lui Yiu Tung	379,804	—	—	1,070,978,693 ⁽²⁾	1,071,358,497
Paddy Tang Lui Wai Yu	4,639,166	—	—	1,070,978,693 ⁽²⁾	1,075,617,859
David Akers-Jones	—	—	—	—	—
Michael Leung Man Kin	—	—	—	—	—
Alex Wu Shu Chih	—	—	—	—	—
Philip Wong Kin Hang	—	—	—	—	—
Leo Lee Tung Hai	—	—	—	—	—
Robin Chan Yau Hing	230,407	—	—	—	230,407
Charles Cheung Wai Bun	7,239	—	—	—	7,239
Joseph Lai Ming	—	—	—	—	—

(b) Share Options and 2001 Warrants of the Company:

	Share Options		2001 Warrants
	Number Outstanding	Number Exercised during the period	Number Outstanding
Lui Che Woo	2,850,000	—	16,206,548
Francis Lui Yiu Tung	2,200,000	—	677
Paddy Tang Lui Wai Yu	1,470,000	—	505,264
David Akers-Jones	—	—	—
Michael Leung Man Kin	1,170,000	—	—
Alex Wu Shu Chih	—	—	—
Philip Wong Kin Hang	—	—	—
Leo Lee Tung Hai	—	—	—
Robin Chan Yau Hing	—	—	12,048
Charles Cheung Wai Bun	—	—	490
Joseph Lai Ming	685,000	—	—

(c) Ordinary Shares of K. Wah Construction Materials Limited:

	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total
Lui Che Woo	6,446,669	1,247,087	62,305,854 ⁽³⁾	777,717,352 ⁽²⁾	847,716,962
Francis Lui Yiu Tung	2,822	—	—	777,717,352 ⁽²⁾	777,720,174
Paddy Tang Lui Wai Yu	1,861,906	—	—	777,717,352 ⁽²⁾	779,579,258
David Akers-Jones	—	—	—	—	—
Michael Leung Man Kin	—	—	—	—	—
Alex Wu Shu Chih	—	—	—	—	—
Philip Wong Kin Hang	—	—	—	—	—
Leo Lee Tung Hai	—	—	—	—	—
Robin Chan Yau Hing	51,748	—	—	—	51,748
Charles Cheung Wai Bun	1,810	—	—	—	1,810
Joseph Lai Ming	—	—	—	—	—

(d) Share Options of K. Wah Construction Materials Limited:

	Share Options	
	Number Outstanding	Number Exercised during the period
Lui Che Woo	3,300,000	—
Francis Lui Yiu Tung	2,600,000	—
Paddy Tang Lui Wai Yu	1,670,000	—
David Akers-Jones	—	—
Michael Leung Man Kin	1,370,000	—
Alex Wu Shu Chih	—	—
Philip Wong Kin Hang	—	—
Leo Lee Tung Hai	—	—
Robin Chan Yau Hing	—	—
Charles Cheung Wai Bun	—	—
Joseph Lai Ming	850,000	—

Notes:

- (1) 28,383,646 shares in the Company were held by Best Chance Investments Ltd., which was controlled by Dr. Lui Che Woo.
- (2) 1,070,978,693 shares in the Company representing more than one-third of its issued share capital were held by discretionary trusts. The Company was interested in 774,492,820 shares in K. Wah Construction Materials Limited representing more than one-third of its issued share capital held by a wholly owned subsidiary of the Company. In addition, a discretionary trust was interested in 3,224,532 shares in K. Wah Construction Materials Limited. Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu, as discretionary beneficiaries interested in the trusts, are deemed to be interested in those shares in the Company and K. Wah Construction Materials Limited held by the trusts and in those shares in K. Wah Construction Materials Limited in which the Company was interested as aforesaid.
- (3) 62,305,854 shares in K. Wah Construction Materials Limited were held by Best Chance Investments Ltd., which was controlled by Dr. Lui Che Woo.

SUBSTANTIAL SHAREHOLDERS

As at 30th June 2001, the interest of every person (not being a director or chief executive of the Company) having an interest in 10% or more of the issued share capital of the Company as recorded in the register kept under Section 16(1) of the SDI Ordinance were as follows:

Name	Number of Ordinary Shares
HSBC Holdings Plc	1,071,084,451 (<i>Note</i>)
HSBC Finance (Netherlands)	1,071,084,451 (<i>Note</i>)
HSBC Holdings B.V.	1,071,084,451 (<i>Note</i>)
HSBC Investment Bank Holdings B.V.	1,071,084,451 (<i>Note</i>)
HSBC International Trustee Limited	1,071,084,451 (<i>Note</i>)

Note: HSBC International Trustee Limited is the trustee of discretionary trusts which hold 1,071,084,451 shares in the Company. Each of HSBC Holdings Plc, HSBC Finance (Netherlands), HSBC Holdings B.V. and HSBC Investment Bank Holdings B.V. are deemed to be interested in the 1,071,084,451 shares in the Company held by HSBC International Trustee Limited, being a wholly owned subsidiary within the HSBC Group.

There were duplication of interests in:

- (i) 1,070,978,693 shares in the Company between Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu, HSBC Holdings Plc, HSBC Finance (Netherlands), HSBC Holdings B.V., HSBC Investment Bank Holdings B.V. and HSBC International Trustee Limited; and
- (ii) 777,717,352 shares in K. Wah Construction Materials Limited between Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu.

AUDIT COMMITTEE

Having been reviewed by the Company's Auditors, PricewaterhouseCoopers, the Group's interim report for the six months ended 30th June 2001 was reviewed by the Audit Committee ("Committee"). Regular meetings have been held by the Committee which meets at least twice each year.

CHANGES IN THE BOARD

Mr. Lau Ki Chit retired as an independent non-executive director of the Company on 31st May 2001 and Mr. Joseph Lai Ming resigned as an executive director of the Company on 1st September 2001. The Board would like to express appreciation towards them for their valuable contributions to the Company.

CLOSE OF REGISTERS

The registers of members will be closed from 8th October 2001 to 12th October 2001, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the dividend, shareholders must ensure that all transfers together with the relevant share certificates are lodged with the Company's Branch Registrars in Hong Kong, Central Registration Hong Kong Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 5th October 2001.

CODE OF BEST PRACTICE

For the six months ended 30th June 2001, the Company has complied with the Code of Best Practice issued by The Stock Exchange of Hong Kong Limited save and except that, prior to the 2000 Annual General Meeting of the Company ("2000 AGM"), non-executive directors are being appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws. Commencing from the 2000 AGM, non-executive directors are being appointed for a term of three years, who may under special circumstances be re-appointed for another 3-year term.

By Order of the Board
Steven Tong Kui Nam
Company Secretary

Hong Kong, 18th September 2001

Principal Office:
29th Floor, K. Wah Centre
191 Java Road
North Point
Hong Kong

Website: www.kwih.com