

Management Report

DIRECTORS' INTERESTS IN SHARES

As at 30 September 2001, the interests of the directors and of their associates in the issued share capital of the Company as recorded in the register kept by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

(a) Interests in the Company's shares

Name of director	Number of shares of HK\$0.10 each		
	Personal interests	Family interests	Corporate interests
Mr. Tsang Chi Hung	9,920,827	9,920,827 (note 2)	112,511,670 (note 1)
Mr. Liu Hoo Kuen	8,707,481	—	—
Ms. Kwan Yau Choi	9,920,827	9,920,827 (note 3)	112,511,670 (note 1)
Ms. Fung Sau Mui	750,000	—	—
Mr. Tai Wing Wah	750,000	—	—
Mr. Wong Kam Hong	589,995	—	—
Mr. Richard Warren Herbst	589,995	—	—

Notes:

1. Mr. Tsang Chi Hung and Ms. Kwan Yau Choi are substantial shareholders of Peasedow Enterprises Limited which beneficially held 112,511,670 shares of the Company.
2. These shares are held in the name of Ms. Kwan Yau Choi, the wife of Mr. Tsang Chi Hung and Mr. Tsang Chi Hung is deemed to be interested in those shares as family interests.
3. These shares are held in the name of Mr. Tsang Chi Hung, the husband of Ms. Kwan Yau Choi and Ms. Kwan Yau Choi is deemed to be interested in those shares as family interests.

(b) Personal interests in shares of Decca Limited

	Non-voting deferred shares of HK\$100 each
Mr. Tsang Chi Hung	48,650
Mr. Liu Hoo Kuen	42,700
Ms. Kwan Yau Choi	48,650

In addition, Mr. Tsang Chi Hung and Mr. Liu Hoo Kuen hold one share each in certain subsidiaries of the Company on trust for the benefit of the Group.

Apart from the above, none of the directors held office at 30 September 2001 had any beneficial or non-beneficial personal, family, corporate or other interests in the issued share capital of the Company and its associated corporations (within the meaning of the SDI Ordinance) at that date.

董事權益

於二零零一年九月三十日，根據本公司依照《證券(披露權益)條例》(「披露權益條例」)第29條編存之登記冊所載，各董事及其有關連人士所佔本公司股本之實益權益如下：

(a) 於本公司股份中之權益

董事姓名	每股面值0.10港元之普通股		
	個人權益	家族權益	公司權益
曾志雄先生	9,920,827	9,920,827 (附註2)	112,511,670 (附註1)
廖浩權先生	8,707,481	—	—
關有彩女士	9,920,827	9,920,827 (附註3)	112,511,670 (附註1)
馮秀梅女士	750,000	—	—
戴永華先生	750,000	—	—
黃錦康先生	589,995	—	—
Richard Warren Herbst先生	589,995	—	—

附註：

1. 曾志雄先生及關有彩女士為Peasedow Enterprises Limited之主要股東，而該公司則持有本公司112,511,670股股份。
2. 該等股份以曾志雄先生之妻子關有彩女士之名義持有，而曾志雄先生則被視為以家族權益擁有該等股份。
3. 該等股份以關有彩女士之丈夫曾志雄先生之名義持有，而關有彩女士則被視為以家族權益擁有該等股份。

(b) 於達藝室內工程有限公司股份中之個人權益

	每股面值100港元 無投票權之遞延股份
曾志雄先生	48,650股
廖浩權先生	42,700股
關有彩女士	48,650股

此外，曾志雄先生及廖浩權先生各自以本集團之利益持有本公司之若干附屬公司中1股股份。

除上文所披露外，於二零零一年九月三十日，本公司之董事並無於本公司或其任何相聯法團(定義見披露權益條例)之股本中實益或非實益擁有任何個人、家族、公司或其他權益。

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DIRECTORS' INTERESTS IN CONTRACTS

During the six months ended 30 September 2001, the Group paid rental of HK\$1,357,470 to Golden Life Investment Limited ("Golden Life") in respect of the Group's office premises, showrooms and warehouses. Mr. Tsang Chi Hung, Ms Kwan Yau Choi and Mr Liu Hoo Kuen are directors and shareholders of Golden Life. As at 30 September 2001, the amount due to Golden Life was nil.

Apart from the above, no other contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of 30 September 2001 or at any time during these six months period.

SHARE OPTION SCHEME

Under the Company's Share Option Scheme, the directors of the Company may, at their discretion, invite employees, including directors, of any member in the Group, to take up options to subscribe for shares not exceeding 10 per cent of the issued share capital of the Company.

On 31 August 2001, options were granted under the Scheme to subscribe for 5,000,000 ordinary shares of the Company at any time between 1 September 2002 to 31 August 2007 at an exercise price of HK\$0.8 per share option. The closing price of shares immediately before the date of grant of options was HK\$1.0.

Details of movement of share options during the period are as follows:

Name	Exercise price per share option HK\$	Number of share options outstanding at 1 April 2001	Share options granted during the period	Number of options outstanding at 30 September 2001
Directors:				
Mr. Tsang Chi Hung	0.80	—	1,000,000	1,000,000
Mr. Liu Hoo Kuen	0.80	—	1,000,000	1,000,000
Ms. Kwan Yau Choi	0.80	—	1,000,000	1,000,000
Ms. Fung Sau Mui	0.80	—	500,000	500,000
Mr. Tai Wing Wah	0.80	—	500,000	500,000
Mr. Wong Kam Hong	0.80	—	500,000	500,000
Mr. Richard Warren Herbst	0.80	—	500,000	500,000
		—	5,000,000	5,000,000

董事之合約權益

於截至二零零一年九月三十日止六個月期間內，本集團付予精威投資有限公司（「精威」）之辦公室物業、陳列室及貨倉之租金為1,357,470港元。曾志雄先生、關有彩女士及廖浩權先生均為精威之董事及股東。於二零零一年九月三十日，本集團並無欠精威款項。

除上述者外，於二零零一年九月三十日或於截至此日之六個月期間內，董事並無於本公司、其控股公司或其任何附屬公司訂立而對本公司業務屬重大之任何合約中擁有實際權益。

購股權計劃

根據本公司之購股權計劃，董事會可全權酌情邀請本集團僱員，包括董事，接納購股權，以認購不多於本公司已發行股本之10%股份。

於二零零一年八月三十一日，本公司根據購股權計劃授出5,000,000普通股之購股權，可以每股0.8港元於二零零二年九月一日至二零零七年八月三十一日期間行使購股權，授出購股權當日前之收市價為每股1.0港元。

本期內之購股權變動如下：—

姓名	每股 購股權 行使價 港元	於二零零一年 四月一日之	本期授出 之購股權	於二零零一年 九月三十日之
		未行使購 股權數量		未行使 購股權數量
董事：				
曾志雄先生	0.80	—	1,000,000	1,000,000
廖浩權先生	0.80	—	1,000,000	1,000,000
關有彩女士	0.80	—	1,000,000	1,000,000
馮秀梅女士	0.80	—	500,000	500,000
戴永華先生	0.80	—	500,000	500,000
黃錦康先生	0.80	—	500,000	500,000
Richard Warren Herbst先生	0.80	—	500,000	500,000
		—	5,000,000	5,000,000

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SUBSTANTIAL SHAREHOLDERS

The Company has been notified of the following interests in the Company's issued shares at 30 September 2001 amounting to 10 per cent or more of the shares in issue:

	Number of shares held	Percentage of total issued shares
Peasedow Enterprises Limited	112,511,670	56.26

Note: The interest of Peasedow Enterprises Limited disclosed above has been included in the interests disclosed by Mr. Tsang Chi Hung and Ms. Kwan Yau Choi.

Save for disclosed above the Company has not been notified of any interest in the share capital of the Company as at 30 September 2001 which is required to be recorded in the register as required to be kept under section 16(1) of the SDI Ordinance.

RELATED PARTY TRANSACTIONS

On 21 February 2000, the Group entered into two tenancy agreements with Golden Life. Details of the transactions during the period were set out in "Directors' Interests in Contracts" above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2001.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 January 2002 (Monday) to 10 January 2002 (Thursday), both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrars, Standard Registrars Limited, 5th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong, for registration not later than 4:00 p.m. on 4 January 2002 (Friday).

主要股東

於二零零一年九月三十日，本公司已接獲有關下列持有本公司已發行股本10%或以上權益之通知：

	所持股份數目	佔已發行股份 百分比
Peasedow Enterprises Limited	112,511,670	56.26

附註：上述所披露之 Peasedow Enterprises Limited 持有之權益已包括在曾志雄先生及關有彩女士之已披露權益內。

除上文所披露者外，於二零零一年九月三十日，本公司從未接獲有關於本公司之股本中擁有之權益須根據披露權益條例第16(1)條予以記錄之通知。

有關連人士交易

於二零零零年二月二十一日，本集團與精威簽訂兩項租賃協議。在此期間之交易詳情已記載於上述之「董事之合約權益」中。

購買、出售或贖回上市證券

截至二零零一年九月三十日止六個月內，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

暫停辦理股份過戶登記

本公司將於二零零二年一月七日(星期一)至二零零二年一月十日(星期四)(包括首尾兩日)暫停辦理股份過戶登記，於該段期間內將不辦理股份過戶手續。為符合派發中期股息之資格，股東須將所有填妥之過戶表格連同有關股票於二零零二年一月四日(星期五)下午四時正或之前遞交本公司之股份登記處標準證券登記有限公司，地址為香港中環干諾道中111號永安中心5樓，以辦理過戶登記手續。