



### Gearing Ratio and Treasury Policies

The Group's gearing ratio, calculated on the basis of net bank borrowings (i.e. total bank borrowings less bank balances, deposits and cash) over shareholders' equity, dropped from 109% at 31 March 2001 to 6% at 30 September 2001, following the repayment of the project loan for the Private Sector Participation Scheme project at Tseung Kwan O Town Lot No. 62 in May 2001.

The Group's treasury policies are to arrange the assets and liabilities so as to reduce appropriately its exposure in exchange and interest rates. At 30 September 2001, the Group's borrowing, revenue and cash balances were mainly in Hong Kong Dollars. The Group did not have any significant commitments and exposure in foreign currencies.

### Directors' Interests in Shares

As at 30 September 2001, the interests of the Directors in the share capital of the Company and its associated corporations as recorded in the register maintained under section 29 of the Securities (Disclosure of interests) Ordinance (the "SDI Ordinance") were as follows:

□ Name of Director	Number of ordinary shares	
	Personal interests	Other interests
Lo Hong Sui, Vincent	-	169,846,000
Wong Ying Wai, Wilfred	-	-
Wong Yuet Leung, Frankie	191,000	-
Choi Yuk Keung, Lawrence	679,000	-
Wong Hak Wood, Louis	520,000	-
Wong Fook Lam, Raymond	-	-
Lowe Hoh Wai Wan, Vivien	176,000	-

Save as disclosed above, as at 30 September 2001, there was no other interest recorded in the register required to be kept under section 29 of the SDI Ordinance.

Note: The 169,846,000 shares are held as to 166,148,000 shares and 3,698,000 shares by the ultimate holding company, Shui On Company Limited ("SOCL") and Shui On Finance Company Limited respectively, which is an indirect wholly-owned subsidiary of SOCL. SOCL is owned by the Bosrich Unit Trust. The units of the Bosrich Unit Trust are the property of a discretionary trust of which Mr. Lo Hong Sui, Vincent is a discretionary beneficiary. Accordingly, Mr. Lo Hong Sui, Vincent is deemed to be interested in such shares.

## INTERIM REPORT 2001-2002

As at 30 September 2001, the Directors had personal interests in share options granted under the Company's employee share option scheme as follows:

Name of Director	Number of shares to be subscribed under share options	Date granted	Period during which share options are exercisable	Subscription price per share (HK\$)
Wong Yuet Leung, Frankie	24,000	15 July 1998	15 July 2002 - 14 July 2003	4.14
	200,000	7 July 1999	7 January 2000 - 6 July 2004	11.21
	200,000	4 July 2000	4 January 2001 - 3 July 2005	9.56
	200,000	17 July 2001	17 January 2002 - 16 July 2006	9.30
Choi Yuk Keung, Lawrence	44,000	15 July 1998	15 July 2002 - 14 July 2003	4.14
	280,000	7 July 1999	7 January 2000 - 6 July 2004	11.21
	350,000	4 July 2000	4 January 2001 - 3 July 2005	9.56
	350,000	17 July 2001	17 January 2002 - 16 July 2006	9.30
Wong Hak Wood, Louis	30,000	15 July 1998	15 July 2002 - 14 July 2003	4.14
	250,000	7 July 1999	7 January 2000 - 6 July 2004	11.21
	280,000	4 July 2000	4 January 2001 - 3 July 2005	9.56
	280,000	17 July 2001	17 January 2002 - 16 July 2006	9.30
Wong Fook Lam, Raymond	24,000	15 July 1998	15 July 2002 - 14 July 2003	4.14
	150,000	7 July 1999	7 January 2000 - 6 July 2004	11.21
	160,000	4 July 2000	4 January 2001 - 3 July 2005	9.56
	160,000	17 July 2001	17 January 2002 - 16 July 2006	9.30
Lowe Hoh Wai Wan, Vivien	24,000	15 July 1998	15 July 2002 - 14 July 2003	4.14
	150,000	7 July 1999	7 January 2000 - 6 July 2004	11.21
	160,000	4 July 2000	4 January 2001 - 3 July 2005	9.56
	160,000	17 July 2001	17 January 2002 - 16 July 2006	9.30

Consideration paid for each grant was HK\$1.00.

During the six months ended 30 September 2001, the following Directors had exercised share options to subscribe for shares of the Company.

Name of Director	Number of shares subscribed under share options	Subscription price per share (HK\$)
Wong Yuet Leung, Frankie	80,000	7.50
	24,000	4.14
Choi Yuk Keung, Lawrence	80,000	7.50
	44,000	4.14
Wong Hak Wood, Louis	112,000	7.50
	30,000	4.14
Wong Fook Lam, Raymond	56,000	7.50
	24,000	4.14
Lowe Hoh Wai Wan, Vivien	56,000	7.50
	24,000	4.14

Apart from the above, during the six months ended 30 September 2001, none of the Directors or the chief executive of the Company or their spouses or children under the age of 18 were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations.