

## SUBSTANTIAL SHAREHOLDERS

As at September 30, 2001, the register of substantial shareholders kept by the Company pursuant to Section 16(1) of the SDI Ordinance shows that the following shareholders had an interest of 10% or more of the issued share capital of the Company:

Name of shareholder	Number of shares held		Shareholding Percentage %
	Direct Interest	Deemed Interest	
Dr. Chan	–	1,778,028,504	27.73
Chinaview	–	1,778,028,504	27.73
Galaxyway Investments Limited (“Galaxyway”)	–	1,778,028,504	27.73
ITC	–	1,778,028,504	27.73
ITC Investment Holdings Limited (“ITC Investment”)	–	1,778,028,504	27.73
Mankar Assets Limited (“Mankar”)	–	1,778,028,504	27.73
Famex Investment Limited (“Famex”)	1,778,028,504	–	27.73

### Notes:

- (1) Famex is a wholly-owned subsidiary of Mankar. Mankar is a wholly-owned subsidiary of ITC Investment, which in turn is a wholly-owned subsidiary of ITC. Mankar, ITC Investment and ITC are deemed to be interested in 1,778,028,504 shares which are held by Famex.
- (2) Galaxyway, a wholly-owned subsidiary of Chinaview, in which Dr. Chan, owns its entire issued share capital, owns more than one-third of the issued ordinary share capital of ITC. Galaxyway, Chinaview and Dr. Chan are deemed to be interested in 1,778,028,504 shares which are held by Famex.

Save as disclosed above, as at September 30, 2001, the Company had not been notified of any other interests representing 10% or more of the issued share capital of the Company.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended September 30, 2001, the Company repurchased a total number of 20,502,000 of its own shares on the Stock Exchange as follows:-

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration paid (including expenses) HK\$’000
		Highest HK\$	Lowest HK\$	
September 2001	20,502,000	0.075	0.064	1,433

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against the share premium account.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the Company's listed securities during the six months ended September 30, 2001.

### **AUDIT COMMITTEE**

The Audit Committee (the "Committee") has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the unaudited consolidated interim results for the six months ended September 30, 2001.

The members of the Committee included the two independent non-executive Directors of the Company.

### **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for the six months ended September 30, 2001, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that the non-executive Directors are not appointed for a specific term as they are subject to retirement by rotation at the Annual General Meeting in accordance with the Bye-Laws of the Company.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at September 30, 2001, the Group employed approximately 1,100 staff. The Group's emolument policies are formulated on the performance of individual employees and on the basis of salaries trends and prevailing industry practice in various regions, and will be reviewed regularly every year. Apart from training programmes, provident fund scheme and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance. During the six months ended September 30, 2001, 640,000,000 share options were granted to the employees (including the Directors).

By Order of the Board  
**HANNY HOLDINGS LIMITED**  
**Dr. Chan Kwok Keung, Charles**  
*Chairman*

Hong Kong, December 13, 2001