

Directors' Interests in Share Capital

At 31 December 2001, the interest of the Directors and their associates had the following beneficial interests in the share capital of the Company as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”) of Hong Kong:

Name of director	Number of shares of HK\$0.10 each in the Company		
	Personal Interests	Family Interests	Total
David So Cheung Sing	14,472,000	18,076,800	32,548,800
Marcus Tsang Ming Pui	22,632,775	—	22,632,775
Wilson Tam Kam Ho	7,200,000	—	7,200,000
Johnny Ng Ho Kin	13,878,104	415,800	14,293,904

At 31 December 2001, certain of the Company’s Directors and their associates also held shares in Elec & Eltek International Company Limited (“EEICL”), a subsidiary of the Company and shares of which are listed on The Singapore Exchange Securities Trading Limited, as follows:

Name of director	Number of shares of S\$0.80 each in EEICL		
	Personal Interests	Family Interests	Total
David So Cheung Sing	—	540,000	540,000
Marcus Tsang Ming Pui	—	540,000	540,000
Wilson Tam Kam Ho	—	300,000	300,000
Johnny Ng Ho Kin	386,400	—	386,400
Canice Chung Tai Keung	1,924,800	—	1,924,800

At 31 December 2001, certain of the Company's Directors held the following share options to subscribe for ordinary shares of EEICL which are exercisable on the following terms:

Name of director	Number of share options to subscribe shares in EEICL	Exercise price per share (US\$)	Exercise period (DD/MM/YYYY)
Johnny Ng Ho Kin	120,000	4.833	10/04/1999 to 08/04/2003
	120,000	3.100	20/04/2000 to 18/04/2004
	240,000		
Canice Chung Tai Keung	135,600	4.833	10/04/1999 to 08/04/2003
	156,000	3.100	20/04/2000 to 18/04/2004
	291,600		
	531,600		

Other than nominee shares in certain subsidiaries held by certain Directors in trust for the Company, its subsidiaries or associated companies, no Director held any interests in the share capital of the Company's subsidiaries or associated companies, except as disclosed above. Furthermore, neither any of the Directors or their respective spouse or children under the age of 18 years were granted any rights or options to subscribe for shares in the Company or its associated corporations.

Substantial Shareholder

At 31 December 2001, the following shareholder, not being a Director of the Company, was interested in 10% or more of the issued share capital of the Company:

	Number of shares held
Elec & Eltek Investments Limited (“EEIL”)	521,921,359

The shareholders of EEIL are as follows:

Name of shareholder	Percentage of shareholding in EEIL
Plenty Gain Limited	30.97%
Champion Oriental Inc.	29.98%
Goldful Holdings Limited	29.98%
Expert Gold Inc.	9.07%
	100.00%

Plenty Gain Limited is ultimately 100% owned by a discretionary trust, the eligible beneficiaries of which include the family members of David So Cheung Sing, other than David So Cheung Sing himself.

Champion Oriental Inc. holds the shares of EEIL as trustee for a unit trust, of which 99.9999948% of the units are owned by a discretionary trust, the eligible beneficiaries of which include the family members of Marcus Tsang Ming Pui, other than Marcus Tsang Ming Pui himself, with the remaining units being owned by Marcus Tsang Ming Pui directly.

Goldful Holdings Limited is ultimately 100% owned by a discretionary trust, the eligible beneficiaries of which include the family members of Wilson Tam Kam Ho, other than Wilson Tam Kam Ho himself.

Expert Gold Inc. holds the shares of EEIL as trustee for a unit trust, of which 99.99998% of the units are owned by a discretionary trust, the eligible beneficiaries of which include the family members of Johnny Ng Ho Kin, other than Johnny Ng Ho Kin himself.

Save for the shares referred above, no person, other than a director of the Company or EEIL whose interests are set out above, had registered an interest in the share capital of the Company that was required to be recorded in the register maintained pursuant to Section 16(1) of the SDI Ordinance.

Audit Committee

The Audit Committee engaged the external auditors to assist the Audit Committee in its review of the interim accounts. The external auditors' review consisted of management enquiries and analytical procedures, but was neither an audit nor a review under the guidelines of SAS700 issued by the Hong Kong Society of Accountants. On 22 February 2002, the Audit Committee met with the management and the external auditors to review the interim accounts and consider the significant accounting policies, and to discuss with the management about the Group's internal control system.

Corporate Governance

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Purchase, Sale or Redemption of the Company's Listed Shares

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the Period.