

DIRECTORS' INTERESTS IN SHARES

As at 31st December, 2001, the interests of the Directors and Chief Executive in the shares of the Company as recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance or as notified to the Company were as follows:

Ordinary shares of HK\$0.001 each

Name	Number of shares*	
	Personal interests	Corporate Interests
Cecil Sze-Tsung Chao	371,633,418	1,630,462,784

Note: The shareholdings disclosed by Mr Cecil Sze-Tsung Chao under the heading "Corporate Interests" in the above represents the shares held by Yan Yin Company Limited, a substantial shareholder of the Company.

The Company did not grant to the Directors, Chief Executive or their associates any right to subscribe for shares in the Company.

Apart from the above, none of the Directors or their associates had any interest in any shares of the Company or its subsidiaries as at 31st December 2001.

At no time during the year was the Company, any of its subsidiaries, fellow subsidiaries or its holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance shows that as at 31st December 2001 the Company had not been notified of any substantial interests, being 10% or more of its issued share capital, other than those of the Directors and Chief Executive as disclosed above.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, Cecil Chao & Associates Limited (“CCAL”) has extended unsecured advances, which have no fixed terms of repayment, to the Company at 2% above Hong Kong dollar prime rate. At 31st December, 2001, the advances from CCAL amounted to HK\$135,414,000.

The Group charged management fees to Yan Yin Company Limited and CCAL for the provision of administrative support services. The Group also let certain property to Yan Yin Company Limited and CCAL as office. Mr Cecil Sze-Tsung Chao, a director of the Company, is a director and beneficial owner of CCAL. Mr Wing-Hong Tang, a director of the Company, is a director of CCAL.

Messrs Wing-Kit Wu and Lap-Chung Tse are partners of Messrs Fred Kan & Co., a firm of solicitors which provides legal services to the Group on a continuing basis on normal commercial terms.

Apart from the above, no other contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 31st December, 2001.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not or was not for any part of the year in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Company's Articles of Association.

PURCHASE AND CANCELLATION OF SHARES

There was no redemption, purchase or cancellation of shares by the Company or any of its subsidiaries during the six months ended 31st December, 2001.

By order of the Board

CECIL CHAO

Executive Chairman

Hong Kong, 26th March, 2002