

DISCLOSURE OF ADDITIONAL INFORMATION

Directors' interests in shares

At 31 December 2002, the interests of the Directors and their associates in the issued share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Ordinary shares of the Company

Name of director	Notes	Nature of interest	Number of ordinary shares held
Lam Kwok Hing	1	Corporate	180,000,000
Fong Yiu Ming, Anson	2	Corporate	16,000,000
Chu Ki	3	Corporate	16,000,000
Lee Choi Lin, Joecy	4	Corporate	51,000,000

Notes:

1. These shares are owned by Best Global Asia Limited ("Best Global"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Best Global is beneficially owned by Mr. Lam Kwok Hing.
2. These shares are owned by Eshanghai Holdings Limited ("Eshanghai"), a company incorporated in the BVI. The entire issued share capital of Eshanghai is beneficially owned by Mr. Fong Yiu Ming, Anson.
3. These shares are owned by Asia Startup Group Limited ("Asia Startup"), a company incorporated in the BVI. The entire issued share capital of Asia Startup is beneficially owned by Mr. Chu Ki.
4. These shares are owned by World Invest Holdings Limited ("World Invest"), a company incorporated in the BVI. The entire issued share capital of World Invest is beneficially owned by Madam Lee Choi Lin, Joecy.

Save as disclosed above, none of the Directors, chief executive or their associates had any personal, family, corporate or other interests in the equity securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

Directors' rights to acquire shares or debentures

Apart from as disclosed under the "Share option scheme" below, at no time since the incorporation of the Company were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Share option scheme

The Company operates a share option scheme (the "SO Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the SO Scheme include the Company's directors, including non-executive and independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entities providing research, development or other technological support to the Group, any minority shareholder in the Company's subsidiaries, and other groups or classes of participants as determined by the directors. The SO Scheme became effective on 3 December 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following share options were outstanding under the SO Scheme during the Period:

Name or category of participant	At 1 July 2002	Number of share options		At 31 December 2002	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$	Price of Company's shares
		Granted during the period	Exercised during the period					at grant date of options** HK\$
Non-executive director								
Mr. Lam Kwok Hung	500,000	–	(500,000)*	–	30 April 2002	1 May 2002 to 30 April 2012	0.335	0.330
	<u>500,000</u>	<u>–</u>	<u>(500,000)</u>	<u>–</u>				
Independent non-executive directors								
Mr. Mak Yiu Wah, Bilan	500,000	–	–	500,000	30 April 2002	1 May 2002 to 30 April 2012	0.335	0.330
Mr. John Handley	500,000	–	–	500,000	30 April 2002	1 May 2002 to 30 April 2012	0.335	0.330
	<u>1,000,000</u>	<u>–</u>	<u>–</u>	<u>1,000,000</u>				
	<u>1,500,000</u>	<u>–</u>	<u>(500,000)</u>	<u>1,000,000</u>				

* During the Period, Mr. Lam Kwok Hung exercised his options to subscribe for 500,000 shares of the Company. The closing price of the Company's shares immediately before the date on which the options were exercised was HK\$0.455.

** The price of the Company's Shares disclosed as at the date of the grant of the share options is the Stock Exchange's closing price on the trading day immediately before the date of the grant of the share options.



Substantial shareholders

At 31 December 2002, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

Name	Number of shares held	Percentage of issued share capital of the Company
Best Global	180,000,000#	35.97%
World Invest	51,000,000#	10.19%

The shareholding is duplicated in the "Directors' interests in shares" section above.

Save as disclosed above, no persons, other than the Directors, whose interests are set out above, had registered an interest in the issued share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

Employees

At 31 December 2002, the Group employed approximately 102 staff and workers in Hong Kong, Macau and the PRC. The employees of the Group are remunerated in accordance with their work performance and prevailing industry practices. The Group also participates in retirement benefits schemes for its staff in Hong Kong, Macau and the PRC. The Group operates the SO Scheme of which the Board may, at its discretion, grant options to eligible participants who contribute to the success of the operations of the Group. The SO Scheme became effective upon the listing of the shares of the Company on the Stock Exchange on 3 December 2001. No share options were granted during the Period save as disclosed under "Share Option Scheme".

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the period of this interim report.

Audit committee

The Company has an Audit Committee which was established in accordance with the Code of Best Practice as set out in appendix 14 of the Listing Rules (the “Code”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. This interim report has been reviewed by the Audit Committee, but has not been audited by the auditors of the Company.

Code of best practice

In the opinion of the directors of the Company, the Company has complied with the Code throughout the period covered by this interim report.

On behalf of the Board
Lam Kwok Hing
Chairman

Hong Kong, 27 March 2003

