

## DISCLOSURE OF INTERESTS (continued)

	New Share Option Scheme	Old Share Option Scheme
2) Participants of the share option schemes	(a) any employee or any business related consultant, agent, representative or advisor of the Company or any affiliate; (b) any person who provides goods or services to the Company or any affiliate; (c) any customer of the Company or any affiliate; or (d) any business ally or joint venture partner of the Company or any affiliate	Eligible employees including executive directors
3) Total number of shares available for issue under the share option schemes and % on issued share capital as at 31 December 2002	194,243,391 shares (10%)	N/A
4) Maximum entitlement of each participant under the share option schemes	In any 12-month period: (a) 1% of the issued share capital (excluding substantial shareholders and independent non-executive directors) (b) 0.1% of the issued share capital and not exceed HK\$5 million in aggregate value (for substantial shareholders and independent non-executive directors)	25% of the aggregate of all shares subject to the share option scheme
5) The period within which the shares must be taken up under an option	The board of directors may in its absolute discretion determine save that such period shall not expire later than 10 years from the date of grant	Such period as the Company may in its discretion determine save that such period shall not expire later than 10 years from the date of grant
6) The minimum period for which an option must be held before it can be exercised	N/A	N/A
7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid	Upon acceptance of the option, the grantee shall inform the Company together with HK\$1 by way of consideration for the grant within 28 days from the date of offer	Upon acceptance of the option, the grantee shall inform the Company together with HK\$1 by way of consideration for the grant within 21 days from the date of offer
8) The basis of determining the exercise price	The exercise price is determined by the directors and being not less than the higher of: (a) the closing price of the shares on the date of offer; (b) the average closing prices of the existing shares for the 5 trading days immediately preceding the date of offer; and (c) the nominal value thereof	The exercise price is determined by the directors and being not less than the greater of: (a) 80% of the average closing prices of the shares of the Company on The Stock Exchange of Hong Kong Limited on the 5 trading days immediately preceding the date of offer of such option; and (b) the nominal value thereof
9) The remaining life of the share option schemes	The scheme remains in force until 31 May 2012	The share option scheme was terminated on 31 May 2002

## e) Substantial shareholders

As at 31 December 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that other than Dr. Stanley Ho, whose interests are set out above, the following shareholder was interested in 10% or more of the issued share capital of the Company:

Name of Shareholder	No. of Ordinary Shares held
Shun Tak Shipping Company, Limited and its subsidiaries (Note)	598,030,322

Note: Dr. Stanley Ho, Dr. Cheng Yu Tung, and Mrs. Mok Ho Yuen Wing, Louise have beneficial interests in Shun Tak Shipping Company, Limited.

Save as disclosed above, no other person has notified the Company as having any interest representing 10% or more of the Company's issued share capital.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Group repurchased and cancelled certain of its convertible guaranteed bonds. Details of these are set out in note 20 to the financial statements.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2002.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Except for the above mentioned share option schemes, at no time during the year was the Company or any of its subsidiaries a party to any arrangement 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.

### SERVICE CONTRACT OF DIRECTORS

No director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

### MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

### CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited throughout the accounting period covered by the annual report except that the independent non-executive directors of the Company are not appointed for specific terms. The Audit Committee was established in March 1999. The members of the Audit Committee are Mr. Robert Kwan (Chairman), Sir Roger Lobo and Mrs. Mok Ho Yuen Wing, Louise. The Audit Committee met twice during the financial year to consider the effectiveness of the systems of internal control and compliance, the nature and scope of audit reviews and the interim and annual reports.

### SUMMARY OF THE RESULTS, ASSETS AND LIABILITIES

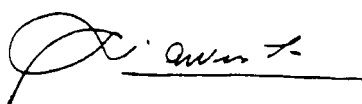
A summary of the results, assets and liabilities of the Group for the last five financial years is shown on page 78.

### SIGNIFICANT SUBSEQUENT EVENTS

Details of significant subsequent events are set out in note 28 to the financial statements.

### AUDITORS

The financial statements for the year were audited by H. C. Watt & Company Limited, who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment.



**Stanley Ho**

*Group Executive Chairman*

26 March 2003