

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the Share Option Scheme, the directors and chief executive officer of the Company have personal interests in share options which have been granted to them to subscribe for shares in the Company.

Name of director	Date of grant	Exercise price per share <i>HK\$</i>	Number of share options		
			Balance as at 1st October, 2002	Lapsed during the period	Balance as at 31st March, 2003
Yu Lai Si	30th August, 2002	0.52	3,000,000	–	3,000,000
Tam Chie Sang	30th August, 2002	0.52	1,500,000	–	1,500,000
Yu Lai Chu, Eileen	30th August, 2002	0.52	1,500,000	–	1,500,000
Yu Kam Shui, Erastus	30th August, 2002	0.52	1,500,000	–	1,500,000
Lai Yin Ping	30th August, 2002	0.52	1,500,000	–	1,500,000

These options are exercisable from 28th February, 2003 to the close of business on 29th August, 2007.

No option was exercised by the Company's directors during the period.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2003, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the Company had not been notified of any substantial shareholders' interests, being 10% or more of the Company's issued share capital, other than those stated below:

Name	Number of ordinary shares held	Approximate percentage of voting power
Yu Lai Si	77,666,880	24.1%
Zinna Group Limited ⁽¹⁾	77,666,880	24.1%
Advance Favour Holdings Limited ⁽²⁾	38,833,440	12.1%
Billion Well Holdings Limited ⁽³⁾	38,833,440	12.1%

Notes:

- (1) All voting rights of Zinna Group Limited are held by Royalion Worldwide Limited, which is wholly owned by Hitchin Trading Limited as trustee of Hitchin Unit Trust which in turn is ultimately held by Trident Trust Company (Cayman) Limited which forms part of a discretionary trust set up by Tam Chie Sang and Yu Lai Chu, Eileen. Trident Trust Company (Cayman) Limited is the trustee of the discretionary trust, the beneficiaries of which are the family members of Tam Chie Sang and Yu Lai Chu, Eileen.
- (2) Advance Favour Holdings Limited is a British Virgin Islands company held by K S Yu 2002 Grantor Retained Annuity Trust formed for the benefit of Yu Kam Shui, Erastus and Lai Yin Ping's sister, Lai Yin Ling and upon her death, Yu Kam Shui, Erastus' mother, Fung Sin Ping. Yu Kam Shui, Erastus and Lai Yin Ping are the trustees to the K S Yu 2002 Grantor Retained Annuity Trust.
- (3) Billion Well Holdings Limited is a British Virgin Islands company held by Y P Lai 2002 Grantor Retained Annuity Trust formed for the benefit of Lai Yin Ping and Lai Yin Ping's sister, Lai Yin Ling and upon her death, Lai Yin Ping's mother, Wong Kwai Ying. Lai Yin Ping is the sole trustee to the Y P Lai 2002 Grantor Retained Annuity Trust.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the period, 4,500,000 ordinary shares of HK\$0.1 each of the Company were repurchased at prices ranging from HK\$0.68 to HK\$0.83 per share through The Stock Exchange of Hong Kong Limited. The repurchase involved a total cash outlay of approximately HK\$3.3 million.

Saved as disclosed above, none of the Company's subsidiaries purchased or sold any of the Company's listed securities during the six months ended 31st March, 2003.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules at any time during the six months ended 31st March, 2003 except that the independent non-executive directors of the Company were not appointed for a specific term because they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

By order of the Board

Yu Lai Si

*Executive Director
and Chief Executive Officer*

Hong Kong, 17th June, 2003