

OTHER INFORMATION**Directors**

The directors of the Company during the period and up to the date of this report were:

Executive directors

Chan Kwok Hung

Chan Fut Yan

Cheung Hon Kit

Chau Mei Wah, Rosanna

Wong Lai Shun, Benny (appointed on 14th March, 2003)

Cheng Yin Ching, Anna

Non-executive director

Mok Yat Fan, Edmond (re-designated from executive director to non-executive director on 2nd September, 2003)

Independent non-executive directors

Wong Pui Fai

Chan Shu Kin

Directors' interests in shares

As at 30th June, 2003, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which had to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were recorded in the register of the Company required to be kept under section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Share option scheme

On 4th June, 2002, the Company adopted a new share option scheme (the "Scheme") for the primary purpose of providing incentives and/or rewards to employees, executives or officers, directors of the Company or any of its subsidiaries and any business consultants, agents, legal or financial advisers of the Company or any of its subsidiaries for their contribution to the Group.

No share options under the Scheme were outstanding at the beginning and at the end of the six months ended 30th June, 2003 and no share options were granted, exercised, cancelled or lapsed during the financial period.

Interests and short positions of shareholders discloseable under the SFO

So far as is known to any directors or chief executive of the Company, as at 30th June, 2003 the following parties (other than directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

(a) Long position in shares of the Company

Name of shareholder	Capacity	Number of shares interested			Approximate % of issued share capital of the Company as at 30th June, 2003	Note
		direct interest	indirect interest	total interest		
Millennium Target Holdings Limited ("Millennium Target")	Beneficial owner	1,366,666,666 shares	–	1,366,666,666 shares	49.3%	1
Ananda Wing On Travel (BVI) Limited ("Ananda BVI")	Interest of a controlled corporation	–	1,366,666,666 shares (through 100% direct interest in Millennium Target)	1,366,666,666 shares	49.3%	1
Ananda Wing On Travel (Holdings) Limited ("Ananda Wing On")	Interest of a controlled corporation	–	1,366,666,666 shares (through 100% direct interest in Ananda BVI)	1,366,666,666 shares	49.3%	1
Wealthy Gain Limited ("Wealthy")	Beneficial owner	160,790,000 shares	–	160,790,000 shares	5.8%	2
Ruby Enterprises Limited ("Ruby")	Interest of a controlled corporation	–	160,790,000 shares (through 100% direct interest in Wealthy)	160,790,000 shares	5.8%	2

Name of shareholder	Capacity	Number of shares interested			Approximate % of issued share capital of the Company as at 30th June, 2003	Note
		direct interest	indirect interest	total interest		
Golden Flower Limited ("Golden")	Beneficial owner	207,420,000 shares	–	207,420,000 shares	7.5%	3
Expert Commerce Limited ("Expert")	Beneficial owner	150,000,000 shares	–	150,000,000 shares	5.4%	3
China WTO.com Limited ("CWTO")	Beneficial owner and interest of controlled corporations	110,006,620 shares	357,420,000 shares (through 100% direct interest in Golden and Expert)	467,426,620 shares	16.8%	3
China Strategic Holdings Limited ("China Strategic")	Interest of controlled corporations	—	628,216,620 shares (through 100% direct interest in Ruby and CWTO)	628,216,620 shares	22.6%	4

Notes:

1. Ananda Wing On directly holds the entire beneficial interest in Ananda BVI which in turn directly holds the entire beneficial interest in Millennium Target. Millennium Target beneficially owns 1,366,666,666 shares in the Company. Accordingly, Ananda Wing On and Ananda BVI are deemed to be interested in the same 1,366,666,666 shares in the Company respectively.
2. Ruby directly holds the entire beneficial interest in Wealthy which in turn beneficially owns 160,790,000 shares in the Company. Accordingly, Ruby is deemed to be interested in the same 160,790,000 shares in the Company.
3. CWTO beneficially owns 110,006,620 shares in the Company and directly holds the entire beneficial interest in Golden and Expert. Golden and Expert beneficially own 207,420,000 and 150,000,000 shares in the Company respectively. Accordingly, CWTO is totally interested in 467,426,620 shares in the Company.
4. China Strategic directly holds the entire beneficial interest in Ruby and CWTO. Ruby and CWTO are interested in 160,790,000 and 467,426,620 shares in the Company respectively. Accordingly, China Strategic is deemed to be interested in 628,216,620 shares in the Company.

(b) Long position in underlying shares under equity derivatives of the Company

Name of holder	Capacity	Number/amount and description of unlisted/listed equity derivatives	Direct/Indirect interest	Approximate % of issued share capital of the Company as at 30th June, 2003	
				No. of underlying shares	
Sinolink Worldwide Holdings Limited ("Sinolink") (Note)	Beneficial owner	Convertible note (unlisted physically settled derivative) in the principal amount of HK\$66,000,000 convertible into new shares at HK\$0.30 per share (subject to adjustment)	Direct interest	220,000,000 shares	7.9%
Asia Pacific Promotion Limited ("Asia Pacific") (Note)	Interest of a controlled corporation	Convertible note (unlisted physically settled derivative) in the principal amount of HK\$66,000,000 convertible into new shares at HK\$0.30 per share (subject to adjustment)	Indirect interest (through 67.6% direct interest in Sinolink)	220,000,000 shares	7.9%
Ou Yaping (Note)	Interest of a controlled corporation	Convertible note (unlisted physically settled derivative) in the principal amount of HK\$66,000,000 convertible into new shares at HK\$0.30 per share (subject to adjustment)	Indirect interest (through 100% direct interest in Asia Pacific)	220,000,000 shares	7.9%

Note: Mr. Ou Yaping directly holds the entire beneficial interest in Asia Pacific which in turn directly holds 67.6% interest in Sinolink. Sinolink beneficially owns the convertible note (unlisted physically settled derivative) in the principal amount of HK\$66,000,000 convertible into new shares of the Company at HK\$0.30 per share (subject to adjustment). Accordingly, Mr. Ou Yaping and Asia Pacific are deemed to be interested in the same convertible note of the Company respectively.

Purchase, sale or redemption of listed shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30th June, 2003.

Corporate governance

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 30th June, 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except in relation to Guideline 1 as certain directors frequently traveled abroad for overseas business trips and were unable to attend the board meetings when convened and held and Guideline 7 as non-executive directors are not appointed for a specific term but are subject to rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws.

Review by audit committee

The Group's interim financial report for the six months ended 30th June, 2003 have been reviewed by the audit committee which comprises two independent non-executive directors of the Company, namely Messrs. Wong Pui Fai and Chan Shu Kin and by the Company's auditors, Deloitte Touche Tohmatsu.

Appreciations

The Board would like to take this opportunity to thank the Company's shareholders for their continual support and wish to extend its sincere appreciation for the efforts and loyalty of our staff.

By Order of the Board
Rosedale Hotel Group Limited
Chan Kwok Hung
Chairman

Hong Kong, 19th September, 2003