

## DIRECTORS' RIGHTS TO ACQUIRE SHARES

No option was granted under the Company's share option scheme to any director or their respective spouse or children under 18 years of age during the period.

Apart from the foregoing, at no time during the period 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, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Company's directors or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS

Other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, so far as is known to any Director or chief executive of the Company, as at 30 June 2003, the persons or companies (not being a Director or chief executive of the Company) who have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name	Number of Shares	Shareholding (%)
Koffman Securities Limited ( <i>Note</i> )	35,078,000	9.8
Koffman Financial Group Limited ( <i>Note</i> )	35,078,000	9.8
JRB Limited ( <i>Note</i> )	35,078,000	9.8
Manhattan Trading Group Limited ( <i>Note</i> )	35,078,000	9.8
Montgomery Group Limited ( <i>Note</i> )	35,078,000	9.8
Mr. Yu Shu Kuen ( <i>Note</i> )	35,078,000	9.8
Madam Fu Chong Lap Hoi, Katy ( <i>Note</i> )	35,078,000	9.8
Mr. Lam Shu Chung	27,500,000	7.7

**SUBSTANTIAL SHAREHOLDERS** *(continued)*

*Note:* Koffman Securities Limited ("Koffman Securities") owns 35,078,000 Shares. Koffman Financial Group Limited ("Koffman Financial") holds more than one-third of the issued share capital of Koffman Securities. Koffman Financial is a wholly-owned subsidiary of JRB Limited ("JRB"). Manhattan Trading Group Limited ("Manhattan Trading"), wholly owned by Mr. Yu Shu Kuen ("Mr. Yu"), holds more than one-third of the issued share capital of JRB. Montgomery Group Limited ("Montgomery"), wholly owned by Madam Fu Chong Lap Hoi, Katy ("Madam Fu"), holds more than one-third of the issued share capital of JRB.

Accordingly, Koffman Financial, JRB, Manhattan Trading, Montgomery, Mr. Yu and Madam Fu are deemed to be interested in the 35,078,000 Shares held by Koffman Securities.

Save as disclosed above, as at 30 June 2003, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who 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, of which were recorded in the register kept by the Company under Section 336 of the SFO.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

**AUDIT COMMITTEE**

The members of the audit committee of the Company comprise of Mr. Leung Man Kit and Mr. Chan Kwok Wai, both being independent non-executive directors of the Company.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters, and reviewed the unaudited consolidated interim financial statements for the six months ended 30 June 2003.

**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 Listing Rules throughout the accounting period covered by this interim report, except that the independent non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at the annual general meeting in accordance with bye-laws 87(1) and (2) of the Company.

By Order of the Board

**Wong Cheung Leung**

*Managing Director*