

## INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK1.0 cent per share (2002: HK1.0 cent per share) for the six months ended 30 September, 2003 payable on or before Wednesday, 11 February, 2004 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 4 February, 2004.

## CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 2 February, 2004 to Wednesday, 4 February, 2004 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 30 January, 2004.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September, 2003, the interests and short positions of the directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

### (i) Directors' interests in shares

#### (A) Long position in the shares of the Company

Name of director	Personal interests			Total interests	Total interests as % of the issued share capital
	(held as beneficial owner)	Family interests	Other interests		
Lui Chi	-	234,678,029 (Note 1)	234,678,029 (Note 2)	469,356,058	108.56%
Lui Shing Ming, Brian	3,125,000	-	234,678,029 (Note 2)	237,803,029	55.00%
Lui Shing Cheong	3,125,000	-	234,678,029 (Note 2)	237,803,029	55.00%
Lui Shing Chung, Victor	3,125,000	625,000 (Note 3)	234,678,029 (Note 2)	238,428,029	55.14%
Lung Wai Kee	1,250,000	2,500,000 (Note 4)	-	3,750,000	0.86%

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)****(i) Directors' interests in shares (Continued)****(A) Long position in the shares of the Company (Continued)**

*Notes:*

- (1) Mr. Lui Chi is deemed to be interested in 234,678,029 shares of the Company by virtue of the interest of his spouse, Madam Ng Sze Mui who is one of the two Founders of a discretionary trust, the discretionary objects of which include Messrs. Lui Shing Ming, Brian, Lui Shing Chung, Victor, Lui Shing Cheong and other family members of Mr. Lui Chi. Mr. Lui Chi is the second Founder of the discretionary trust.
- (2) The 234,678,029 shares are owned by Harmony Link Corporation ("HLC"), a company incorporated in the British Virgin Islands. Approximately 48.4% of the issued share capital of HLC is held by The Lui Family Company Limited as trustee of The Lui Unit Trust. All units (except 1 unit which is owned by Mr. Lui Shing Ming, Brian) of The Lui Unit Trust are held by Ansbacher (BVI) Limited as trustee of a discretionary trust, the discretionary objects of which have been disclosed in Note (1) above. Mr. Lui Chi and his spouse, Madam Ng Sze Mui are the Founders of the discretionary trust. Each of Messrs. Lui Shing Ming, Brian, Lui Shing Chung, Victor and Lui Shing Cheong further owns approximately 24.13%, 14.59% and 12.88% of the issued share capital of HLC respectively.
- (3) The 625,000 shares are owned by the spouse of Mr. Lui Shing Chung, Victor.
- (4) The 2,500,000 shares are owned by the spouse of Mr. Lung Wai Kee.

All the interests stated above represent long positions in the shares of the Company and exclude those in the underlying shares through share options or equity derivatives. Interests of the respective directors set out in this subsection (A) need to be aggregated with their interests in the underlying shares through share options or equity derivatives of the Company set out in subsection (B) below in order to give the total interests of the respective directors in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

In addition to the above, certain directors have non-beneficial personal equity interest in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

### (B) Long position in the underlying shares of the Company through share options or equity derivatives

Share options are granted to the directors under the Share Option Scheme adopted by the Company on 27 December, 1996 (the "Old Scheme"). Details of the share options outstanding as at 30 September, 2003 under the Old Scheme are as follows:

Name of director	Nature of interest	Number of share options held	Date of grant of share options	Exercise price of share options HK\$	Exercisable period
Lui Chi	Personal	1,250,000	30 October, 1997	0.3507	30 October, 1997 to 26 December, 2006
	Personal	1,875,000	31 December, 1999	0.2240	31 December, 1999 to 26 December, 2006
Lui Shing Ming, Brian	Personal	1,250,000	30 October, 1997	0.3507	30 October, 1997 to 26 December, 2006
Lui Shing Chung, Victor	Family (Note 1)	625,000	31 December, 1999	0.2240	31 December, 1999 to 26 December, 2006

Note:

(1) 625,000 share options are owned by the spouse of Mr. Lui Shing Chung, Victor.

The share options are exercisable up to 26 December, 2006 and were granted at nil cash consideration. The above share option prices and the corresponding number of share options held by the above directors were adjusted as a result of bonus issue on 31 August, 2001.

Save as disclosed above, as at 30 September, 2003, none of the directors or chief executives of the Company has, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### (C) Long position in the shares of associated corporation, Harmony Link Corporation

Name of director	Nature of interest	Number of shares held	Percentage of issued capital
Lui Shing Ming, Brian	Personal	2,083	24.13%
Lui Shing Chung, Victor	Personal	1,259	14.59%
Lui Shing Cheong	Personal	1,112	12.88%

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

### (ii) Directors' rights to acquire shares

Apart from as disclosed above, 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 directors 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 or their associates to acquire such rights in the Company or any other body corporate.

### SHARE OPTION SCHEME

Pursuant to the changes of the Listing Rules in relation to share option schemes, on 5 September, 2002, the Company adopted a new share option scheme (the "New Scheme") and terminated the share option scheme adopted on 27 December, 1996 (the "Old Scheme"). The details of the New Scheme were disclosed in the 2003 Annual Report. There were no changes in any terms of the New Scheme during the six months ended 30 September, 2003. Upon termination of the Old Scheme, no further share options will be granted thereunder but all outstanding share options granted under the Old Scheme will not be affected by the New Scheme. As at 30 September, 2003, the number of shares in respect of which share options had been granted and outstanding under the Old Scheme was 13,000,000. No share options were granted under the New Scheme since its adoption on 5 September, 2002.

The following share options were outstanding under the Old Scheme during the six months ended 30 September, 2003:

Name or category of participant	Number of share options					As at 30 September, 2003	Date of grant of share options	Exercise period of share options	Adjusted exercise price of share options** HK\$	Price of Company's shares***	
	As at 1 April, 2003	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 September, 2003					At grant date of options HK\$	At exercise date of options HK\$
<b>Directors</b>											
Lui Chi	1,250,000	-	-	-	1,250,000	30 October, 1997	30 October, 1997 to 26 December, 2006	0.3507	0.5300	N/A	
	1,875,000	-	-	-	1,875,000	31 December, 1999	31 December, 1999 to 26 December, 2006	0.2240	0.2900	N/A	
	<u>3,125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,125,000</u>						
Lui Shing Ming, Brian	1,250,000	-	-	-	1,250,000	30 October, 1997	30 October, 1997 to 26 December, 2006	0.3507	0.5300	N/A	
	<u>4,375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,375,000</u>						

## SHARE OPTION SCHEME (Continued)

Name or category of participant	Number of share options					Date of grant of share options	Exercise period of share options	Adjusted exercise price of share options**	Price of Company's shares***	
	As at 1 April, 2003	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 September, 2003				At grant date of options	At exercise date of options
Other employees										
In aggregate	625,000	-	-	-	625,000*	31 December, 1999	31 December, 1999 to 26 December, 2006	0.2240	0.2900	N/A
	250,000	-	-	-	250,000	8 July 2000	8 January, 2001 to 26 December, 2006	1.0960	1.6500	N/A
	250,000	-	-	-	250,000	5 September, 2000	5 September, 2001 to 26 December, 2006	1.4048	2.2000	N/A
	7,500,000	-	-	-	7,500,000	6 March, 2000	23 September, 2000 to 26 December, 2006	2.7744	5.6000	N/A
	8,625,000	-	-	-	8,625,000					
	13,000,000	-	-	-	13,000,000					

### Notes:

- \* The share options to subscribe for 625,000 ordinary shares at HK\$0.2240 per share in the Company that were granted to the spouse of Mr. Lui Shing Chung, Victor have been included in the "Other employees" category above and remained outstanding as at 30 September, 2003.
- \*\* The exercise price is subject to adjustment in the case of any future rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* 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 of the Company as at the date of the grant of the share options.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are cancelled prior to their exercise date are deleted from the register of outstanding share options.