

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2004, the interests of the directors in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(1) Long positions in ordinary shares of the Company:

Name of director	Number of shares held, capacity and nature of interest		Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation		
Char On Man	54,183,000	167,832,000 (<i>note 1</i>)	222,015,000	70.0%
So Choi Hing, Stella	<u>3,885,000</u>	<u>–</u>	<u>3,885,000</u>	<u>1.2%</u>

(2) Long positions in shares of associated corporations:

(a) *Peking Fur Factory (Hong Kong) Limited, the Company's subsidiary*

Name of director	Capacity and nature of interest	Type of shares held	Number of shares held	Percentage of shareholding in respective class of shares
Char On Man	Directly beneficially owned	Non-voting deferred	11,444	95.3%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

(Continued)

(2) Long positions in shares of associated corporations: (Continued)

(b) Wellglow Investments Limited, the Company's holding company

Name of director	Number of ordinary shares held, capacity and nature of interest		Total	Percentage of shareholding in respective class of shares
	Directly beneficially owned	Through spouse or minor children		
Char On Man	674	100	774	89.5%
So Choi Hing, Stella	<u>60</u>	<u>–</u>	<u>60</u>	<u>6.9%</u>

Note:

- These shares are held through Wellglow Investments Limited, a company in which Char On Man has total interests of 89.5%.

Save as disclosed above, as at 30 September 2004, none of the directors and chief executive and their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period were rights to acquire benefits by means of the acquisition of share in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2004, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Wellglow Investments Limited	Directly beneficially owned	167,832,000	52.9%
Char On Man	Directly beneficially owned	54,183,000	17.1%

The above interest has also been disclosed as an interest of Char On Man under the section "Directors' interests and short positions in shares" above.

Save as disclosed above, as at 30 September 2004, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 18 January 2005 Tuesday to 21 January 2005 Friday (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the interim dividend declared, all transfers accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30p.m. on 17 January 2005 Monday.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the accounting period covered by the interim report, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's bye-laws.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard as set out in the Code throughout the six months ended 30 September 2004.

On behalf of the Board

CHAR ON MAN

Chairman and Managing Director

Hong Kong, 20 December 2004