

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The interests and short positions of the Directors, chief executives and their associates 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) at 30 September 2005, as recorded in the register maintained by the Company under Section 352 of Part XV of the Securities and Futures Ordinance, are as follows:

Director	Notes	Capacity and nature of interests	Number of ordinary shares held	Percentage of the Company's issued share capital
Ngai Chun Hung	(a)	As founder and beneficiary of a trust	490,934,400	52.18%
		Personal	5,406,000	0.57%
			496,340,400	52.75%
Yau Kwok Fai	(b)	Through controlled corporation	30,888,000	3.28%
Li Chi Pong		Personal	13,721,040	1.46%

Notes:

- These shares are legally and beneficially owned by Winhale Ltd., which is a company incorporated in the British Virgin Islands with limited liability and is ultimately beneficially owned by the Xyston Trust. The Xyston Trust is a discretionary family trust set up by Mr. Ngai Chun Hung for the benefits of himself and his family.
- These shares are legally and beneficially owned by Business Success Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Yau Kwok Fai.
- All of the above interests represent long position.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group solely for the purpose of complying with the previous minimum company membership requirement of the Hong Kong Companies Ordinance. Certain directors also have beneficial interests in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

Save as disclosed in the above, at 30 September 2005, none of the Directors or the chief executive of the Company or their respective spouse or children under 18 years of age had any interests in the equity or debt securities of the Company or any of its associated corporations which were required to be notified to the Company pursuant to Section 352 of the Securities and Futures Ordinance or to The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHT TO ACQUIRE SECURITIES

At no time during the six months ended 30 September 2005 was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company at 30 September 2005, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are as follows:

Name of shareholder	Notes	Number of ordinary shares held	Percentage of issued share capital
Winhale Ltd.	(a)	490,934,400	52.18%
Braveway Limited	(b)	490,934,400	52.18%
HSBC International Trustee Limited	(b)	490,934,400	52.18%
Guideshare Investments Limited	(c)	47,546,628	5.05%
Shek Yuen Ling	(c)	47,546,628	5.05%

Notes:

- The above interest in the name of Winhale Ltd. was also disclosed as interests of Mr. Ngai Chan Hung under the heading "Directors' Interests in Securities". In addition, these shares are ultimately beneficially owned by the Xyston Trust.
- Braveway Limited and HSBC International Trustee Limited are deemed to be interested in the 490,934,400 shares of the Company held by Winhale Ltd. by virtue of the fact that Winhale Ltd. is wholly owned by the trusts of which Braveway Limited and HSBC International Trustee Limited are the trustee.
- Ms. Shek Yuen Ling, who controls Guideshare Investments Limited, is deemed to be interested in the 47,546,628 shares in the Company held by Guideshare Investments Limited.
- All of the above interests represent long position.

INTEREST OF ANY OTHER PERSONS

As at 30 September 2005, the Company had not been notified of any persons (other than the substantial shareholders or the directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2005.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code Provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during this period, except for the following deviations:

1. Code Provision A.4.2

Under the requirement of Code Provision A.4.2, every director should be subject to retirement by rotation at least once every three years.

According to the Company's bye-laws, the chairman of the board and/or the managing director of the Company are not subject to retirement. The Board will propose to amend the Company's bye-laws to comply with Code Provision A.4.2 at the next annual general meeting.

2. Code Provision B.1.1

Under the requirement of Code Provision B.1.1, a remuneration committee with specific written terms of reference should be established. A majority of the members of the remuneration committee should be independent non-executive directors. The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.

On 16 December 2005, the Board of Directors established the remuneration committee with specific written terms of reference. The Company's remuneration committee consists of three Independent Non-executive Directors, namely Professor Ko Jan Ming, Mr. Ip Kowk Him, GBS, JP and Mr. Fung Pui Cheung, Eugene, and one Executive Director, namely Mr. Yau Kwok Fai. The terms of reference of the Company's remuneration committee will be included on the Company's website and is available on request.

3. Code Provision C.3.3

Under the requirement of Code Provision C.3.3, the terms of reference of the audit committee should include at least those duties as set out in that code provision.

On 16 December 2005, the Board of Directors revised the terms of reference of the Audit Committee to incorporate all the duties as set out in Code Provision C.3.3. The revised terms of reference of the Audit Committee will be included on the Company's website and is now available on request.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises the three Independent Non-executive Directors of the Company, Prof. Ko Jan Ming, Mr. Ip Kwok Him, GBS, JP and Mr. Fung Pui Cheung, Eugene. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters. The Audit Committee has also reviewed the unaudited interim financial statements for the six months ended 30 September 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding the Directors' securities transactions. Following specific enquiry made by the Company, the Directors have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2005.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members of the Group for their hard work and dedication and the all shareholders of the Company for their support.

On behalf of the Board
Ngai Chun Hung
Chairman

Hong Kong, 16 December 2005