

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30 September 2005, the following persons or corporations, other than the interest disclosed above in respect of the directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

主要股東於本公司之股份及相關股份之權益及淡倉

於二零零五年九月三十日，根據本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊紀錄所顯示，以下人士或公司（除上述披露有關董事所持之權益外）持有本公司已發行股本及相關股份百分之五或以上之股份權益：

| Name of shareholder 股東名稱 | Number of shares held 所持股票數目 | Approximate percentage of the total number of shares in issued 約佔已發行股份百分比 |
|---|--|---|
| Ordinary shares of HK\$0.01 each in the Company 本公司每股面值0.01港元之普通股 | | |
| Fung Fai Growth Limited (Note (a)) Fung Fai Growth Limited (附註(a)) | 340,000,000 | 32.08% |
| Kingswell Holdings Group Limited (Note (b)) Kingswell Holdings Group Limited (附註(b)) | 192,000,000 | 18.12% |

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

- (a) The entire issued share capital of Fung Fai Growth Limited is owned by a trust of which the discretionary objects are family members of Mr. Cheng Kai Ming, Charles, including a director of the Company, Mr. Cheng Wai Lun, Andrew.
- (b) The entire issued share capital of Kingswell Holdings Group Limited is beneficially owned by Mr. Janusz Mieczyslaw Stempnowski.

Save as disclosed above, as at 30 September 2005, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

主要股東於本公司之股份及相關股份之權益及淡倉 (續)

附註：

- (a) Fung Fai Growth Limited之全部已發行股本乃由一項信託持有，其酌情受益人乃鄭啟明先生之家族成員，包括本公司之董事鄭偉倫先生。
- (b) Kingswell Holdings Group Limited之全部已發行股本乃由 Mr. Janusz Mieczyslaw Stempnowski 實益擁有。

除上文所披露者外，於二零零五年九月三十日，董事並不知悉有任何其他人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份、股本衍生工具或債券中擁有根據證券及期貨條例第XV部，須向本公司披露之權益或淡倉。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Listing Rules have recently been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices (“Code”) and adding a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed Issuers. Subject to certain transitional arrangements, the amendments took effect on 1 January 2005.

The Company has complied with the Code throughout the six months ended 30 September 2005, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company are subject to the retirement provisions under article 157(A) of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

企業管治常規守則

聯交所最近已修訂上市規則，當中包括以新企業管治常規守則（「守則」）取代附錄14之最佳應用守則，以及加入有關上市發行人年報須載有企業管治報告之規定之新附錄23。待作出若干過渡安排後，修訂已於二零零五年一月一日生效。

除有關董事之服務年期事宜偏離守則內守則條文第A.4.1條外，本公司已於截至二零零五年九月三十日止六個月一直遵守守則。

本公司現時之非執行董事（包括獨立非執行董事）並無特定任期，此偏離守則之守則條文第A.4.1條。然而，本公司全體董事須遵守本公司組織章程細則第157(A)條之退任條文。因此，本公司認為已採取足夠措施，以確保本公司之企業管治常規不遜於守則所載者。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited condensed accounts for the six months ended 30 September 2005 before recommending them to the Board for approval.

The Committee comprises three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2005 and 31 March 2005, the Group employed a total of 4 full-time employees, including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」）。經本公司查詢後，本公司全體董事確認，彼等於期內一直遵照標準守則所載之標準規定。

審核委員會

審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論有關審核、內部監控及財務申報等事項，包括向董事會提交尋求批核前先行審閱截至二零零五年九月三十日止六個月之未經審核簡明賬目。

委員會由三名獨立非執行董事組成，分別為黃偉光先生、馮振雄醫生及葉漫天先生。

僱員及薪酬政策

於二零零五年九月三十日及二零零五年三月三十一日，本集團合共僱用4名全職僱員（包括本集團執行董事）。僱員之薪酬按市場薪酬而釐定。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group has no significant exposure to foreign exchange fluctuation.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2005, there was no repurchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

By Order of the Board
Li Kwok Cheung, George
Executive Director

Hong Kong, 15 December 2005

匯兌波動風險及有關對沖

本集團之資產及負債均以港元定值。因此，本集團並無因匯兌波動而造成之重大風險。

購回、出售或贖回本公司之上市證券

截至二零零五年九月三十日止六個月期間內，本公司或其任何附屬公司概無購回、出售或贖回本公司之任何上市證券。

承董事會命
執行董事
李國祥

香港，二零零五年十二月十五日