

Review of Interim Results

The unaudited interim results of the Group for the six months ended 31st December, 2005 have been reviewed by the Audit Committee and auditors of the Company, Messrs. Deloitte Touche Tohmatsu.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31st December, 2005, the interests and short positions of the Directors and chief executives of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept 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 ("Model Code") were as follows:

(A) the Company⁽ⁱ⁾

Directors	Shares	Underlying shares of equity derivatives				Share options (held as beneficial owner) ^(iv)	Total interests	% of issued share capital
		Warrants ⁽ⁱⁱ⁾						
		Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests ⁽ⁱⁱⁱ⁾ (interests of controlled corporation)	Other interests			
Gordon Ying Sheung WU	300,000 ^(v)	6,249,403	2,191,000 ^(v)	11,124,999	3,068,000 ^(vi)	–	22,933,402	0.79%
Eddie Ping Chang HO	2,165,600 ^(vii)	–	–	–	–	–	2,165,600	0.07%
Thomas Jefferson WU	550,000 ^(viii)	4,480,500	–	82,000	–	–	5,112,500	0.18%
Leo Kwok Kee LEUNG	–	1,000	–	–	–	2,000,000	2,001,000	0.07%
Kojiro NAKAHARA	–	1,067	–	–	–	–	1,067	0.00%

Notes:

- (i) All interests in the shares and underlying shares of equity derivatives of the Company were long positions. None of the Directors or chief executives held any short position in the shares and underlying shares of equity derivatives of the Company.
- (ii) The warrants of the Company conferred rights to subscribe for shares at an initial subscription price per share equivalent to the initial public offer price of the shares of HK\$4.18 (subject to adjustment) exercisable during a period of 3 years from 6th August, 2003 to 5th August, 2006.
- (iii) The corporate interests were beneficially owned by a company in which the relevant Director was deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.
- (iv) The share options granted were under the Share Option Scheme to subscribe for shares of the Company, further details of which are set out in the section headed "Share Options".
- (v) The interests in 300,000 shares and 2,191,000 underlying shares of warrants were interests held by Lady Ivy Sau Ping KWOK WU ("Lady Ivy WU"), the wife of Sir Gordon Ying Sheung WU ("Sir Gordon WU").
- (vi) The other interests in 3,068,000 underlying shares of warrants represented the interests held jointly by Sir Gordon WU and Lady Ivy WU.
- (vii) The interests in 2,165,600 shares held by Mr. Eddie Ping Chang HO included personal interests of 1,824,046 shares, family interests of 136,554 shares and corporate interests of 205,000 shares.
- (viii) The interests in 550,000 shares represented beneficial interests of Mr. Thomas Jefferson WU.

(B) Associated Corporations

Hopewell Holdings Limited ("HHL")

Directors	HHL Shares				Underlying shares of equity derivatives ⁽ⁱⁱ⁾ (i.e. HHL share options)	Total interests	% of issued share capital
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests ⁽ⁱ⁾ (interests of controlled corporation)	Other interests			
Gordon Ying Sheung WU	71,744,032	21,910,000 ⁽ⁱⁱⁱ⁾	111,250,000	30,680,000	–	235,584,032	26.22%
Eddie Ping Chang HO	24,240,462	1,365,538	2,050,000	–	–	27,656,000	3.08%
Thomas Jefferson WU	27,130,000	–	820,000	–	–	27,950,000	3.11%
Kojiro NAKAHARA	10,671	–	–	–	–	10,671	0.00%
Leo Kwok Kee LEUNG	10,000	–	–	–	–	10,000	0.00%
Lee Yick NAM	90,000	–	–	–	–	90,000	0.01%
Alan Chi Hung CHAN	585,000	–	–	–	–	585,000	0.07%
Cheng Hui JIA	441,000	–	–	–	–	441,000	0.05%
Barry Chung Tat MOK	–	–	–	–	2,500,000	2,500,000	0.28%

Notes:

- (i) The corporate interests of HHL shares were beneficially owned by a company in which the relevant Director was deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.
- (ii) The interests in underlying shares of equity derivatives represented interests in HHL share options granted under the share option scheme of HHL adopted on 1st November, 2003 to subscribe for HHL Shares, details of which are set out below:

Director	Date of grant	Exercise price per share HK\$	Number of outstanding options	Exercise period
Barry Chung Tat MOK	02/09/2005	19.94	2,500,000	02/03/2006 – 01/03/2009

- (iii) The family interests in 21,910,000 HHL shares represented the interests of Lady Ivy Sau Ping KWOK WU, the wife of Sir Gordon Ying Sheung WU.

All the above interests in the shares and underlying shares of equity derivatives of associated corporations were long positions.

Save as aforesaid, as at 31st December, 2005, none of the Directors or chief executives had any other interests or short position in shares, underlying shares and debentures of associated corporations which had been entered in 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.

Share Options

- (a) The share option scheme of the Company was approved by the written resolutions of the then sole shareholder of the Company passed on 16th July, 2003 and approved by shareholders of Hopewell Holdings Limited at an extraordinary general meeting held on 16th July, 2003 (the "Option Scheme"). The Option Scheme will expire on 15th July, 2013.
- (b) There was no movement in the share options under the Option Scheme during the period ended 31st December, 2005 and as at 31st December, 2005, the outstanding share options were as follows:-

	Date of grant	Exercise Price HK\$	Balance of outstanding options at 01/07/2005	Options granted during the period	Options exercised during the period	Options cancelled/lapsed during the period	Balance of outstanding options at 31/12/2005	Exercise period	Closing price before date of grant falling within the period HK\$
Director									
Leo Kwok Kee LEUNG	08/09/2004	4.875	2,000,000	-	-	-	2,000,000	08/09/2004-07/09/2007	N/A
Employee									
	08/09/2004	4.875	400,000	-	-	-	400,000	08/09/2004-07/09/2007	N/A
Total			2,400,000	-	-	-	2,400,000		

All options granted are exercisable from the date of grant.

Substantial Shareholders

As at 31st December, 2005 to the best knowledge of the Directors, the interests of persons (other than Directors and chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares (corporate interests)	% of issued share capital
Anber Investments Limited	Beneficial owner	2,160,000,000 ^(A)	74.77%
Delta Roads Limited	Interests of controlled corporation	2,160,000,000 ^(A)	74.77%
Dover Hills Investments Limited	Interests of controlled corporation	2,160,000,000 ^(A)	74.77%
Supreme Choice Investments Limited	Interests of controlled corporation	2,160,000,000 ^(A)	74.77%
Hopewell Holdings Limited	Interests of controlled corporation and Beneficial owner ^(B)	2,160,200,000 ^(B)	74.78%

Notes:

(A) The 2,160,000,000 shares were held by Anber Investments Limited ("Anber"), a wholly-owned subsidiary of Delta Roads Limited ("Delta") which was wholly-owned by Dover Hills Investments Limited ("Dover"). Dover was in turn 100% owned by Supreme Choice Investments Limited ("Supreme"), a wholly-owned subsidiary of Hopewell Holdings Limited ("HHL"). The interests of Anber, Delta, Dover, Supreme and HHL in 2,160,000,000 shares were long positions, represented the same block of shares and were deemed under the SFO to have same interests with each other.

(B) 200,000 shares were held as beneficial owner and the remaining 2,160,000,000 shares were held through interests of controlled corporations referred to in Note (A).

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the issued share capital of the Company and recorded in the register maintained under Section 336 of the SFO as at 31st December, 2005.

Purchase, Sale or Redemption of Securities

There was no purchase, sale or redemption by the Company or any of its subsidiaries of securities of the Company during the six months ended 31st December, 2005.

Employees and Remuneration Policies

As at 31st December, 2005, the Group, excluding the joint venture companies, had a total of 40 full-time staff, with 34 in Hong Kong and 6 in the PRC. The Group aims to offer competitive remuneration packages that are regularly monitored in relation to the market. On-going staff development programs are provided within the Group to encourage continuous learning and improvements at work.

Corporate Governance

During the period under review, the Company has complied with all code provisions set out in the Code on Corporate Governance Practices ("CG-Code") contained in Appendix 14 of the Listing Rules. Amendments to the articles of association of the Company to reflect the requirements under code provision A.4.2 on the retirement of all directors by rotation at least once every three years were approved by shareholders at the annual general meeting held on 19th October, 2005.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("the Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors who confirmed compliance with the required standard set out in the Code for the period under review.

Written guidelines on no less exacting terms than the Code relating to securities transaction for the Relevant Employees were adopted by the Company with effect from 1st July, 2005.

Audit Committee

The terms of reference of the Audit Committee were revised in accordance with the provisions set out in the CG-Code on 1st July, 2005. The Company's interim report for the six months ended 31st December, 2005 has been reviewed by the Audit Committee.

Remuneration Committee

The Company established a Remuneration Committee on 1st July, 2005 with written terms of reference in compliance with the CG-Code. The Committee comprises three members with the majority being Independent Non-Executive Directors. During the six months ended 31st December, 2005, the Committee has reviewed the Directors' fees for the year ending 30th June, 2006.

Disclosure under Chapter 13.18 of the Listing Rules

A loan agreement was entered into by a wholly-owned subsidiary of the Company for a facility in the aggregate amount of HK\$3,600,000,000 with a tenor of 5 years from 13th October, 2005. Pursuant to the loan agreement, it will be an event of default if the Company ceases at any time to be a subsidiary of Hopewell Holdings Limited.

By order of the Board

Sir Gordon Ying Sheung WU GBS, KCMG, FICE

Chairman

Hong Kong, 27th February, 2006