

## Agriculture

Recent rising prices in agricultural produce are generally a good sign for our business units. We are optimistic that the recent trend will benefit our freshwater produce which harvests in the fourth quarter, but remain cautious for our fruit products that harvest next year. Overall, we are still looking to expand acreage in Hebei as acquisition is still cheap, and may consider other Northern provinces in the PRC in the future.

We are exploring the possibility of deploying our agricultural lands for the other purposes in order to create more values and returns to our shareholders.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2006, the interests and short positions of the Directors and Chief Executives of the Company in the shares, underlying shares or debenture of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

#### (1) Long positions in ordinary shares of HK\$0.025 each of the Company:

Name of Director	Note	Number of shares held, capacity and nature of interest		Total	Approximate Percentage of the Company's issued share capital
		Directly beneficiary owned	Through controlled corporation		
Ng Hung Sang ("Mr. Ng")	(a)	71,652,200	1,272,529,612	1,344,181,812	73.72%
Richard Howard Gorges ("Mr. Gorges")	(a)	–	487,949,760	487,949,760	26.76%
Cheung Choi Ngor ("Ms. Cheung")	(a)	–	487,949,760	487,949,760	26.76%

**(2) Long positions in ordinary shares of associated corporations:**

*(a) Interests in Shares*

(i) South China Brokerage Company Limited (“SCB”) *(Note b)*

Name of Director	Note	Number of ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Ng		7,378,000	Directly beneficiary owned	0.15%
	(c)	3,637,302,500	Through controlled corporations	72.67%
		<u>3,644,680,500</u>		<u>72.82%</u>
Mr. Gorges		12,174,000	Directly beneficiary owned	0.24%

(ii) South China Industries Limited (“SCI”) *(Note d)*

Name of Director	Note	Number of ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Ng	(e)	396,621,357	Through controlled corporations	74.79%

(iii) Nority International Group Limited (“Nority”) *(Note f)*

Name of Director	Note	Number of ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Ng	(g)	255,885,561	Through controlled corporation	95.35%

(iv) South China Financial Credits Limited (“SCFC”) *(Note h)*

Name of Director	Note	Number of ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Ng Yuk Fung, Peter		250,000	Directly beneficiary owned	0.59%

(v) The Express News Limited (“Express News”) (Note i)

Name of Director	Note	Number of ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation’s issued share capital
Mr. Ng	(j)	30	Through controlled corporation	30%

(b) Interests in underlying shares of SCB – Share Options Scheme of SCB

Name of Director	Capacity	Number of underlying shares*	Approximate percentage of shareholding
Mr. Gorges	Beneficial owner	30,000,000	0.60%
Ms. Cheung	Beneficial owner	30,000,000	0.60%
Mr. Ng Yuk Fung, Peter	Beneficial owner	50,000,000	1.00%

\* Represents underlying shares subject to share options granted to the directors, details of which are as follows:-

Name of Director	Date of Grant (DD/MM/YY)	Subscription Price HK\$	No. of share options granted	Exercise Period (DD/MM/YY)
Mr. Gorges	16/03/2006	0.128	10,000,000	16/03/2007 – 15/03/2009
			10,000,000	16/03/2008 – 15/03/2010
			10,000,000	16/03/2009 – 15/03/2011
Ms. Cheung	16/03/2006	0.128	10,000,000	16/03/2007 – 15/03/2009
			10,000,000	16/03/2008 – 15/03/2010
			10,000,000	16/03/2009 – 15/03/2011
Mr. Ng Yuk Fung, Peter	16/03/2006	0.128	10,000,000	16/03/2007 – 15/03/2009
			10,000,000	16/03/2008 – 15/03/2010
			10,000,000	16/03/2009 – 15/03/2011
	26/04/2006	0.128	6,666,667	26/04/2007 – 25/04/2009
			6,666,667	26/04/2008 – 25/04/2010
			6,666,666	26/04/2009 – 25/04/2011

*Notes:*

- (a) The 1,272,529,612 shares referred to above included 371,864,000 shares held by Parkfield Holdings Limited ("Parkfield"), 396,050,252 shares held by Fung Shing Group Limited ("Fung Shing"), 16,665,600 shares held by Ronastar Investments Limited ("Ronastar"), 237,303,360 shares held by Bannock Investment Limited ("Bannock") and 250,646,400 shares held by Eartrade Investments Limited ("Eartrade"). Parkfield, Fung Shing and Ronastar are all wholly owned by Mr. Ng. Bannock is a wholly owned subsidiary of Eartrade which is owned as to 60% by Mr. Ng, 20% by Ms. Cheung and 20% by Mr. Gorges, all of whom are considered as parties to an agreement to which Section 317 of the SFO applies. As such Mr. Ng, Ms. Cheung and Mr. Gorges were deemed to have an interest in 487,949,760 shares in the Company, which are being held by both Bannock and Eartrade.
- (b) The Company owned 72.67% in the issued share capital of SCB.
- (c) The 3,637,302,500 shares in SCB were held by certain wholly owned subsidiaries of the Company. By virtue of the interests in the shares of the Company in relation to which Mr. Ng has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (a) above and as a Director of the Company, Mr. Ng is taken to have a duty of disclosure in relation to the said shares of SCB under the SFO.
- (d) SCI was a 74.79% owned subsidiary of the Company.
- (e) The 396,621,357 shares in SCI were held by certain wholly owned subsidiaries of the Company. By virtue of the interests in the shares of the Company in relation to which Mr. Ng has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (a) above and as a Director of the Company, Mr. Ng is taken to have a duty of disclosure in relation to the said shares of SCI under the SFO.
- (f) Nority was a 95.35% owned subsidiary of SCI.
- (g) The 255,885,561 shares in Nority were held by an indirect wholly-owned subsidiary of SCI. By virtue of the interests in the shares of the Company in relation to which Mr. Ng has a duty of disclosure under the SFO in the issued share capital of the Company as described in Note (a) above and as a Director of the Company, Mr. Ng is taken to have a duty of disclosure in relation to the said shares of Nority under the SFO.
- (h) SCFC is a 97.44% owned subsidiary of SCB.
- (i) Express News was a 70% owned subsidiary of the Company.
- (j) Mr. Ng and his family, through a company wholly owned and controlled by them, had interests in 30 shares in Express News.

Save as disclosed above, as at 30 June 2006, none of the Directors or Chief Executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of 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 pursuant to the Model Code.