

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30th June, 2005, none of the directors or chief executive (including their spouses and children under 18 years of age) of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies (the "Model Code") in the Listing Rules, to be notified to the Company and the Stock Exchange.

At no time during the year, have the directors and chief executive (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations (within the meaning of the SFO).

At no time during the year was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or chief executives (including their spouses and children under 18 years of age) of the Company to hold any interests or short positions in the shares, underlying shares in or debentures of, the Company or its associated corporations.

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

As at 30th June, 2005, the following persons or corporations, 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:

Name of shareholder	Number of ordinary shares	% of total issued shares
Endless Wealth Limited [#]	15,000,000	20.83%

[#] Principally engaged in investment holding business, and wholly owned by and controlled by Mr. Chin Melvyn Michael.

Save as disclosed above, as at 30th June, 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.

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 1st January, 2005.

The Company has complied with the Code throughout the six months ended 30th June, 2005, with deviations from code provisions A.4.1 and A.4.2 of the Code only in respect of the service term and rotation of directors.

Pursuant to code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, the Articles of Association of the Company had been amended to specify that notwithstanding any other provisions in the existing Articles of Association of the Company, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than shall retire from office by rotation. As a result, every Director will be subject to retirement by rotation at least once every three years in compliance with the code provision A.4.2. Code provision A.4.2 also provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Accordingly, the Articles of Association of the Company had been amended to specify that any director appointed to fill a casual vacancy shall hold office until the next following general meeting instead of the next following annual general meeting.

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 paragraph(1) of article 88 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.

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 30th June, 2005 before recommending them to the Board for approval.

The Committee comprises three independent non-executive directors, namely Mr. Kong Tze Wing, Mr. Siu Siu Ling, Robert and Mr. Ng Yick Man, Andy.

By order of the Board
Choi Wai Yin
Chairman

Hong Kong, 29th September, 2005

As at the date of this report, the Board consists of Mr. Choi Wai Yin, Mr. Wong Wing Hong Benny and Mr. Wong Wai Kwong David as executive directors, and Mr. Kong Tze Wing, Mr. Ng Yick Man Andy and Mr. Siu Siu Ling Robert as independent non-executive directors.