

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

At 30 September 2005, as shown in the register of substantial shareholders maintained by the Company under section 336 of the SFO, the following corporation/person had an interest of 5% or more in the issued share capital and short positions of the Company:

Name (Note 2)	Capacity	Number of ordinary shares of HK\$0.10 each in the Company (Note 1)	Approximate percentage of shareholding
Automatic Result Limited	Beneficial owner	95,000,000 (L)	52.78%
Tong Kit Shing	Interests of a controlled corporation	95,000,000 (L)	52.78%
Liu Guo Yao	Interests of a controlled corporation	95,000,000 (L)	52.78%

Notes:

1. The letter "L" represents the interests in the shares and underlying shares in the Company.
2. Automatic Result Limited ("Automatic Result") is solely and beneficially owned by Mr Tong Kit Shing and Mr Liu Guo Yao is the sole director of Automatic Result. Mr. Tong and Mr. Liu are therefore deemed to be interested in the shares in the Company beneficially owned by Automatic Result.

Save as disclosed above, the directors of the Company are not aware of any other persons who had interests of 5% or more in the issued share capital of the Company.

SHARE OPTION SCHEME

On 22 October 2001 ("Adoption Date"), the then shareholders of the Company passed a written resolution to adopt the share option scheme ("Share Option Scheme") of the Company. The Share Option Scheme will remain in force for a period of ten years from the Adoption Date. At 30 September 2005, no option has been granted by the Company pursuant to the Share Option Scheme.

PURCHASE, SALES OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2005, save for the following deviations:

Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, none of the three independent non-executive directors is appointed for a specific term. However, all independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company (the "Articles"), and the terms of their appointment will be reviewed when they are due for re-election. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

Code Provision A.4.2

Under this code provision, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Articles, the Chairman of the Board and the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire each year. This constituted a deviation from the Code Provision A.4.2. To comply with the code provision, appropriate amendments to the Articles will be proposed to the shareholders for approval at the general meeting in future.

Code Provision B.1.1

Under this code provision, the Company should establish a remuneration committee with terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors.

The Company has not established the remuneration committee and will establish one with appropriate terms of reference in the second half of the financial year ending 31 March 2006.

COMPLIANCE WITH MODEL CODE

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 have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2005.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited consolidated accounts for the six months ended 30 September 2005 with the directors. The Committee now comprises three independent non-executive directors, namely, Mr. Zhou Yao Ming, Mr. Lin Jian and Mr. So Yin Wai.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

This interim report is published on the website of The Stock Exchange of Hong Kong Limited www.hkex.com.hk.

By Order of the Board
Mr. Tong Kit Shing
Chairman

Hong Kong, 28 October 2005

At the date of this report, the board of directors of the Company comprises:

Executive directors:

Tong Kit Shing (*Chairman*)

Liu Guo Yao (*Chief Executive Officer*)

Cheng Wai Man

Independent non-executive directors:

Zhou Yao Ming

Lin Jian

So Yin Wai