

Other Information

Directors' interests in shares

As at 30 September 2005, the interests or short positions of the Directors and chief executives of the Company and their associates in the issued share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

(1) *Interests in the Company*

	Ordinary shares of HK\$1 each				Total	Percentage of total issued shares
	Personal interests	Family interests	Corporate interests	Other interests		
Dennis Lo Hoi Yeung	2,952,105	–	–	51,984,279 <i>(note 1)</i>	54,936,384	44.14%
Ng Chi Keung	600,000	–	–	–	600,000	0.48%
Chan Chee Shing	30,000	–	–	–	30,000	0.02%

Note 1: These shares were held by Neblett Investments Limited ("Neblett"), a company beneficially owned by a trust of which Mr. Dennis Lo Hoi Yeung is a discretionary object. Mr. Dennis Lo Hoi Yeung, by virtue of his interest in the trust as a discretionary object and as the Chairman and Chief Executive of the Company, is deemed to be interested in the shares held by Neblett.

(2) *Interests in Fairwood Fast Food Limited*

	Non-voting deferred shares of HK\$10 each				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Dennis Lo Hoi Yeung	11,500	–	–	279,357 <i>(note 2)</i>	290,857

Note 2: These shares were held by Pengto International Limited (“Pengto”), a company beneficially owned by a trust of which Mr. Dennis Lo Hoi Yeung is a discretionary object. Mr. Dennis Lo Hoi Yeung, by virtue of his interest in the trust as a discretionary object and as the Chairman and Chief Executive of the Company, is deemed to be interested in the shares held by Pengto.

All the interests stated above represent long positions.

Save as aforesaid and disclosed under the section “Share option scheme” below, as at 30 September 2005, none of the Directors or chief executives of the Company had any other interests or short positions in shares of the Company or any of its 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 option scheme

As at 30 September 2005, the Directors and employees of the Company had the following options to subscribe for shares of the Company pursuant to the share option scheme of the Company:

	No. of options outstanding at 1 April 2005	No. of options granted during the period	Date granted	Exercisable period	No. of options cancelled during the period	No. of options exercised during the period	No. of options outstanding at 30 September 2005	Exercise price per share (HK\$)	Closing price per share immediately before date of grant of options (HK\$)	Closing price per share immediately before date of exercise of options (HK\$)
Ng Chi Keung	750,000	-	7 February 2003	1 January 2004 to 31 December 2008 (Note 1)	-	250,000	500,000	1.00	0.75	4.075
Chan Chee Shing	750,000	-	7 February 2003	1 January 2004 to 31 December 2008 (Note 1)	-	100,000	650,000	1.00	0.75	3.525
Employees	1,510,000	-	7 February 2003	1 January 2004 to 31 December 2008 (Note 1)	53,500	107,000	1,349,500	1.00	0.75	4.015*
Employee	1,200,000	-	2 August 2004	1 January 2006 to 31 December 2008 (Note 2)	-	-	1,200,000	2.075	2.10	-
Employee	800,000	-	1 September 2004	23 September 2005 to 22 September 2009 (Note 3)	-	-	800,000	2.325	2.35	-
Employee	-	600,000	25 April 2005	14 June 2006 to 13 June 2013 (Note 4)	-	-	600,000	3.50	3.50	-

* being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were exercised.

Notes:

- (1) These options shall be exercisable in the following four batches:
 - (i) One-fourth of the options is exercisable during the period from 1 January 2004 to 31 December 2008;
 - (ii) One-fourth of the options is exercisable during the period from 1 January 2005 to 31 December 2008;
 - (iii) One-fourth of the options is exercisable during the period from 1 January 2006 to 31 December 2008; and
 - (iv) One-fourth of the options is exercisable during the period from 1 January 2007 to 31 December 2008.

- (2) These options shall be exercisable in the following three batches:
 - (i) 500,000 options are exercisable during the period from 1 January 2006 to 31 December 2008;
 - (ii) 500,000 options are exercisable during the period from 1 January 2007 to 31 December 2008; and
 - (iii) 200,000 options are exercisable during the period from 1 January 2008 to 31 December 2008.

- (3) These options shall be exercisable in the following four batches:
 - (i) One-fourth of the options is exercisable during the period from 23 September 2005 to 22 September 2006;
 - (ii) One-fourth of the options is exercisable during the period from 23 September 2006 to 22 September 2007;
 - (iii) One-fourth of the options is exercisable during the period from 23 September 2007 to 22 September 2008; and
 - (iv) One-fourth of the options is exercisable during the period from 23 September 2008 to 22 September 2009.

- (4) These options shall be exercisable in the following five batches:
- (i) One-fifth of the options is exercisable during the period from 14 June 2006 to 13 June 2009;
 - (ii) One-fifth of the options is exercisable during the period from 14 June 2007 to 13 June 2010;
 - (iii) One-fifth of the options is exercisable during the period from 14 June 2008 to 13 June 2011;
 - (iv) One-fifth of the options is exercisable during the period from 14 June 2009 to 13 June 2012; and
 - (v) One-fifth of the options is exercisable during the period from 14 June 2010 to 13 June 2013.

The estimated fair value of the share options that were granted after 7 November 2002 but which had not vested on 1 January 2005 are recognised in the financial statements over the relevant vesting periods according to the HKFRS 2. The weighted average value per option granted during the six months ended 30 September 2005 estimated at the date of grant using the Binomial Option Pricing Model was calculated with the following variables:

	Six months ended 30 September 2005
Weighted average value per option granted (HK\$)	1.54
Variables:	
Risk-free interest rate per annum (%)	3.20
Expected life (years)	5.70
Annualised volatility (%)	60.00
Expected dividend yield (%)	4.00

The Binomial Option Pricing Model was developed to estimate the fair value of American style options. It is one of the commonly used models to estimate the fair value of an option which can be exercised before the expiry of the option period. Such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Because changes in the subjective input assumptions can materially affect the fair value estimate, the Binomial Option Pricing Model costs does not necessarily provide a reliable measure of the fair value of the share options.

Apart from the foregoing, at no time during the six months ended 30 September 2005 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any of its associated corporations within the meaning of the SFO.

Substantial interests in the share capital of the Company

As at 30 September 2005, the interests or short positions of every person, other than the 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 by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company, were as follows:

			Shares directly and/or indirectly held	Percentage of total issued shares
	<i>Note</i>			
(i)	Neblett	(1)	51,984,279	41.76%
(ii)	Jumbo Easy Limited	(1)	51,984,279	41.76%
(iii)	Winning Spirit International Corp	(1)	51,984,279	41.76%
(iv)	HSBC International Trustee Limited	(1)	51,984,279	41.76%
(v)	Arisaig Greater China Fund Limited	(2)	9,150,000	7.35%
(vi)	Arisaig Partners (Mauritius) Limited	(2)	9,150,000	7.35%
(vii)	Lindsay William Ernest Cooper	(2)	9,150,000	7.35%
(viii)	Lloyd George Investment Management (Bermuda) Limited		9,954,000	7.99%

Notes:

- (1) These interests were held by Neblett and represent the same block of shares. Neblett was a company wholly-owned by Winning Spirit International Corp, which in turn was a company wholly-owned by HSBC International Trustee Limited in the capacity of trustee. Jumbo Easy Limited was deemed to be interested in these shares in the capacity of a discretionary object of the trust which beneficially owned Neblett and as a wholly-owned company of Mr. Dennis Lo Hoi Yeung. HSBC International Trustee Limited was deemed to be interested in the shares held by Neblett in the capacity of trustee of the trust which beneficially owned Neblett.
- (2) These interests represent the same block of shares and are beneficially owned by Arisaig Greater China Fund Limited. Arisaig Partners (Mauritius) Limited was the investment manager of Arisaig Greater China Fund Limited and was thereby deemed to have an interest in the shares in which Arisaig Greater China Fund Limited was interested.

Lindsay William Ernest Cooper had an indirect beneficial interest of 33 per cent in Arisaig Partners (Mauritius) Limited and was thereby deemed to have an interest in the shares in which Arisaig Partners (Mauritius) Limited was interested.

All the interests stated above represent long positions.

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO as at 30 September 2005.

Dividend distribution

The Board declared payment of an interim dividend distribution of HK10.0 cents (2004: HK8.8 cents) per share and a special dividend distribution of HK8.0 cents (2004: Nil) per share for the year ending 31 March 2006 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 16 December 2005. This represents a total distribution of approximately 55% of the Group's profit attributable to shareholders. The interim and special dividend distribution will be paid on or before 23 December 2005.

Closure of register of members

The Register of Members of the Company will be closed from 15 December 2005 to 16 December 2005 both days inclusive, during which no transfer of shares will be effected. In order to qualify for the interim and special dividend distribution, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:00 p.m. on 14 December 2005.

Purchase, sale or redemption of the Company's listed securities

During the six months ended 30 September 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate governance

In the opinion of the Board, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices ("Code Provision") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2005, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and CEO and Mr. Dennis Lo Hoi Yeung currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by an effective Board which comprises experienced and high calibre individuals with a majority number thereof being Independent Non-executive Directors.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election, and Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company's Bye-Laws. According to the Bye-Laws of the Company, (i) new Directors appointed by the Board during the year shall retire and submit themselves for re-election at the first annual general meeting after their appointment; and (ii) at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third) shall retire from office, provided that no Director holding office as executive chairman or as a managing director shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire.

To ensure full compliance with Code Provision A.4.1, the Company proposes to appoint all Non-executive Directors for a specific term of no more than three years, but subject to retirement by rotation and re-election by the shareholders.

To comply with Code Provision A.4.2, the Board will propose relevant amendments to be made to the Bye-Laws of the Company for approval by the shareholders at the forthcoming special general meeting or annual general meeting of the Company, whichever comes first.

Code Provision B.1.1 stipulates establishment of a remuneration committee with specific written terms of reference and Code Provision B.1.4 stipulates that the remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board. The Company has not yet established a remuneration committee and is currently conducting reviews on the terms of reference for the establishment of such committee.

Audit committee

The audit committee comprises three Independent Non-executive Directors and reports to the Board. The audit committee has reviewed with the management and the Company's external auditors the unaudited financial information and interim results for the six months ended 30 September 2005.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period ended 30 September 2005.

Appreciation

I would like to take this opportunity to thank my fellow Directors, as well as the management and all our employees for the contribution they have made for the Group's continued progress, and to our shareholders, customers and business partners for their support.

By Order of the Board
Dennis Lo Hoi Yeung
Chairman and Chief Executive

Hong Kong, 29 November 2005