

- \* Pursuant to the provisions of the share option scheme conditionally adopted by the Company on 18 September 1997, adjustments are required to be made to the exercise price and the number of shares falling to be issued upon exercise of the outstanding share options as a result of the issue of the right shares as detailed in note 28 to the financial statements. The exercise price of the outstanding share options was adjusted from HK\$0.70 per share to HK\$0.467 per share, and the number of shares falling to be issued upon full exercise of the outstanding share options was adjusted from 48,250,000 shares to 72,375,000 shares.

No theoretical value of share options is disclosed as no share options were granted during the Period.

No options were granted, exercised or lapsed during the Period.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 30 September 2005, the following parties having the interests of 5% or more of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Nature of interests	Number of ordinary shares of the Company	Percentage of the Company's issued share capital (%)
Success Forever Limited ( <i>Note 1</i> )	Beneficially owned	476,830,173	50.04
Eco-Haru Mfr. Holdings Limited ("Eco-Haru") ( <i>Note 2</i> )	Beneficially owned	181,651,303	19.06
Glorious Concept Limited ("Glorious Concept") ( <i>Note 2</i> )	Beneficially owned	12,753,000	1.34
EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil") ( <i>Note 2</i> )	Interests held by a controlled corporation	194,404,303	20.40
Peninsula International Limited ("Peninsula") ( <i>Note 3</i> )	Interests held by a controlled corporation	194,404,303	20.40

Notes:

- (1) The entire issued share capital of Success Forever Limited is beneficially owned by Ling Siu Man, Simon as disclosed in "Directors' interests in shares" above.
- (2) The entire issued share capital of Eco-Haru and Glorious Concept is beneficially owned by EganaGoldpfeil.
- (3) The issued share capital of EganaGoldpfeil is held as to 37.49% by Peninsula.

Save as disclosed above, as at 30 September 2005, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Period, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements for the Period with management.

## **REMUNERATION COMMITTEE**

A remuneration committee was set up on 19 December 2005 for the main purpose of making recommendations to the Directors about the Company's policy and structure for all remuneration of directors and senior managements.

## **EXECUTIVE COMMITTEE**

An executive committee which comprises of all the executive Directors (except Mr. Lee Ka Yue, Peter) was set up on 19 December 2005, with the principal responsibilities of monitoring the execution of the Company's strategic plans and operations of all business units of the Company.

## **CODE OF CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Directors, the Company complied with the code provisions as set out in Appendix 14 of the Main Board Listing Rules ("Code") throughout the accounting period covered by this interim report, except for the following deviations:

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ling Siu Man, Simon, the founder of the Group continues to assume the role of chairman and chief executive officer. The Group believes that the present arrangement is more effective and efficient in running the business and could bring about the best interest of the shareholders.