

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2005, the interests of the Directors and the chief executive in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Cheng Hop Fai	Beneficiary of trusts (Note)	339,397,470	70%
Cheng Kwok Kwan Yuk	Beneficiary of trusts (Note)	339,397,470	70%
Cheng Pak Ming, Judy	Beneficiary of trusts (Note)	339,397,470	70%
Cheng Pak Man, Anita	Beneficiary of trusts (Note)	339,397,470	70%
Law Toe Ming	Beneficial owner	500,000	0.1%

Note: Golden Toy Investments Limited ("Golden Toy") and Kong Fai International Limited ("Kong Fai") held 43,217,445 shares (or 8.91% interest) and 296,180,025 shares (or 61.09% interest) of the Company, respectively. Golden Toy and Kong Fai are wholly-owned by two discretionary trusts of which family members of Mr. Cheng Hop Fai, including Mr. Cheng Hop Fai, Mrs. Cheng Kwok Kwan Yuk, Ms. Cheng Pak Ming, Judy and Miss Cheng Pak Man, Anita, are discretionary objects.

Save as disclosed above, at 30 September 2005, none of the Directors and the chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed in the section headed "Directors' Interests in Shares, Underlying Shares and Debentures" above, as at 30 September 2005, according to the register of interests kept by the Company under section 336 of the SFO, the following entities had interests or short positions in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity and nature of interest	Number of issued ordinary shares	Percentage of the issued share capital of the Company
Golden Toy Investments Limited ("Golden Toy")	Beneficial owner	43,217,445 (Note)	8.91
Kong Fai International Limited ("Kong Fai")	Beneficial owner	296,180,025 (Note)	61.09
Trustcorp Limited	Trustee of trusts	339,397,470 (Note)	70.00

Note: Trustcorp Limited is deemed under the SFO to have an interest in the same 339,397,470 shares, in aggregate, beneficially owned by Golden Toy and Kong Fai by virtue of it being the trustee of two discretionary trusts which own 100% of the shares of Golden Toy and Kong Fai.

Save as disclosed above, as at 30 September 2005, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

EMPLOYEES

At 30 September 2005, the Group had approximately 330 staff. Review of the employees' remuneration packages is normally conducted annually and as required from time to time. Staff benefits include contributions to the Mandatory Provident Fund Scheme and a discretionary bonus scheme.

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

Compliance with the Code on Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. Throughout the six months ended 30 September 2005, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that:

1. Code Provision A.2.1 sets out that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. At present, there is no separation of the role and Mr. Cheng Hop Fai currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. The Board considers that the structure will not result in undue concentration of power and such arrangement at this stage can promote the efficient formulation and implementation of the Group's strategies which will enable the Group to further develop its businesses effectively.
2. Code Provision A.4.1 sets out that Non-executive Directors should be appointed for a specific term, subject to re-election. Two independent non-executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation in accordance with the Company's Bye-laws.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board of Directors the internal control and financial reporting matters including the unaudited interim financial statements for the six months ended 30 September 2005.

The members of the Audit Committee comprise Ms. Kan Lai Kuen, Alice, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William, the independent non-executive Directors of the Company.

REMUNERATION COMMITTEE

The Company had established a remuneration committee with written terms of reference pursuant to the provisions set out in the Code. The committee comprises three independent non-executive directors, namely Ms. Kan Lai Kuen, Alice, Mr. Law Toe Ming and Mr. Mark Yiu Tong, William. The remuneration committee is principally responsible for the formulation and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS' OF THE COMPANY

During the period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. After having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 September 2005.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 21 December 2005