

## DISCLOSURE OF INTERESTS

### (a) Interests of the Directors

As at 30 September 2005, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

#### Interests in the shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Mr. Chu Bong Foo	(i) Beneficial owner	Personal interest	220,180,000	9.19%
	(ii) Interest of a controlled corporation	Corporate interest	122,872,000 (note 1)	
Mr. Henry Chang Manayan	Beneficial owner	Personal interest	2,000,000	0.05%
Mr. Wan Xiaolin	Beneficial owner	Personal interest	500,000	0.01%

Note:

- 122,872,000 shares are held by Bay-Club Enterprises Inc., the entire issued share capital of which is beneficially owned by Mr. Chu Bong Foo.

*All interests stated above represent long positions.*

## DISCLOSURE OF INTERESTS (CONTINUED)

### Interests in the share option of the Company

Name of Director	Capacity	Nature of interests	Number of share options	Exercise price per share HK\$	Exercisable period	Approximate percentage of issued share capital
Mr. Cheung Wai Tung	(i)	Beneficial owner	Personal interest 4,565,000 <i>(note 1)</i>	1.680	3 March 2000 to 2 March 2010	0.23%
	(ii)	Beneficial owner	Personal interest 4,000,000 <i>(note 1)</i>	0.265	19 December 2003 to 18 December 2013	
Mr. Chu Bong Foo	(i)	Beneficial owner	Personal interest 10,000,000 <i>(note 2)</i>	0.264	27 August 1999 to 26 August 2009	0.32%
	(ii)	Beneficial owner	Personal interest 2,000,000 <i>(note 2)</i>	1.680	3 March 2000 to 2 March 2010	
Mr. Cheung Kam Shing, Terry	(i)	Beneficial owner	Personal interest 3,000,000 <i>(note 3)</i>	1.680	3 March 2000 to 2 March 2010	0.16%
	(ii)	Beneficial owner	Personal interest 3,000,000 <i>(note 3)</i>	0.265	19 December 2003 to 18 December 2013	
Mr. Henry Chang Manayan	(i)	Beneficial owner	Personal interest 1,000,000 <i>(note 4)</i>	0.264	27 August 1999 to 26 August 2009	0.04%
	(ii)	Beneficial owner	Personal interest 500,000 <i>(note 4)</i>	1.680	3 March 2000 to 2 March 2010	
	(iii)	Beneficial owner	Personal interest 1,000,000 <i>(note 4)</i>	0.265	19 December 2003 to 18 December 2013	
Mr. Wan Xiaolin	(i)	Beneficial owner	Personal interest 1,000,000 <i>(note 5)</i>	1.680	3 March 2000 to 2 March 2010	0.11%
	(ii)	Beneficial owner	Personal interest 3,000,000 <i>(note 5)</i>	0.265	19 December 2003 to 18 December 2013	

## DISCLOSURE OF INTERESTS (CONTINUED)

Notes:

1. Pursuant to the 1993 Scheme, Mr. Cheung Wai Tung was granted share options by the Company on 3 March 2000 to subscribe for 4,565,000 shares at the exercise price of HK\$1.680 per share for the exercisable period from 3 March 2000 to 2 March 2010. On 19 December 2003, Mr. Cheung was further granted share options by the Company to subscribe for 4,000,000 shares at the exercise price of HK\$0.265 for the exercisable period from 19 December 2003 to 18 December 2013 under the 2002 Scheme.
2. Pursuant to the 1993 Scheme, Mr. Chu Bong Foo was granted share options by the Company (i) on 27 August 1999 to subscribe for 10,000,000 shares at the exercise price of HK\$0.264 per share for the exercisable period from 27 August 1999 to 26 August 2009; and (ii) on 3 March 2000 to subscribe for 2,000,000 shares at the exercise price of HK\$1.680 per share for the exercisable period from 3 March 2000 to 2 March 2010.
3. Pursuant to the 1993 Scheme, Mr. Cheung Kam Shing, Terry was granted share options by the Company to subscribe for 3,000,000 shares at the exercise price of HK\$1.680 per share for the exercisable period from 3 March 2000 to 2 March 2010 upon his appointment as Managing Director of the Company on 1 April 2000. On 19 December 2003, Mr. Cheung was further granted share options by the Company to subscribe for 3,000,000 shares at the exercise price of HK\$0.265 for the exercisable period from 19 December 2003 to 18 December 2013 under the 2002 Scheme.
4. Pursuant to the 1993 Scheme, Mr. Henry Chang Manayan was granted share options by the Company (i) on 27 August 1999 to subscribe for 3,000,000 shares at the exercise price of HK\$0.264 per share for the exercisable period from 27 August 1999 to 26 August 2009; and (ii) on 3 March 2000 to subscribe for 500,000 shares at the exercise price of HK\$1.680 per share for the exercisable period from 3 March 2000 to 2 March 2010. Mr. Henry Chang Manayan exercised his share options to subscribe for the aggregate of 2,000,000 shares at the exercise price of HK\$0.264 on 18 February 2000 and 6 April 2004 respectively. On 19 December 2003, he was further granted share options by the Company to subscribe for 1,000,000 shares at the exercise price of HK\$0.265 for the exercisable period from 19 December 2003 to 18 December 2013 under the 2002 Scheme.
5. Pursuant to the 1993 Scheme, Mr. Wan Xiaolin was granted share options by the Company on 3 March 2000 to subscribe for 1,000,000 shares at the exercise price of HK\$1.680 per share for the exercisable period from 3 March 2000 to 2 March 2010. On 19 December 2003, Mr. Wan was further granted share options by the Company to subscribe for 3,000,000 shares at the exercise price of HK\$0.265 for the exercisable period from 19 December 2003 to 18 December 2013 under the 2002 Scheme.

*All interests stated above represent long positions.*

## DISCLOSURE OF INTERESTS (CONTINUED)

Save as disclosed above, as at 30 September 2005, none of the Directors nor chief executive of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

### (b) Interests of Substantial Shareholders

As at 30 September 2005, so far as is known to any Director or chief executive of the Company, the following person has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO:

#### Interests in the shares of the Company

Name	Capacity	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Mr. Chu Bong Foo	(i) Beneficial owner	Personal interest	220,180,000	9.19%
	(ii) Interest of a controlled corporation	Corporate interest	122,872,000 (note 1)	

Note:

- 122,872,000 shares are held by Bay-Club Enterprises Inc., the entire issued share capital of which is beneficially owned by Mr. Chu Bong Foo.

*All interests stated above represent long positions.*

## DISCLOSURE OF INTERESTS (CONTINUED)

### Interest in the share options of the Company

Name of Director	Capacity	Nature of interest	Number of share options	Approximate percentage of issued share capital
Mr. Chu Bong Foo	Beneficial owner	Personal interest	12,000,000	0.32%

*The interest stated above represents long position.*

Save as disclosed above, as at 30 September 2005, the Directors and the chief executive of the Company were not aware of any person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

## AUDIT COMMITTEE

The Audit Committee, with written terms of reference in line with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as stipulated in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, currently comprises three independent non-executive Directors, namely Mr. Lai Man To, Mr. Wang Tiao Chun and Mr. Joseph Lee Chennault. The Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 30 September 2005.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 September 2005 except for the following deviations:

### Code Provision A.2.1

Under the code provision A.2.1, the roles of Chairman and Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. The Company does not at present have any officer with the title of "CEO" but instead the duties of a CEO are performed by Mr. Cheung Wai Tung, the Chairman of the Company in the same capacity as the CEO of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES (CONTINUED)

### Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors of the Company are not appointed for a specific term. However, all Directors (including executive and non-executive) of the Company are subject to retirement by rotation at the annual general meeting in accordance with Bye-Law 110(A) and 190(v) of the Bye-Laws 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.

### Code Provision B.1

The Company has not set up a Remuneration Committee during the period. However in November of this year, the Remuneration Committee with appropriate composition and terms of reference was established by the Company.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the six months ended 30 September 2005.

By Order of the Board  
**Cheung Wai Tung**  
*Chairman*

Hong Kong, 20 December 2005