

## SUBSTANTIAL SHAREHOLDERS INTERESTS

At 30 September 2005, the interests of the shareholders, not being a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Substantial Shareholders	Capacity	Nature of Interests	Number of Shares held	Equity Derivative	Total Interest as	
					Total Interest	Percentage Of Issued Shares
BNP Paribas Jersey Trust Corporation Limited ("BNP Paribas Jersey")	Trustee	Other Interest (Notes 1, 2 & 3)	220,898,799	30,964,240	251,863,039	49.53%
Ground Point Limited ("Ground Point")	Interest of Controlled Corporation	Corporate Interest (Notes 1, 2 & 3)	220,898,799	30,964,240	251,863,039	49.53%
Red Tiles Limited	Interest of Controlled Corporation	Corporate Interest (Notes 1, 2 & 3)	220,898,799	30,964,240	251,863,039	49.53%
Guidance	Interest of Controlled Corporation	Corporate Interest (Notes 1, 2, 3 & 4)	220,898,799	30,964,240	251,863,039	49.53%
Time Concord	Interest of Controlled Corporation	Corporate Interest (Notes 1, 2, 3 & 4)	220,898,799	30,964,240	251,863,039	49.53%
Ever Source	Beneficial Owner	Corporate Interest (Notes 1, 2, 3 & 4)	220,898,799	30,964,240	251,863,039	49.53%
Mr. Poon Sau Tin	Beneficial Owner	Personal Interest (Note 1)	27,002,265	3,814,037	282,679,341	55.59%
	Founder of a Discretionary Trust	Other Interest (Notes 1, 2, 3 & 4)	220,898,799	30,964,240	-	-



Notes:

- (1) All interests in shares and underlying shares of equity derivatives of the Company are long position. All interest in underlying shares of equity derivatives of the Company are interests in warrants.
- (2) All interests of BNP Paribas Jersey, Ground Point, Red Tiles, Guidance, Time Concord and Ever Source and the other interest of Mr. Poon Sau Tin were duplicated.
- (3) BNP Paribas Jersey is deemed to be interested in the shares and warrants in the capacity of a trust through interests of corporations controlled by it as follows:

<b>Name of Controlled Corporation</b>	<b>Name of Controlling Shareholders</b>	<b>Percentage Control</b>
Ground Point	BNP Paribas Jersey	100%
Red Tiles	BNP Paribas Jersey	100%
Guidance	Ground Point	100%
Time Concord	Red Tiles	100%
Ever Source	Guidance	50%
Ever Source	Time Concord	50%

- (4) These shares and warrants are held by Ever Source. The issued share capital of Ever Source is beneficially owned as to 50% by Time Concord, a company incorporated in the BVI and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sum, and as to 50% by Guidance, a company incorporated in the BVI and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sau Tin, the elder brother of Mr. Poon Sum. Accordingly, each of Mr. Poon Sum and Mr. Poon Sau Tin will be deemed to be interested in 220,898,799 shares, representing approximately 43.44% of the Company's shares in issue as at 30 September 2005, through his shareholding in Ever Source.

Save as disclosed above, there was no person known to the directors of the Company, other than a director of the Company, who as at 30 September 2005 had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept under section 336 of the SFO.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

None of the Directors has an interest in a business which competes or may compete with the business of the Group.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the period.



## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 September 2005.

## **CORPORATE GOVERNANCE**

The Directors believed that the Company adopted a set of code of corporate governance principles ("Principles") which aligns with or is more restrictive than all requirements set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Listing Rules. Since the adoption of the Principles, the CG Code has been duly compiled, except for CG Code A2.1 requiring the role of Chairman and Chief Executive Officer (CEO) should not be performed by the same individual. At the moment, the Company does not have a separate Chairman and CEO and Mr. Poon Sum currently holds both positions. The Directors believe that vesting the roles of Chairman and CEO in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

## **AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul, and Mr. Cheung Kwan Hung, the independent non-executive directors of the Company. The objectives of the Audit Committee are to review and oversee the Group's financial reporting and internal control systems.

The Audit Committee has reviewed with the Company's management this unaudited interim report before it was approved by the Board.

## **COMPLIANCE WITH THE MODEL CODE**

The Group 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. All directors have confirmed, following specific enquiry by the Group that they have fully complied with the required standard set out in the Model Code throughout the review period.

On behalf of the Board

**Poon Sum**

*Chairman*

Hong Kong, 16 December 2005

*As at the date of this report, the board comprises Mr. Poon Sum, Mr. Mok Yu Kong, Mr. Wong Kwok Leung as executive directors; Mr. Chan Shu Kin, Mr. Chan Kam Ching, Paul and Mr. Cheung Kwan Hung as Independent Non-executive Directors.*