

SUBSTANTIAL SHAREHOLDERS

Other than disclosed above under the section headed "Directors' Interests in Shares, Underlying Shares and Debentures" and other substantial shareholders' interests disclosed in the following table, at 30th September, 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the Company had not been notified of any relevant interests or short positions in the shares or underlying shares of the Company.

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Cheah Cheng Hye	Held by controlled corporation	157,800,000 <i>(Note)</i>	9.53%
Value Partners Limited	Held by investment managers	157,800,000 <i>(Note)</i>	9.53%
Value Partners High-Dividend Stocks Fund	Beneficial owner	88,160,000	5.32%

Note: Value Partners Limited through its investment managers including Value Partners High-Dividend Stocks Fund owns an aggregate of 157,800,000 ordinary shares of the Company. Mr. Cheah Cheng Hye is deemed to be interested in 157,800,000 ordinary shares of the Company as he beneficially owns 32.77% of Value Partners Limited.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30th September, 2005 with code provisions ("the Code") set out in Appendix 14 to the Listing Rules except for the following deviations:

- a. In accordance with Rule A.4.2 of the Code, the Directors are subject to retirement by rotation at least once every three years. Pursuant to the Articles of Association of the Company, any Director appointed either to fill a causal vacancy or as an additional director by the Board during the year shall hold office until the next annual general meeting and shall then be eligible for re-election. One-third of the Directors for the time being, or the number nearest one-third, shall retire from office by rotation at each annual general meeting.

Veeko International Holdings Limited

- b. In accordance with Rule A.2.1 of the Code, the positions of chairman and chief executive officer should be separated and not to be assumed by the same individual. On 31st August, 2005, Ms. Lam Yuk Sum, an executive director of the Company, was appointed as the Chief Executive Officer and a document setting out clear definitions of duties of the Chairman and Chief Executive Officer has been adopted by the Company.
- c. Rule B.1 of the Code states the requirements in the establishment, composition, scope of authority and responsibility of the Remuneration Committee. Set up on 31st August, 2005, the Remuneration Committee of the Company is composed of 5 members, the majority of which are independent non-executive directors of the Company.

MODEL CODE

The Company has adopted a code of conduct regarding director's securities transactions on terms no less exacting than the required standard set out in Appendix 10 Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. Having made specific enquiry of all directors, all directors have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

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

During the six months ended 30th September, 2005, there was no purchase, redemption or sale by the Company or any of its subsidiaries of the Company's listed securities.

AUDIT COMMITTEE

The unaudited results of the Group for the six months ended 30th September, 2005 have been reviewed by the Audit Committee. The Audit Committee constitutes 3 independent non-executive directors.

Cheng Chung Man, Johnny
Chairman

Hong Kong, 19th December, 2005