

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section share option scheme, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

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

Name	<i>Notes</i>	Capacity and nature of interest	Number of the Company's ordinary shares held	Percentage of issued share capital
Saramade Company Limited	(a)	Directly beneficially owned	75,000,000	13.66%
Prominent Field Inc.	(b)	Directly beneficially owned	75,000,000	13.66%
Armstrong Inc.	(c)	Directly beneficially owned	75,000,000	13.66%
Hui Mei Heung	(c)	Beneficial owner	75,000,000	13.66%
Kwok Lee Shu Noo	(d)	Through spouse and a beneficial owner	83,900,000	15.28%
Leung Wai Shan, Christina	(e)	Through spouse and a beneficial owner	83,900,000	15.28%
Cheng Mei Chu	(f)	Through spouse and a beneficial owner	83,900,000	15.28%
Equity Trustee Limited	(g)	Trustee	225,000,000	40.98%

Notes:

- (a) 75,000,000 Shares are held by Saramade Company Limited, a trustee of a unit trust owned as to a majority by a discretionary trust established for the benefit of the family members of Mr. Kwok Hon Ching.
- (b) 75,000,000 Shares are held by Prominent Field Inc., a trustee of a unit trust owned as to a majority by a discretionary trust established for the benefit of the family members of Mr. Kwok Hon Kau, Johnny.
- (c) 75,000,000 Shares are held by Armstrong Inc., a trustee of a unit trust owned as to a majority by a discretionary trust established by Madam Hui Mei Heung for the benefit of the family members of Mr. Kwok Hon Lam.

- (d) 83,900,000 Shares are deemed to be held by Mrs Kwok Lee Shu Noo by virtue of her being the spouse of Mr Kwok Hon Ching.
- (e) 83,900,000 Shares are deemed to be held by Ms Leung Wai Shan, Christina by virtue of her being the spouse of Mr Kwok Hon Kau, Johnny.
- (f) 83,900,000 Shares are deemed to be held by Ms Cheng Mei Chu by virtue of her being the spouse of Mr Kwok Hon Lam.
- (g) Equity Trustee Limited is the trustee of the discretionary trusts mentioned in notes (a), (b) and (c) above.

SHARE OPTION SCHEME

Pursuant to the share option scheme (“Scheme”) adopted by the Company on 9 September 2002, the Company can grant options to eligible participants who contribute to the success of the Group’s operations.

No share option was granted during the period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in Model Code throughout the six months ended 30 September 2005.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the provisions of the Code on Corporate Governance Practice (the “Code”) set out in Appendix 14 of the Listing Rules during the period ended 30 September 2005, with deviation from Code provisions C.2.1 in relation to the conduct of an annual review of the effectiveness of the system of internal control, D.1.1 to D.1.2 in respect of the formalization of the functions of the board and the management.

The Board will take action to review the internal system of the Group and will proceed to formalize the functions of the board and the management. The Board believes that it will be able to implement appropriate measures to comply with the provisions of the Code by end of the current financial year.

By Order of the Board

Kwok Hon Ching

Chairman

Hong Kong, 23 December 2005