

DISCLOSURE OF ADDITIONAL INFORMATION

Directors' and chief executive's interests in shares or short positions in shares and underlying shares

At 31 December 2005, the interests or short positions of the Directors or chief executive of the Company or their respective associates in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO were as follows:

	Personal interests	Family interests	Corporate interests	Total interest	Total interests as % of the issued share capital	Interests in underlying shares (share options)	Total interests (including underlying shares) as % of issued interests capital	Note
Mr. Ng Leung Ho	63,036,000	-	960,000,000	1,023,036,000	34.81%	27,200,000	35.74%	1, 2
Ms. Lee Ming Hin	-	-	-	-	0%	20,000,000	0.68%	3
Mr. Wang Weining	-	-	-	-	0%	20,000,000	0.68%	3
Mr. Hu Xiaoming	-	-	-	-	0%	20,000,000	0.68%	3
Mr. Ng Leung Tung	-	-	-	-	0%	20,000,000	0.68%	3

Notes:

1. The corporate interests attributed to Mr. Ng Leung Ho of 960,000,000 shares are held by Golden Prince Group Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Golden Prince Group Limited is directly and wholly owned by Mr. Ng Leung Ho.
2. The interests in underlying shares attributed to Mr. Ng Leung Ho includes:
 - i) share options to subscribe for 7,200,000 new shares in the Company, exercisable at a price of HK\$0.10 per share. These share options were granted pursuant to a previously existed option scheme adopted by the Company, which has been terminated on 23 November 2001. These share options remain outstanding and are exercisable during the period from 1 May 1999 to 24 October 2008; and
 - ii) share options to subscribe for 20,000,000 new shares in the Company, exercisable at a price of HK\$0.24 per share and granted pursuant to the Company's existing share option scheme, as adopted by the Company's shareholders in the Company's annual general meeting held on 23 November 2001.

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

Directors' and chief executive's interests in shares or short positions in shares and underlying shares (continued)

Notes: (continued)

3. The interests in underlying shares attributed to these Directors represent share options to subscribe for new shares in the Company, exercisable at a price of HK\$0.24 per share and granted pursuant to the Company's existing share option scheme, as adopted by the Company's shareholders in the Company's annual general meeting held on 23 November 2001.

Save as disclosed above, none of the Directors and chief executive of the Company or their associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of the SFO or as otherwise notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Directors' rights to acquire shares or debentures

Apart from as disclosed under the heading "Share options" in note 12 to the condensed consolidated interim financial statements, at no time during the period was the Company, its subsidiaries or any of its associated corporations (within the meaning of Part XV of the SFO) a party to any arrangement to enable the Directors of the Company or their associates (as defined in the Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Model code for securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Listing Rules in respect of securities dealing by Directors. The Company has made specific enquiry to all Directors of the Company in respect of securities dealing by the Directors and is not aware of any non-compliance with the Model Code during the six months ended 31 December 2005.

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

Substantial shareholders

At 31 December 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the Company had been notified of the following substantial shareholder's interests or short positions, being 5% or more of the Company's issued share capital:

Name	Capacity	Number of shares	Percentage of holding
Mr. Ng Leung Ho	Beneficial owner	1,050,236,000 (Note 1)	35.74%
Golden Prince Group Limited	Beneficial owner	960,000,000 (Note 2)	32.67%

Notes:

1. The beneficial interests of Mr. Ng Leung Ho in 1,050,236,000 shares comprise corporate interest in 960,000,00 shares, held through Golden Prince Group Limited and personal interest in 90,236,000 shares, comprising 63,036,000 shares and 27,200,000 underlying shares in respect of shares options granted by the Company to him.
2. The entire issued share capital in Golden Prince Group Limited is beneficially owned by Mr. Ng Leung Ho, whose interests in shares of the Company are disclosed in the section headed "Directors' and chief executive's interests in shares or short position in shares and underlying shares".

Save as disclosed above, at 31 December 2005, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interest and short positions, being 5% or more of the Company's issued share capital.

Purchase, sale or redemption of the company's listed securities

During the period from 8 July 2005 to 12 July 2005, by virtue of exercise of the rights granted by the Company's shareholders to the Directors under general mandate, the Company repurchased on the Stock Exchange of Hong Kong Limited in aggregate 2,880,000 of its ordinary shares of HK\$0.1 each at a total consideration before expenses of approximately HK\$307,000.

Apart from the foregoing, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

Application of share issue proceeds

On 13 January 2005, the Company raised share issue proceeds, net of related expenses, of approximately HK\$95 million from the issue of 489,000,000 new shares in the Company under a top-up placing and subscription arrangement. The resulting net proceeds has been retained as general working capital of the Group and will be available for any future possible acquisition, including the proposed investment in ecological forestry business as highlighted in the above section on "Management Discussion and Analysis".

Corporate governance

In the opinion of the Directors, the Company complied with the provisions of the Code on Governance Practices as set out in Appendix 14 of the Listing Rules ("CG Code") through out the six months ended 31 December 2005, except that independent non-executive directors are not appointed for specific terms as required by code provision A.4.1 but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company. Commencing 25 October 2005, revisions have been made to appoint the independent non-executive directors on the basis of specific terms of three years.

Change of auditors

Pursuant to the resolution passed by the Company's shareholders on 17 March 2006, Johnny Chan & Co. Limited, Certified Public Accountants ("JCC") has been appointed auditors of the Company and to hold office until the conclusion of the Company's next annual general meeting. The appointment of JCC was to fill the vacancy created by the retirement of the Company's predecessor auditors in the Company's annual general meeting held on 2 December 2005.

Audit and remuneration committee

The Company has established an audit committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The audit committee of the Company presently comprises the three independent non-executive directors of the Company, namely, Mr. Lo Cheung Kin, Mr. Zou Zi Ping and Mr. Zhu Jian Hong. The audit committee has reviewed this interim report prior to its issuance.

DISCLOSURE OF ADDITIONAL INFORMATION (CONTINUED)

Audit and remuneration committee (continued)

Pursuant to the recommendation of the CG Code, the company established a remuneration committee on 15 April 2005 with specific written terms of reference in accordance with the CG Code. The remuneration committee also comprises the three independent non-executive directors of the Company. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure of remuneration of Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing such policy, and reviewing the specific remuneration packages of all executive directors and senior management of the Company by reference to corporate goals and objective resolved by the Board from time to time.

Sufficiency of public float

Based on the information that is publicly available and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25 per cent of the Company's issued shares at the latest practicable date prior to the issue of this interim report.

On behalf of the Board
Ng Leung Ho
Chairman

Hong Kong, 27 March 2006