

## Other Information

### REVIEW OF THE INTERIM REPORT

The Group's interim report for the six months ended 30 June 2006 has not been audited but has been reviewed by the Audit Committee and auditors of the Company, Messrs. KPMG.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2006, the interests and short positions of directors and the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been 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, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### ORDINARY SHARES OF HK\$0.10 EACH OF THE COMPANY

Name of director	Nature of interest	Number of shares		Approximate percentage to the issued share capital of the Company	
		Long positions	Short positions	Long positions	Short positions
Mr. David An	Corporate	1,643,659,980 (note 1)	nil	62.74%	nil
	Corporate	1,270,000,000 (note 2)	nil	48.47%	nil

#### Notes:

- The shares are held directly as to 209,773,980 shares by Extreme Wise Investments Limited ("Extreme Wise") and 1,433,886,000 shares by Vand Petro-Chemicals, both companies are wholly-owned by Mr. David An. By virtue of the SFO, Mr. David An is deemed to have corporate interests in the 1,643,659,980 shares.
- 1,270,000,000 shares (subject to adjustment) will be issued to Vand Petro-Chemicals upon its exercise of the conversion rights under the convertible note held by it. By virtue of the SFO, Mr. David An is deemed to have corporate interests in the 1,270,000,000 shares.

## Other Information

Save as disclosed above, as at 30 June 2006, none of the directors and the chief executive of the Company and their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2006, shareholders (other than directors or the chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been 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 required to be kept by the Company under Section 336 of the SFO were as follows:

#### ORDINARY SHARES OF HK\$0.10 EACH OF THE COMPANY

Name of director	Number of shares		Approximate percentage to the issued share capital of the Company	
	Long positions	Short positions	Long positions	Short positions
Extreme Wise	209,773,980	nil	8.01%	nil
Vand Petro-Chemicals	1,433,886,000	nil	54.73%	nil
	1,270,000,000 (note 1)	nil	48.47%	nil

*Note 1:* 1,270,000,000 shares (subject to adjustment) will be issued to Vand Petro-Chemicals upon its exercise of the conversion rights under the convertible note held by it. By virtue of the SFO, Vand Petro-Chemicals is deemed to have interests in the 1,270,000,000 shares.

Save as disclosed above, as at 30 June 2006, the Company has not been notified by any persons (other than directors or the chief executive of the Company) who had interests or short positions 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 required to be kept by the Company under Section 336 of the SFO.

## Other Information

### SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 16 December 2002, the Company adopted a share option scheme, which will remain in force for a period of 10 years from adoption of such scheme and will expire on 15 December 2012. Detailed terms of the scheme were disclosed in the Company's 2005 annual report. As at the date of this report, no option has been granted by the Company under the scheme.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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 June 2006.

### AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2006.

### CORPORATE GOVERNANCE

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

In the opinion of the directors, save as disclosed below, the Company has complied with the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 of the Listing Rules for the six months ended 30 June 2006.

As disclosed in the Company's 2005 annual report, the position of the Chief Executive Officer has been held by the Chairman of the Board since 19 October 2005. However, the Board considers this temporary arrangement will not impair the balance of power and authority between the Board and the management of the Company. The Company is in the course of soliciting an appropriate person to fill the Chief Executive Officer's position.

#### (B) COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 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 for the six months ended 30 June 2006.

On behalf of the Board  
**David An**  
Chairman

Hong Kong, 29 August 2006