

SUBSTANTIAL SHAREHOLDERS

As at 30th June 2006, other than the interests and short positions of the directors and chief executives of the Company as disclosed above, the following persons had the following interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of SFO:

Name of Shareholders	Capacity	Number of ordinary shares	Approximate percentage of shareholding
Mr. Ng Hung Sang	Interests of controlled corporations	255,885,561	95.35%
SCH	Interests of controlled corporations	255,885,561	95.35%
SCI	Interests of controlled corporations	255,885,561	95.35%

Notes:

1. Mr. Ng Hung Sang, through corporations controlled by him, has an interest of 73.72% in the issued share capital of SCH. SCH, through its controlled corporations, owns an interest of 74.79% in the issued share capital of SCI. SCI through Micon Limited, its wholly-owned subsidiary, owns an interest of 95.35% in the issued share capital of the Company, i.e. 255,885,561 ordinary shares of the Company. By virtue of the said interest of Mr. Ng Hung Sang in SCH, the said interest of SCH in SCI and the said interest of SCI in the Company, each of Mr. Ng Hung Sang, SCH and SCI is deemed to be interested in the 255,885,561 ordinary shares of the Company and is taken to have a duty of disclosure under the SFO.
2. All interests disclosed above represent long positions.

Save as disclosed above, as at 30th June 2006, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register kept by the Company pursuant to Section 336 of Part XV of the SFO.

INFORMATION ON SHARE OPTIONS

The Company adopted the Share Option Scheme (the "Scheme") on 10th June 2003. The purpose of the Scheme is to enable the Board to grant share options to full time employees of the Company or its subsidiaries, including directors of any of such companies and any suppliers, consultants, agents and advisers in recognition of their contribution to the Group.

No share option was granted or was outstanding under the Scheme during the six months ended 30th June 2006.

Save as disclosed above, during the period ended 30 June 2006, none of the directors and chief executives of the Company had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices of the Listing Rules during the six months ended 30th June 2006 with the exception that:

1. The Non-Executive Directors are not appointed for a specific term and the Articles of Association of the Company provided that at each annual general meeting, one-third of the directors (other than the Chairman of the Board and the Managing Director of the Company) shall be subject to retirement by rotation. As the Listing Rules require that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, the Articles of Association of the Company were amended on 30th June 2006 to that effect.
2. All directors appointed to fill a casual vacancy were subject to re-election by shareholders at the next following annual general meeting of the Company pursuant to the Articles of Association of the Company. As the Listing Rules require that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, the Articles of Association of the Company were amended on 30th June 2006 to that effect.
3. Ms. Cheung is currently the Chairman of the Board (the “Chairman”) and the Chief Executive Officer (the “CEO”) of the Company. The Board does not intend to separate the role between the Chairman and the CEO. The Board believes that it is more effective and efficient for the same person to be acting as the Chairman and the CEO in formulating the Group’s overall strategies and policies and implementing the same to achieve the corporate goals.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted on 1st June 2005 its own code for securities dealings by directors and relevant employees (the “Code”), on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 of the Listing Rules.

All directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Code throughout the six months ended 30th June 2006.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30th June 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference, which was superseded by new written terms of reference on 1st June 2005. The primary duties of the audit committee are to review and supervise the financial reporting and internal control systems of the Group. The audit committee comprises three Independent Non-Executive Directors, namely Ms. Li Yuen Yu Alice (Committee Chairman), Mr. Chiu Sin Chun and Ms. Wong Siu Yin Elizabeth.

The audit committee has reviewed with the management the internal control systems and financial reporting matters, including the review of the unaudited condensed interim financial statements of the Group relating to the preparation of the interim report for the six months ended 30th June 2006.

On behalf of the Board
Cheung Choi Ngor
Chairman

Hong Kong, 12th September 2006

As at the date of this report, the Board comprises (1) Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges, Mr. Ng Yuk Fung, Peter, Mr. Lo Chak Wa and Ms. Cheung Lai Lin, Pealin as Executive Directors; and (2) Ms. Wong Siu Yin Elizabeth, Mr. Chiu Sin Chun and Ms. Li Yuen Yu Alice as Independent Non-Executive Directors.