

## Other Information

### CLOSURE OF REGISTER OF MEMBERS

The book close dates of the Group's interim dividend payment of HK\$0.02 per share for the six months ended 30 June 2006 was set in the period from Monday, 9 October 2006 to Wednesday, 11 October 2006. The dividend will be paid on Wednesday, 25 October 2006 to the shareholders whose names appear on the Company's Register of Members on Wednesday, 11 October 2006.

The Register of Members of the Company will be closed from Monday, 9 October 2006 to Wednesday, 11 October 2006 (both dates inclusive) during which period no transfers of shares will be registered. In order to qualify for the entitlement to the interim dividend for the six months ended 30 June 2006, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Branch Share Registrars and Transfer Office in Hong Kong, at shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Friday, 6 October 2006.

### DISCLOSURE OF INTERESTS

#### a) Disclosure of interests by the directors

As at 30 June 2006, the interests and short positions of the directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long positions in the underlying shares of the Company

Name of director	Capacity in which interests are held	Number of shares	Approximate percentage to the issued share capital of the Company
Mr. Dong Shutong	Beneficial owner	293,288,000 (note 1)	50.74%

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### (ii) Long positions in the underlying shares of the Company attached to the share options granted by the Company

Name of director	Options to subscribe for Shares (note 2)	Capacity in which interests are held	Approximate percentage to the issued share capital of the Company
Mr. Dong Shutong	5,000,000	Beneficial owner	0.87%
Mr. He Weiquan	4,250,000	Beneficial owner	0.74%
Ms. Lee Han Yau, Florence	3,000,000	Beneficial owner	0.52%
Mr. Song Wenzhou	1,275,000	Beneficial owner	0.22%

Notes:

1. The shares are held directly by Easyman Assets Management Limited ("Easyman") which is wholly-owned by Mr. Dong Shutong ("Mr. Dong"). By virtue of the SFO, Mr. Dong is deemed to have beneficial interests in the above shares.
2. The above share options are unlisted cash settled options granted pursuant to the Company's share option scheme adopted on 2 May 2005. Upon exercise of the options in accordance with such share option scheme, the Company's shares of HK\$0.10 each are issuable.

### b) Particulars of directors' service contracts

As at 30 June 2006, no director had a service contract with any member of the Group which is not determinable by the Company within one year without the payment other than statutory compensation.

### c) Save as disclosed above, as at 30 June 2006:

- (i) none of the directors and chief executive hold any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO) notifiable to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of

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the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange;

- (ii) none of the directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- (iii) none of the directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this report and which is significant in relation to the business of the Group.

### **d) Directors' interests in competing businesses**

As at 30 June 2006, no director has an interest in the businesses (other than those businesses where the directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

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### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2006, according to the register kept by the Company under Section 336 of the SFO, the following persons and companies (other than the directors or chief executive of the Company) were interested in 5% or more in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholder	Capacity in which interests are held	Number of shares	Approximate percentage to the issued share capital of the Company
Easyman Assets Management Limited (Note 1)	Beneficial owner	293,288,000	50.74%
Commonwealth Bank of Australia	Beneficial owner	42,310,000	7.32%
OZ Management, L.L.C.	Beneficial owner	40,374,000	6.99%
Penta Investment Advisers Ltd. (Note 2)	Beneficial owner	32,382,000	5.60%

Notes:

1. Easyman Assets Management Limited is wholly owned by Mr. Dong Shutong, chairman of the Company.
2. Penta Investment Advisers Ltd. is wholly owned by Mr. Zwaanstra John. As at the date of this report, Penta Investment Advisers Ltd. holds 35,032,000 of shares, representing approximately 6.06% to the issued share capital of the Company

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Save as disclosed above, so far as was known to the directors, there was no other person (other than the directors or chief executive of the Company) who, as at 30 June 2006, had an interest or short position in the Company's shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued share capital of the Company; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Save as disclosed herein, none of the directors is a director or employee of a company which has an interest in the Company's shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### Share option scheme

Pursuant to an ordinary resolution passed on 2 May 2005, the Company adopted a share option scheme for the purpose of enabling the Company to recruit and retain high-calibre employees and attract resources that are valuable to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group. The scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 2 May 2015. Detailed terms of the scheme were disclosed in the Company's 2005 annual report.

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At the Company's directors' meeting held on 30 July 2005, the Board of the Company were authorized to grant share options under the Company's share option scheme to certain executive directors and senior managers. The details of the share options are as follows:

	No. of share options			Price of Company's shares***		
	At 1 January 2006	Cancelled during the period	At 30 June 2006	Exercise price of share options** HK\$	At grant date of options HK\$	At exercise date of options HK\$
<i>Name of director</i>						
Mr. Dong Shutong*	5,000,000	—	<b>5,000,000</b>	1.07	1.04	—
Mr. He Weiquan	4,250,000	—	<b>4,250,000</b>	1.07	1.04	—
Ms. Lee Han Yau, Florence	3,000,000	—	<b>3,000,000</b>	1.07	1.04	—
Mr. Song Wenzhou	1,275,000	—	<b>1,275,000</b>	1.07	1.04	—
Sub-total for number of share options to directors	13,525,000	—	<b>13,525,000</b>			
Other employees	10,200,000	(1,275,000)	<b>8,925,000</b>	1.07	1.04	—
<b>Total</b>	<b>23,725,000</b>	<b>(1,275,000)</b>	<b>22,450,000</b>			

Notes:

- \* The grant to Mr. Dong Shutong, a substantial shareholder of the Company, has been approved by the Company's independent shareholders at the adjourned annual general meeting held on 30 June 2006.
- \*\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- \*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of the grant of the options.

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The exercise period of the option will be from the date of acceptance of the option (i.e. 16 August 2005) up to 30 July 2015, both dates inclusive, which is in compliance with the terms of the share option scheme, subject to the following conditions.

The option will have a vesting schedule of 5 years whereby only 20% of the option shall be exercisable 12 months after 30 July 2005 and an additional 20% may be exercised by the grantee in each subsequent year until 30 July 2010 when 100% of the option may be exercised.

The timetable for exercising the option is set out as follows:

<b>Date</b>	<b>Maximum Percentage of Options exercisable from the date thereof</b>
30 July 2006	20%
30 July 2007	40%
30 July 2008	60%
30 July 2009	80%
30 July 2010	100%

As of the date of this report, no share option has been exercised by the above directors and senior managers to subscribe for shares in the Company.

Except as disclosed above, as at the date of this report, no other share option has been granted by the Company pursuant to the Company's share option scheme.

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

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### Purchase, redemption or sale of listed shares of the Company

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company listed securities during the Relevant Period.

### Audit Committee

The Audit Committee is comprised of three independent non-executive directors, namely Mr. Wong Chi Keung, Mr. Bai Baohua and Mr. Huang Changhuai and Mr. Wong Chi Keung is the chairman of the audit committee. The primary duties of the audit committee are to review the financial reporting process and internal control procedures of the Group.

### 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 (the “Code Provisions”) set out in the Code of Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules for the six months ended 30 June 2006.

The executive director, Dong Shutong, served as the Chairman and Chief Executive Officer of the Company. The Chairman is responsible for overseeing the Company’s operations in respect of compliance with internal rules, and compliance with statutory requirements and promoting the corporate governance of the Company, whereas the Company did not appoint another individual to act as a chief executive for the period ended 30 June 2006 and up to the date of the report. This constitutes a deviation from Code Provision A.2.1. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. Dong Shutong, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board. The significant decision-making and the day-to-day management of the Company is carried out by all of the executive directors. Therefore, the roles of the Chairman and the chief executive of the Company are not segregated in the sense that two different individuals took up these roles. The role of the Chairman and chief executive are not exercised by the same individual.



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Under the Code Provisions A.4.1 and A.4.2, non-executive directors should be appointed for a specific term. The existing non-executive directors of the Company were not appointed for a specific term. This constitutes a deviation from Code Provision A.4.1. However, according to the Articles of Association, one-third of the directors for the time being shall retire from office by rotation at each annual general meeting and the directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those provided in the Code.

**(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

**Mr. Dong Shutong**

*Chairman*

Hong Kong, 18 September 2006