

## PROSPECTS (Cont'd)

### Property Investment (Cont'd)

In Shanghai, we are finalizing details of the marketing plan for upper floors of Merry Tower. Sales of these apartments will be launched in the near future. Due to the possible effects of Document No 171, we may not be too aggressive in pricing the apartments and we anticipate that it may take some time to locate suitable buyers. Nevertheless, the apartments will still contribute positively to the Group's results because they were purchased at a very modest price.

In line with our policy of switching from residential to commercial properties, we are also changing one of our investment properties in Shanghai from serviced apartments to commercial use. We expect that, after the change, the property will provide the Group with a steadier source of rental income, and a better return on capital.

We are optimistic about the long term growth of China. We believe our investments in properties will benefit from such growth. The Group will continue to search in Shanghai and Hong Kong for commercial and/or retail properties in good locations with higher yields and better potential for future capital appreciation.

### INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At a meeting held on 22 September 2006, the directors declared an interim dividend of HK\$0.01 per share (2005: HK\$0.01) payable on or about 26 October 2006 to the shareholders of the Company whose names are on the register of members on 12 October 2006.

The register of members of the Company will be closed from 10 October 2006 to 12 October 2006, both dates inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Abacus Share Registrars Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:30 pm on 9 October 2006.

### DIRECTORS' INTERESTS AND SHORT POSITIONS

At 30 June 2006, the interests and short positions of each director in the shares and underlying shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("the Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Director	Personal Interests	Family Interest	Corporate Interests	Other Interest	% of Issued Share Capital	
					Total	
Mr Rustom Ming Yu HO	–	–	138,347,288*	–	138,347,288	52.87
Mr John Ming Tak HO	–	600,000	138,347,288*	–	138,947,288	53.10

\* By virtue of the SFO, both Mr Rustom Ming Yu HO and Mr John Ming Tak HO are deemed to have interests in the 138,347,288 shares held by Fulcrest Limited, a company incorporated in Hong Kong and the ultimate holding company of which is controlled by Mr Rustom Ming Yu HO and Mr John Ming Tak HO. Interests in the same shares are also shown under the section headed "Substantial Shareholders' Interests and Short Positions" below.

## DIRECTORS' INTERESTS AND SHORT POSITIONS (Cont'd)

Save as disclosed above, as at 30 June 2006, none of the directors or their respective associates had any personal, family, corporate or other interest or short position in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (a) was required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) was required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Exchange.

None of the directors and chief executive (including their spouse and children under 18 years of age) of the Company had any interest in, or had been granted, or exercised, any rights to subscribe for shares and underlying shares of the Company and its associated corporations (within the meaning of the SFO).

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30 June 2006, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors:

Substantial Shareholder	Direct Interests	Deemed Interests	Total	% of Issued Share Capital
Fulcrest Limited	138,347,288	0	138,347,288	52.87
Asian Pacific Investment Corporation	0	138,347,288	138,347,288	52.87
Kwong Fong Holdings Limited	710,000	138,347,288	139,057,288	53.14
Kwong Fong Industries Corporation	8,680,000	139,057,288	147,737,288	56.46
COFCO (Hong Kong) Limited	45,058,000	0	45,058,000	17.22

*Note: The share capital of Fulcrest Limited is owned 51% by Asian Pacific Investment Corporation and 49% by Kwong Fong Holdings Limited. Kwong Fong Holdings Limited is a wholly owned subsidiary of Kwong Fong Industries Corporation.*

Save as disclosed above, the directors are not aware of any person (other than the directors) who, as at 30 June 2006, had an interest or short position in the shares and 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 would be recorded in the register required to be kept by the Company under Section 336 of the SFO.