

**(b) New Scheme**

The New Scheme was adopted by the Company on 1 September 2005, unless otherwise terminated or amended, the New Scheme will remain in force for 10 years from the date of adoption. Details of the terms of the New Scheme were disclosed in the Annual Report of the Company for the year 2005.

During the period, no share options were granted or exercised under the New Scheme. Therefore, no theoretical value of share option is disclosed.

**SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2006, the register required to be kept by the Company pursuant to Section 336 of the SFO showed that the following shareholders (other than Directors of the Company) had disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO an interest or a short position in the shares or underlying shares of the Company:

Name of shareholder	Capacity	Number of shares held		Total	Percentage of issued share capital (%)
		Long Position	Short Position		
Glorious Sun Holdings (BVI) Limited	Beneficial owner	389,854,000	6,600,000	396,454,000	37.598
Advancetex Holdings (BVI) Limited	Beneficial owner	233,540,000	-	233,540,000	22.148
Mr. Cheah Cheng Hye	(i) Beneficial owner (ii) Interest of child under 18 or spouse (iii) Interest of a controlled corporation	500,000 240,000 61,075,000 <sup>(1)</sup>	- - -	61,815,000	5.862
Value Partners Limited	Investment manager	61,775,000	-		
Commonwealth Bank of Australia	Interest of controlled corporations	62,935,100	-		

*Notes:*

1. Mr. Cheah Cheng Hye was deemed to be interested in these shares held by Value Partners Limited, a company controlled by Mr. Cheah Cheng Hye.
2. 62,935,100 shares were held by various wholly-owned subsidiaries of Commonwealth Bank of Australia.

Save as disclosed above, no other parties (other than Directors of the Company) disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 June 2006.

## **CORPORATE GOVERNANCE**

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2006, with deviation from code provision A.4.2 of the Code in respect of rotation of directors.

Under the code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

However, in accordance with bye-law 110(A) of the Bye-laws of the Company, Dr. Charles Yeung, SBS, JP, the Chairman of the Board of Directors of the Company (the "Board"), shall not be subject to retirement by rotation. The Board considered that due to the fact that Dr. Charles Yeung, SBS, JP, is the founder of the Group, he is eligible for being the Chairman of the Board during his lifetime and need not be subject to retirement by rotation.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that during the six months ended 30 June 2006, all Directors have complied with the required standard set out in the Model Code.