

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2006, so far as is known to any Director or chief executive of the Company, other than the interests disclosed in the section headed "Directors' Interests and Short Positions in Shares" and "Directors' Rights to Acquire Shares" above, the following interests and short positions of 5% or more in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Ordinary Shares of HK\$0.01 each of the Company

Name of Shareholder	Capacity/ Nature of interests	Number of shares held (long position)	Percentage of holding (%)
Planet Adventure Limited	Beneficial owner	9,300,000	6.18
Huen Wing Ming, Patrick	Corporate (Note 1)	9,450,000	6.28
Huen Ng Sui Fong, Isabel	Family interest (Note 2)	9,450,000	6.28

Notes:

- Planet Adventure Limited and Patova International Limited were wholly owned by Mr. Huen Wing Ming, Patrick who was deemed to be interested in 9,300,000 shares and 150,000 shares of the Company held by Planet Adventure Limited and Patova International Limited respectively under the SFO.
- Mrs. Huen Ng Sui Fong, Isabel is the spouse of Mr. Huen Wing Ming, Patrick and was deemed to be interested in the shares of the Company in which Mr. Huen Wing Ming, Patrick was interested under the SFO.

Save as disclosed above, as at 30 June 2006, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

AUDIT COMMITTEE

The Audit Committee comprising the three independent non-executive directors has discussed the internal controls and financial reporting matters with management and reviewed the unaudited condensed consolidated financial statements of the Group for the Current Period in conjunction with the Group's external auditors.

CODE ON CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Current Period except for the deviation of Code provision E.1.2 which stipulates that the Chairman of the Board should attend the annual general meeting and be available to answer questions at the annual general meeting. However, the Chairman and the Vice Chairman of the Board did not attend the 2006 annual general meeting and instead the Managing Director of the Board attended the 2006 annual general meeting and was available there to answer questions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "Model Code") for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the Current Period, and they all confirmed that they have fully complied with the required standards set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the Current Period.

ACKNOWLEDGEMENT

On behalf of the board, we would like to thank Mr. Shaw Wen Fei, who resigned as Chairman in June 2006, for his contribution to the Group in the past. We would like to express our sincere gratitude to all our staff for their dedication, hard work and contribution during the Current Period. In addition, we would like to thank all our shareholders and our customers for their support of the Group.

By Order of the Board
Au Hoi Tsun, Peter
Managing Director

Hong Kong, 18 September 2006