

## **SUPPLEMENTARY INFORMATION**

### **Dividend**

The Board has resolved to declare an interim dividend of 7 HK cents per share for the six months ended 30th June, 2006 (2005: 9 HK cents per share). The interim dividend will be payable on 16th October, 2006 to shareholders whose names appear on the register of members of the Company on 8th October, 2006.

### **Closure of Register of Members**

The register of members of the Company will be closed from 6th October, 2006 to 8th October, 2006, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 5th October, 2006 in order to qualify for the interim dividend mentioned above.

### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of conduct regarding securities transactions by the Directors (the "Code"). Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Code during the six months period ended 30th June, 2006.

### **Purchase, Sale or Redemption of the Company's Listed Shares**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30th June, 2006.

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30th June, 2006, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

#### 1. Shares in the Company (Long Position)

Name of director	Number of shares held			Percentage of issued share capital of the Company
	Personal interests	Other interests	Total	
Ng Hoi Ying, Michael	2,856,000	151,000,000 <i>(Note a)</i>	153,856,000	40.10%
Hui Pui Woon	-	36,682,000 <i>(Note b)</i>	36,682,000	9.56%
Ng Kim Ying	950,000	18,500,000 <i>(Note c)</i>	19,450,000	5.07%
Lee Wai Chung	1,750,000	-	1,750,000	0.46%

#### Notes:

- (a) These shares were held by Ratagan International Company Limited ("Ratagan"). The entire issued share capital of Ratagan was held by Trustcorp Limited ("Trustcorp") as trustee for The Arts 1996 Trust, a discretionary trust, the beneficiaries of which included Mr. Ng Hoi Ying, Michael and his family members. The parent company of Trustcorp, Newcorp Limited, its ultimate parent company Newcorp Holdings Limited, Mr. David Henry Christopher Hill, Ms. Rebacca Ann Hill and Mr. David William Roberts were also deemed to be interested in the issued share capital of Ratagan by virtue of their interests and deemed interests in Trustcorp.

- (b) These shares were held by Forever Up Group Limited (“Forever Up”). The entire issued share capital of Forever Up was owned by Fortune Smiles Limited which was wholly owned by HSBC International Trustee Limited as trustee for The Saying’s Trust, a discretionary trust, the beneficiaries of which included Ms. Hui Pui Woon and her family members.
- (c) These shares were held by Universal Honour Developments Limited (“Universal Honour”). The entire issued share capital of Universal Honour was held by Trustcorp as trustee for The Optical 2000 Trust, a discretionary trust, the beneficiaries of which included Mr. Ng Kim Ying and his family members. The parent company of Trustcorp, Newcorp Limited, its ultimate parent company Newcorp Holdings Limited, Mr. David Henry Christopher Hill, Ms. Rebacca Ann Hill and Mr. David William Roberts were also deemed to be interested in the issued share capital of Universal Honour by virtue of their interests and deemed interests in Trustcorp.

## 2. *Underlying shares in the Company (Share Options)*

At the 2003 Annual General Meeting, the Company’s share option scheme adopted on 24th October, 1996 (the “Old Share Option Scheme”) was terminated and a new share option scheme (the “New Share Option Scheme”) was adopted in order to comply with the amendments to Chapter 17 of the Listing Rules in relation to share option scheme. All the share options granted under the Old Share Option Scheme have been exercised or lapsed before 1st January, 2006. No share option under the New Share Option Scheme was granted, exercised, cancelled or lapsed since its adoption.

Save as disclosed above and other than certain nominee shares in subsidiaries held by Ratagan in trust for the Group, as at 30th June, 2006, none of the Directors or chief executive had any 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) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at 30th June, 2006, the interests and short positions of every person, other than the interests disclosed under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

#### *Shares in the Company (Long Position)*

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Percentage of issued share capital of the Company</b>
Veer Palthe Voûte NV	Beneficial owner	32,901,990 (Note a)	8.58%
David Michael Webb	Beneficial owner	1,570,000	0.41%
	Held by controlled corporation	19,192,000 (Note b)	5.00%
Perferable Situation Assets Limited	Beneficial owner	19,192,000 (Note b)	5.00%

#### *Notes:*

- (a) Allianz Aktiengesellschaft, Allianz Finanzbeteiligungs GmbH, Dresdner Bank Aktiengesellschaft and Dresdner Bank Luxembourg S.A., being the parent companies of Veer Palthe Voûte NV, were also deemed to be interested in the same parcel of 32,901,990 shares held by Veer Palthe Voûte NV under Part XV of the SFO.
- (b) Mr. David Michael Webb was deemed to be interested in the 19,192,000 shares held by Perferable Situation Assets Limited under Part XV of the SFO.

All the interests stated above represent long position. Save as disclosed above, at 30th June, 2006, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in shares or underlying shares of the Company.

**Corporate Governance**

The Company has complied with all of the code provisions in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months period ended 30th June, 2006, with deviations from code provision A.2.1 of the CG Code only. Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ng Hoi Ying, Michael ("Mr. Ng") is the founder and chairman of the Group. The Company does not at present have any officer with the title "chief executive officer" and Mr. Ng has been carrying out the duties of both the chairman and chief executive officer since the establishment of the Group and the Company. The Board intends to maintain this structure in future as it believes that this structure can ensure efficient and effective formulation and implementation of business strategies without compromising the balance of power and authority between the Board and management of the Company.

An Audit Committee has been established by the Company since 1998 to act in an advisory capacity and make recommendations to the Board. The Committee currently comprises Messrs. Wong Chi Wai, Chung Hil Lan Eric and Francis George Martin, all of whom are independent non-executive Directors of the Company. The duties of the Audit Committee include review of the interim and annual reports of the Group as well as various auditing, financial reporting and internal control matters with the management and/or external auditors of the Company. The Group's unaudited financial statements for the six months ended 30th June, 2006 have been reviewed by the Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu.

A Remuneration Committee was established in 2003 and currently comprises Messrs. Francis George Martin, Wong Chi Wai and Chung Hil Lan Eric, all of whom are independent non-executive Directors. The duties of the Remuneration Committee include the determination of remuneration of executive Directors and review of remuneration policy of the Group.