

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO indicated that other than the interests disclosed above in respect of certain directors, the following persons had notified the Company of interests and short positions in the issued share capital of the Company which fall to be disclosed to the Company under the SFO.

Long positions

Ordinary shares of HK\$0.10 each of the Company:

Name	Capacity	Number of issued ordinary shares held	% of the issued share capital of the Company
Golden Toy	Beneficial owner	43,217,445 ⁽¹⁾	8.91%
Kong Fai	Beneficial owner	296,180,025 ⁽¹⁾	61.09%
Trustcorp Limited	Trustee of trusts	339,397,470 ⁽¹⁾	70.00%
Newcorp Ltd.	Interest of controlled corporation	339,397,470 ⁽²⁾	70.00%
Newcorp Holdings Limited	Interest of controlled corporation	339,397,470 ⁽²⁾	70.00%
David William Roberts	Interest of controlled corporation	339,397,470 ⁽³⁾	70.00%
David Henry Christopher Hill	Interest of controlled corporation	339,397,470 ⁽³⁾	70.00%
Rebecca Ann Hill	Interest of spouse	339,397,470 ⁽⁴⁾	70.00%

Notes:

- (1) Trustcorp Limited is deemed under the SFO to have an interest in the same 339,397,470 shares, in aggregate, beneficially owned by Golden Toy and Kong Fai by virtue of it being the trustee of the two discretionary trusts which own 100% of the shares of Golden Toy and Kong Fai.
- (2) The corporate substantial shareholder notices filed by Newcorp Ltd. and Newcorp Holdings Limited indicated that Trustcorp Limited was wholly-owned by Newcorp Ltd. which in turn was wholly-owned by Newcorp Holdings Limited. Therefore, Newcorp Holdings Limited and Newcorp Ltd. are deemed to have interest in the 339,397,470 shares under the SFO.
- (3) The individual substantial shareholder notices filed by David William Roberts and David Henry Christopher Hill indicated that they are deemed to be interested in the 339,397,470 shares under the SFO by virtue of their interests held in Newcorp Holdings Limited.
- (4) The individual substantial shareholder notice filed by Rebecca Ann Hill indicated that her deemed interest in the 339,397,470 shares represents the interest of her spouse, David Henry Christopher Hill.

Save as disclosed above, the directors are not aware of any other persons who, as at 30 September 2006, had interests or short positions in the shares, underlying shares or debentures of the Company that were required to be entered into the register kept by the Company pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the period.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months period ended 30 September 2006 except for Code provision A.2.1 in respect of the role separation of the chairman and the chief executive officer and Code provision A.4.1 in respect of the service term of non-executive directors.

Code provision A.2.1 sets out that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Cheng Hop Fai assumes the role of both the Chairman and the Managing Director of the Company. The Board considers that such arrangement will not result in undue concentration of power and is, at this stage, conducive to the efficient formulation and implementation of the Group's strategies thus allowing the Group to develop its business more effectively.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors ("INEDs") of the Company with the exception of Ms. Kan Lai Kuen, Alice are not appointed for a specific term. This constitutes a deviation from Code provision A.4.1. However, as all the INEDs of the Company are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Company's Bye-laws, in the opinion of the directors, this meets the objective of the Code.

AUDIT COMMITTEE

The members of the Audit Committee are Ms. Kan Lai Kuen, Alice (Chairman), Mr. Law Toe Ming and Mr. Mark Yiu Tong, William, the INEDs of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the Board of Directors the internal control and financial reporting matters including the unaudited interim financial statements for the six months period ended 30 September 2006.

REMUNERATION COMMITTEE

Pursuant to Code provision B.1.1, the Company has established a Remuneration Committee comprising the three INEDs, namely Mr. Law Toe Ming (Chairman), Ms. Kan Lai Kuen, Alice and Mr. Mark Yiu Tong, William. The terms of reference of the Remuneration Committee are consistent with the Code provisions. The principal function of the Remuneration Committee is to make recommendation to the Board on the Group's policy and structure for the remuneration of directors and senior management.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

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 as its own code of conduct regarding securities transactions by the directors. Following specific enquiry by the Company, all the directors have confirmed that they have complied with the required standards as set out in the Model Code during the six months period ended 30 September 2006.

By Order of the Board
Cheng Hop Fai
Chairman

Hong Kong, 18 December 2006