

OTHER INFORMATION

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Code On Corporate Governance Practices (the “Code”), as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the year covered by this interim report, except that the non-executive directors of the Company were not appointed for specific terms as required by paragraph A.4.1 of the Code. However, the non-executive directors are subject to retirement by rotation and re-election at annual general meeting in accordance with the Company’s Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Trading in the Shares of the Company has been suspended since 24th April, 2003 and the Directors are of the opinion that since the date of shares trading suspension, the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules is not applicable.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30th June, 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

DIRECTORS’ INTEREST IN SHARES

As at 30th June, 2006, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by the Directors.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2006, the following entities (not being a director or chief executive of the Company) had long position in the issued share capital of the Company recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance.

Long positions

Name	Note	Number of issued shares	Percentage holding
China Sun's Group Limited		4,012,000,000	17.90%
Mr. Wei Wu	1	4,012,000,000	17.90%
Mr. Chiang Ho Wai	2	4,012,000,000	17.90%
On Fat Limited		2,068,615,266	9.23%
Lu Jiping	3	2,068,615,266	9.23%
Charcon Assets Limited		2,061,300,782	9.20%
Mr. Wong Kwan	4	2,098,149,504	9.36%

Note:

1. The Corporate Interest of the shares are held by China Sun's Group Limited (China Sun's), formerly known as China Wanan Group Limited, in which 30% is held by Gold Pin Holding Inc. and 20% is held by Fudi Venture Limited, both of which Mr. Wei Wu are the sole beneficial owner.
2. The Corporate Interest of the shares are held by China Sun's, in which 50% was held by Essential Rise Holding Limited, of which Mr. Chiang Ho Wai is the beneficial owner.
3. According to the individual substantial shareholder notice filed by Mr. Lu Jiping on 14th April, 2003, On Fat Limited was controlled as to 100% by Mr. Lu Jiping. Accordingly, Mr. Lu Jiping was deemed to be interested in the 2,068,615,266 shares held by On Fat Limited.
4. Charcon Assets Limited is 100% controlled by Mr. Wong Kwan. Accordingly, Mr. Wong Kwan was deemed to be interested in the 2,061,300,782 shares held by Charcon Assets Limited. In addition to 36,848,722 shares directly held by Mr. Wong Kwan, Mr. Wong Kwan held a total interest of 2,098,149,504 shares.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2006.

AUDIT COMMITTEE

Due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, up to the date of this report the Company is unable to appoint three Independent Non-Executive Directors as required by Rule 3.19 and Rule 3.21 of the Listing Rules. However, the interim accounts of the Group for the period ended 30th June, 2006 have been reviewed by the two Executive Directors namely Mr. Pang Ho Chuen, Lawrence and Mr. Chan Wai Hung.

By Order of the Board
Chan Wai Hung
Executive Director

Hong Kong, 29th September, 2006