

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

At 30 September 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position:

Name of shareholder	Capacity in which such interests were held	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Chuang Eugene Yue-Chien	Beneficiary of a trust	4,000,000,000 ¹	34.19%
Sunderland Properties Limited	Beneficial owner	4,000,000,000 ¹	34.19%
DKR Capital Inc.	Corporate interest	2,000,000,000 ²	17.09%
DKR Capital Partners LP	Corporate interest	2,000,000,000 ²	17.09%
DKR Management Co. Inc.	Corporate interest	2,000,000,000 ²	17.09%
DKR Oasis Management Company LP	Investment manager	2,000,000,000 ²	17.09%
DKR SoundShore Oasis Holding Fund Ltd	Beneficial owner	2,000,000,000 ²	17.09%
Oasis Management Holdings LLC	Corporate interest	2,000,000,000 ²	17.09%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES (continued)

Notes:

1. This represented 4,000,000,000 underlying Shares issuable by the Company under the convertible note issued by the Company in the aggregate principal amount of HK\$100 million to Sunderland Properties Limited on 16 June 2006.
2. This represented 2,000,000,000 underlying Shares issuable by the Company under the convertible note issued by the Company in the aggregate principal amount of HK\$50 million to DKR SoundShore Oasis Holding Fund Ltd on 16 June 2006.

Save as disclosed above, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

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

EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFITS SCHEME

The Group selects and promotes staff based on their qualification, experience and suitability for the position offered. The Group's remuneration policy aims to retain and motivate staff. Performance of staff is appraised annually to provide a base for the review of the remuneration package. The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all its employees.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The audit committee comprises the four independent non-executive directors of the Company. The Company's interim results for the period ended 30 September 2006 have been reviewed by the audit committee of the Company.