

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

At 30 September 2005, the interests or short positions of each of the directors and chief executives of the Company in the shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")), as required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, or 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 under Appendix 10 to the Listing Rules, were as follows:

Name	The Company/ name of the associated corporation	Capacity	Number of shares and classes (L) (Note 1)
Tong Kit Shing	The Company	Interests of a controlled corporation	292,058,248 ordinary shares of HK\$0.10 each (Notes 2 and 3)
Liu Guoyao	The Company	Interests of a controlled corporation	292,058,248 ordinary shares of HK\$0.10 each (Notes 2 and 3)

Notes:

1. The Letter "L" represents the interests in the shares and underlying shares in the Company or its associated corporations.
2. These shares were and are held through Automatic Result Limited ("ARL"), which is solely and beneficially owned by Mr Tong Kit Shing and of which Mr Liu Guoyao is the sole director. Mr Tong and Mr Liu were and are deemed to be interested in the shares and any derivative interest in shares which were and are held by ARL by virtue of the SFO.
3. The number of shares deemed to be held by Mr Tong and Mr Liu (by virtue of their interest deemed interest in ARL under the SFO) does not take into account any shares which may fall to be allotted and issued:
 - (a) upon exercised on the conversion right attaching to the three-year zero coupon convertible bonds in the aggregate principal sum of HK\$114 million issued by the Company to ARL on 14 June 2006 at the conversion price of HK\$0.95 per share (subject to adjustment) a constituted by an instrument by way of deed poll dated 14 June 2006; and
 - (b) upon exercised of the subscription right attaching to the warrants issued by the Company by way of bonus issue entitling the holders there of to subscribe in cash for new shares in the subscription price of HK\$5.00 per share (subject to adjustment) on the basis of two warrants for every 10 existing shares held on 22 September 2006 as constituted by a instrument by way of deed poll dated 29 September 2006.

Other than as disclosed above, none of the directors, chief executive nor their associates had any interest or short positions in any shares and underlying shares of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2006, as shown in the register of substantial shareholders maintained by the Company under section 336 of the SFO, the following corporation/person had an interest of 5% or more in the issued share capital and short positions of the Company:

Name	Capacity	Number of ordinary shares of HK\$0.10 each in the Company (Note 1)	Approximate percentage of shareholding
Automatic Result Limited ("ARL")	Beneficial owner	292,058,248 (L) (Notes 2 to 3)	33.65%
Tong Kit Shing	Interests of a controlled corporation	292,058,248 (L) (Notes 2 to 3)	33.65%
Liu Guoyao	Interests of a controlled corporation	292,058,248 (L) (Notes 2 to 3)	33.65%
Chow Tai Fook Nominee Limited	Beneficial owner	108,000,000 (L) (Note 4)	12.44%

Notes:

- The letter "L" represents the interests in the shares and underlying shares in the Company.
- ARL is solely and beneficially owned by Mr Tong Kit Shing and Mr Liu Guoyao is the sole director of Automatic Result. Mr. Tong and Mr. Liu were and are deemed to be interested in the shares and any derivative interest in shares which were and are held by ARL by virtue of the SFO.
- The number of shares does not take into account any shares which may fall to be allotted and issued:
 - upon exercised on the conversion right attaching to the three-year zero coupon convertible bonds in the aggregate principal sum of HK\$114 million issued by the Company to ARL on 14 June 2006 at the conversion price of HK\$0.95 per share (subject to adjustment) a constituted by an instrument by way of deed poll dated 14 June 2006; and
 - upon exercised of the subscription right attaching to the warrants issued by the Company by way of bonus issue entitling the holders there of to subscribe in cash for new shares in the subscription price of HK\$5.00 per share (subject to adjustment) on the basis of two warrants for every 10 existing shares held on 22 September 2006 as constituted by an instrument by way of deed poll dated 29 September 2006.
- Dato Dr Cheng Yu-Tung beneficially owns all the issued shares in Chow Tai Fook Nominee Limited.

Save as disclosed above, the directors of the Company are not aware of any other persons who had interests of 5% or more in the issued share capital of the Company.

PURCHASE, SALES OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2006, save for the deviation that the independent non-executive directors are not appointed for specific terms pursuant to paragraph A.4.1 of the Code. Notwithstanding the aforesaid deviation, all the directors (including the non-executive directors) are subject to retirements by rotation and re-election at the Company's annual general meeting in compliance with the Company's Articles of Association.

COMPLIANCE WITH MODEL CODE

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. Upon enquiry by the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2006.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited consolidated accounts for the six months ended 30 September 2006 with the directors.

PUBLICATION OF INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

This interim report is published on the website of The Stock Exchange of Hong Kong Limited www.hkex.com.hk.

By Order of the Board
Mr. Tong Kit Shing
Chairman

Hong Kong, 28 December 2006

At the date of this report, the board of directors of the Company comprises:

Executive directors:

Tong Kit Shing (*Chairman*)
Liu Guoyao (*Chief Executive Officer*)
Cheng Wai Man

Independent non-executive directors:

Zhou Yaoming
Lin Jian
So Yin Wai