

Save as disclosed above, as at 31 December 2006, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares in or debentures of the Company or any associated corporation which have been recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code.

SHARE OPTION SCHEME

The existing share option scheme for employees of the Company was approved on 16 December 2005 ("Share Option Scheme"). The Directors may, at their discretion, invite any participant to take up options to subscribe for shares in the Company. The Share Option Scheme remains in force for a period of 10 years from 16 December 2005.

Movement of share options during the six months ended 31 December 2006 was as follows:-

	No. of options outstanding as at 1 July 2006	No. of options exercised	No. of options outstanding as at 31 December 2006	% of issued share capital at 31 December 2006
Directors				
Tan Sim Chew	13,300,000	13,300,000	—	—
Fu Zi Cong	13,300,000	13,300,000	—	—
Lo King Fat, Lawrence	13,300,000	13,300,000	—	—
Aggregate of employees	26,600,000	26,600,000	—	—

The weighted average closing price of the shares immediately before the date on which the above options were exercised was HK\$0.053. During the six months ended 31 December 2006, no share option was granted, cancelled or lapsed. There was no outstanding option as at 31 December 2006.

Apart from the foregoing, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2006, the persons having an interest in 5% or more of the issued share capital of the Company as recorded in the register of interests in shares and short positions required to be kept under section 336 of the Part XV of SFO were as follows :

	Number of ordinary shares	Percentage of total issued shares
Tan Sim Chew	275,265,226	19.68%

Note : All the above shares are held by Mr. Tan Sim Chew personally.

Save as disclosed herein, no other person was recorded in the register of interests and short positions maintained under section 336 of Part XV of the SFO as having an interest of in 5% or more of the issued share capital of the Company as at 31 December 2006.

CORPORATE GOVERNANCE

The Company has adopted all the code provisions in the Code on Corporate Governance Practice (“the Code”) as set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). In the opinion of the Directors, the Company has met the code provisions of the Code during the six months ended 31 December 2006.