

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, the parties which had interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:

Ordinary shares of HK\$0.01 each of the Company

Name	Note	Number of issued ordinary shares held	Shareholding percentage
Mr. Chui Tak Keung, Duncan	1	35,900,000	14.24%
Mr. Li Yiu Keung		30,000,000	11.90%
Mr. Wu Wai Yin	2	22,800,000	9.04%
Ms. Chan Yuen Lan	3	22,800,000	9.04%
DKR Oasis Management Company LP	4	19,700,000	7.81%

Note 1: Mr. Chui Tak Keung, Duncan an executive director of the Company, was personally interested in 5,300,000 shares and deemed to be interested in 30,600,000 shares by virtue of his shareholding in Four Gold MS H01 Limited.

Note 2: Mr. Wu Wai Yin was deemed to be interested in 22,800,000 shares by virtue of his personal interest in 200,000 shares and deemed interest by virtue of his shareholding in Eftpos Limited, which was interested in 22,400,000 shares, and the shareholding in 200,000 shares of his spouse Ms. Chan Yuen Lan.

Note 3: Ms. Chan Yuen Lan was deemed to be interested in 22,800,000 shares by virtue of her personal interest in 200,000 shares and deemed interest by virtue of the interests held directly and indirectly by her spouse Mr. Wu Wai Yin.

Note 4: DKR Capital Inc., DKR Management Company, DKR Capital Partners LP, Oasis Management Holding LLC and DKR SoundShore Oasis Holding Fund Ltd. were deemed to be interested in 19,700,000 shares by virtue of their direct or indirect in DKR Oasis Management Company LP.

## **SUBSTANTIAL SHAREHOLDERS** (Continued)

Save as disclosed above, as at 31 December 2006, the Directors were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **SHARE OPTION SCHEME**

Pursuant to the written resolutions passed by all of the then shareholders of the Company on 30 September 2003, the Company adopted a share option scheme (the "Scheme"). Under the Scheme, the Directors of the Company may, at their absolute discretion, invite any employee (whether full-time or part time, including any executive director), any non-executive directors (including independent non-executive directors), any supplier of goods or services, any customer and any person or entity that provides research, development or other technological support to the Company to take up options to subscribe for shares in the Company representing up to a maximum of 10% of the shares in issue as at the date of commencement of listing of shares of the Company on the Stock Exchange and subject to renewal with shareholders' approval.

Up to the date hereof, no share options have been granted pursuant to the Scheme.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

Mr. Chan Ming Sun, Jonathan holds a position as an Investment Manager of Go-To-Asia Investment Limited. The business of Go-To-Asia Investment Limited is deemed to constitute a competing business to the Group.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has repurchased, redeemed or sold any of the Company's listed securities during the six months ended 31 December 2006.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors, namely, Mr. Lam Kwan, Mr. Chan Ming Sun, Jonathan and Mr. Shiu Siu Tao with written terms of reference in compliance. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Company, and discussed internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 31 December 2006.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all directors regarding any non-compliance with the Model Code during the Period and they all confirmed that they have fully complied with the required standard set out in the Model Code.

## CODE OF CORPORATE GOVERNANCE PRACTICE

During the Period, the Company has complied with the code provisions in the Code of Corporate Governance Practice (the “CGP Code”) contained in Appendix 14 to the Listing Rules, except the deviations from the Code as described below:

1. Under provision A.2.1 of the CGP Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed chairman and chief executive officer, whose functions are collectively performed by all the executive directors. The Board considers that this arrangement allows contributions from all executive directors with different expertise. The Board will review the effectiveness of this arrangement from time to time.
2. Under provision A.4.1 of the CGP Code, non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation in accordance with the Company’s articles of association. The Board will review, and if thought fit, change this practice later.
3. Under provision A.5.4 of the CGP Code, there should be written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealing in the securities of the Company. The Company is considering setting up guidelines for employees as required under this provision.

By Order of the Board  
**Chui Tak Keung, Duncan**  
*Executive Director*

Hong Kong, 26 March 2006