

SUBSTANTIAL SHAREHOLDERS

As at 31 October 2004, person having interest of 5% or more in the Company's issued share capital, other than Directors, Chief executives and Substantial shareholders as recorded in the register kept by the Company in the Part XV of the SFO Ordinance is as follows:

Name of shareholder	Number of ordinary Shares of the Company held	Capacity	Percentage of shareholding
Karl Thomson Credit Limited	648,600,000(L)*	Security interest (Nominee)	16.41%

Note: The letter "L" represents the shareholder's interests in the shares.

* This figure has already been included in the interest as disclosed in section headed "Directors' interest in securities".

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the company's issued share capital as at 31 October 2004.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the period or at any time during the period.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the directors had any interests in competing business of the Company which was required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the period covered by the interim report.

AUDIT COMMITTEE

The Audit Committee of the Company presently comprises the three independent non-executive directors. One of the independent non-executive directors is a Certified Public Accountant in Hong Kong with substantial experience in corporate finance, auditing and financial management. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 31 October 2004.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of 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.

On behalf of the Board

Lo Wai Shing Felix

Chairman

Hong Kong, 21 January 2005