

INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 23 HK cents per share (2004: 17 HK cents) to shareholders whose names appear on the Register of Members on 7 October 2005. It is expected that the interim dividend payments will be made to shareholders on 13 October 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 3 October 2005 to 7 October 2005, both dates inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrars, Secretaries Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 30 September 2005.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2005, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) *Ordinary shares of HK\$0.1 each of the Company*

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lam Wai Wah, Steven	Beneficial owner	199,548,000	43.89%
	Held by spouse (Note 1)	12,100,000	2.66%
		211,648,000	46.55%
Wong Pong Chun, James	Beneficial owner	314,000	0.07%
	Held by spouse (Note 2)	100,000	0.02%
		414,000	0.09%
Cheung Tat Sang, James	Beneficial owner	800,000	0.18%
Li Jian Hua	Beneficial owner	723,000	0.16%
		213,585,000	46.98%

(b) *Share options*

Name of director	Capacity	Number of options held	Number of underlying shares
Lam Wai Wah, Steven	Beneficial owner	6,900,000	6,900,000
Wong Pong Chun, James	Beneficial owner	5,420,000	5,420,000
Cheung Tat Sang, James	Beneficial owner	9,300,000	9,300,000
Li Jian Hua	Beneficial owner	4,400,000	4,400,000
	Held by spouse	4,400,000	4,400,000
	(Note 3)		
		8,800,000	8,800,000
		30,420,000	30,420,000

Notes:

1. Lam Wai Wah, Steven is deemed to be interested in 12,100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
2. Wong Pong Chun, James is deemed to be interested in 100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
3. Li Jian Hua is deemed to be interested in 4,400,000 share options of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 30 June 2005.

SHARE OPTIONS

Details of the share options outstanding as at 30 June 2005 which have been granted under share option schemes adopted respectively on 22 May 2001 and 22 December 2003 were as follows:

Name	Capacity	Number of options outstanding at 1.1.05	Exercised (Note 1)	Number of options outstanding at 30.6.05
Lam Wai Wah, Steven (Note 2)	Director/Substantial shareholder	6,900,000	—	6,900,000
Wong Pong Chun, James	Director	5,670,000	(250,000)	5,420,000
Cheung Tat Sang, James	Director	10,600,000	(1,300,000)	9,300,000
Li Jian Hua	Director	4,400,000	—	4,400,000
Guo Yu Yan	Spouse of Director	4,400,000	—	4,400,000
		8,800,000	—	8,800,000
Others	Employees	32,600,000	(1,440,000)	31,160,000
		64,570,000	(2,990,000)	61,580,000

Notes:

- 2,990,000 share options were exercised during the six months ended 30 June 2005 under the old share option scheme adopted on 22 May 2001 at an exercise price of HK\$2.196.
- Other than the share options held by Lam Wai Wah, Steven as disclosed above, no share option has been granted to other substantial shareholders.
- No new share option has been granted during the period ended 30 June 2005.

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised under both share option schemes of the Company during the period.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2005, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, Steven, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Chan Kin Sun (Note)	Beneficial owner	28,900,000	6.36%
	Held by spouse	9,856,000	2.17%
		38,756,000	8.53%
Chan Lai Lan	Beneficial owner	35,096,000	7.72%
		73,852,000	16.25%

OTHER INFORMATION

Note: Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 38,756,000 shares of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2005.

PURCHASE, SALE OR REDEMPTION OF SECURITY

No purchase, sale or redemption was made by the Company or its subsidiaries of the Company's listed securities during the period.

MODEL CODE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the period under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The Audit Committee comprises all the three independent non-executive directors namely Mr. Chung Kam Kwong, being the Chairman and Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive director, as members. They meet at least four times a year.

REMUNERATION AND NOMINATION COMMITTEES

The Company has set up a Remuneration Committee and a Nomination Committee respectively in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

CORPORATE GOVERNANCE

We have complied with all the applicable code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules which became effective on 1 January 2005, throughout the six month period ended 30 June 2005, except for the following major deviations:

1. Code Provision A.2.1 — The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah, Steven. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of Company and believes that this structure will enable us to make and implement decisions promptly and efficiently.
2. Code Provision A.4.1 — The independent non-executive Directors have not been appointed for a specific term, but are subject to retirement and re-election in accordance with the Articles.

3. Code Provision A.4.2 — This Code Provision stipulates that all directors appointed to fill a casual vacancy shall hold office until the first next general meeting after their appointment, and every director should be subject to retirement by rotation at least once every three years. According to the Articles, any Director shall hold office until the next following annual general meeting and at such meeting, one-third of the Board shall retire from office by rotation and be eligible for re-election. Amendments to the relevant provisions of the Articles will be proposed at the 2006 annual general meeting of the Company to comply with Code Provisions A.4.1 and A.4.2.

By Order of the Board
Lam Wai Wah, Steven
Chairman

Hong Kong, 18 August 2005

As at the date of this report, the Board comprised Mr. Lam Wai Wah, Steven, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang, James and Mr. Li Jian Hua as executive directors and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.