

## GENERAL INFORMATION

### CORPORATE GOVERNANCE

#### Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2005.

#### Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules during the interim period, except that:

1. Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

All the existing non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

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2. CG Code provision A.4.2 stipulates that (a) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment; and (b) every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the provisions of the Company's Bye-laws, (a) any director appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election; and (b) at each annual general meeting one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third) shall retire from office by rotation save that the Executive Chairman or the Managing Director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

The Board will ensure the retirement of each director, other than those hold office as Executive Chairman or Managing Director, by rotation at least once every three years in order to comply with the CG Code. The Board presently considered that the continuity of office of the Executive Chairman and the Managing Director provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group.

3. CG Code provision A.5.4 stipulates that the Board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealing in the securities of the issuer.

A Code for Securities Transactions for Relevant Employees which is on no less exacting terms than the Model Code has been adopted by the Board on 21 December 2005.

### Audit Committee

The Audit Committee of the Company comprises three independent non-executive directors, namely Yu Hon To, David (Chairman), Chan Chok Ki and Ho Hin Kwan, Edmund. Regular meetings have been held by the Audit Committee of the Company since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 September 2005 has not been audited, but has been reviewed by the Audit Committee.

### Remuneration Committee

The Company has established the Remuneration Committee which comprises three members, namely Ho Hin Kwan, Edmund (Chairman) and Chan Chok Ki, who are independent non-executive directors, and Yu Sek Kee, Stephen, who is an executive director.

### Nomination Committee

The Company has established the Nomination Committee which comprises three members, namely Chan Chok Ki (Chairman) and Yu Hon To, David and, who are independent non-executive directors, and Chan Yuen Keung, Zuric, who is an executive director.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2005, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code, were as follows:

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### Long positions in ordinary shares of the Company

Name of director	Nature of interests	Number of ordinary shares directly beneficially owned	Percentage of the Company's issued share capital
Chan Yuen Keung, Zuric	Personal	2,500,000	2.16
Hong Yiu	Personal	6,805,000	5.87
Au Shiu Wai, Frank	Personal	150,000	0.13
Au Yu Fai, Patrick	Personal	88,500	0.08

Save as disclosed above, as at 30 September 2005, none of the directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that were required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2005 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 September 2005, the interests or short positions of those persons in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under section 336 of the SFO were as follows:

**Long positions in ordinary shares of the Company**

<b>Name</b>	<b>Capacity and Nature of interests</b>	<b>Number of ordinary shares owned</b>	<b>Percentage of the Company's issued share capital</b>
Chinney Alliance Group Limited	Directly beneficially owned	34,697,500	29.93
Hong Yiu	Directly beneficially owned	6,805,000	5.87

Save as disclosed above, as at 30 September 2005, no persons had registered any interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

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

During the six months ended 30 September 2005, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.