

## OTHER INFORMATION

### Directors' Interests in Shares

As at 30 June 2006, the interests of the Directors in the share capital 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 (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 for Securities Transactions by Directors (the "Model Code") of Listed companies, were as follows:

Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Director	Number of ordinary shares held			Percentage of the issued share capital of the Company
	Personal Interest	Corporate Interest	Total	
Mr. Lam Kwok Hing	3,474,667	205,516,000 (Note)	253,991,167	59.56

Note:

The amount composed of 48,520,666 and 201,995,834 shares of the Company that were held by Medusa Group Limited ("Medusa") and Karfun Investments Limited ("Karfun") respectively. Medusa is a company wholly-owned by Mr. Lam Kwok Hing. Karfun is a wholly-owned subsidiary of Karl Thomson Holdings Limited, a company in which Mr. Lam Kwok Hing is a controlling shareholder.

## OTHER INFORMATION

Save as disclosed above, except for nominee shares in certain subsidiaries held in trust of the Company by certain directors, none of the directors, the chief executive or their associates had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2006.

### Share Option Scheme

At the annual general meeting of the Company held on 13 June 2005, the shareholders of the Company approved the adoption of a new share option scheme (the “New Scheme”) and the termination of the old share option scheme (the “Old Scheme”). The Old Scheme was adopted by the Company on 1 January 2001 and remained in force for a period of ten years from the date of its adoption. Pursuant to the Old Scheme, the Company granted options on 30 August 2001 but all options have been lapsed before the termination of the Old Scheme and no option was outstanding under the Old Scheme.

The New Option Scheme is in line with the prevailing requirements of Chapter 17 of the Listing Rules in relation to share option schemes. The Company had no share options in issue under the New Scheme during the period and up to the date of this report.

## OTHER INFORMATION

### Substantial Shareholders

As at 30 June 2006, the following persons (other than the Directors of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity	Number of ordinary shares held	Percentage of the issued share capital of the Company
Karfun Investment Limited	Interest of controlled corporation	201,995,834	47.37
Medusa Group Limited	Interest of controlled corporation	48,520,666	11.38

Please refer to the note under the section heading "Director's Interests in shares" above.

Save as disclosed above, as at 30 June 2006, no person (other than the Directors of the Company whose interests are set out under the heading "Directors' Interests in shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of SFO.

## OTHER INFORMATION

### Corporate Governance

The Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2006, with deviations from code provisions A.2.1, A.4.1 and A4.2 of the CG Code in respect of the separate roles of chairman and chief executive officer, service term and rotation of directors.

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Under the code provision A.4.1 and A.4.2 of the CG Code, (a) non-executive directors should be appointed for a specific term and subject to re-election; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

#### Code Provision A.2.1

The Company does not at present have any officer with the title of Chief Executive Director (“CEO”) but instead the duties of a CEO are performed by the Managing Director (“MD”). The Company does not have a separate Chairman and MD and Mr. Lam Kwok Hing currently holds both positions. The Board believes that vesting the roles of both Chairman and MD in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. In addition, through the supervision of the Board which comprised of three independent non-executive directors, representing more than half of the Board, the interests of the shareholders are adequately and fairly represented.

## OTHER INFORMATION

### Code Provision A.4.1

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. In accordance with the provisions of the Bye-laws of the Company, any director appointed by the Board during the year shall retire and submit themselves for re-election at the first general meeting immediately following his/her appointment. Further, at each annual general meeting, one-third of the directors for the time being, or if their number is not three or multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. At such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those in the CG Code.

### Code Provision A.4.2

According to Bye-laws of the Company, the Chairman or MD are not subject to retirement by rotation or taken into account on determining the number of directors to retire. This constitutes a deviation from code provision A.4.2 of the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes, together with the reasons for deviation from code provision A.2.1, that the present arrangement is most beneficial to the Company and the Shareholders as a whole.

### Audit Committee

The Audit Committee comprises three independent non-executive directors, Mr. Cheung Kin Wai, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2006.

## OTHER INFORMATION

### Model Code for Securities Transaction by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standard set out in the Code throughout the six months ended 30 June 2006.

### Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2006.

### Board of Directors

As at the date of this report, the executive directors of the Company are Messrs. Lam Kwok Hing and Nam Kwok Lun, and the independent non-executive directors are Messrs. Cheung Kin Wai, Kwan Wang Wai, Alan and Ng Chi Kin, David.