

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES

As at the 30th June, 2006, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company:

(i) Long positions of Directors' interests in shares:

Name of director	Number of ordinary shares of the Company held				Percentage of issued share	
	Personal interests	Family interests	Corporate interests	Other interest	Total interest	capital of the Company
Deacon Te Ken Chiu, J.P.	10,424,332	2,087,580 ⁽¹⁾	1,612,683	2,339,679 ⁽⁵⁾	16,464,274	15.04%
Tan Sri Dato' David Chiu	1,870,000	–	6,168,800 ⁽²⁾	–	8,038,800	7.34%
Ms. Margaret Chiu	1,100,000	–	–	–	1,100,000	1.01%
Mr. Dennis Chiu	3,520,044	–	2,200,000 ⁽³⁾	1,169,856 ⁽⁵⁾	6,889,900	6.29%
Mr. Daniel Tat Jung Chiu	2,420,000	–	11,440,044 ⁽⁴⁾	–	13,860,044	12.66%
Mr. Derek Chiu	44,220	–	–	–	44,220	0.04%
Mr. Desmond Chiu	1,100,000	–	–	–	1,100,000	1.01%
Mr. Duncan Chiu	23,221,570	–	–	7,699,937 ⁽⁵⁾	30,921,507	28.25%

Notes:

- (1) These shares are held by Madam Ching Lan Ju Chiu, wife of Deacon Te Ken Chiu, J.P..
- (2) These shares are held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato' David Chiu.
- (3) These shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (4) Of the 11,440,044 shares, 2,200,000 shares are held by Cape York, and the remaining 9,240,044 shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.
- (5) Details of the interests of directors and chief executives of the Company in the underlying shares of equity derivatives in respect of options granted to them are stated in the "Directors' interests in share options of the Company" section.

OTHER INFORMATION (Continued)**DIRECTORS' INTERESTS IN SHARES (Continued)****(ii) Directors' interests in share options of the Company**

As at 30th June, 2006, the interests of the Directors or chief executive of the Company, and their respective associates, in the underlying shares of the Company which may be issued pursuant to exercise of the share options granted to the Directors pursuant to the Company's share option scheme were as follows:

Name of Grantee	Number of Shares Options				Exercise price HK\$	Date of grant	Exercisable period
	Outstanding as at 1/1/2006	Granted during the period	Adjustment for bonus issue	Outstanding as at 30/6/2006			
Deacon Te Ken Chiu, J.P.	2,128,848	–	210,831	2,339,679	1.1540 ⁽ⁱ⁾	21/7/2005	21/7/2005-20/7/2015
Mr. Dennis Chiu	1,064,424	–	105,432	1,169,856	1.1540 ⁽ⁱ⁾	21/7/2005	21/7/2005-20/7/2015
Mr. Duncan Chiu	3,406,158	–	337,309	3,743,467	1.1540 ⁽ⁱ⁾	21/7/2005	21/7/2005-20/7/2015
	–	1,800,000	178,235	1,978,235	1.2193 ⁽ⁱⁱ⁾	21/4/2006	23/5/2006-22/5/2016
	–	1,800,000	178,235	1,978,235	1.2193 ⁽ⁱⁱ⁾	21/4/2006	23/5/2007-22/5/2017
Aggregate for directors	6,599,430	3,600,000	1,010,042	11,209,472			
Aggregate for employees	425,770	–	42,228	467,998	1.1540 ⁽ⁱ⁾	21/7/2005	21/7/2005-20/7/2015
	–	750,000	74,265	824,265	1.2193 ⁽ⁱⁱ⁾	21/4/2006	23/5/2006-22/5/2016
	–	750,000	74,265	824,265	1.2193 ⁽ⁱⁱ⁾	21/4/2006	23/5/2007-22/5/2017
	<u>7,025,200</u>	<u>5,100,000</u>	<u>1,200,800</u>	<u>13,326,000</u>			

OTHER INFORMATION (Continued)**DIRECTORS' INTERESTS IN SHARES (Continued)****(ii) Directors' interests in share options of the Company (Continued)***Notes:*

- (1) At the 2005 annual general meeting of the Company held on 23rd May, 2005, a share option scheme (the "Option Scheme") of the Company was adopted by the shareholders of the Company. As at 30th June, 2006, there are options relating to 13,326,000 shares granted by the Company pursuant to the Option Scheme which are valid and outstanding.
- (2) At the 2006 annual general meeting of the Company held on 23rd May, 2006, a bonus issue of one new share for every ten shares ("Bonus Issue") held as of that date was approved by the shareholders. All the share options which were granted and remained outstanding as of 23rd May, 2006 were adjusted with the Bonus Issue and accordingly, the number of share options increased by one share for every ten shares in the share options, and the exercise price per share was adjusted from (i) HK\$1.2683 to HK\$1.1540 and (ii) HK\$1.34 to HK\$1.2193 respectively.
- (3) No options were exercised, cancelled or lapsed during the period.
- (4) Other details of share options granted by the Company are set out in note 16 to the financial statements.

Save as disclosed above, at 30th June, 2006, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS

At 30th June, 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors under the section headed “Directors’ Interests in Shares”, the following shareholders had notified the Company of any interest, directly or indirectly, in 5% or more of the issued share capital of the Company:

Name of Substantial Shareholder	Number of Ordinary shares held	Percentage of issued share capital of the Company
Gorich Holdings Limited (“Gorich”) ⁽¹⁾	9,240,044	8.44%
Max Point Holdings Limited (“Max Point”) ⁽²⁾	7,764,240	7.09%
Rocket High Investments Limited (“Rocket High”) ⁽³⁾	6,168,800	5.64%
Virtual Dragon International Limited (“Virtual Dragon”) ⁽⁴⁾	5,611,760	5.13%

Notes:

- (1) Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interests of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed “Directors’ Interests in Shares” above.
- (2) The entire share capital of Max Point is beneficially owned by Mr. Chan Wai Ki.
- (3) Rocket High is wholly-owned by Tan Sri Dato’ David Chiu. The interests of Tan Sri Dato’ David Chiu in the Company is stated under the section headed “Directors’ Interests in Shares” above.
- (4) These shares are held by Peace View Company Limited (“Peace View”), a wholly-owned subsidiary of Far East Consortium Limited (“FEC”). On 28th March, 2001, FEC had entered into a Sale of Shares Agreement with Virtual Dragon to dispose of its entire equity interests in Peace View to Virtual Dragon.
- (5) All interests disclosed above represent long positions in the ordinary shares of the Company.

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the Company’s issued share capital at 30th June, 2006.

OTHER INFORMATION (Continued)

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.

CORPORATE GOVERNANCE

The Company has complied with Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th June, 2006, with deviation from code provision A.4.1 of the Code in respect of the service term and rotation of Directors.

None of the existing Non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all Non-executive Directors of the Company are subject to the retirement by rotation and re-election at each annual general meeting under Articles 79 and 80 of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's Corporate Governance Practices are no less exacting than those in the Code.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of one Non-executive Director and two Independent Non-executive Directors namely, Mr. Derek Chiu, Dr. Lee G. Lam and Mr. Ryan Yen Hwung Fong respectively.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30th June, 2006.

REMUNERATION COMMITTEE

The Company had established a Remuneration Committee (the "Committee") with written terms of reference pursuant to the provisions set out in the Code. The Committee comprised two Independent Non-executive Directors, namely Dr. Lee G. Lam and Mr. Ryan Yen Hwung Fong and the Managing Director, Mr. Duncan Chiu of the Company. The Committee is principally responsible for formulation and making recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management.

OTHER INFORMATION (Continued)**MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model 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 standards set out in the Model Code throughout the six months ended 30th June, 2006.

On behalf of the Board

DUNCAN CHIU

Managing Director and Chief Executive Officer

Hong Kong, 22nd September, 2006