

Save as disclosed above and in “Share Option Scheme” below, during the six months ended 30 September 2006, none of the directors or chief executives had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was 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

Save as disclosed under the section “Share Option Scheme” below, at no time during the period 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 associates, or were any such rights exercised by them or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

There was no outstanding share options as at 30 September 2006. Details of the share options movement during the six months ended 30 September 2006 were as follows:

Name or category of participant	Number of share options				Date of grant of share options (Note 1)	Exercise period of share options (both dates inclusive)	Exercise price of share options (Note 2) HK\$	Company's share price at grant date of share options (Note 3) HK\$
	At 1 April 2006	Cancelled during the period	Lapsed during the period	At 30 September 2006				
Directors								
Lee Jeong Kwan	2,000,000	(2,000,000)	–	–	23 March 2004	23 March 2005 – 12 May 2012	1.52	1.55
So Chi On	400,000	(400,000)	–	–	23 March 2004	23 March 2005 – 12 May 2012	1.52	1.55
Sub-total	2,400,000	(2,400,000)	–	–				
Other employees								
In aggregate	6,300,000	(5,700,000)	(600,000)	–	23 March 2004	23 March 2005 – 12 May 2012	1.52	1.55
Total	8,700,000	(8,100,000)	(600,000)	–				

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.
4. No share options was granted or exercised during the period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 September 2006, so far as is known to, or can be ascertained after reasonable enquiry by the directors and chief executive of the Company, the persons or corporations (other than the directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long position in shares of the Company

Name	Number of shares held	Percentage of interest in the Company's issued share capital
B.K.S. Company Limited	140,814,300 (<i>Note 1</i>)	34.76%
Credit Cash Limited	140,814,300 (<i>Note 1</i>)	34.76%
Madam Yeung Kit Ling	140,814,300 (<i>Note 2</i>)	34.76%

Notes:

1. B.K.S. Company Limited, a wholly-owned subsidiary of Credit Cash Limited, is the legal and beneficial owner of 140,814,300 shares of the Company. The entire issued share capital of Credit Cash Limited is held as to 50% by Mr. So Yuk Kwan, a director of the Company, and as to 50% by Madam Yeung Kit Ling (the spouse of Mr. So Yuk Kwan).
2. This refers to the same number of shares held by B.K.S. Company Limited. Pursuant to the SFO, Madam Yeung Kit Ling is deemed to be interested in the shares held by B.K.S. Company Limited.

Save as disclosed above, as at 30 September 2006, the Company has not been notified by any other person or corporation, other than the directors of the Company whose interests are set out above, having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board of Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 September 2006.

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") contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the accounting period for the six months ended 30 September 2006.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the Listing Rules. The principal duties of the audit committee are to review and to supervise the Group's financial reporting process and internal control procedures. The audit committee of the Company comprises three independent non-executive directors, namely Mr. Lui Ming Wah, Mr. Charles Edward Chapman and Mr. Wong Ka Kit. The audit committee has reviewed the Group's unaudited consolidated results for the six months ended 30 September 2006.

By Order of the Board
AV CONCEPT HOLDINGS LIMITED
So Yuk Kwan
Chairman

Hong Kong, 8 December 2006