

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2006, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV 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 for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

INTERESTS IN THE SHARES OF THE COMPANY

Name of director	Notes	Number of issued ordinary shares held	Percentage of the issued share capital
Mr. Lam Kwok Hing	1	239,400,000	16.80%
Ms. Lee Choi Lin, Joecy	2	85,680,000	6.01%
Mr. Chu Ki	3	14,000,000	0.98%

Notes:

- These shares are held by Best Global Asia Limited ("Best Global"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Best Global is beneficially owned by Mr. Lam Kwok Hing, the spouse of Ms. Lee Choi Lin, Joecy.
- These shares are held by World Invest Holdings Limited ("World Invest"), a company incorporated in the BVI. The entire issued share capital of World Invest is beneficially owned by Ms. Lee Choi Lin, Joecy, the spouse of Mr. Lam Kwok Hing.
- These shares are held by Asia Startup Group Limited ("Asia Startup"), a company incorporated in the BVI. The entire issued share capital of Asia Startup is beneficially owned by Mr. Chu Ki.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 31 December 2006, none of the directors or chief executive of the Company and their respective associates had any interests or short positions in shares, underlying shares or debentures of the Company, its subsidiaries or any associated corporations (within the meaning of Part XV of the SFO) which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, or the chief executives or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "SO Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the SO Scheme include the Company's directors, including non-executive and independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entities providing research, development or other technological support to the Group, any minority shareholder in the Company's subsidiaries, and other groups or classes of participants as determined by the directors. The SO Scheme became effective on 3 December 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the SO Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the SO Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The following share options were outstanding under the SO Scheme during the Period:

Name or category of participants	Number of share options				Date of grant of share options	Exercise period of share options	Exercise prices of share options HK\$	Closing Price of Company's shares immediately before the date the options were granted HK\$
	At 1 July 2006	Granted during the year	Exercised during the year	At 31 Dec 2006				
Other eligible participants (in aggregate)	672,000*	-	-	672,000	30 April 2002	1 May 2002 to 30 April 2012	0.249*	0.279
	10,080,000*	-	-	10,080,000	3 February 2006	3 February 2006 to 2 February 2011	1.196*	1.348
	<u>10,752,000</u>	<u>-</u>	<u>-</u>	<u>10,752,000</u>				

* The number of share options and exercise prices have been adjusted to reflect the effect from open offer issue after the grant of the share options.

No options were cancelled or lapsed during the period ended 31 December 2006.

At 31 December 2006 the Company had 10,752,000 share options outstanding under the SO Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 10,752,000 additional ordinary shares and additional share capital of HK\$107,520 and share premium of approximately HK\$12,115,000 (before share issue expenses).

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Interests in shares of the Company

Name of substantial shareholder	Notes	Number of issued ordinary shares held	Nature of interests	Approximate percentage of interest
Best Global Asia Limited	1	239,400,000	Corporate interests	16.80%
World Invest Holdings Limited	2	85,680,000	Corporate interests	6.01%
Arisaig Greater China Fund ("Arisaig")	3	149,838,600	Corporate interests	10.51%
Arisaig Partners (Mauritius) Limited	3	149,838,600	Corporate interests	10.51%
Lindsay William Ernest Cooper	3	149,838,600	Corporate interests	10.51%
JPMorgan Chase & Co.		131,995,000	Corporate interests	9.26%
Pope Asset Management, LLC		114,100,214	Corporate interests	8.01%
Value Partners Limited	4	113,761,800	Corporate interests	7.98%
Mr. Cheah Cheng Hye	4	113,761,800	Corporate interests	7.98%
Neon Liberty Capital Management, LLC		85,781,000	Corporate interests	6.02%
UBS AG	5	85,781,000	Corporate interests	6.02%

Notes:

- These shares were held by Best Global as beneficial owner and duplicate the interest held by Mr. Lam Kwok Hing in the Company.
- These shares were held by World Invest as beneficial owner and duplicate the interest held by Ms. Lee Choi Lin, Joecy in the Company.
- Arisaig Partners (Mauritius) Limited was deemed to be interested in the 149,838,600 shares of the Company held by Arisaig by virtue of it acting as discretionary investment manager of Arisaig. Lindsay William Ernest Cooper was deemed to be interested in the 149,838,600 shares of the Company held by Arisaig through his indirect 33.33% beneficial interests in Arisaig Partners (Mauritius) Limited.
- Mr. Cheah Cheng Hye was deemed to be interested in the 113,761,800 shares of the Company held by Value Partners Limited through his direct 35.65% interests in Value Partners Limited.
- These shares were held by UBS AG as a person having a security interest in shares.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 31 December 2006, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest 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, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company did not redeem any of its shares during the Period under review. Neither the Company, nor any of its subsidiaries, purchased or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Board believe that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders. Throughout the Period, the Company had complied with all the applicable code provisions of the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding director's securities transactions. Having made specific enquiry of all directors of the Company, all of them have complied with the required standard set out in the Model Code for the Period.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee consists of one non-executive Director, namely Ms. Chan Yuk, Foebe and two independent non-executive Directors, namely Ms. Mak Yun Chu and Mr. Poon Yiu Cheung, Newman. The interim report has been reviewed and approved by the Audit Committee, but not audited by the Company's auditors.

REMUNERATION COMMITTEE

The Company has set up the remuneration committee with specific written terms of reference in accordance with the provisions set out in the Code in July 2005. The Remuneration Committee comprises one executive Director, namely Mr. Lam Kwok Hing and two independent non-executive Directors, namely Mr. Poon Yiu Cheng, Newman and Ms. Mak Yun Chu.

BOARD OF DIRECTORS

As at the date of this report, the Board comprised six executive Directors, namely Mr. Lam Kwok Hing (Chairman), Mr. Chu Ki, Mr. Fong Yiu Ming, Anson, Ms. Lee Choi Lin, Joecy, Mr. Peng Zhanrong and Mr. Chiau Che Kong; an non-executive Director, namely Ms. Chan Yuk, Foebe; and three independent non-executive Directors, namely Mr. John Handley, Mr. Poon Yiu Cheung, Newman and Ms. Mak Yun Chu.

On behalf of the Board

Lam Kwok Hing

Chairman

Hong Kong, 23 March 2007