INTERIM REPORT

2004/2005

Emperor (China Concept) Investments Limited

(Incorporated in Bermuda with limited liability)

EMPEROR (CHINA CONCEPT) INVESTMENTS LIMITED

(Stock Code: 296)

CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30th September, 2004 (the "Period"), Emperor (China Concept) Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") recorded a net profit of approximately HK$15.7 million, as compared with a net loss of approximately HK$0.7 million in the last corresponding period. The net profit for the Period was mainly attributable to reversal of approximately HK$15.2 million in respect of allowance for deposit paid for the purchase of Hong Tai Building, Chongqing in the People's Republic of China (the "PRC").

No turnover, however, was recorded for the Period as the existing property development project in Yu Yuan, Shanghai in the PRC was still in an investment stage.

INTERIM DIVIDEND

The board of directors (the "Board" or the "Directors") did not recommend the payment of an interim dividend for the Period (2003: nil).

OPERATION REVIEW

During the Period, the core business of the Group remained property development and investment in the PRC. After the end of the Period, the Group had entered into agreements to diversify its business to include tourist and gaming entertainment businesses.

Yu Yuan, Shanghai, the PRC

The Group previously held 90% interest in the development project in Yu Yuan. During the Period, the Group acquired the remaining 10% interest in the project from Star City Entertainment Holdings Limited at its original investment cost.

OPERATION REVIEW (Continued)

Yu Yuan, Shanghai, the PRC (Continued)

On 26th May, 2004, the Group entered into a joint venture agreement ("JV Agreement") with Shenzhen Lianhe Jinhao Investment Development Co. Ltd. ("JV Partner") to jointly develop the Group's land in Yu Yuan. Under the JV Agreement, the Group would provide the land, the JV Partner would bear the full construction cost and the floor area would be split between the parties in equal shares. The Group intended to develop the property into a complex comprising commercial premises and apartments and/or hotel for rental purpose. The site area of the land was 22,870 square metres and the total lettable area was currently estimated to be in the region of 80,000 to 85,000 square meters and in addition with around 650 car parking spaces. The Group had an option to put its interest in the development project to the JV Partner at a consideration of HK$530 million. The building proposal together with the building plans of the development scheme had already been submitted to the relevant authority in the PRC for approval. The management expected the development project to be completed by early 2007.

Hong Tai Building, Chongqing, the PRC

During the Period, the Group obtained judgment against Chongqing Hong Tai Property Development Co., Ltd. ("Hong Tai") for failure to complete and deliver vacant possession of certain units and car parks (collectively "the Properties") purchased by the Group in Chongqing Hong Tai Building. Hong Tai was ordered to deliver the Properties or to refund the deposit paid in the sum of RMB29.05 million (approximately HK$25.9 million) together with accrued interests to the Group. The Group had recovered part of the deposit paid in the sum of approximately RMB16.2 million (approximately HK$15.2 million), leading to the reversal of provision for the same amount previously made in respect of the deposit paid. The Group reserved its right to recover the balance of the deposit.

OPERATION REVIEW (Continued)

Hotel Project in Macau

On 3rd November, 2004, the Group entered into agreement to participate in 45% interest in a project to acquire a building in Macau from an independent third party at a consideration of HK$645 million, subject to the approval of the shareholders of the Company. The building was to be converted into a hotel with casino concourse, VIP casino halls, food and beverage outlets, entertainment facilities and retail outlets. The Group's estimated investment in the project was HK$405 million and the hotel was expected to be completed by the end of 2005.

Vessel Acquisition

On 23rd November, 2004, the Group entered into agreement to acquire Golden Princess ("Vessel"), a cruise ship from The Albert Yeung Discretionary Trust, the substantial shareholder of the Company ("Vessel Agreement"), subject to the approval of the shareholders of the Company. The Vessel has a gross tonnage of 12,704 tons and a passenger capacity of 570 guests. It provides on board cruise activities, services and entertainment facilities and amenities, including casino, to its passengers. The vendor undertakes to procure the casino to be leased out to a casino operator for one year at a monthly rental of HK$9 million plus 30% of the net profit after tax of the casino operation. The consideration for the Vessel was US$17.0 million which was based on the valuation of an independent valuer. The consideration would be satisfied by allotment of shares in the Company at the price of HK$12.7 per share (or HK$1.27 per subdivided share upon the proposed Share Subdivision as mentioned below becoming effective) and such shares would not be entitled to any rights shares as mentioned below. The acquisition would bring in immediate revenue to the Group.

PROPOSED CHANGE OF COMPANY'S NAME

Following the recent development of the Group's new business ventures, the Directors of the Company proposed to change the Company's name to Emperor Entertainment Hotel Limited and to adopt a new Chinese name of 英皇娛樂酒店有限公司 in lieu of 英皇(中國概念)投資有限公司in order to better reflect the future direction and focus of the Group's businesses. The name change is subject to the approval of the Registrar of Companies in Bermuda and the shareholders of the Company at a shareholders' meeting to be held on 3rd January, 2005 ("SGM").

CAPITAL STRUCTURE

As at 30th September, 2004, the authorised share capital of the Company was HK$200,000,000 divided into 200,000,000,000 shares among which 11,006,883 shares had been issued and were fully paid or credited as fully paid.

Post Balance Sheet Events

Placing of New Shares

On 6th December, 2004, the Company placed in aggregate 2,200,000 new shares at the price of HK$10 per share ("Placing Shares") to six independent institutional investors ("Placement"). The net proceeds of approximately HK$21.3 million received from the Placement would be applied as the Group's general working capital. After the Placement, the Company's issued share capital increased to 13,206,883 shares as enlarged by the Placing Shares.

CAPITAL STRUCTURE (Continued)

Post Balance Sheet Events (Continued)

Proposed Share Subdivision and Proposed Rights Issue

As disclosed in the announcement dated 18th November, 2004, the Directors of the Company proposed to effect share subdivision under which the par value of each issued and unissued share of the Company would be adjusted from HK$0.001 to HK$0.0001 by subdividing each issued and unissued share of the Company into ten subdivided shares ("Share Subdivision"). Upon approval at the SGM, the Share Subdivision would become effective on 3rd January, 2005, and the Company's issued and authorised share capital would increase to 132,068,830 shares and 2,000,000,000,000 shares respectively.

In addition, the Company proposed to raise approximately HK$449.0 million before expenses by issuing 660,344,150 rights shares at a price of HK$0.68 per rights share (assuming the Share Subdivision has become effective) ("Rights Issue"), on the basis of five rights shares for every subdivided share. The estimated net proceeds of the Rights Issue would be approximately HK$443.5 million. The net proceeds of the Rights Issue would be used for the acquisition and the future development of the Company's new hotel project in Macau as well as the general working capital of the Group. Upon completion of the Rights Issue which was expected to be on 21st January, 2005, the Company's issued share capital would be enlarged to 792,412,980 shares.

The Company had sent to its shareholders on 10th December, 2004 a circular (the "Circular") in relation to, inter alia, the acquisition of 90% interest in Great Assets Holdings Limited ("Acquisition"), the Rights Issue and the related Whitewash Waiver (as defined in the Circular). The Circular contained a letter ("IFA Letter") from Menlo Capital Limited and Grand Vinco Capital Limited, the joint independent financial advisers of the Company (the "Joint IFA"), setting out their advice in respect of (i) the Acquisition; (ii) the Rights Issue; and (iii) the Whitewash Waiver. The Company had been informed by the joint IFA that their view and advice contained in the IFA Letter would not change upon release of the interim results for the Period of the Company.

CAPITAL STRUCTURE (Continued)

Post Balance Sheet Events (Continued)

Allotment and Issue of Shares

Pursuant to the Vessel Agreement, the Company would allot and issue 104,409,000 new subdivided shares at a price of HK$1.27 per subdivided share to the Vessel vendor as the consideration for the acquisition of the Vessel. Such shares would not be entitled to the proposed Rights Issue and their issue price was equivalent to the theoretical ex-rights price based on the last closing price of the shares prior to the Vessel Agreement. After the allotment and issue of the new subdivided shares, the Company's issued share capital would be increased to 896,821,980 shares.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group mainly funded its operations and capital expenditure through advances from a related company. In the meantime, the Group had settled advances from another related company and a minority shareholder of a subsidiary via the acquisition of the remaining 10% interest in a subsidiary.

As at 30th September, 2004, the Group had current assets of approximately HK$0.7 million and current liabilities of approximately HK$0.2 million. As a result of the settlement of the advances from another related company and a minority shareholder of a subsidiary, the Group's debt to equity ratio (expressed as a percentage of total liabilities over shareholders' fund) significantly dropped from 14% in the preceding financial year to 4% as at the end of the Period.

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at the end of the Period, advances from the related company were approximately HK$9.3 million, which were denominated in Hong Kong dollars, unsecured, interest bearing at prevailing market rates and had no fixed terms of repayment. Shortly after the Placement, the Group had utilised part of the net proceeds to repay the entire amount of the advances.

Save as disclosed above and the accrued charges and other payables, the Group had no other external borrowings as at 30th September, 2004. Bank and cash held in hand by the Group at the same date were approximately HK$0.2 million, which were denominated in Hong Kong dollars and Reminbi.

During the Period, the Group had no significant exposure to foreign exchange rate fluctuation.

With its existing loan facility, the Placement and the proposed Rights Issue (subject to the fulfillment of the conditions of the Rights Issue), the Directors of the Company were of the opinion that the Group had sufficient working capital for its operation and its future development.

CAPITAL COMMITMENTS

As at 30th September, 2004, the Group had capital commitments in aggregate of approximately HK$51.6 million in respect of property development project in Shanghai, the PRC.

NUMBER AND REMUNERATION OF EMPLOYEES

As disclosed under the heading "Yu Yuan, Shanghai, the PRC" above, the Group had entered into the JV Agreement to develop the property jointly with a JV Partner. During the Period, the property development project in Shanghai had been reactivated and the Group commenced to recruit new staff. As at 30th September, 2004, two employees were signed up by the Group. Total staff costs, mainly representing Directors' remuneration, for the Period were approximately HK$0.5 million. The management would continue to monitor the progress of the project and recruit new staff when appropriate.

The Company adopted a share option scheme on 2nd September, 2002, the purpose of which was to provide incentives or rewards to participants. No option had been granted since its adoption.

PROSPECTS

The core business of the Group had been property investment and development. Following completion of the acquisition of the property in Macau and the Vessel, the Group's business focus would be extended to include tourist and gaming entertainment businesses. The management believed that the expansion in the scope of the Group's business would broaden and enrich the income base of the Group.

RESULTS

The Board announces the unaudited consolidated results of the Group for the Period together with the comparative figures for the corresponding period in 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
		30th September, 2004	30th September, 2003
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other operating income		**3,019**	2,271
Administrative expenses		**(2,134)**	(1,800)
Reversal of allowance for deposit paid for the purchase of properties		**15,168**	–
Profit from operations	*2 & 3*	**16,053**	471
Finance cost	*4*	**(406)**	(414)
Profit before taxation		**15,647**	57
Taxation	*5*	**–**	(625)
Profit (loss) before minority interests		**15,647**	(568)
Minority interests		**6**	(124)
Profit (loss) attributable to shareholders		**15,653**	(692)
Earnings (loss) per share – basic	*6*	**HK$1.42**	HK$(0.06)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 30th September, 2004 (unaudited) HK$'000	31st March, 2004 (audited) HK$'000
Non-current assets			
Property, plant and equipment		**86**	88
Property under development		**360,204**	360,034
Goodwill	7	**18,301**	–
Interests in unconsolidated subsidiaries	8	**–**	–
		378,591	360,122
Current assets			
Deposits, prepayments and other receivables		**552**	35,234
Bank balances and cash		**161**	5,587
		713	40,821
Current liabilities			
Accrued charges and other payables		**191**	1,306
Taxation payable		**–**	169
		191	1,475
Net current assets		**522**	39,346
		379,113	399,468
Capital and reserves			
Share capital	9	**11**	11
Reserves		**364,277**	348,568
		364,288	348,579
Minority interests		**–**	1,925
Non-current liabilities			
Amounts due to related companies		**9,292**	25,913
Amount due to a minority shareholder of a subsidiary		**–**	17,518
Deferred taxation		**5,533**	5,533
		14,825	48,964
		379,113	399,468

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2003 (audited)	11	564,363	666	514,191	6,139	(823,055)	262,315
Exchange difference arising on translation of PRC operations	–	–	–	–	(78)	–	(78)
Share of reserve by a minority shareholder of a subsidiary	–	–	–	–	4	–	4
Net losses not recognised in the consolidated income statement	–	–	–	–	(74)	–	(74)
Loss attributable to shareholders	–	–	–	–	–	(692)	(692)
At 30th September, 2003 (unaudited)	11	564,363	666	514,191	6,065	(823,747)	261,549
At 1st April, 2004 (audited)	11	564,363	666	514,191	6,021	(736,673)	348,579
Exchange difference arising on translation of PRC operations	–	–	–	–	61	–	61
Share of reserve by a minority shareholder of a subsidiary	–	–	–	–	(5)	–	(5)
Net gains not recognised in the consolidated income statement	–	–	–	–	56	–	56
Profit attributable to shareholders	–	–	–	–	–	15,653	15,653
At 30th September, 2004 (unaudited)	**11**	**564,363**	**666**	**514,191**	**6,077**	**(721,020)**	**364,288**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended	
	30th September, 2004 (unaudited)	30th September, 2003 (unaudited)
	HK$'000	*HK$'000*
Net cash from (used in) operating activities	**11,234**	(420)
Net cash (used in) from investing activities	**(15,773)**	128
Net cash (used in) from financing activities	**(887)**	1,493
Net (decrease) increase in cash and cash equivalents	**(5,426)**	1,201
Cash and cash equivalents at the beginning of the period	**5,587**	9,131
Effect of foreign exchange rate changes	**–**	(61)
Cash and cash equivalents at the end of the period		
Bank balances and cash	**161**	10,271

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2004

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with the Statement of Standard Accounting Practice No. 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties.

The principal accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st March, 2004, except the new accounting policy adopted during the Period as described below.

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The new accounting policy has been applied to be consistent with the requirements of the Hong Kong Financial Reporting Standard No. 3 "Business Combinations" issued by the HKICPA in August 2004. The impact of this new accounting policy is that the goodwill of approximately HK$18,301,000 arising from the acquisition of the remaining 10% interest in a subsidiary was not amortised but reviewed for impairment. No impairment loss in respect of the abovementioned goodwill had been recognised by the Group during the Period.

2. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined business segments to be presented as the primary reporting format. An analysis of the Group's business segmental information is as follows:

	Property sales and development (unaudited) *HK$'000*	Unallocated corporate items (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
For the six months ended 30th September, 2004			
TURNOVER	—	—	—
RESULTS			
Profit (loss) from operations	17,211	(1,158)	16,053
Finance cost			(406)
Profit before taxation			15,647
Taxation			—
Profit before minority interests			15,647
Minority interests			6
Profit attributable to shareholders			15,653

2. SEGMENT INFORMATION (CONTINUED)

	Property sales and development (unaudited) HK$'000	Unallocated corporate items (unaudited) HK$'000	Total (unaudited) HK$'000
For the six months ended 30th September, 2003			
TURNOVER	—	—	—
RESULTS			
Profit (loss) from operations	1,972	(1,501)	471
Finance cost			(414)
Profit before taxation			57
Taxation			(625)
Loss before minority interests			(568)
Minority interests			(124)
Loss attributable to shareholders			(692)

3. PROFIT FROM OPERATIONS

	Six months ended	
	30th September, 2004 (unaudited)	30th September, 2003 (unaudited)
	HK$'000	*HK$'000*
Profit from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	**1**	1
and after crediting:		
Interest income from:		
– bank and other deposits	**1**	27
– loan receivable	**355**	124
Rental income	**17**	2,120
Reversal of allowance for amount due from a minority shareholder of a subsidiary	**2,609**	—

4. FINANCE COST

Amount represents interest on amount due to a related company.

5. TAXATION

Taxation charge for the prior period represented the enterprise income tax arising in the PRC, which was calculated at the rates prevailing in the PRC.

No provision for Hong Kong Profits Tax has been made as there were no estimated assessable profits for both periods.

The Group have no significant deferred taxation in respect of the Period and the corresponding period in 2003. The deferred tax asset relating to tax losses has not been recognised, as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

6. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the Group's unaudited consolidated profit attributable to shareholders for the Period of approximately HK$15,653,000 (2003: a loss of approximately HK$692,000) and on 11,006,883 ordinary shares in issue in both periods.

No disclosure of diluted earnings (loss) per share has been presented as there were no dilutive potential ordinary shares in issue in both periods.

7. GOODWILL

Amount represents the excess of the cost of acquisition over the Group's 10% interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition which has been recognised as an asset and reviewed for impairment.

8. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES

	As at	
	30th September, 2004 (unaudited)	31st March, 2004 (audited)
	HK$'000	*HK$'000*
Carrying value at date of deconsolidation	**—**	—
Amount due from an unconsolidated subsidiary	**717,556**	717,556
Less: Allowance for doubtful recovery	**(717,556)**	(717,556)
	—	—

As at 30th September, 2004, the Group had 80% interest in the equities in and shareholders' loans to Canlibol Holdings Limited ("Canlibol") and its wholly-owned subsidiary, Beijing Peony Garden Apartment House Co., Ltd. ("Beijing Peony" and collectively referred to as the "Canlibol Group"), which were engaged in property development, representing the Group's entire investment costs in the Canlibol Group. The Group was unable to exercise its rights as a controlling shareholder of the Canlibol Group, and in particular its ability to exercise significant influence over the financial and operating policy decisions of the Canlibol Group and to obtain financial information. Against this background, the Directors of the Company considered that the Group had lost the ability to exercise effective control over the Canlibol Group and the Canlibol Group had been dealt with as unconsolidated subsidiaries since 1st October, 2000.

On 22nd November, 2002, the Company was informed by its PRC lawyers that an unauthorised registration had been filed with the relevant authority in the PRC pursuant to which the entire interest in Beijing Peony had already been transferred to a party unknown to the Company. The Directors of the Company had been in consultation with its PRC lawyers with a view to recovering its interest in the project and considered it was appropriate to make an allowance for doubtful recovery of the entire amount due from Canlibol.

9. SHARE CAPITAL

	As at 30th September, 2004 (unaudited) *HK$'000*	As at 31st March, 2004 (audited) *HK$'000*
Authorised:		
200,000,000,000 ordinary shares of HK$0.001 each	**200,000**	200,000
Issued and fully paid:		
11,006,883 ordinary shares of HK$0.001 each	**11**	11

10. CAPITAL COMMITMENTS

	As at 30th September, 2004 (unaudited) *HK$'000*	As at 31st March, 2004 (audited) *HK$'000*
Authorised but not contracted for in respect of a property development project	**2,239**	2,917
Contracted for but not provided in the consolidated financial statements, net of deposits paid in respect of a property development project	**49,312**	61,041
	51,551	63,958

11. RELATED PARTY TRANSACTIONS

During the Period, the Group had the following transactions with related parties:

	Six months ended	
	30th September, 2004 (unaudited) ***HK$'000***	30th September, 2003 (unaudited) *HK$'000*
Interest from a minority shareholder of a subsidiary *(note (b))*	**355**	1,085
Interest to a related company *(notes (a) and (b))*	**406**	414
Management fees to a related company *(notes (a) and (c))*	**210**	120
Secretarial fee to a related company *(notes (a) and (d))*	**160**	160

Notes:

(a) Certain Directors and substantial shareholder of the Company have beneficial or deemed interests in the above related companies.

(b) The interest was calculated by reference to the principal outstanding and at the prevailing market interest rates.

(c) The management fees were charged on a cost basis.

(d) The transaction was carried out after negotiations between the Group and the related company and on basis of estimated market value as determined by the Directors of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30th September, 2004, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required, 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 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 Listed Companies ("Model Code") of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares of the Company

Name of director	Nature of interests	Number of ordinary shares held	Percentage holding
Ms. Luk Siu Man, Semon ("Ms. Semon Luk")	Family	3,411,310	30.99%

Note: The shares were registered in the name of Worthly Strong Investment Limited ("Worthly Strong"), an indirect wholly-owned subsidiary of Emperor International Holdings Limited ("EIHL"). EIHL was a company with its shares listed in Hong Kong; 74.79% of the shares of EIHL were registered in the name of Charron Holdings Limited ("Charron"). The entire issued share capital of Charron was held by Jumbo Wealth Limited ("Jumbo Wealth") on trust for The A&A Unit Trust. The A&A Unit Trust was a unit trust under The Albert Yeung Discretionary Trust ("Trust"), a discretionary trust set up by Mr. Yeung Sau Shing, Albert ("Mr. Albert Yeung"). Mr. Albert Yeung, as founder of the Trust, was deemed to be interested in the 3,411,310 shares held by Worthly Strong. By virtue of the aforesaid interest of Mr. Albert Yeung, Ms. Semon Luk (spouse of Mr. Albert Yeung and a director of the Company) was also deemed to be interested in the above 3,411,310 shares held by Worthly Strong.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Save as disclosed above, as at 30th September, 2004, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required, 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 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 of the Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2004, so far as known to any Directors or chief executives of the Company, the following persons (other than a director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions in shares of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares held	Percentage holding
EIHL	Interest in a controlled corporation	3,411,310	30.99%
Charron	Interest in a controlled corporation	3,411,310	30.99%
Jumbo Wealth	Trustee	3,411,310	30.99%
GZ Trust Corporation ("GZ Trust")	Trustee	3,411,310	30.99%
Mr. Albert Yeung	Founder of the Trust	3,411,310	30.99%

Note: The shares were registered in the name of Worthly Strong, a wholly-owned subsidiary of EIHL. EIHL was a company with its shares listed in Hong Kong; 74.79% of the shares of EIHL were registered in the name of Charron. The entire issued share capital of Charron was held by Jumbo Wealth on trust for The A&A Unit Trust. The A&A Unit Trust was a unit trust under the Trust, the trustee of which was GZ Trust . Mr. Albert Yeung, as founder of the Trust, was deemed to be interested in the 3,411,310 shares held by Worthly Strong. The above shares were the same shares as those set out under the section of "Directors' and Chief Executives' Interests and Short Positions in Securities" above.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as at 30th September, 2004, so far as known to the Directors or chief executives of the Company, no other person (not being a director or chief executive of the Company) had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company had complied throughout the Period with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that (i) the independent non-executive directors of the Company were not appointed for specific terms and (ii) full board meeting was not held every six months as one of the Directors of the Company was away from Hong Kong.

By Order of the Board
Luk Siu Man, Semon
Chairperson

Hong Kong, 28th December, 2004

As at the date hereof, the Board of the Company comprised 1. Executive Directors: Ms. Luk Siu Man, Semon (Chairperson), Mr. Wong Chi Fai, Ms. Fan Man Seung, Vanessa and Ms. Mok Fung Lin, Ivy 2. Independent Non-Executive Directors: Ms. Chan Sim Ling, Irene, Mr. Lam San Keung and Ms. Chan Wiling, Yvonne.