



**GOLDEN 21 INVESTMENT HOLDINGS LIMITED**  
**金豐21投資控股有限公司**

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 2312

INTERIM REPORT **2007**

## HIGHLIGHTS

Net profit attributable to shareholders was HK\$5,398,000 for the six months ended 30 June 2007 as compared with a loss of HK\$1,677,000 for the six months ended 30 June 2006.

Basic earnings per share was HK0.26 cent (2006: Loss per share HK0.08 cent).

Net asset value per share attributable to shareholders remained the same at HK34.9 cents as of 30 June 2007, as compared with HK34.9 cents as of 30 June 2006. Assuming the bonus issue of shares and sub-division of shares set out under “Post Balance Sheet Events” in the notes to the interim financial statements also took effect as of 30 June 2007, the net asset value per share shall be HK1.75 cents.

Under-performed unlisted investments have been fully disposed of, giving the Group liquidity to capture better investment opportunities in the booming stock market.

New investment strategy has been set out by the Board to focus on the hyper growth market of lease financing in the People’s Republic of China. Returns to shareholders are believed to be accelerating in the coming years under this new investment strategy.



**INTERIM RESULTS**

The board of directors (the “Board”) of Golden 21 Investment Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiary (the “Group”) for the six months ended 30 June 2007. The unaudited condensed consolidated interim financial statements have not been audited by the Company’s auditors but have been reviewed by the Company’s audit committee (the “Audit Committee”).

**CONDENSED CONSOLIDATED INCOME STATEMENT**

		<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	<b>Six months ended 30 June 2006 (Unaudited) HK\$'000</b>
<b>Revenue</b>	3	<b>359</b>	364
Net gain/(loss) on financial assets at fair value through profit or loss		<b>7,067</b>	(214)
Other operating income		<b>165</b>	6
Administrative expenses		<u><b>(2,193)</b></u>	<u>(1,833)</u>
Profit/(Loss) before income tax	5	<b>5,398</b>	(1,677)
Income tax expense	6	<u>–</u>	<u>–</u>
<b>Profit/(Loss) for the period</b>		<u><b>5,398</b></u>	<u>(1,677)</u>
Profit/(Loss) per share attributable to equity holders of the Company during the period	7		
– Basic		<b>HK0.26 cent</b>	(HK0.08 cent)
– Diluted		<u>N/A</u>	<u>N/A</u>

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>30 June</b>	31 December
	<b>2007</b>	2006
	<b>(Unaudited)</b>	(Audited)
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>ASSETS AND LIABILITIES</b>		
<b>Current assets</b>		
Financial assets at fair value through profit or loss	8 <b>12,465</b>	5,390
Deposits and other receivables	<b>3,503</b>	173
Amount due from a broker	<b>5</b>	5
Cash and cash equivalents	9 <b>21,509</b>	21,452
	<b>37,482</b>	27,020
Non-current assets classified as held for sale	<b>–</b>	5,336
	<b>37,482</b>	32,356
<b>Current liabilities</b>		
Other payables and accruals	<b>642</b>	914
<b>Net current assets</b>	<b>36,840</b>	31,442
<b>Total assets less current liabilities</b>	<b>36,840</b>	31,442
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	10 <b>10,542</b>	10,542
Reserves	<b>26,298</b>	20,900
<b>Total equity</b>	<b>36,840</b>	31,442





## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 December 2005 and 1 January 2006 (Audited)	10,542	85,277	(57,269)	38,550
Loss for the period (Total recognised income and expense for the period)	—	—	(1,677)	(1,677)
At 30 June 2006 (Unaudited)	<u>10,542</u>	<u>85,277</u>	<u>(58,946)</u>	<u>36,873</u>

	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 December 2006 and 1 January 2007 (Audited)	<b>10,542</b>	<b>85,277</b>	<b>(64,377)</b>	<b>31,442</b>
Profit for the period (Total recognised income and expense for the period)	—	—	<b>5,398</b>	<b>5,398</b>
At 30 June 2007 (Unaudited)	<u><b>10,542</b></u>	<u><b>85,277*</b></u>	<u><b>(58,979)*</b></u>	<u><b>36,840</b></u>

\* The aggregated amount of the above balances of HK\$26,298,000 (31 December 2006; HK\$20,900,000) represented the reserves in the condensed consolidated balance sheet.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000
Net cash inflow/(outflow) from operating activities	57	(3,584)
Net cash flow from investing activities	-	-
Net cash flow from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>57</b>	<b>(3,584)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>21,452</b>	<b>23,784</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>21,509</u></b>	<b><u>20,200</u></b>
<b>Analysis of balance of cash and cash equivalents</b>		
Cash at banks	15,126	9,216
Short term bank deposits	6,383	10,984
	<b><u>21,509</u></b>	<b><u>20,200</u></b>





## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2007 of the Company and its subsidiary (collectively referred to as the “Group”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (the “HKAS”) 34 “Interim Financial Reporting” which is one of the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the preparation of the annual financial statements of the Group for the year ended 31 December 2006 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (collectively referred to as “new HKFRS”) issued by the HKICPA, which are effective in the current period. The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required.

- (a) From 1 July 2007 onwards, there were no new or revised standards or interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are relevant to the Group’s operations.
- (b) New or amended HKFRSs that have been issued but are not yet effective.

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The adoption of such HKFRSs will not result in substantial changes to the Group’s accounting policies.

HKAS 23 (Revised)	“Borrowing Costs” <sup>1</sup>
HKFRS 8	“Operating Segments” <sup>1</sup>
HK(IFRIC) Interpretation 11	“Group and Treasury Share Transactions” <sup>2</sup>
HK(IFRIC) Interpretation 12	“Service Concession Arrangements” <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 March 2007

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2008

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 3. REVENUE AND TURNOVER

Revenue, which is also the Group's turnover, recognised during the period is as follows:

	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000
Bank interest income	<b>230</b>	322
Dividend income	<b>129</b>	42
Revenue	<b><u>359</u></b>	<b><u>364</u></b>

The results arising from the fair valuation of financial assets at fair value through profit or loss are now shown separately in the consolidated income statement under the line of "net gain/(loss) on financial assets at fair value through profit or loss". The gross proceeds from trading of securities for the period amounted to HK\$14,632,000 (2006: HK\$9,880,000).

### 4. SEGMENT INFORMATION

The Group is principally engaged in investment in listed and unlisted companies. Accordingly, no further analysis by business segment is provided. In determining the Group's geographical segments, revenue and assets are attributed to the segments based on the location of assets.

The following table presents revenue and assets of the Group's geographical segments:

	<b>Hong Kong</b>		<b>The PRC</b>		<b>Consolidated</b>	
	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000
Segment revenue	<b><u>359</u></b>	<u>364</u>	<b><u>-</u></b>	<u>-</u>	<b><u>359</u></b>	<u>364</u>
Segment assets	<b><u>37,482</u></b>	<u>29,091</u>	<b><u>-</u></b>	<u>9,920</u>	<b><u>37,482</u></b>	<u>39,011</u>



**NOTES TO THE FINANCIAL STATEMENTS** (Continued)**5. PROFIT/(LOSS) BEFORE INCOME TAX**

	<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	<b>Six months ended 30 June 2006 (Unaudited) HK\$'000</b>
Profit/(Loss) before income tax is arrived at after charging:		
Operating lease charges in respect of land and buildings	76	75
Staff costs (excluding directors' remuneration)		
Wages	238	150
Retirement benefits scheme contributions	9	8
	<u>          </u>	<u>          </u>

**6. INCOME TAX EXPENSE**

No provision for Hong Kong profits tax has been made in the interim financial statements as the assessable profits were wholly absorbed by tax losses brought forward (2006: Nil).

At 30 June 2007, the Group had deferred tax assets of approximately HK\$5,513,000 (31 December 2006: HK\$6,458,000) arising from tax losses. The deferred tax assets are not recognised as it is uncertain the whether future taxable profit will be available for utilising tax losses. Under the current tax legislation, the tax losses can be carried forward indefinitely.

**7. PROFIT/(LOSS) PER SHARE**

The calculation of the basic profit/(loss) per share is based on the profit/(loss) for the period attributable to equity holders of the Company of HK\$5,398,000 (2006: loss of HK\$1,677,000) and on the weighted average number of 2,108,400,000 (2006: 2,108,400,000) ordinary shares, after adjusting for the effect of bonus issue of shares and sub-division of shares as described in note 14(i).

No diluted profit/(loss) per share has been presented because there were no potential ordinary shares in issue during both periods.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2007 (Unaudited) HK\$'000</b>	31 December 2006 (Audited) HK\$'000
Listed equity securities in Hong Kong, at market value	<u><b>12,465</b></u>	<u>5,390</u>

The above financial assets are classified as held for trading.

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement.

### 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	<b>30 June 2007 (Unaudited) HK\$'000</b>	31 December 2006 (Audited) HK\$'000
Cash at banks	15,126	10,422
Short-term bank deposits	<u>6,383</u>	<u>11,030</u>
	<u><b>21,509</b></u>	<u>21,452</u>

### 10. SHARE CAPITAL

	<b>30 June 2007 (Unaudited) HK\$'000</b>	31 December 2006 (Audited) HK\$'000
Authorised:		
3,000,000,000 ordinary shares of HK\$0.10 each	<u><b>300,000</b></u>	<u>300,000</u>
Issued and fully paid:		
105,420,000 ordinary shares of HK\$0.10 each	<u><b>10,542</b></u>	<u>10,542</u>



**NOTES TO THE FINANCIAL STATEMENTS** (Continued)**11. COMMITMENTS**

At the balance sheet date, the Group and the Company had no significant capital and operating lease commitments.

**12. CONTINGENT LIABILITIES**

At the balance sheet date, the Group and the Company had no significant contingent liabilities.

**13. RELATED PARTY AND CONNECTED TRANSACTIONS**

During the period, in addition to those disclosed elsewhere in these interim financial statements, the Group had the following significant related party transactions:

		<b>Six months ended 30 June 2007 (Unaudited) HK\$'000</b>	Six months ended 30 June 2006 (Unaudited) HK\$'000
	<i>Notes</i>		
Investment management fee paid/payable to Golden Honour Assets Management Limited (now known as "Redford Assets Management Limited")	(i)	<b>411</b>	557
Rental expenses paid to Ceres Capital Limited	(ii)	<b><u>74</u></b>	<b><u>75</u></b>

## NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

### 13. RELATED PARTY AND CONNECTED TRANSACTIONS *(continued)*

*Notes:*

- (i) Pursuant to the investment management agreement dated 7 October 2002 (the “Investment Management Agreement”) entered into between the Company and Golden Honour Assets Management Limited (now known as “Redford Assets Management Limited”) (the “Investment Manager”), the Investment Manager has agreed to provide the Company with investment management services (excluding general administrative services) for a three-year period commencing on 28 October 2002, the date of the commencement of the trading of the Company’s shares on the Stock Exchange. The Investment Management Agreement will continue for successive periods of three years, unless terminated at any time by either the Company or the Investment Manager serving not less than six month’s notice in writing to the other party, and will expire on the last day of the three-year period or any of the relevant successive periods.

Under the Investment Management Agreement, the Investment Manager is entitled to a monthly management fee equivalent to 2.5% per annum of the net asset value of the Company as at the last dealing day on the Stock Exchange in each calendar month (or such other dealing day as considered appropriate by the board of directors for the purpose of calculating the net asset value of the Company), calculated on the basis of the actual number of days in the relevant calendar month over a year of 365 days. In addition, the Investment Manager is also entitled to an annual incentive fee equivalent to 15% of the surplus in the net asset value of the Company over a financial year or period.

Mr. Chang Chu Fai, Johnson Francis (“Mr. Chang”), a former executive director of the Company who resigned on 26 April 2007 and Mr. Lim Siang Kai, an executive director of the Company, each have a 15% equity interest in the Investment Manager. Mr. See Lee Seng, Reason (“Mr. See”), an executive director of the Company, has a 35% equity interest in the Investment Manager and is one of the directors of the Investment Manager. On 30 May 2007, the entire interest in the Investment Manager is wholly owned by Mr. See.



**NOTES TO THE FINANCIAL STATEMENTS** *(Continued)***13. RELATED PARTY AND CONNECTED TRANSACTIONS** *(continued)*

*Notes: (continued)*

- (ii) Pursuant to the sub-tenancy agreement dated 10 June 2003 entered into between the Company and Ceres Capital Limited (“Ceres”), the Company agreed to sublet its office premises from Ceres, which is owned as to approximately 33% by Mr. Chang, for a period commencing from 1 July 2003 to 30 June 2005 (both dates inclusive) at HK\$8,500 per month, with a rent free period of one month in May 2004.

Pursuant to a board of directors’ resolution passed on 28 June 2005, the Company will continue to sublet its office premises from Ceres from 1 July 2005 at HK\$12,318 per month (including management fee of HK\$1,819 per month).

Further pursuant to a board of directors’ resolution passed on 26 April 2007, the Company ceased to sublet the office premises from Ceres and agreed that the rental deposit of HK\$24,636 paid to Ceres be retained by Ceres as payment in lieu of notice of termination.

The related party transactions set out above also constituted connected transactions under the Listing Rules.

**14. POST BALANCE SHEET EVENTS**

The Group has the following significant post balance sheet events:

- (i) Pursuant to the extraordinary general meeting held on 3 August 2007, the Company proposed (a) one bonus share for every one existing share held on 3 August 2007 to be issued to the members of the Company; and (b) each of the then existing issued and unissued shares of par value of HK\$0.1 each in the share capital of the Company to be subdivided into 10 shares of par value of HK\$0.01 each and the subdivided shares would be traded in board lots of 50,000 subdivided shares. The subdivision of shares became effective on 17 August 2007.

Further details of the bonus issue of shares, subdivision of shares and change of board lot size were set out in the Company’s announcements dated 26 June 2007 and 6 August 2007, and the Company’s circular dated 17 July 2007.

- (ii) The Company’s subsidiary, Golden 21 (BVI) Limited, entered into subscription agreement A and subscription agreement B both dated 16 August 2007 with Century Car Rental Group to subscribe for two secured convertible notes, which represent an investment in Convertible Note A at principal amount up to RMB 6 million and not less than RMB 3 million; and an investment in Convertible Note B at principal amount up to RMB 3.5 million and not less than RMB 2 million.

The net proceeds from the issue of convertible notes will be used wholly for investment in operations of private vehicles leasing companies in the PRC. Further details of the subscription of secured convertible notes were set out in the Company’s announcement dated 17 August 2007 and the Company’s circular dated 14 September 2007.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the six months ended 30 June 2007 (2006: Nil).

## **PROPOSED BONUS ISSUE OF SHARES**

The Board proposed a bonus issue of shares be made to shareholders whose names appear on the register of members on 25 October 2007 in the proportion of 3 bonus shares for every 1 share held (the "Bonus Issue"). Based on the 2,108,400,000 shares in issue as at the date of this report, 6,325,200,000 bonus shares will be issued. The bonus shares will be credited as fully paid and will rank pari passu in all respects with the existing issued shares with effect from the date of issue.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 23 October 2007 to Thursday, 25 October 2007 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the Bonus Issue, all transfers of shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar of the Company no later than 4:30 p.m. on Monday, 22 October 2007.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Results**

For the six months ended 30 June 2007, the Group recorded a net profit of approximately HK\$5,398,000 representing a substantial improvement as compared to a loss of HK\$1,677,000 of last corresponding period. It was mainly due to increase in fair value change of financial assets at fair value through profit or loss during the period. The net asset value of the Group was approximately HK\$36,840,000 as at 30 June 2007 (as at 31 December 2006: HK\$31,442,000).





## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### Operating Review

The principal activity of the Group is investing in both listed and unlisted securities in Hong Kong as well as in the People's Republic of China (the "PRC"). There was no change in the nature of the Group's principal activities during the period ended 30 June 2007. As at 30 June 2007, the total fair value of the Group's investments was HK\$12,465,000 (as at 30 June 2006: HK\$16,947,000). Since the unlisted investments have been fully disposed of during the period, the investments as at 30 June 2007 represent only the listed securities.

The Group recorded a revenue of HK\$359,000 for the six months ended 30 June 2007 (2006: HK\$364,000). Fair value gain on financial assets for the period was HK\$7,067,000 (2006: loss of HK\$214,000) which was mainly attributable to the increase in fair value change of the Group's investments in listed securities.

On 13 February 2007, the Company entered into a sale and purchase agreement to sell the entire equity interests of two unlisted companies, Nantong Einolda Smart Card Manufacturing Co., Ltd. and 北京綜藝達軟件技術有限公司 at a total consideration of HK\$5.5 million.

The total consideration of HK\$5.5 million was scheduled to be fully paid at mid of May 2007. However, a part of the consideration of HK\$3.5 million was still outstanding as at 30 June 2007 and included in other receivable on the balance sheet. The amount was subsequently received on 20 September 2007 from the buyer.

### Liquidity, Financial Resources and Funding

The Group maintained cash and cash equivalents of HK\$21,509,000 as of 30 June 2007. As all cash was placed in Hong Kong dollar deposits, there was minimal exposure to exchange fluctuation.

The Group had net assets of HK\$36,840,000 (2006: HK\$31,442,000) and there were no borrowings or long-term liabilities as at 30 June 2007.

### Capital Structure

There was no change in the capital structure of the Group during the period.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(Continued)*

### **Material Acquisitions and Disposals of Subsidiaries**

The Group has not made any material acquisition or disposal of subsidiaries during the period.

### **Employees**

As at 30 June 2007, the Group had 7 employees, including 3 executive directors. Total salary and housing cost for the period ended 30 June 2007 was HK\$503,334 and Directors' fees were HK\$75,000. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. During the period, no share options were granted to any directors or employees of the Group under the Company's share option scheme adopted on 7 October 2002.

### **Charge on Group Assets**

During the period, there were no charges on the Group's assets.

### **Contingent Liabilities**

As at 30 June 2007, no contingent liabilities were noted by the Directors.

### **Significant Investments**

The Company is principally engaged in investing in listed and unlisted companies established and/or doing business in the Asia Pacific Region, particularly the People's Republic of China.





## **BUSINESS REVIEW AND FUTURE PROSPECTS**

The Company in the last six months mainly invested in listed securities. The performance was encouraging and generated a total gain of around HK\$7 million (2006: Loss of HK\$0.2 million).

Given the unsatisfactory performance of the two unlisted investments, the Board decided to dispose of them and look for better investment alternatives. A sale and purchase agreement was entered into on 13 February 2007 to sell the two unlisted investments at HK\$5.5 million. Also, the Company has fully disposed of the 25.356 million shares in Jiangsu Nandasoft Company Limited (SEHK: 8045) with a cash proceeds of around HK\$4.9 million.

The Board has reviewed the investment strategy of the Company and has decided that the Company will focus on the lease financing market in the PRC. The lease financing market in the PRC is experiencing a hyper growth and the Board believes that investing in this market can generate greater returns to shareholders.

On 16 August 2007, the Board announces that the Group entered into two separate subscription agreements for the subscription of the Convertible Notes in the respective principal amount of up to RMB6 million and RMB3.5 million. An extraordinary general meeting of the Company will be held on 2 October 2007 to approve the subscription agreements. Details of the subscription agreements have been set out in the circular dated 14 September 2007. The Board will continue to identify similar investment opportunities in the lease financing market in the PRC.

## DIRECTORS' INTERESTS IN SHARES

At 30 June 2007, the interest or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision 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 Issuers ("Model Code"), are set out below:

### Interests and short positions in the shares, underlying shares and debentures of the Company

Name of Director	Type of interest	Long position/ short position	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Au-Yong Shong, Samuel ( <i>Notes 1 and 2</i> )	Interest of Controlled corporation	Long position	6,452,000	6.12%
Mr. Choy Kwok Hung, Patrick ( <i>Note 1</i> )	Interest of Controlled corporation	Long position	6,452,000	6.12%
Mr. See Lee Seng, Reason	Beneficial interest	Long position	225,000	0.21%
Mr. Lim Siang Kai	Beneficial interest	Long position	1,355,000	1.29%

#### Notes:

- These shares are held by Global Strategy Capital Markets Limited, which is owned by Mr. Au-Yong Shong, Samuel as to 50% and Global Strategy Group Limited as to 50%. Mr. Choy Kwok Hung, Patrick owns 90% interest in Global Strategy Group Limited. Therefore, each of Messrs. Choy Kwok Hung, Patrick and Au-Yong Shong, Samuel are deemed to be interested in these shares.
- Mr. Au-Yong Shong, Samuel resigned as a non-executive Director of the Company with effect from 3 August 2007.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests or short position in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.





## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2007, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, are set out below:

### Interests and short positions of substantial shareholders or other persons in the shares and underlying shares of the Company

Name of shareholder	Type of interest	Long position/ short position	Number of ordinary shares held	Total no. of ordinary shares held	Percentage of the Company's issued share capital
Zhang Yunxia ( <i>Note 1</i> )	Interest of controlled corporation	Long position	22,760,000	22,760,000	21.59%
Profitone Company Limited ( <i>Note 1</i> )	Beneficial owner	Long position	22,760,000	22,760,000	21.59%
Global Strategy Group Limited ( <i>Note 2</i> )	Interest of controlled corporation	Long position	6,552,000	6,552,000	6.22%
Global Strategy Capital Markets Limited ( <i>Note 2</i> )	Beneficial owner	Long position	6,552,000	6,552,000	6.22%

#### Notes:

1. By virtue of the SFO, Ms. Zhang Yunxia is deemed to be interested in 22,760,000 shares in the Company. These shares are held by Profitone Company Limited, a company incorporated in the BVI with limited liability and is beneficially owned by Ms. Zhang Yunxia.
2. These shares are held by Global Strategy Capital Markets Limited, 50% of which is owned by Global Strategy Group Limited. Therefore, Global Strategy Group Limited is deemed to be interested in these shares.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2007.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme (the “SO Scheme”) on 7 October 2002 (the “Adoption Date”) 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 any persons being employees, officers, agents, consultants or representatives of the Group. The SO Scheme became unconditional on 28 October 2002 upon the listing of the Company’s shares on the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date.

During the six months ended 30 June 2007, no share option has been granted, and as at 30 June 2007, the Company has no outstanding options.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2007.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Listing Rules effective on 1 January 2005 as its own code of corporate governance practices.

During the period ended 30 June 2007, the Company was in compliance with the code provisions set out in the CG Code except that code A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separated. The roles of chairman and chief executive officer have been performed by all executive Directors collectively upon the appointment of the Chairman on 14 June 2007 and a chief executive officer on 17 September 2007.





## **AUDIT COMMITTEE**

The Audit Committee was established in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The unaudited interim financial statements has been reviewed by the Audit Committee which comprises four independent non-executive Directors of the Company, Messrs. Yue Man Yiu, Matthew (as Chairman), Chung Koon Yan, Ching Yih-Gwo and Zheng Weihe.

On behalf of the Board  
**Golden 21 Investments Holdings Limited**  
**Choy Kwok Hung, Patrick**  
*Chairman*

Hong Kong, 24 September 2007