

REPORT OF THE DIRECTORS

The board of directors (“**Board**”) of Kenford Group Holdings Limited (“**Company**”) herein present their first annual report and the audited financial statements (“**Financial Statements**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2005.

GROUP REORGANISATION, SUBSIDIARIES AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 10 November 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Pursuant to the Group reorganisation (“**Reorganisation**”) as detailed in section B headed “Corporate Reorganisation” in Appendix VIII to the prospectus dated 31 May 2005 (“**Prospectus**”) of the Company in preparation of the listing of the Company’s shares on the Main Board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the Company became the holding company of the companies now comprising the Group on 23 March 2005. Further details of the Reorganisation as well as the basis of presentation of the Financial Statements are set out in Note 1 to the Financial Statements.

Following the completion of the Reorganisation and the public offer and placing of the Company’s shares as set out in the Prospectus, the Company’s shares were listed on the Stock Exchange on 16 June 2005.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in Note 14 to the Financial Statements.

An analysis of the Group’s performance for the year by business and geographical segments is set out in Note 5 to the Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2005 are set out in the Consolidated Income Statement on page 25.

Other than special dividend of HK\$40 million, the directors of the Company (“**Directors**”) do not declare dividend for the year ended 31 March 2005.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 12 to the Financial Statements.

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SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the year are set out in Note 24 to the Financial Statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Note 25 to the Financial Statements.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors:

Lam Wai Ming (<i>Chairman</i>)	(appointed on 19 November 2004)
Tam Chi Sang (<i>Managing Director</i>)	(appointed on 19 November 2004)
Chan Kwok Tung, Donny	(appointed on 19 November 2004)

Independent Non-Executive Directors:

Chiu Fan Wa	(appointed on 23 March 2005)
Li Chi Chung	(appointed on 23 March 2005)
Li Tat Wah	(appointed on 23 March 2005)

In accordance with Article 87 of the Company's articles of association, Mr. Lam Wai Ming ("**Mr. Lam WM**") and Mr. Tam Chi Sang ("**Mr. Tam CS**") will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Lam WM and Mr. Tam CS has entered into a service agreement with the Company for an initial term of three years commencing from 16 June 2005 and the aforesaid agreements may be terminated by not less than three months' prior notice in writing served by either party on the other.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting had entered into any service contracts with the Company, which were not determinable by the Company within one year without compensation (other than statutory compensation).

DIRECTORS' INTEREST AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 31 to the Financial Statements, none of the Directors or controlling shareholders of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding companies, or any of its subsidiaries was a party during the year.

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MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2005, no interests or short positions of any Directors and chief executive of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") were required to be recorded in the register maintained by the Company under Section 352 of the SFO; or notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO as the Company was not listed on the Stock Exchange on that date.

The Company became a listed company on 16 June 2005. The interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO; or as notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules as at the date of this report, were as follows (capitalised terms used in this section should have the same meanings as those defined in the Prospectus):

Long position in the securities of the Company

Name of Director	Nature of Interest	Total number of shares held in the Company	Percentage of issued shares
Mr. Lam WM	Corporate interest	275,400,000 (Note 1)	68.85%
Mr. Tam CS	Corporate interest	275,400,000 (Note 2)	68.85%
Mr. Chan Kwok Tung, Donny	Corporate interest	16,200,000 (Note 3)	4.05%

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Notes:

- (1) Mr. Lam WM is taken to be interested in an aggregate of 275,400,000 Shares as follows:
 - (i) Mr. Lam WM is taken to be interested in an aggregate of 244,800,000 Shares held by Achieve Best and Beaute respectively as to:
 - (a) 40,800,000 Shares are held by Achieve Best which is wholly-owned by Mr. Lam WM and Mr. Lam WM is the sole director of Achieve Best. Mr. Lam WM is therefore taken to be interested in 40,800,000 Shares that Achieve Best is interested;
 - (b) 204,000,000 Shares are held by Beaute which is owned as to 50% by Apex Prima and 50% by Potentasia. Apex Prima is wholly-owned by Mr. Lam WM and Potentasia is wholly-owned by Mr. Tam CS. Mr. Lam WM is also a director of Beaute and the sole director of Apex Prima. Mr. Lam WM is therefore taken to be interested in 204,000,000 Shares that Beaute is interested; and
 - (ii) Mr. Lam WM is taken to be interested in an aggregate of 30,600,000 Shares upon the exercise of the subscription rights attached to the 61,200,000 Warrants held by Achieve Best and Beaute respectively.
- (2) Mr. Tam CS is taken to be interested in an aggregate of 275,400,000 Shares as follows:
 - (i) Mr. Tam CS is taken to be interested in an aggregate of 244,800,000 Shares held by Realchamp and Beaute respectively as to:
 - (a) 40,800,000 Shares are held by Realchamp which is wholly-owned by Mr. Tam CS and Mr. Tam CS is the sole director of Realchamp. Mr. Tam CS is therefore taken to be interested in 40,800,000 Shares that Realchamp is interested;
 - (b) 204,000,000 Shares are held by Beaute which is owned as to 50% by Apex Prima and 50% by Potentasia. Apex Prima is wholly-owned by Mr. Lam WM and Potentasia is wholly-owned by Mr. Tam CS. Mr. Tam CS is also a director of Beaute and the sole director of Potentasia. Mr. Tam CS is therefore taken to be interested in 204,000,000 Shares that Beaute is interested; and
 - (ii) Mr. Tam CS is taken to be interested in an aggregate of 30,600,000 Shares upon the exercise of the subscription rights attached to the 61,200,000 Warrants held by Realchamp and Beaute respectively.
- (3) Mr. Chan Kwok Tung, Donny (“**Mr. Chan KT**”) is taken to be interested in an aggregate of 16,200,000 Shares as follows:
 - (i) Mr. Chan KT is taken to be interested in an aggregate of 14,400,000 Shares held by Champion Sight. Champion Sight is wholly-owned by Mr. Chan KT and Mr. Chan KT is the sole director of Champion Sight; and
 - (ii) Mr. Chan KT is taken to be interested in an aggregate of 1,800,000 Shares upon the exercise of the subscription rights attached to the 3,600,000 Warrants held by Champion Sight.

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Long position in the shares of the associated corporation

Name of Director	Name of associated corporation	Class of shares	Nature of Interest	Total number of shares held	Approximate percentage of interests
Mr. Lam WM	Beaute	Ordinary share	Corporate interest	2 (Note)	100%
Mr. Tam CS	Beaute	Ordinary share	Corporate interest	2 (Note)	100%

Notes:

Beaute is owned as to 50% by Apex Prima and 50% by Potentasia. Apex Prima is wholly-owned by Mr. Lam WM and Potentasia is wholly-owned by Mr. Tam CS. Both Mr. Lam WM and Mr. Tam CS are the directors of Beaute. Mr. Lam WM and Mr. Tam CS are therefore taken to be interested in the shares in Beaute through their respective interests in Apex Prima and Potentasia.

Save as disclosed above, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY

As at 31 March 2005, the Directors were not aware of any disclosure of interests or short positions of the persons, other than Directors and 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 or as notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as the Company was not listed on the Stock Exchange on that date.

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The Company became a listed company on 16 June 2005. The interests and short positions of the persons, other than Directors and 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 or as notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows (capitalised terms used in this section should have the same meanings as those defined in the Prospectus):

Long position in securities of the Company

Name of Substantial Shareholder	Number of Shares in which interested (other than under equity derivatives)	Number of Shares in which interested under equity derivatives (Note 1)	Total number of Shares	Percentage of Issued Shares
Beaute	204,000,000	25,500,000	229,500,000	57.38%
Apex Prima (Note 2)	204,000,000	25,500,000	229,500,000	57.38%
Potentasia (Note 3)	204,000,000	25,500,000	229,500,000	57.38%
Achieve Best	40,800,000	5,100,000	45,900,000	11.48%
Realchamp	40,800,000	5,100,000	45,900,000	11.48%

Notes:

- The Warrants were issued by way of bonus issue to all Shareholders whose names appeared on the register of members of the Company as at completion of the Share Offer and the Capitalization Issue in the proportion of one Warrant for every four Shares, in unit(s) of HK\$0.30 of the subscription rights to the Warrant holders. The subscription price of the Warrants is HK\$0.60 per Share with a subscription period from 16 June 2005 to 13 June 2008. As at the date of this report, no subscription rights to the Warrants is exercised.
- Apex Prima is taken to be interested in an aggregate of 204,000,000 Shares held by Beaute which is owned as to 50% by Mr. Lam WM and 50% by Mr. Tam CS.
- Potentasia is taken to be interested in an aggregate of 204,000,000 Shares held by Beaute which is owned as to 50% by Mr. Lam WM and 50% by Mr. Tam CS.

SHARE OPTION SCHEME

On 27 May 2005, the Company adopted a share option scheme (“**Share Option Scheme**”) and a pre-IPO share option scheme (“**Pre-IPO Share Option Scheme**”) respectively.

The following are the summary of the principal terms of the Share Option Scheme and the Pre-IPO Share Option Scheme (capitalized terms used in this section should have the same meanings as those defined in the Prospectus.):

I) **Share Option Scheme**

(a) **Purpose**

The purpose of the Share Option Scheme is to enable the Group and its Invested Entities to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Enlarged Group or Invested Entities, to recognize the significant contributions of the Eligible Persons to the growth of the Enlarged Group or Invested Entities by rewarding them with opportunities to obtain ownership interest in the Company and to further motivate and give incentives to these Eligible Persons to continue to contribute to the long term success and prosperity of the Enlarged Group or Invested Entities.

(b) **Who may join**

The Board may invite any Eligible Person as the Board may in its absolute discretion select, having regard to each person’s qualifications, skills, background, experience, service records and/or contribution or potential value to the relevant member(s) of the Enlarged Group or Invested Entity, to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (c) below.

(c) **Subscription price and acceptance period**

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Board at its absolute discretion and notified to an Eligible Person but shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date;
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share.

The Eligible Person must accept any such Offer notified to him or her within fourteen (14) days from the Offer Date, failing which it shall be deemed to have been rejected. Upon acceptance of the Offer, the Grantee shall pay HK\$1.00 to the Company as consideration for the grant.

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(d) Maximum number of Shares subject to the Share Option Scheme

- (i) Subject to the provisions of paragraph (d)(ii) below,
- (1) the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed ten (10)% ("**Scheme Mandate Limit**") of the nominal amount of all issued Shares as at the Listing Date (such ten (10)% shall represent 40,000,000 Shares) unless the Company obtains a fresh approval from its Shareholders pursuant to paragraphs (d)(i)(2) and/or (3) below;
 - (2) the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit from time to time such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed ten (10)% of the Shares in issue as at the date of such Shareholders' approval. The Company must send a circular containing the information required under Rule 17.02(2) (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules to the Shareholders; and
 - (3) the Company may seek separate Shareholders' approval in general meeting to grant Options over and above the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specified by the Company before such approval is sought and for whom specific approval is then obtained. The Company must issue a circular containing the information required under Note 1 to Rule 17.03(3) of the Listing Rules to the Shareholders.
- (ii) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed thirty (30)% of the Shares in issue from time to time required under Note 2 of Rule 17.03(3) of the Listing Rules. Further, no option may be granted under the Share Option Scheme and any other option scheme(s) of the Company if such limit is exceeded.

(e) Maximum entitlement of each Grantee

- (i) Unless the approval of Shareholders contemplated under paragraph (e)(ii) below is obtained, the total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) in any 12-month period must not exceed one (1)% of the Shares in issue.

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- (ii) Where the Board proposes to grant an option to an Eligible Person under the Share Option Scheme and/or any other share option scheme(s) of the Company and such further grant would result in such Eligible Person becoming entitled to subscribe for such number of Shares, when aggregated with the total number of Shares (a) already issued under all the options previously granted to him or her which have been exercised; (b) issuable under all the options previously granted to him or her which are for the time being subsisting and unexercised; and (c) which were subject to options previously granted to him or her but for the time being having been cancelled in the past 12-month period up to and including the date of such further grant, exceeding one (1)% of the Shares in issue for the time being, such further grant shall be separately approved by the Shareholders in general meeting (with such Eligible Person and his or her associates abstaining from voting). The relevant requirements under the Note to Rule 17.03(4) of the Listing Rules must be complied with.

(f) *Term of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of ten (10) years commencing from 27 May 2005 (being the date of approval of the Share Option Scheme by the Shareholders), after which no further Options shall be granted but the Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue and the provisions of the Share Option Scheme shall in all other respects remain in full force and effect in respect thereof.

As at the date of this report, no options have been granted by the Company under the Share Option Scheme.

II) *Pre-IPO Share Option Scheme*

The purpose of the Pre-IPO Share Option Scheme is to, amongst others, give the participants an opportunity to obtain ownership interest in the Company and recognize the significant contribution of, and further motivate and to give incentives to, the key executives, senior management and fulltime employees of the Enlarged Group (including executive Directors) who, in the sole discretion of the Board, has contributed or will contribute to the Enlarged Group. The principal terms of the Pre-IPO Share Option Scheme, approved and adopted by a written resolution of all the Shareholders dated 27 May 2005 (which is still subject to certain conditions similar to those referred to under the Share Option Scheme), are basically the same as the terms of the Share Option Scheme, except that:

- (a) the exercise price for each Share is one third of the Offer Price;
- (b) the option period ("**Option Period**") of all options granted does not exceed 3 years from the Listing Date;
- (c) the options cannot be exercised within six months from the date on which the Shares and Warrants first commence trading;

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- (d) Subject to paragraph (c) above and the requirements under the Listing Rules, the option may be exercised at any time during the Option Period provided that the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on that date shall not be less than 1.25 times of the Offer Price;
- (e) the definition of the "Eligible Persons" means key executives, senior management and full-time employees of the Enlarged Group (including executive directors of the Enlarged Group);
- (f) the total number of Shares subject to the Pre-IPO Share Option Scheme is 4,000,000 Shares; and
- (g) save for the options which have been conditionally granted under the Pre-IPO Share Option Scheme in respect of 4,000,000 Shares, no further options will be offered or granted pursuant to the Pre-IPO Share Option Scheme, as the right to do so has been terminated on the day on which the bulk print of the Prospectus had taken place.

As at the date of this report, options to subscribe for 4,000,000 Shares in aggregate (representing 1% of the enlarged issued share capital of the Company immediately after completion of the Share Offer and the Capitalisation Issue at an exercise price equivalent to one third of the Offer Price) have been conditionally granted by the Company under the Pre- IPO Share Option Scheme.

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Particulars of the options that have been conditionally granted to the grantees who may acquire Shares under the Pre-IPO Share Option Scheme if the options are exercised in full, are set out below:

Name of grantee	Exercisable period of share option	Exercise price of share option	No. of shares options granted	No. of share option outstanding as at the date of this report
Senior management		HK\$		
Mr. Kwong Pak Chuen, Patrick Senior engineering manager	16-12-2005 to 13-6-2008	One third of 0.55 *	1,200,000	1,200,000
Mr. Law Tak Wai Operation manager	16-12-2005 to 13-6-2008	One third of 0.55 *	1,200,000	1,200,000
Mr. Wong Siu Man Senior materials manager	16-12-2005 to 13-6-2008	One third of 0.55 *	600,000	600,000
Mr. Lam Wai Hung Administration manager	16-12-2005 to 13-6-2008	One third of 0.55 *	1,000,000	1,000,000
Total:			4,000,000	4,000,000

* The closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of exercise of the option shall not be less than 1.25 times of HK\$0.55.

Save as disclosed above, no options have been granted by the Company under the Pre-IPO Share Option Scheme.

Please refer to the Prospectus for details of the Share Option Scheme and the Pre-IPO Share Option Scheme.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme", at no time during the year were there any rights to acquire benefits by means of the acquisition of securities of the Company granted to any director or their respective spouse or children under 18 years of age, or were there any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, as at the latest practicable date prior to the printing of this report, the Company has maintained sufficient public float of the Company's issued shares as required under the Listing Rules.

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INDEPENDENCY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence. The Company considers that all of its independent non-executive Directors are independent.

FOUR YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four financial years is set out on pages 65 and 66.

RELATED PARTY TRANSACTIONS

Details of the information in relation to the related party transactions of the Group during the year is set out on Note 31 to the Financial Statements.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

The Directors have confirmed that they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules save as the trade receivables of approximately HK\$19.2 million (which was interest-free, unsecured, and due with a credit period of 60-day) outstanding at 31 March 2005 from the group companies of Rayovac Corporation, being the Group's major customers and an independent third party, which represented approximately 9% of the market capitalisation of the Company of HK\$220 million based on the Offer Price of HK\$0.55.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to its existing Shareholders.

TAXATION OF HOLDERS OF SHARES AND WARRANTS

(a) Hong Kong

Dealings in Shares and Warrants registered on the Company's Hong Kong branch register of members and register of Warrants respectively will be subject to Hong Kong stamp duty. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares or Warrants being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares. Profits from dealings in the Shares and/or Warrants arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Shares and Warrants are Hong Kong property for the purposes of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) (as amended) and accordingly, Hong Kong estate duty may be payable in respect thereof on the death of an owner of Shares and/or Warrants.

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(b) Cayman Islands

Under present Cayman Islands law, transfer or other dispositions of Shares and Warrants are exempted from Cayman Islands stamp duty.

(c) Professional tax advice recommended

Intending holders of Shares and Warrants are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares and Warrants or exercising rights attached to them.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 65% of the total sales for the year and sales to the largest customer included therein amounted to approximately 36%.

Purchases from the Group's five largest suppliers accounted for approximately 39% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 13%.

None of the Directors or any of their associates or any shareholders, which to the knowledge of the Directors, own more than 5% of the issued share capital of the Company immediately had any beneficial interest in the Group's five largest customers and suppliers.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provision of the Code of Corporate Governance Practice as set out in Appendix 14 of the Listing Rules in the period between 16 June 2005 (being the listing date of the Company) and the date of this report.

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

There were no purchases, sales or redemption of the Company's listed securities by the Company nor any of its subsidiaries as at the date of this report.

AUDITORS

The accompanying Financial Statements have been audited by BDO McCabe Lo & Company who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

The Company has not changed its auditors since its incorporation.

By Order of the Board

Lam Wai Ming

Chairman

Hong Kong, 22 July 2005