

MATERIAL ACQUISITIONS AND DISPOSALS

During the period under review, Wing Hing Group (BVI) Limited (“Wing Hing Group BVI”), a wholly owned subsidiary of the Company, entered into an acquisition agreement with Complete Success Limited (“Complete Success”) pursuant to which Wing Hing BVI acquired the reminding 40% of the entire issued share capital of CSP (HK) Limited from Complete Success. Prior to the acquisition, the entire issued share capital of CSP (HK) Limited was owned as to 60% and 40% by Wing Hing Group (BVI) and Complete Success respectively.

Further details in respect of the above acquisition are set out in the circular dated 29 July 2005.

CAPITAL STRUCTURE

On 12 May 2004, the Company entered into a subscription agreement (the “Note Subscription Agreement”) with Grand Legend Limited and Mr. Lo Chun Yang in respect of the subscription of convertible note (the “Note”) with an aggregate principal amount of HK\$11,500,000. On 12 May 2005, pursuant to the Note Subscription Agreement, Grand Legend Limited elected to convert the Note with an aggregate principal amount of HK\$11,500,000 into 57,500,000 ordinary shares of HK\$0.10 each at the conversion price of HK\$0.20 per ordinary share. All shares issued upon the conversion rank *pari passu* in all respects with the then existing shares of the Company.

On 25 August 2005, pursuant to a special resolution passed by the shareholders of the Company, the Company effected a capital reduction by eliminating approximately HK\$138,808,000 standing to the credit of the Company’s share premium account. The credit of approximately HK\$138,808,000 arising from such elimination was applied to set off against the accumulated losses of the Company.

On 25 August 2005, pursuant to acquisition agreement entered into with Complete Success and an ordinary resolution passed by the shareholders of the Company, the Company issued 17,000,000 new ordinary shares of HK\$0.10 each and 50,000,000 new warrants of HK\$0.02 each (the "Warrants") to Complete Success. The Warrants entitled the holders to subscribe up to HK\$15,000,000 in aggregate for ordinary shares of HK\$0.10 each of the Company, equivalent to the aggregate subscription price for a total of 50,000,000 shares on the basis of an initial subscription price of HK\$0.30 per share (subject to adjustment) during the three-year period commencing from the date of issue. All shares issued or to be issued pursuant to the exercise of the subscription rights attaching to the Warrants rank pari passu in all respects with the then existing shares of the Company. The net proceeds from the issue of new shares and warrants of approximately HK\$4,400,000 was used as part of the consideration for the acquisition of 40% of the entire issued share capital of CSP (HK) Limited from Complete Success.

Further details in respect of the above acquisition are set out in the circular dated 29 July 2005.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the period ended 30 September 2005.

SHARE OPTION SCHEME

In the Company's annual general meeting held on 28 August 2002, an ordinary resolution was passed by the Company's shareholders for adoption of a new share option scheme (which is complied with amended Chapter 17 of the Listing Rules) and termination of the Company's share option scheme adopted on 22 November 1995. No share options have been granted by the Company under both of the above-mentioned share option schemes.