

Third Quarterly Report
for the period from 1 April, 2004 to 31 December, 2004

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM. The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Soluteck Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



HIGHLIGHTS

- The net loss of the Group during the nine months ended 31 December, 2004 was approximately HK\$7.0 million, as compared with net profit of approximately HK\$3.6 million for the same period in last year.
- Loss per Share during the nine months ended 31 December, 2004 was approximately HK1.56 cents.
- The turnover of the Group during the nine months ended 31 December, 2004 was approximately HK\$58.6 million, representing a decrease of approximately 30.3 per cent. as compared with the corresponding period in 2003.

The board (the "Board") of Directors announces the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the nine months ended 31 December, 2004.

CHAIRMAN'S STATEMENT

Financial Performance

The Group recorded a loss attributable to shareholders of approximately HK\$7.0 million for the nine months ended 31 December 2004, compared with the profit attributable to shareholders of approximately HK\$3.6 million for the corresponding period in last year. Loss per share during the nine months ended 31 December 2004 was approximately HK1.56 cents, as compared with earnings per share of approximately HK0.79 cents for the corresponding period in last year.

Turnover in the nine months ended 31 December 2004 was approximately HK\$58.6 million, an approximately 30.3 per cent. decrease as compared with the corresponding period in last year. The management believes that such a decrease was mainly attributable to the keen competition among different suppliers of self-service automatic teller machine ("ATM") in the People's Republic of China ("PRC" or "China"), which has also resulted in a drop in the Group's gross profit margin for the period to approximately 20.7 per cent. when comparing with approximately 22.4 per cent. for the corresponding period in last year.

During the period under review, the Group's selling and administrative expenses increased by approximately 16.4 per cent. and 26.7 per cent. to approximately HK\$3.8 million and HK\$14.6 million respectively compared to the corresponding period in last year. The management believes that the rise in the aforesaid were primarily attributable to the Group's concentration on its effort in improving the existing maintenance service quality caused by the expansion of the service business segment, the increasing in the provision of value-added services delivered to our customers, the exploration of new business opportunity in corporate outsourcing technical service sector; and the corporate restructuring in its sales and management teams undergone during the nine-months ended 31 December 2004.

Business Review

The Group specializes in the provision of implementation and upgrading of self-service ATM systems, related application hardware and software, technical support and consultancy services to commercial banks and postal bureaus in the PRC.

Implementation of self-service ATM systems

Implementation of self-service ATM systems remained the Group's core business and accounted for approximately 94.0 per cent. of the Group's total turnover during the nine months ended 31 December 2004, as compared with approximately 95.6 per cent. for the same period in last year.

Turnover generated from the implementation of self-service ATM systems amounted to approximately HK\$55.1 million, representing a decrease of approximately 31.5 per cent. as compared with the corresponding period in last year, which was greatly resulted from the keen competition in the PRC.

Implementation of electronic postal automation systems

The implementation of electronic postal automation systems rose slightly in the nine months ended 31 December 2004, to approximately 2.2 per cent. of the total turnover of the Group, compared with approximately 0.6 per cent. for the corresponding period in last year. Although the development of electronic postal automation systems that include mailing finishing systems, volume mailing handling systems and franking machines still greatly hindered by market competition and acceptance, the Group will continue to identify niche business development and growth opportunities for this business stream in the China market.

Provision of information technology and business solutions

The provision of information technology and business solutions accounted for approximately 3.8 per cent of the Group's turnover for the nine months ended 31 December 2004, which is the same as that of the corresponding period in last year. The Group will continue to focus on the development of software applications for converging banking business platforms and other state-of-the-art application software for banking and financial institutions and postal bureaus.

Provision of technical consultancy and support services

The provision of technical consultancy and support services, which were already included in the above-mentioned businesses, contributed to a stable and recurrent source of income for the Group and accounted for approximately 26.7 per cent. of the total turnover of the Group for the nine months ended 31 December 2004, compared with approximately 18.3 per cent. for the corresponding period in last year.

Business Outlook

As an authorised value-added reseller of self-service ATM systems of NCR (Hong Kong) Limited ("NCR") and related applications software for commercial banks in China, the Group is fully committed itself as a reliable and reputable vendor and one of the leading Total Solution Providers for the finance sector in China, offering a full range of information technology solutions for self-service ATM systems – from the supply of related hardware and software development, banking applications to value-added complementary services. With a strong presence and a solid clientele in China, accompanied by its marketing effort boosted in the PRC to bring in new customers and broader business relationship and several contracts under negotiation, also the Group's carrying on updating itself on all latest developments in the industry, all the above will undoubtedly facilitate the consolidation of its existing activities.

With China's being opened up to the global economic theater since its entry into the World Trade Organisation ("WTO"), and the factors of non-stopping fast economic growth and the relaxation of travel restrictions on individual travelers from major cities in China added into it, increasing emphasis have been put by banks and postal bureaus in PRC on the importance of



provision of quality and efficient information technology infrastructure in order to consolidate and strengthen their respective market standing. The Group believes that all the above will absolutely help fuel market demand for the Group's provision of implementation and upgrading of self-service ATM systems, related application hardware and software, technical support and consultancy services to commercial banks and postal bureaus in China, and demand for such will keep on growing in China, which will definitely further benefit the Group's business prospects.

Hou Hsiao Bing
Chairman
Soluteck Holdings Limited

Hong Kong, 3 February, 2005



RESULTS

The following is the unaudited consolidated results of the Group for the periods of three months and nine months ended 31 December, 2004 together with the comparative unaudited consolidated results of the Group for the corresponding periods in 2003:–

		From 1 October, 2004 to 31 December, 2004 <i>HK\$'000</i>	From 1 April, 2004 to 31 December, 2004 <i>HK\$'000</i>	From 1 October, 2003 to 31 December, 2003 <i>HK\$'000</i>	From 1 April, 2003 to 31 December, 2003 <i>HK\$'000</i>
Turnover	2	19,788	58,624	29,948	84,113
Cost of sales		<u>(16,733)</u>	<u>(46,461)</u>	<u>(22,790)</u>	<u>(65,257)</u>
Gross profit		3,055	12,163	7,158	18,856
Other revenue	2	28	68	27	110
Selling expenses		(1,291)	(3,813)	(1,151)	(3,277)
Administrative expenses		<u>(5,430)</u>	<u>(14,551)</u>	<u>(3,898)</u>	<u>(11,482)</u>
(Loss)/profit from operations	3	(3,638)	(6,133)	2,136	4,207
Finance costs	4	<u>(160)</u>	<u>(320)</u>	<u>(144)</u>	<u>(292)</u>
(Loss)/profit before taxation		(3,798)	(6,453)	1,992	3,915
Taxation	5	<u>(289)</u>	<u>(590)</u>	<u>(76)</u>	<u>(359)</u>
(Loss)/profit attributable to shareholders		<u>(4,087)</u>	<u>(7,043)</u>	1,916	3,556
Basic (loss)/earnings per share	6	<u>HK(0.90) cents</u>	<u>HK(1.56) cents</u>	<u>HK0.42 cents</u>	<u>HK0.79 cents</u>





Notes:–

1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants.

The principal accounting policies and methods of computation used in the preparation of the unaudited consolidated results are consistent with those adopted in the latest annual financial statements of the Group.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. Turnover and revenue

The Group is principally engaged in the sales of electronic banking systems, other banking equipment and mailing systems, and the provision of hardware and software technical support services. Revenues recognised during the period are as follows:–

	From 1 October, 2004 to 31 December, 2004 HK\$'000	From 1 April, 2004 to 31 December, 2004 HK\$'000	From 1 October, 2003 to 31 December, 2003 HK\$'000	From 1 April, 2003 to 31 December, 2003 HK\$'000
Turnover				
Sale of goods	14,320	42,971	22,385	68,700
Rendering of services	5,468	15,653	7,563	15,413
	<u>19,788</u>	<u>58,624</u>	<u>29,948</u>	<u>84,113</u>
Other revenue				
Interest income	28	68	27	110
	<u>19,816</u>	<u>58,692</u>	<u>29,975</u>	<u>84,223</u>

3. (Loss)/profit from operations

The Group's (loss)/profit from operations is arrived at after charging:

	From 1 October, 2004 to 31 December, 2004 HK\$'000	From 1 April, 2004 to 31 December, 2004 HK\$'000	From 1 October, 2003 to 31 December, 2003 HK\$'000	From 1 April, 2003 to 31 December, 2003 HK\$'000
Cost of inventories sold	13,546	39,486	19,275	58,228
Depreciation	171	481	227	690
Amortisation of intangible assets	44	131	40	113
Provision for obsolete stock	–	1,000	–	–
Provision for bad and doubtful debts	600	600	–	–
	<u>600</u>	<u>600</u>	<u>–</u>	<u>–</u>

4. Finance costs

	From 1 October, 2004 to 31 December, 2004 HK\$'000	From 1 April, 2004 to 31 December, 2004 HK\$'000	From 1 October, 2003 to 31 December, 2003 HK\$'000	From 1 April, 2003 to 31 December, 2003 HK\$'000
Interest on bank loans and overdrafts	<u>160</u>	<u>320</u>	<u>144</u>	<u>292</u>

5. Taxation

There was no provision for Hong Kong profits tax as the Group has no assessable profit for the nine months ended 31 December, 2004 (nine months ended 31 December, 2003: Nil).

Taxation on overseas profits has been calculated on the estimated assessable profit at the rates of taxation prevailing in the PRC in which the subsidiaries of the Group operate.

The amount of taxation charged to the consolidated profit and loss account represents:-

	From 1 October, 2004 to 31 December, 2004 HK\$'000	From 1 April, 2004 to 31 December, 2004 HK\$'000	From 1 October, 2003 to 31 December, 2003 HK\$'000	From 1 April, 2003 to 31 December, 2003 HK\$'000
Current taxation:				
- Hong Kong profits tax	-	-	-	-
- Overseas taxation	289	590	76	376
- Over provisions in prior years	-	-	-	(17)
Deferred taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Taxation charge	<u>289</u>	<u>590</u>	<u>76</u>	<u>359</u>

6. (Loss)/Earnings per Share

The calculation of the basic loss per Share for the three months and nine months ended 31 December, 2004 is based on the unaudited consolidated net loss attributable to shareholders of approximately HK\$4,087,000 and HK\$7,043,000 (2003: profit of HK\$1,916,000 and HK\$3,556,000) and the weighted averaged number of 452,612,072 and 452,612,072 Shares (2003: 452,612,072 and 452,612,072 Shares) in issue throughout the relevant accounting periods, respectively.

No diluted loss per share for the nine months ended 31 December, 2004 and 2003 are presented as the exercise of the outstanding options of the Company would have an anti-dilutive effect.



LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow. As at 31 December, 2004, the Group had cash and bank balances (including pledged bank deposits) amounting to a total of approximately HK\$17.5 million (31 December, 2003: HK\$28.9 million) and had outstanding bank overdraft of approximately HK\$3.9 million (31 December, 2003: HK\$4.0 million) and short-term bank loan of approximately HK\$9.9 million (31 December, 2003: HK\$3.8 million) which represented the total borrowings of the Group as at that date. The bank overdraft was at 0.75% per annum over Hong Kong Dollar prime rate while the short-term loan was repayable within 1 year and at interest rate of approximately 5 per cent. over the base rate announced by People's Bank of China.

With these resources and the proceeds from the new issue of shares in January 2001, the Board believes that the Group has adequate capital resources to finance its business objectives, that is, fully committed to be one of the leading total Solution Providers for the finance sector in China.

MOVEMENT OF RESERVE

During the period under review, apart from the exchange fluctuation reserve of approximately HK\$85,456 (2003: HK\$96,551), there is no other movement to and from reserve.

QUARTERLY DIVIDEND

The Board does not recommend the payment of quarterly dividend for the period from 1 April, 2004 to 31 December, 2004 (2003: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December, 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 corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Name	Name of company	Capacity	Number and class of securities (Note 1)	Percentage shareholding in the same class of securities
Mr. Hou Hsiao Bing (Executive Director)	The Company	Beneficial owner	76,460,000 ordinary shares (L)	16.89%
	The Company	Beneficial owner	2,000,000 ordinary shares (Note 2)	0.44%

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS
IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE
COMPANY AND ITS ASSOCIATED CORPORATIONS** *(continued)*

Name	Name of company	Capacity	Number and class of securities <i>(Note 1)</i>	Percentage shareholding in the same class of securities
Ms. Chung Yuk Hung <i>(Executive Director)</i>	The Company	Beneficial owner	35,190,000 ordinary shares (L)	7.77%
	The Company	Beneficial owner	2,000,000 ordinary shares <i>(Note 2)</i>	0.44%
	Truth Honour Electronic Limited <i>(Note 3)</i>	Beneficial interest	200,000 non-voting deferred shares of HK\$1 each (L)	6.67%
Mr. Chung Yuk Man <i>(Executive Director)</i>	The Company	Beneficial owner	35,190,000 ordinary shares (L)	7.77%
	The Company	Beneficial owner	2,000,000 ordinary shares <i>(Note 2)</i>	0.44%
	Truth Honour Electronic Limited <i>(Note 3)</i>	Beneficial interest	200,000 non-voting deferred shares of HK\$1 each (L)	6.67%
Mr. Hou Hsiao Wen <i>(Executive Director)</i>	The Company	Beneficial owner	33,160,000 ordinary shares (L)	7.33%
	The Company	Beneficial owner	2,000,000 ordinary shares <i>(Note 2)</i>	0.44%

Notes:—

- The letter "L" represents the Director's interests in the shares and underlying shares of the Company or its associated corporations.
- These shares were the respective number of shares which would be allotted and issued upon exercise in full of the options granted to each of the Company's Executive Directors namely Mr. Hou Hsiao Bing, Ms. Chung Yuk Hung and Mr. Chung Yuk Man and Mr. Hou Hsiao Wen pursuant to the share option scheme of the Company adopted on 13 December, 2000. The exercise period and the exercise price of these options are set out in the section headed "Share Option Scheme" below.
- Truth Honour Electronic Limited is a subsidiary of the Company and is thus an associated corporation of the Company.

SHARE OPTION SCHEMES

1. Pre-IPO Share Options

On 13 December, 2000, the shareholders of the Company approved and adopted a share option scheme (the "Share Option Scheme"). Under the Share Option Scheme, the Directors may, at their discretion, grant to any employees of the Group, including executive Directors, options to subscribe for the Shares. The subscription price for options granted under the Share Option Scheme after the listing of the Shares on the GEM is determined by the Directors and will not be less than the higher of the closing price of the Shares on GEM on the date of grant of the options or the average of the closing price of the Shares on GEM for the five trading days immediately preceding the date of grant of the options. As regards the options granted before the listing of the Shares on the GEM (the "Pre-IPO Share Options"), the subscription price is to be determined by Directors and shall not be less than the nominal value of the Shares. The maximum number of Shares in which options may be granted under the Share Option Scheme may not exceed 30 per cent. of the ordinary share capital in issue from time to time. The maximum option term is ten years from the respective grant dates. Options may be exercised at any time during a period, generally three years but not later than ten years, to be determined and notified to each grantee.

Pursuant to the Pre-IPO Share Options granted under the above Share Option Scheme, certain Directors have interests in options to subscribe for Shares as set forth below. The options have a duration of 10 years from 18 December, 2000, which is the date on which the offer of grant was made, and therefore will be exercisable during the period from the aforesaid date to 17 December, 2010. Pursuant to the offer letters in respect of the grant of the Pre-IPO Share Options, the grantees can only exercise the options to the extent of an aggregate total of 25 per cent., 50 per cent., 75 per cent. and 100 per cent. of the Pre-IPO Share Options in each of the first to fourth anniversaries of the commencement of the trading of the shares on GEM, respectively.

Pre-IPO Share Options	Outstanding at 1.4.2004	Number of Options		Outstanding at 31.12.2004	Closing price per share immediately Options before the date of grant (HK\$) (Note 2)
		Granted during the period	Lapsed during the period		
Exercise price at HK\$0.20:					
- Director of a subsidiary					
LAM Shut Chun	500,000	Nil	(500,000)	Nil	Nil
- Other Employees	5,100,000	Nil	(2,600,000)	2,500,000	Nil
Exercise price at HK\$0.40:					
- Executive Directors					
HOU Hsiao Bing	2,000,000	Nil	Nil	2,000,000	Nil
CHUNG Yuk Hung	2,000,000	Nil	Nil	2,000,000	Nil
CHUNG Yuk Man	2,000,000	Nil	Nil	2,000,000	Nil
HOU Hsiao Wen	2,000,000	Nil	Nil	2,000,000	Nil
- Other Employees	2,400,000	Nil	Nil	2,400,000	Nil
	<u>16,000,000</u>	<u>Nil</u>	<u>(3,100,000)</u>	<u>12,900,000</u>	

SHARE OPTION SCHEMES (continued)

1. Pre-IPO Share Options (continued)

Notes:-

1. During the nine months ended 31 December, 2004, 3,100,000 share options were lapsed upon the resignation of the relevant employees of the Group.
2. As the shares of the Company were listed in the GEM of the Stock Exchange of Hong Kong Limited not earlier than the date of 3 January, 2001, no closing price per share of the Pre-IPO Share Options could be calculated.

The share options are not recognised in the financial statements until they are exercised. No share option was granted and exercised during the nine months ended 31 December, 2004.

2. New Share Option Scheme adopted as at 30 July, 2004

The Company has adopted a new share option scheme ("New Scheme") and terminated the Share Option Scheme by shareholders' resolutions passed at its Annual General Meeting held on 30 July, 2004. The New Scheme became effective on 30 July, 2004. Upon the termination of the Share Option Scheme on 30 July, 2004, no further options may be offered under the Share Option Scheme but the Share Option Scheme would in all respects remain in force to the extent necessary to give effect to the exercise of the outstanding Pre-IPO Share Options granted under it prior to its termination. The outstanding Pre-IPO Share Options will continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December, 2004, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO:-

Name	Number of ordinary shares	Capacity	Approximate percentage of interest
Mr. Chung Lok Fai	45,125,000	Beneficial owner	9.97%
	35,245,000	interest of spouse (note 1)	7.79%
Ms. Tsou Lo Nien	35,245,000	Beneficial owner	7.79%
	45,125,000	interest of spouse (note 2)	9.97%



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:–

1. Mr. Chung Lok Fai is the spouse of Ms. Tsou Lo Nien. Accordingly, Mr. Chung Lok Fai is deemed, by virtue of Part XV of the SFO, to be interested in all the Shares in which Ms. Tsou Lo Nien is interested. Together with the 45,125,000 Shares registered in his own name, Mr. Chung Lok Fai is deemed, by virtue of Part XV of the SFO, to be interested in 80,370,000 Shares, representing approximately 17.76 per cent. of the Shares in issue.
2. Ms. Tsou Lo Nien is the spouse of Mr. Chung Lok Fai. Accordingly, Ms. Tsou Lo Nien is deemed, by virtue of Part XV of the SFO, to be interested in all the Shares in which Mr. Chung Lok Fai is interested. Together with the 35,245,000 Shares registered in her own name, Ms. Tsou Lo Nien is deemed, by virtue of Part XV of the SFO, to be interested in 80,370,000 Shares, representing approximately 17.76 per cent. of the Shares in issue.

Save as disclosed above, as at 31 December, 2004, no person or entity other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules during the Quarterly Period.

AUDIT COMMITTEE

The Company's Audit Committee was formed on 13 December, 2000. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with Reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures and risk evaluation of the Group and to provide advice and comments thereon. The Committee comprises three independent non-executive Directors, namely Ms. Lui Ming, Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William. The draft of this report has been reviewed and approved by the Audit Committee of the Board.

COMPETING INTERESTS

Mr. Tam Kam Biu, William, an Independent non-executive director of the Company, is an Executive Director of Q9 Technology Holding Limited ("Q9 Technology"). As Q9 Technology is also a Company which is engaged in business related to research, development of information technology, Q9 Technology may be in competition with the Group.

Save as disclosed above, none of the Directors or management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business which complete or may complete with the business of the Group.

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

The Company had not redeemed any of its Shares during the nine months ended 31 December, 2004. Neither the Company nor any of its subsidiaries purchased or sold any of the Shares during the nine months ended 31 December, 2004.

On behalf of the Board
Hou Hsiao Bing
Chairman

Hong Kong, 3 February, 2005

