



APTUS HOLDINGS LIMITED

問 博 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

Interim Report

2005

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.

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The Stock Exchange takes no responsibility for the contents of this report, make 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 (“Directors”) of Aptus Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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.

RESULTS

The Board of Directors (the “Board”) of Aptus Holdings Limited (the “Company”) herein presents the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the three months and six months ended 31 March 2005, together with the comparative unaudited figures for the corresponding periods in 2004 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Six months ended 31 March		Three months ended 31 March	
		2005 (Unaudited) <i>HK\$'000</i>	2004 (Unaudited) <i>HK\$'000</i>	2005 (Unaudited) <i>HK\$'000</i>	2004 (Unaudited) <i>HK\$'000</i>
TURNOVER	4	52,717	477	29,181	359
Cost of sales		<u>(52,041)</u>	<u>(175)</u>	<u>(28,839)</u>	<u>(130)</u>
Gross profit		676	302	342	229
Other revenue		296	3	4	2
Selling and distribution costs		(629)	(138)	(366)	(92)
Administrative expenses		(3,583)	(3,863)	(2,067)	(2,012)
Gain on disposal of subsidiaries		2,382	–	2,382	–
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	5, 6	<u>(858)</u>	<u>(3,696)</u>	<u>295</u>	<u>(1,873)</u>
Finance costs		(104)	(193)	(10)	(136)
Share of loss of a jointly-controlled entity		–	(56)	–	(56)
PROFIT/(LOSS) BEFORE TAXATION		<u>(962)</u>	<u>(3,945)</u>	<u>285</u>	<u>(2,065)</u>
Taxation	7	(2)	–	–	–
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		<u>(964)</u>	<u>(3,945)</u>	<u>285</u>	<u>(2,065)</u>
Minority interests		8	–	13	–
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u><u>(956)</u></u>	<u><u>(3,945)</u></u>	<u><u>298</u></u>	<u><u>(2,065)</u></u>
EARNINGS/(LOSS) PER SHARE	9				
– Basic (HK cents)		<u><u>(0.062)</u></u>	<u><u>(0.64)</u></u>	<u><u>0.019</u></u>	<u><u>(0.33)</u></u>
– Diluted (HK cents)		<u><u>(0.057)</u></u>	<u><u>N/A</u></u>	<u><u>0.018</u></u>	<u><u>N/A</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

		As at 31 March 2005 (Unaudited) HK\$'000	As at 30 September 2004 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		47	1,363
Goodwill	10	3,568	3,982
Long term deposit		-	-
Interest in a jointly-controlled entity		-	-
		3,615	5,345
CURRENT ASSETS			
Accounts receivable	11	575	26,906
Prepayment, deposits and other receivables		346	278
Cash and bank balances		12,491	17,571
		13,412	44,755
CURRENT LIABILITIES			
Accounts payable	12	-	26,983
Accrued liabilities and other payable		1,518	4,714
Tax payable		12	534
Finance lease payables		-	14
		1,530	32,245
NET CURRENT ASSETS		11,882	12,510
TOTAL ASSETS LESS CURRENT LIABILITIES		15,497	17,855
MINORITY INTERESTS		(111)	(113)
NET ASSETS		15,386	17,742
CAPITAL AND RESERVES			
Share capital	13	15,468	15,468
Reserves		(82)	2,274
SHAREHOLDERS' FUNDS		15,386	17,742

CONDENSED CASH FLOW STATEMENT

	Six months ended 31 March 2005 (Unaudited) HK\$'000	Six months ended 31 March 2004 (Unaudited) HK\$'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(4,966)	(1,890)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(128)	–
NET CASH INFLOW FROM FINANCING ACTIVITIES	<u>–</u>	<u>3,245</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,094)	1,355
Cash and cash equivalents at beginning of the period	17,571	6,414
Effect of foreign exchange rate changes	14	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>12,491</u>	<u>7,769</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 31 March 2005						
At 1 October 2004	15,468	55,175	17,240	(70,148)	7	17,742
Disposal of subsidiaries	-	-	(1,414)	-	-	(1,414)
Exchange differences arising from translation of financial statements of Singapore operation	-	-	-	-	14	14
Net loss for the period	-	-	-	(956)	-	(956)
At 31 March 2005	<u>15,468</u>	<u>55,175</u>	<u>15,826</u>	<u>(71,104)</u>	<u>21</u>	<u>15,386</u>
For the six months ended 31 March 2004						
At 1 October 2003	6,183	44,960	17,240	(57,611)	-	10,772
Net loss for the period	-	-	-	(3,945)	-	(3,945)
At 31 March 2004	<u>6,183</u>	<u>44,960</u>	<u>17,240</u>	<u>(61,556)</u>	<u>-</u>	<u>6,827</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. BASIS OF CONSOLIDATION

The unaudited consolidated results of the Group for the three months and six months ended 31 March 2005 include the results of the Company and its subsidiaries for the three months and six months ended 31 March 2005.

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

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the year ended 30 September 2004.

4. TURNOVER AND REVENUE

Turnover represents the net invoiced value of the goods sold, after allowances for returns and trade discounts, excluding value-added tax and business tax.

5. SEGMENT INFORMATION

Geographical segments

A summary of the geographical segments is set out as follows:

	(Unaudited) Turnover six months ended 31 March 2005 <i>HK\$'000</i>	(Unaudited) Segment results six months ended 31 March 2005 <i>HK\$'000</i>	(Unaudited) Segment assets six months ended 31 March 2005 <i>HK\$'000</i>	(Unaudited) Capital expenditure six months ended 31 March 2005 <i>HK\$'000</i>
PRC	9,007	115	-	-
Hong Kong	-	-	15,554	(52)
South East Asia	43,710	561	1,473	-
	<u>52,717</u>	<u>676</u>	<u>17,027</u>	<u>(52)</u>
Unallocated income		2,678		
Unallocated expenses		(4,212)		
Loss from operations		<u>(858)</u>		

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of the customers and assets are attributed to the segments based on the location of assets. Over 90% of the Group's revenue and assets for the six months ended 31 March 2004 were derived from customers based in the PRC and accordingly, no detailed analysis of the Group's geographical segments is presented.

6. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging:

	Six months ended 31 March	
	2005	2004
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	52,041	–
Depreciation	5	1,238
Amortisation of goodwill	414	–
Staff cost	2,394	1,575
	<u>2,394</u>	<u>1,575</u>

7. TAXATION

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits in Hong Kong during the period (2004: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislations, interpretation and practices in respect thereof.

The Group and the Company have no significant potential deferred tax liabilities for which provision has not been made.

8. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 31 March 2005 (six months ended 31 March 2004: Nil).

9. EARNINGS/LOSS PER SHARE

The calculation of basic loss per share and diluted loss per share for the six months ended 31 March 2005 are based on (i) the unaudited net loss from ordinary activities attributable to shareholders for the six months ended 31 March 2005 of approximately HK\$956,000 (unaudited net loss attributable to shareholders for the six months ended 31 March 2004: approximately HK\$3.9 million); and (ii) the weighted average of 1,546,831,428 shares and 1,679,282,215 shares respectively in issue during the six months ended 31 March 2005 (weighted average number of shares in issue for the six months ended 31 March 2004: 618,260,000 shares). There was no diluted loss per share presented for the six months 31 March 2004 as there was no dilutive effect in that period.

The calculation of basic earnings per share and diluted earnings per shares for the three months ended 31 March 2005 are based on (i) the unaudited net profit for the three months ended 31 March 2005 of approximately HK\$298,000 (unaudited net loss attributable to shareholders for the three months ended 31 March 2004; approximately HK\$2.0 million); and (ii) the weighted average of approximately 1,546,831,428 shares and 1,679,282,215 shares, respectively in issue during the three months ended 31 March 2005 (weighted average number of shares in issue for the three months ended 31 March 2004: 618,260,000). There was no diluted loss per share presented for the three months ended 31 March 2004 as there was no dilutive effect in that period.

10. GOODWILL

	31 March 2005 (Unaudited) HK\$'000	30 September 2004 (Audited) HK\$'000
At beginning of the period/year	3,982	–
Additions	–	4,051
Amortisation charge	(414)	(69)
At end of the period/year	<u>3,568</u>	<u>3,982</u>

11. ACCOUNTS RECEIVABLE

Accounts receivable, which generally have credit terms of not more than 90 days, are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

An aged analysis of the Group's accounts receivable at the balance sheet dates, based on the date of goods delivered and services rendered, is as follows:

	31 March 2005 (Unaudited) HK\$'000	30 September 2004 (Audited) HK\$'000
Within 90 days	575	26,906
91 – 180 days	–	–
Over 180 days	–	–
	<u>575</u>	<u>26,906</u>

Subsequent to the balance sheet date, accounts receivable amounting to approximately HK\$26,906,000 as at 30 September 2004 have been settled by the Group's customers.

12. ACCOUNTS PAYABLE

	31 March 2005 (Unaudited) HK\$'000	30 September 2004 (Audited) HK\$'000
Trade payables	–	22,678
Bills payable	–	4,305
	<u>–</u>	<u>26,983</u>

An aged analysis of the Group's accounts payable at the balance sheet dates, based on the date of goods and services received, is as follows:

	31 March 2005 (Unaudited) HK\$'000	30 September 2004 (Audited) HK\$'000
Within 90 days	–	26,859
91 – 180 days	–	124
	<u>–</u>	<u>26,983</u>

13. SHARE CAPITAL

	31 March 2005 (Unaudited) HK\$'000	30 September 2004 (Audited) HK\$'000
<i>Authorised:</i>		
20,000,000,000 (30 September 2004: 20,000,000,000) ordinary shares of HK\$0.01 each	<u>200,000</u>	<u>200,000</u>
<i>Issued and fully paid:</i>		
1,546,831,428 (30 September 2004: 1,546,831,428) shares of HK\$0.01 each	<u>15,468</u>	<u>15,468</u>

14. OPERATING LEASE ARRANGEMENTS

(a) **As lessor**

At 31 March 2005, the Group had no significant future minimum lease receivables under non-cancellable operating leases (30 September 2004: Nil).

At 31 March 2005, the Company had no significant future minimum lease receivables under non-cancellable operating leases (30 September 2004: Nil).

(b) **As lessee**

At 31 March 2005, the Group had no significant future minimum lease payments under non-cancellable operating leases (30 September 2004: Nil).

At 31 March 2005, the Company had no significant future minimum lease payments under non-cancellable operating leases (30 September 2004: Nil).

15. CAPITAL COMMITMENTS

At 31 March 2005, neither the Group, nor the Company had any significant capital commitments (30 September 2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in trading edible oil, providing product commercialisation services to international and domestic pharmaceutical and healthcare companies in the PRC, as well as the trading of pharmaceutical products. Commercialization services encompass direct marketing, product consulting and sales force management consulting services.

BUSINESS REVIEW

During the period under review, the Group's trading of pharmaceutical products and commercialization services were not satisfactory. The Group swifited its focus to the trading of edible oil. As such, the Group's turnover was recorded higher as compared to the corresponding period of last year.

The management also has been realigned the organizational structure of the Group and continue to explore other business opportunities.

PROSPECT

On 22 December 2004, the Group signed a non-legally binded memorandum of cooperation with China Petroleum Pipeline Urban Gas Investment Limited (中國石油天燃氣管道城市燃氣投資有限公司) to engage in the natural gas business in urban cities in the PRC. If this cooperation proceed, the Group will be engaged in the supply of natural gas in the PRC.

FINANCIAL REVIEW

Results

For the six months period ended 31 March 2005, the Group's unaudited consolidated turnover and loss attributable to shareholders were approximately HK\$52.7 million (2004: HK\$477,000) and HK\$956,000 (2004: HK\$3.9 million) respectively. There was 109.5% increase in turnover with an approximately 75.8% decrease in loss attributable to shareholders over the corresponding period last year. Gross profit was 1.3% for the six months period under review (2004: 63.3%).

The decrease in the loss attributable to shareholders was mainly attributable to the increase in turnover. The decrease in gross profit margin was mainly contributed by the relatively lower gross profit margin for the trading of edible oil.

Administrative expenses decreased because of the adoption of the new operation plan, which streamlined the operations and enhanced the efficiency of resources allocation.

Liquidity, financial resources and capital structure

As at 31 March 2005, the Group had assets of approximately HK\$17 million (30 September 2004: HK\$50.1 million), including net cash and bank balances of approximately HK\$12.5 million (30 September 2004: HK\$17.6 million).

During the six months ended 31 March 2005, the Group financed its operations and investing activities with internally generated cash flows, term loan and the balance of the proceeds from the issuance of new shares. There was no charge on the Group's assets as at 31 March 2005 (30 September 2004: nil).

As at 31 March 2005, the Group did not have any bank borrowings. The gearing ratio, defined as the ratio between total bank borrowings and shareholders' equity, was 0% (30 September 2004: nil).

Significant investment

As at 31 March 2005, there was no significant investment held by the Group (30 September 2004: nil).

Material acquisition or disposal of subsidiaries and affiliated companies

During the period under view, the Group disposed of subsidiaries in order to streamline the operations. For the six months ended 31 March 2005, the Group recorded gain on disposal of subsidiaries of approximately HK\$2.4 million.

Contingent liabilities

The Group had no material contingent liabilities (30 September 2004: nil).

Employees and remuneration policies

As at 31 March 2005, the Group employed 10 full-time employees. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to its employees in the PRC.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2005, 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 (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares and shares of associated corporations

Name of Director	Company/ Name of associated corporation	Number of ordinary shares held			Total interest
		Corporate interest	Personal interest	Family interest	
Cheung Kwai Lan	Precise Result Profits Limited ("Precise")	928,571,428 (Note)	–	–	928,571,248

Note:

The 928,571,428 shares are owned by Precise which is an indirect wholly owned subsidiary of B & B Group Holdings Limited ("B & B"). Madam Cheung Kwai Lan is deemed to be interested in the share of B & B under the SFO and thereby she is also deemed to be interested in the shares of the Company. For more information of Madam Cheung's interests in the Company, please refer to the section headed "Substantial shareholders' interests and short positions in the shares, underlying shares and debentures of the Company" of this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Pursuant to a pre-IPO share option scheme (the "Pre-Scheme") adopted by the Company on 24 April 2002, the Company has granted pre-IPO shares options on the Company's ordinary shares in favor of certain eligible participants. As at 31 March 2005, all of the pre-IPO shares options granted had been cancelled and none of these options had been exercised.

At the same date of adoption of the aforesaid Pre-Scheme, a post-IPO share option scheme (the "Post-Scheme") was also approved by the Company. Under the terms of the Post-Scheme, the board of directors may, at their discretion, grant options to any eligible participants at the sole discretion of the Board. The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-Scheme and other schemes of the Company must not exceed 30% of the shares in issue from time to time. As at 31 March 2005, all of the post-IPO shares options previously granted to the directors of the Company had been cancelled and none of the directors of the Company had outstanding share options of the Company.

Save as disclosed above, the Company is not a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.

Save as disclosed above, as at 31 March 2005, none of the directors had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the

SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2005, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital.

Name of Shareholders	Capacity	Number of ordinary shares held	Number of options and underlying shares held	Aggregate long position	Percentage of shareholding
Precise	Direct interest of corporation	928,571,428	–	928,571,428	60.03
China Success Enterprises Limited (<i>Note 1</i>)	Interest of corporation through wholly owned subsidiary	928,571,428	–	928,571,428	60.03
B & B (<i>Note 1</i>)	Interest of corporation through wholly owned subsidiary	928,571,428	–	928,571,428	60.03
Best Frontier Investments Limited (<i>Note 1</i>)	Interest of corporation through non-wholly owned subsidiary	928,571,428	–	928,571,428	60.03
Cheung Kwai Lan (<i>Note 2</i>)	Beneficial owner	928,571,428	–	928,571,428	60.03
Chan Tung Mei (<i>Note 2</i>)	Beneficial owner	928,571,428	–	928,571,428	60.03

Notes:

1. Precise is a wholly owned subsidiary of China Success Enterprises Limited. China Success Enterprises Limited is a wholly owned subsidiary of B & B. As at 31 March 2005, Best Frontier Investments Limited was interested in approximately 54.36% of the issued share capital of B & B. The shares referred to herein relate to the same parcel of shares held by Precise.
2. Madam Cheung Kwai Lan and Mr. Chan Tung Mei have equity interests of 99.89% and 0.11%, respectively of the issued share capital of Best Frontier Investments Limited. Madam Cheung Kwai Lan is the spouse of Mr. Chan Tung Mei. Accordingly, Madam Cheung Kwai Lan and Mr. Chan Tung Mei are deemed to be interested in the shares under SFO. The shares referred to herein relate to the same parcel of shares held by Precise.

Besides, Madam Cheung Kwai Lan holds 1,380,000 shares of B & B as at 31 March 2005.

Save as disclosed above, as at 31 March 2005, the Directors are not aware of any other person who has an interest or short position in the shares or underlying shares and debentures of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or who is interested in 5% or more of the Company's issued share capital.

COMPETING INTERESTS

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes with the Company or may compete with the business of the Group.

BOARD PRACTICES AND PROCEDURES AND CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules regarding board practices and procedures throughout the six months ended 31 March 2005.

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the six months ended 31 March 2005.

AUDIT COMMITTEE

The Company established an audit committee ("Committee") on 24 April 2002, with written terms of reference in compliance with the GEM Listing Rules. The Committee's primary duties are to review and to supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Directors. The Committee comprises three independent non-executive directors, namely Mr. Tian He Nian, Mr. Zhao Zhi Ming and Mr. Tsui Wing Tak. The unaudited consolidated results of the Group for the six months ended 31 March 2005 have been reviewed by the Committee, who were of the opinion that such statements complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosure had been made.

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

During the six months ended 31 March 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
CHAN Ting
Executive Director

Hong Kong, 4 May 2005

As at the date of this report, the board of directors of the Company comprises three executive directors, being Madam Cheung Kwai Lan, Mr. Chan Ting and Mr. Fung King Him, Daniel and three independent non-executive directors, being Mr. Tian He Nian, Mr. Zhao Zhi Ming and Mr. Tsui Wing Tak.