

CHARGES ON GROUP ASSETS

The Group's investment in a wholly-owned subsidiary, Collection International Limited has been pledged to an independent third party for a loan of approximately HK\$ 4 million. Collection International Limited is the holding Company of a property development joint venture project in the People's Republic of China. The carrying value of which as at the date of this Report is approximately HK\$24 million.

The Group's property of carrying value of approximately HK\$20 million together with the Company's guarantees are pledged to a bank in Hong Kong for a banking facilities of approximately HK\$50 million.