

**INTERIM RESULTS**

The directors of South Sea Holding Company Limited (“the Company”) hereby announce the unaudited consolidated interim results of the Company and its subsidiaries (“the Group”) for the six months ended 30 September 2003 as follows:

Condensed Consolidated Profit and Loss Account - Unaudited

For the six months ended 30 September 2003

	Notes	For the six months ended 30 September	
		2003 HK\$'000	2002 HK\$'000
Turnover	2	7,723	34,160
Cost of sales		(9,979)	(33,219)
Gross (loss)/profit		(2,256)	941
Other revenue		13,121	30,573
Engineering expenses		(181)	(3,001)
Administrative expenses		(1,391)	(24,086)
Depreciation and amortisation	3	(2,772)	(7,529)
Other operating expenses		(347)	(12,067)
Profit/(Loss) from operations	3	6,174	(15,169)
Finance costs		(14,623)	(9,664)
Share of results in an associated company		(376)	–
Loss before taxation		(8,825)	(24,833)
Taxation	4	–	(27)
Loss before minority interests		(8,825)	(24,860)
Minority interests		–	–
Loss for the period attributable to shareholders		(8,825)	(24,860)
		HK cents	HK cents
Loss per share			
– Basic	5	(0.03)	(0.08)



Condensed Consolidated Balance Sheet

As at 30 September 2003

	(Unaudited) 30 September 2003 HK\$'000	(Audited) 31 March 2003 HK\$'000
	<i>Notes</i>	
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	52,675	55,347
Land held for development	3,360,949	3,333,012
Interest in an associate	208,848	209,223
Long term investment	105,815	–
Deposit for acquisition of investments	–	100,000
Product development costs	211	176
Negative goodwill	(250,069)	(257,113)
	3,478,429	3,440,645
Current assets		
Inventories	3,437	3,223
Trade and bills receivables	56,697	53,673
Other receivables and deposits	184,472	158,357
Cash at banks and in hand	1,052	8,822
	245,658	224,075

**Condensed Consolidated Balance Sheet (continued)***As at 30 September 2003*

		(Unaudited) 30 September 2003 HK\$'000	(Audited) 31 March 2003 HK\$'000
	<i>Notes</i>		
Current liabilities			
Amounts due to ultimate holding company		67,734	40,043
Amounts due to fellow subsidiaries		120,445	96,376
Trade and bills payables	7	6,386	4,989
Land premium payables		163,606	163,606
Other payables and accruals		459,240	443,555
Provision for tax		164	164
Bank loans and overdrafts (secured)	8	101,371	62,504
Finance leases		–	195
		918,946	811,432
Net current liabilities		(673,288)	(587,357)
Total assets less current liabilities		2,805,141	2,853,288
Non-current liabilities			
Bank loans (secured)	8	420,745	459,612
Deposit received		28,695	28,695
Deferred taxation		790	790
		450,230	489,097
Minority interests		–	–
Net assets		2,354,911	2,364,191
CAPITAL AND RESERVES			
Share capital	9	299,318	299,318
Reserves		2,055,593	2,064,873
Shareholders' funds		2,354,911	2,364,191



Condensed Consolidated Cash Flow Statement - Unaudited

For the six months ended 30 September 2003

	For the six months ended 30 September	
	2003 HK\$'000	2002 HK\$'000
Net cash (outflow)/inflow from operating activities	(28,058)	15,346
Net cash outflow from investing activities	(31,277)	(30,403)
Net cash inflow/(outflow) from financing	51,565	(210,664)
Decrease in cash and cash equivalents	(7,770)	(225,721)
Cash and cash equivalents at 1 April	8,550	228,351
Cash and cash equivalents at 30 September	780	2,630
Analysis of balances of cash and cash equivalents		
Bank balances and cash	1,052	2,630
Bank overdrafts	(272)	—
	780	2,630

**Condensed Consolidated Statement of Changes in Equity – Unaudited***For the six months ended 30 September 2003*

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Property Revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2003	299,318	96,069	1,934,955	32	8,108	25,709	2,364,191
Exchange difference	-	-	-	-	(455)	-	(455)
Loss for the period attributable to shareholders	-	-	-	-	-	(8,825)	(8,825)
At 30 September 2003	299,318	96,069	1,934,955	32	7,653	16,884	2,354,911
At 1 April 2002	2,993,180	96,069	12,465	19,467	(222)	(765,456)	2,355,503
Movement arising from reduction of nominal value of shares	(2,693,862)	-	1,921,847	-	-	772,015	-
Exchange difference	-	-	-	-	14	-	14
Loss for the period attributable to shareholders	-	-	-	-	-	(24,860)	(24,860)
At 30 September 2002	299,318	96,069	1,934,312	19,467	(208)	(18,301)	2,330,657



Notes to Condensed Consolidated Interim Financial Statements

30 September 2003

1. Principal Accounting Policies

The unaudited condensed consolidated interim financial statements are prepared in compliance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and basis of preparation used in the preparation of the interim condensed financial statements are the same as those used in the audited financial statements for the year ended 31 March 2003, except for the adoption of SSAP 12 (Revised) “Income Taxes”.

SSAP 12 (Revised) principally prescribes the accounting treatment and disclosures for deferred tax. In prior years, deferred tax is provided using the income statement liability method on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt. SSAP 12 (Revised) requires the adoption of the balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively.

The adoption of the above SSAP has no material effect on the condensed financial statements of the Group for the current and prior period.

2. Segment Information

The Group is principally engaged in the design, manufacturing and marketing of consumer electronic products; provision of electronic manufacturing services; and property investment and development.



2. Segment Information (continued)

An analysis of the Group's turnover and contribution to profit/(loss) from operations for the period ended 30 September 2003 by business and geographical segments of operations is as follows:

	Turnover		Profit/(Loss) from operations	
	Six months ended		Six months ended	
	30 September		30 September	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Business segments:				
Consumer packaged electronics	1,379	14,307	(1,368)	(27,472)
Telecommunication products	–	–	(3)	(4)
Electronic manufacturing services	6,344	19,853	(1,596)	(682)
Property development	–	–	4,564	(10,509)
	7,723	34,160	1,597	(38,667)
Other income			4,577	6
Gain on disposal of a property development project			–	20,000
Gain on disposal of a jointly-controlled entity			–	3,492
Profit/(Loss) from operations			6,174	(15,169)
Finance costs			(14,623)	(9,664)
Share of results in an associated company			(376)	–
Loss before taxation			(8,825)	(24,833)
Taxation			–	(27)
Loss before minority interests			(8,825)	(24,860)
Minority interests			–	–
Loss attributable to shareholders			(8,825)	(24,860)



2. Segment Information (continued)

	Turnover		Profit/(Loss)	
	Six months ended		from operations	
	30 September		Six months ended	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical segments:				
Europe	601	2,200	(596)	(4,225)
United States of America/Canada	–	8,940	–	(17,166)
Asia	7,122	23,020	2,193	(17,276)
	7,723	34,160	1,597	(38,667)

3. Profit/(Loss) From Operations

The Group's operating profit/(loss) is arrived at after charging/(crediting):

	For the six months ended	
	30 September	
	2003	2002
	HK\$'000	HK\$'000
Depreciation for property, plant and equipment	2,772	6,520
Amortisation and write-off of product development costs	–	916
Amortisation of goodwill	–	93
Provision of stock obsolescence	18	542
Provision for bad and doubtful debts	–	138
Gain on disposal of fixed assets	(2,609)	(231)
Operating leases in respect of land and building	–	325
Negative goodwill released	(7,044)	(7,044)
Provision for impairment in value of land held for development	–	12,887
Provision for impairment in goodwill	–	3,553



4. Taxation

Taxation in the condensed consolidated profit and loss account represents:

	For the six months ended 30 September	
	2003 HK\$'000	2002 HK\$'000
Overseas tax	–	27

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2002: Nil).

Overseas tax has been provided on the assessable profits of the overseas subsidiaries in accordance with tax laws of the countries in which these subsidiaries operate.

5. Loss Per Share

The calculation of basic loss per share is based on the net loss attributable to shareholders for the period of HK\$8,825,000 (2002 : HK\$24,860,000) and the weighted average number of 29,931,804,183 (2002 : 29,931,804,183) ordinary shares in issue during the period.

The Group has no potential ordinary shares outstanding at 30 September 2003 and 30 September 2002 and diluted earnings per share is not presented.



6. Trade and Bills Receivables

A defined credit policy is maintained within the Group. The age analysis of trade debtors as at 30 September 2003 was as follows:

	30 September 2003 HK\$'000	31 March 2003 HK\$'000
Trade receivable, analysed according to aging:		
0-90 days	1,883	52,783
91-180 days	187	1,033
181-270 days	53,299	3,246
271-360 days	1,417	1,341
Over 360 days	17,399	12,758
Less: Provisions	(17,488)	(17,488)
	56,697	53,673

7. Trade and Bills Payables

The age analysis of trade creditors as at 30 September 2003 was as follows:

	30 September 2003 HK\$'000	31 March 2003 HK\$'000
Trade payables, analysed according to aging :		
0-90 days	2,336	1,270
91-180 days	111	774
181-270 days	8	26
271-360 days	122	73
Over 360 days	3,809	2,846
	6,386	4,989

**8. Bank Loans and Overdrafts (Secured)**

	30 September 2003 HK\$'000	31 March 2003 HK\$'000
Bank overdrafts	272	272
Restructure loan	109,801	109,801
Bank loans	412,043	412,043
	522,116	522,116
Less : Current portion due within one year included under current liabilities	(101,371)	(62,504)
Non current portion included under non-current liabilities	420,745	459,612

9. Share Capital

	Number of shares of HK\$0.01 each	HK\$'000
Authorised:		
At 1 April 2003 and 30 September 2003	500,000,000,000	5,000,000
Issued and fully paid :		
At 1 April 2003 and 30 September 2003	29,931,804,183	299,318



10. Commitments

Capital commitments for property, plant and equipment and land held for development:

	30 September 2003 HK\$'000	31 March 2003 HK\$'000
Contracted, but not provided for	9,509	22,355

11. Contingent Liabilities

	30 September 2003 HK\$'000	31 March 2003 HK\$'000
Guarantees given in connection with credit facilities granted to a third party	33,962	37,037

12. Related Party Transactions

There is no material and significant related party transaction for the period.

13. Litigations

There have been no material changes and developments in respect of pending litigation cases of the Group since the disclosures in the Group's annual audited financial statements for the year ended 31 March 2003.



INTERIM DIVIDEND

The directors of the Company have resolved not to declare an interim dividend for the six months ended 30 September 2003 (2002: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

During the period under review, the Group was principally engaged in property investment and development; design, manufacturing and marketing of consumer electronic products; and provision of electronic manufacturing services. Turnover for the period under review was HK\$7.7 million (2002: HK\$34.2 million) and a net loss of HK\$8.8 million (2002: HK\$24.9 million) was recorded. The net assets value of the Group amounted to HK\$2,354.9 million, representing a value of HK\$0.079 per share.

Property Development and Investment in China

During the period, this business division recorded no sales turnover and a segmental profit of approximately HK\$4.6 million. The profit was mainly attributable to negative goodwill released for the period under review. The major development projects are in Shenzhen, and Guangzhou of which the Company owns 49% equity interest and the remaining 51% equity interest is owned by its holding company.

The government authority has approved the detailed urban planning design of the Shenzhen project, and development of such project will be in five phases. A renowned French design company, selected by means of public tender, has completed the first phase construction design involving gross floor area of approximately 170,000 sq. m.. Government approval of the construction project conceptual design is in progress. Comprehensive construction work is expected to commence by the second quarter of 2004, and this project will generate strong cashflow for the Group in the next few financial years. In addition, the Guangzhou project involves a total gross floor area of 1.08 million sq. m., and detailed urban planning design has been approved, and construction work for the first phase is expected to commence in 2004.



Consumer Packaged Electronics

During the period, turnover from this division was HK\$1.4 million (2002: HK\$14.3 million) and a segmental loss of HK\$1.4 million (2002: HK\$27.5 million) was recorded. The improved result was attributed to the effective cost-cutting measures implemented during the period. The overall manufacturing business remains extremely competitive and profit margin continues to squeeze. The management will monitor the situation closely to ensure minimal impact from this competitive environment.

Electronic Manufacturing Services (“EMS”)

Turnover from this division was HK\$6.3 million (2002: HK\$19.9 million) and a segmental loss of HK\$1.6 million (2002: HK\$0.7 million) was recorded during the period. The decline in turnover was attributable to lack of new customers and decreasing orders from existing customers. In addition, the EMS business in Asia has always been extremely competitive and as a result, further deterioration in the profit margin. As such, the management will continue taking various measures to reduce the negative financial impact from this business division.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL

The Group continues to adopt prudent funding and treasury policies. As at 30 September 2003, net assets value of the Group was approximately HK\$2,354.9 million, including cash and bank balances of approximately HK\$1.1 million which was denominated mainly in Renminbi and Hong Kong dollars. As at 30 September 2003, the Group's aggregate borrowings were HK\$522 million (31 March 2003: HK\$522 million) of which HK\$212 million were bearing interest at fixed rates while HK\$310 million were at floating rates. The Group has reached an agreement with a creditor (the noteholder of a matured convertible loan note in the principal sum of HK\$210 million) that HK\$210 million together with all accrued interest thereon will be repaid on 31 December 2003. The gearing ratio of the Group, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 31% as of 30 September 2003 (as of 31 March 2003: 31%). The Group's contingent liabilities at 30 September 2003 were HK\$34 million due to the guarantees given in connection with credit facilities granted to a third party.

As at 30 September 2003, fixed assets with the net book value of HK\$53 million (31 March 2003: HK\$55 million); floating charge over other assets of certain subsidiaries within the Group; charge over shares in certain subsidiaries within the Group; and the land with lot no. K708-5 at Liu Wan, Shekou, China together with all its sales proceeds were pledged as securities for credit facilities.



EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATE

As the majority of the Group's borrowings and transactions are denominated in Hong Kong dollars, US dollars and Renminbi, the Group's exposure to exchange rate fluctuations is relatively insignificant. In general, the Group mainly utilizes its Renminbi income receipt for capital requirement expenditures and operating expenses in China and has not used any financial instruments for hedging Renminbi bank borrowings during the period and such borrowings were mainly used for Renminbi capital requirements in China.

EMPLOYEES

The Group employs and remunerates its staff based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include contributions to provident fund schemes, group medical insurance, group personal accident insurance and external training sponsorship. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. In general, salary review is conducted annually. As at 30 September 2003, the Group had approximately 270 employees (2002: 1,178 employees). The salaries and allowance of employees for the period ended 30 September 2003 was approximately HK\$6 million (2002: HK\$14 million).

PROSPECT

Property development projects in Shenzhen and Guangzhou shall remain the focus of the Group in the next few financial years which are expected to generate strong cash flow and profit. The management will continue focusing on the property development and investment opportunities in high economic growth cities in China so to further strengthen our revenue base and in turn, to maximize our shareholders' value.

Regarding the manufacturing business, it is the management's commitment to focus on exploring new customers and at the same time to further improve its operating efficiency so as to turnaround the operation as soon as possible.



DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 September 2003, the interests and short positions of the directors and chief executive of the Company in 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 (“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 of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) were as follows:

The Company

Interests in shares

Name of Director	Number of shares of HK\$0.01 each	Nature of Interest	Approximate percentage holding
Yu Pun Hoi	20,266,720,000	Corporate interest	67.71%

Note:

Mr. Yu Pun Hoi (“Mr. Yu”), together with his family and corporate interests, are entitled to control the exercise of more than one-third of the voting power at general meetings of Sino-i Technology Limited (“Sino-i”), a company the shares of which are listed on the Stock Exchange. These 20,266,720,000 shares are collectively held by Victorious Limited, Robina Profits Limited and Ko Tact Limited which are all wholly-owned subsidiaries of Sino-i. As such, Mr. Yu is taken to be interested in these shares for the purposes of Part XV of the SFO.

Associated Corporation

As disclosed above, Mr. Yu is entitled to control the exercise of more than one-third of the voting power at general meetings of Sino-i and Sino-i is the holding company of the Company. As such, Mr. Yu is taken to be interested in the shares that the Company holds in its associated corporations within the meaning of Part XV of the SFO. Sino-i is a company the shares of which are listed on the Stock Exchange which is also an associated corporation of the Company within the meaning of Part XV of the SFO. As at 30 September 2003, the interests and short positions of the directors of the Company in shares, underlying shares and debentures of Sino-i were as follows:

(i) *Interest in shares (excluding interests in underlying shares held through debentures)*

Name of Director	Number of shares of HK\$0.10 each			
	Personal interest	Corporate interest	Family interest	Total interest
Yu Pun Hoi	–	6,658,325,316	50,000,000	6,708,325,316
Zhang Hong Ren	504,000	–	–	504,000



(ii) *Interests in underlying shares held through debentures*

Name of Director	<i>Notes</i>	Number of underlying shares of HK\$0.10 each
Yu Pun Hoi	1	2,000,000,000
	2	1,250,000,000

Notes:

1. Pursuant to the placing and underwriting agreement entered into on 4 April 2002 between Sino-i and Mr. Yu relating to the issue of convertible notes in an aggregate principal amount of not less than HK\$400 million but not more than HK\$600 million by Sino-i, as modified and supplemented by the first supplemental agreement and second supplemental agreement entered into between Sino-i and Mr. Yu on 27 March 2003 and 30 June 2003 respectively (the "Placing and Underwriting Agreement"), Mr. Yu has the right to require Sino-i to issue convertible notes of up to a total principal amount of HK\$200 million to investors or to himself and/or his associates. These convertible notes, if issued, are convertible into 2,000,000,000 shares at the initial conversion price of HK\$0.10 per share. Mr. Yu is deemed to be interested in these shares under Part XV of the SFO.
2. Sino-i entered into an agreement with Mr. Yu on 21 June 1999 in respect of an acquisition from Mr. Yu of the entire issued share capital of Powerful Resources Limited. Part of the consideration payable under that agreement has yet to be satisfied pending the fulfilment of certain conditions. If these conditions are fulfilled on or before 15 October 2003, 1,250,000,000 new shares will be issued to Mr. Yu at a price of HK\$0.60 each as settlement of the remaining part of the consideration payable to him under that agreement. Mr. Yu is deemed to be interested in these 1,250,000,000 shares under Part XV of the SFO.

(iii) *Interests in debentures*

Right to Convertible Notes

Pursuant to the Placing and Underwriting agreement, Mr. Yu has the right to require Sino-i to issue convertible notes of up to a total principal amount of HK\$200 million to investors or to himself and/or his associates. Such right is exercisable until 31 December 2003 or such further period as Sino-i and Mr. Yu may agree. Mr. Yu is deemed to be interested in these notes under Part XV of the SFO.



Right to Consideration Shares

Sino-i entered into an agreement with Mr. Yu on 21 June 1999 in respect of an acquisition from Mr. Yu of the entire issued share capital of Powerful Resources Limited for a total consideration of HK\$870 million. 200,000,000 new shares were issued in 1999 at a price of HK\$0.60 each to Mr. Yu to settle part of the consideration payable under that agreement. The remaining portion of that consideration will be satisfied by the issuance of 1,250,000,000 new shares at the price of HK\$0.60 each to Mr. Yu if and when certain conditions are fulfilled on or before 15 October 2003. Mr. Yu is deemed to have rights in respect of these 1,250,000,000 shares under Part XV of the SFO.

Save as disclosed above, as at 30 September 2003, none of the directors and chief executive of the Company had any interests or short positions in 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 required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 30 September 2003, those persons (other than directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of person holding an interest in shares which has been disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO	Number of shares held	Number of underlying shares held	Approximate percentage of existing issued share capital of the Company	<i>Notes</i>
Kung Ai Ming	20,266,720,000	—	67.71	1
Sino-i Technology Limited	20,266,720,000	—	67.71	2
Victorious Limited	11,976,270,000	—	40.01	2
Ko Tact Limited	7,890,450,000	—	26.36	2
Robina Profits Limited	400,000,000	—	1.34	2
Perfect Union Overseas Inc.	210,000,000	—	7.02	3
Fu Liang	210,000,000	—	7.02	3



Notes:

1. Ms. Kung Ai Ming is the spouse of Mr. Yu and is taken to be interested in the shares of the Company in which Mr. Yu is taken to have an interest as disclosed above.
2. Victorious Limited, Ko Tact Limited and Robina Profits Limited are wholly-owned subsidiaries of Sino-i and the interests held by them in the Company are included as the interest of Sino-i.
3. Perfect Union Overseas Inc. is wholly-owned by Mr. Fu Liang. As such, Mr. Fu Liang is taken to be interested in the 210,000,000 shares directly held by Perfect Union Overseas Inc.

Save as disclosed above, as at 30 September 2003, no other person (other than a director or chief executive of the Company) had notified to the Company any interest or short position in the shares or underlying shares of the Company which was required to be recorded in the register kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

On 29 August 2002, the Company adopted a share option scheme (the “Scheme”). Under the Scheme, share options may be granted to directors, employees of the Group and those who have contributed or will contribute to the Group at any time within ten years after its adoption at the discretion of the Board. Details of the Scheme were disclosed in the Company’s circular dated 31 July 2002. The Company has not granted any share options under the Scheme since its adoption.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2003, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 September 2003.



CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that non-executive directors are not appointed for a specific term as recommended in paragraph 7 of Appendix 14. All directors, including the non-executive directors, are subject to the retirement and rotation requirements in accordance with the Company's Bye-Laws.

CHANGE OF PRINCIPAL PLACE OF BUSINESS

With effect from 18 November 2003, the principal place of business of the Company was changed to 39th Floor, New World Tower I, 16-18 Queen's Road Central, Hong Kong.

By order of the Board

Zhang Hong Ren

Director

Hong Kong, 16 December 2003