

CONTINUING DISCLOSURE UNDER THE LISTING RULES

As at 30 June 2004, financial assistance granted by the Group to its affiliated companies amounting to around HK\$8,739,000 in aggregate, representing approximately 3.09% of the Group's total assets of HK\$282,371,000 as at 30 June 2004 and approximately 11.53% of the market capitalization of the Company as at 30 June 2004. The total market capitalization of the Company as at 30 June 2004 amounting to HK\$75,775,563 is based on the total number of 74,289,768 shares of the Company in issue as at 30 June 2004 and the average closing price of HK\$1.02 for the five business days immediately preceding 30 June 2004.

In accordance with Rule 13.16 of the Listing Rules, the details of the financial assistance granted by the Group to its affiliated companies as at 30 June 2004 are set out as follows:

Affiliated companies	Attributable interest held by the Group	Loan to affiliated companies <i>HK\$'000</i>	Annual interest rate on loans	Loan maturity date	Method of repayment	Loan collateral
Princeton Venture Partners Limited	37.2%	6,000	5%	4 Nov 2005	cash	unsecured
		1,250	5%	17 Dec 2005	cash	unsecured
Bizipoint Group Limited	41.0%	1,489	5%	2 June 2005	cash	unsecured
		<u>8,739</u>				

CONTINUING DISCLOSURE UNDER THE LISTING RULES (continued)

The proforma combined balance sheet of the Company's aforesaid affiliated companies as at 30 June 2004, which was prepared based on their adjusted financial statements prepared in accordance with the accounting principles generally accepted in Hong Kong for the period ended 30 June 2004, is as follows:

	<i>HK\$'000</i>
Non-current assets	126,632
Current assets	8,183
Current liabilities	(3,938)
Non-current liabilities	(10,976)
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Net assets	119,901
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Save as disclosed above, there is no other disclosure required to be made by the Company pursuant to Chapter 13 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprising the two independent non-executive Directors has discussed the internal controls and financial reporting matters with management and reviewed the unaudited consolidated financial statements of the Group for the Current Period in conjunction with the Group's external auditors.

CORPORATE GOVERNANCE

In the opinion of the Directors, except that the independent non-executive Directors are not appointed for specific terms and are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the Current Period.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the Current Period.

By Order of the Board
Lui Chun Bing, Tommy
Managing Director

Hong Kong, 21 September 2004