

CONTINUING DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

As at 30 September 2004, the Group had amounts due from certain clients, which individually exceeded 8% of the market capitalization of the Company. Pursuant to 13.20 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), they were presented below:

Name of clients	Nature	Loan amount HK\$	Interest rate	Repayment terms	Security	Market value of securities at 30 September 2004 HK\$
Rosewood Assets Ltd.	Margin loan	7,209,000	4% over prime rate	(Note 1)	Listed shares	55,369,000
Dynamic Rich Limited ("Dynamic") (Note 2)	Margin loan	7,679,000	3% over prime rate (Note 3)	(Note 1)	Listed shares	24,668,000
Rich Delta Development Limited ("Rich Delta")	Tem loan	34,908,000	18% per annum	Overdue on 17 December 2002	Listed shares	(Note 4)
Rich Delta	Tem loan	3,735,000	5% over prime rate	Overdue on 9 May 2003	Listed shares	(Note 4)

Notes:

- 1 The outstanding amount will be repayable on demand once they fail to pay any deposit or margins or other payable to the Group.
- 2 The Group also had a balance of margin loan of HK\$348,000 to the director of Dynamic as at the 30 September 2004 and secured by listed shares with market value of HK\$976,000.
- 3 Once the client fails to pay any deposits or margins or other sums payable to the Group, a penalty rate at 6% over the prime rate will be imposed for any excess of its credit limit.

CONTINUING DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

(Continued)

Notes: *(Continued)*

- 4 Except the outstanding amount from Rich Delta, the Group had also provided term loans of HK\$752,000 to its beneficial owner. The market value of listed shares pledged by Rich Delta at 30 September 2004 was approximately HK\$31,609,000. A bad debt provision of HK\$22,100,000 has been made. Subsequent to 30 September 2004, the overdue balances were partly settled.

As at 30 September 2004, the amount due from an affiliated company was HK\$15,294,000, exceeding 8% of the market capitalisation of the Company. Pursuant to 13.22 of the Listing Rules, the pro-forma balance sheet of the affiliated company was set out below:

	<i>HK\$ '000</i>
Non-current assets	217,250
Current assets	33,695
Current liabilities	(28,540)
	222,405
Net assets	222,405
Group's attributable interest	52,981

The pro-forma balance sheet was extracted from the unaudited financial statements as at 30 September 2004 provided by the affiliated company, while the Group's interests in the affiliated company were stated at cost less accumulated amortisation and any impairment losses.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period under review.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 January 2005 to 6 January 2005, both days inclusive, during which period no transfer of shares of the Company will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registers, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 31 December 2004 in order to qualify for the interim dividends.

CORPORATE GOVERNANCE**Code Of Best Practice**

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the six months ended 30 September 2004 except that the independent non-executive directors are not appointed on specific terms but subject to retirement by rotation in accordance with the Company's Bye-laws.

Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiry of directors of the Company, they have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

AUDIT COMMITTEE

The Company has an audit committee comprising three independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2004 and discussed the financial related matters with the management.

On behalf of the Board
Johnny Wing Fai Tam
Managing Director

Hong Kong, 16 December 2004