

NEW ISLAND PRINTING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT 2004/2005

INTERIM RESULTS

The Board of Directors (“the Directors”) of New Island Printing Holdings Limited (“the Company”) announces the unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30th September, 2004 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2004 — Unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30th September,	
	Note	2004 \$'000	2003 \$'000
Turnover	2	279,758	240,976
Cost of sales		(224,340)	(181,773)
		55,418	59,203
Other revenue		1,671	679
Other net income		158	363
Selling and distribution costs		(12,044)	(9,977)
Administrative expenses		(26,869)	(25,150)
Profit from operations		18,334	25,118
Finance costs	3	(3,792)	(5,799)
Profit from ordinary activities before taxation	3	14,542	19,319
Income tax	4	(1,856)	(3,889)
Profit attributable to shareholders		12,686	15,430
Proposed interim dividend	5(a)	2,225	2,225
Earnings per share	6	5.70 cents	6.93 cents

The notes on pages 6 to 12 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET*At 30th September, 2004 — Unaudited**(Expressed in Hong Kong dollars)*

		At 30th September, 2004		At 31st March, 2004	
	Note	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS					
Fixed assets			394,659		401,029
CURRENT ASSETS					
Inventories		102,201		87,051	
Trade debtors, prepayments and deposits	7	152,732		93,335	
Pledged bank deposits	8	9,434		9,353	
Cash and cash equivalents		33,998		43,800	
			298,365	233,539	
CURRENT LIABILITIES					
Bank loans and overdrafts					
— secured	9	82,595		92,403	
— unsecured	9	120,788		74,710	
Obligations under finance leases	10	952		2,583	
Trade creditors and accrued charges	11	90,821		64,292	
Bills payable	12	29,187		20,300	
Current taxation		3,735		3,682	
			328,078	257,970	
NET CURRENT LIABILITIES			(29,713)		(24,431)
TOTAL ASSETS LESS CURRENT LIABILITIES			364,946		376,598

CONSOLIDATED BALANCE SHEET*At 30th September, 2004 — Unaudited (Continued)**(Expressed in Hong Kong dollars)*

	<i>Note</i>	At 30th September, 2004		At 31st March, 2004	
		\$'000	\$'000	\$'000	\$'000
NON-CURRENT LIABILITIES					
Bank loans					
— secured	9	49,621		69,462	
— unsecured	9	21,853		23,731	
Obligations under finance leases	10	—		433	
Deferred taxation		21,634		22,182	
			(93,108)		(115,808)
NET ASSETS			271,838		260,790
CAPITAL AND RESERVES					
Share capital	13		22,253		22,253
Reserves	14		249,585		238,537
			271,838		260,790

The notes on pages 6 to 12 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30th September, 2004 — Unaudited
(Expressed in Hong Kong dollars)

		Six months ended	
		30th September,	
	<i>Note</i>	2004	2003
		\$'000	\$'000
Shareholders' equity at 1st April			
— as previously reported		260,790	270,175
— prior period adjustment arising from change in accounting policy for deferred tax		—	(21,345)
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— as restated		260,790	248,830
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Exchange differences arising on translation of the financial statements of subsidiaries outside Hong Kong	<i>14</i>	1,700	(360)
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Gain/(loss) not recognised in the income statement		1,700	(360)
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Dividends approved in respect of the previous year	<i>14</i>	(3,338)	(2,225)
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Net profit for the period	<i>14</i>	12,686	15,430
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Shareholders' equity at 30th September		271,838	261,675

The notes on pages 6 to 12 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30th September, 2004 — Unaudited**(Expressed in Hong Kong dollars)*

	Six months ended 30th September,	
	2004	2003
	<i>\$'000</i>	<i>\$'000</i>
Net cash (used in)/from operating activities	(6,117)	44,966
Net cash used in investing activities	(8,658)	(20,048)
Net cash used in financing activities	(22,943)	(33,500)
<hr/>		
Net decrease in cash and cash equivalents	(37,718)	(8,582)
Cash and cash equivalents at 1st April	43,526	(6,649)
Effect of foreign exchange rates changes	363	—
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Cash and cash equivalents at 30th September	6,171	(15,231)
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Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	43,432	32,834
Bank overdrafts	(27,827)	(48,065)
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	15,605	(15,231)
Cash at bank pledged	(9,434)	—
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	6,171	(15,231)
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The notes on pages 6 to 12 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (formerly known as the Hong Kong Society of Accountants). KPMG’s independent review report to the Board of Directors is included on page 13.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“Listing Rules”), including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKICPA.

The financial information relating to the financial year ended 31st March, 2004 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31st March, 2004 are available from the Company’s office in Hong Kong. The auditors have expressed an unqualified opinion on those financial statements in their report dated 9th July, 2004.

The same accounting policies adopted in the financial statements for the year ended 31st March, 2004 have been applied to the interim financial report.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31st March, 2004.

2. TURNOVER

The principal activities of the Group are printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products.

Turnover represents the invoiced value of goods sold, net of sales tax, returns and discounts.

All the Group’s turnover and operating result are generated from the printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products. The Group’s business participates in only one geographical location classified by the location of assets, i.e. the People’s Republic of China (“PRC”). Accordingly, no segmental analysis is provided.

3. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging:

	Six months ended	
	30th September,	
	2004	2003
	\$'000	\$'000
Cost of inventories	224,340	181,773
Finance charges on obligations under finance leases	16	85
Interest payable on bank loans and overdrafts	3,776	5,714
Depreciation	16,796	16,622
Provision for bad debts	—	1,500
Loss on disposal of fixed assets	8	86

4. INCOME TAX

	Six months ended	
	30th September,	
	2004	2003
	\$'000	\$'000
<i>Current tax</i>		
Provision for Hong Kong Profits Tax at 17.5% (2003: 17.5%) of the estimated assessable profits for the period	—	1,160
PRC income tax for the period	2,404	731
	2,404	1,891
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(548)	1,998
	1,856	3,889

Income tax for subsidiaries outside Hong Kong is calculated using the estimated annual effective rates of taxation that would be applicable to the relevant areas in which the subsidiaries operate.

5. DIVIDENDS

(a) Dividend attributable to the interim period

	Six months ended 30th September,	
	2004	2003
	\$'000	\$'000
Interim dividend declared after the interim period end of 1 cent per share (2003: 1 cent per share)	2,225	2,225

The interim dividend declared after the interim period end has not been recognised as a liability at 30th September, 2004.

(b) Dividend attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30th September,	
	2004	2003
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 1.5 cents per share (2003: 1 cent per share)	3,338	2,225

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of \$12,686,000 (2003: \$15,430,000) and on the number of 222,529,000 shares (2003: 222,529,000 shares) in issue during the period.

7. TRADE DEBTORS, PREPAYMENTS AND DEPOSITS

Included in trade debtors, prepayments and deposits are trade debtors (net of provision for bad debts) with the following ageing analysis:

	At 30th September, 2004	At 31st March, 2004
	\$'000	\$'000
Current	90,863	52,548
One to three months overdue	47,484	25,785
More than three months overdue	6,858	5,037
	145,205	83,370

Debts are due within 30 to 90 days from the date of billing.

8. PLEDGED BANK DEPOSITS

At 30th September, 2004, a bank deposit of RMB10,000,000 (equivalent to approximately \$9,434,000) (31st March, 2004: RMB10,000,000 (equivalent to approximately \$9,353,000)) was pledged as security against banking facilities extended to the Group.

9. BANK LOANS AND OVERDRAFTS

At 30th September, 2004, the bank loans and overdrafts were repayable as follows:

	At 30th September, 2004 \$'000	At 31st March, 2004 \$'000
Within one year	203,383	167,113
After one but within two years	52,020	59,062
After two but within five years	19,454	34,131
	71,474	93,193
	274,857	260,306

At 30th September, 2004, the bank loans and overdrafts were secured as follows:

	At 30th September, 2004 \$'000	At 31st March, 2004 \$'000
Bank overdrafts		
- secured	6,820	138
- unsecured	21,007	136
	27,827	274
Bank loans		
- secured	125,396	161,727
- unsecured	121,634	98,305
	247,030	260,032
	274,857	260,306

Certain banking facilities and loans granted to the Group are secured by mortgages over the Group's land, buildings and machinery, and bank deposits with an aggregate carrying value of \$223,136,000 (31st March, 2004: \$226,465,000) at 30th September, 2004. Such banking facilities, amounting to \$242,442,000 (31st March, 2004: \$234,192,000) were utilised to the extent of \$155,299,000 (31st March, 2004: \$163,904,000) at 30th September, 2004.

10. OBLIGATIONS UNDER FINANCE LEASES

At 30th September, 2004, the obligations under finance leases were payable as follows:

	At 30th September, 2004			At 31st March, 2004		
	Present value of the minimum lease payments \$'000	Interest expense relating to future periods \$'000	Total minimum lease payments \$'000	Present value of the minimum lease payments \$'000	Interest expense relating to future periods \$'000	Total minimum lease payments \$'000
Within one year	952	7	959	2,583	22	2,605
After one year but within two years	—	—	—	433	2	435
	952	7	959	3,016	24	3,040

11. TRADE CREDITORS AND ACCRUED CHARGES

Included in trade creditors and accrued charges are trade creditors with the following ageing analysis:

	At 30th September, 2004 \$'000	At 31st March, 2004 \$'000
Current	37,057	30,466
One to three months overdue	31,621	15,795
More than three months overdue	257	745
	68,935	47,006

12. BILLS PAYABLE

Ageing analysis of bills payable is as follows:

	At 30th September, 2004 \$'000	At 31st March, 2004 \$'000
Due within one month	15,082	10,726
Due after one month but within two months	7,202	6,152
Due after two months but within three months	6,903	3,422
	29,187	20,300

13. SHARE CAPITAL

	No. of shares '000	Amount \$'000
Issued and fully paid shares of \$0.1 each:		
At 1st April, 2004 and 30th September, 2004	222,529	22,253

14. RESERVES

	Share premium \$'000	Exchange reserve \$'000	Statutory surplus reserves \$'000	Other reserves \$'000	Retained profits \$'000	Total \$'000
At 1st April, 2004	37,741	(7,113)	10,583	4,516	192,810	238,537
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	—	1,700	—	—	—	1,700
Dividends approved in respect of the previous year	—	—	—	—	(3,338)	(3,338)
Profit for the period	—	—	—	—	12,686	12,686
At 30th September, 2004	37,741	(5,413)	10,583	4,516	202,158	249,585

The exchange reserve has been set up and will be dealt with in accordance with the accounting policy adopted for foreign currency translation.

According to the prevailing PRC laws and regulations, a wholly-owned foreign enterprise is required to transfer a certain percentage of its profit after taxation to a statutory surplus reserve until the surplus reserve balance reaches 50% of the registered capital of the enterprise. The transfer to the reserve has to be made before distribution of dividends to shareholders. The statutory surplus reserve can be used to make good previous years' losses, and is not distributable to shareholders.

Other reserves were set up by the Group's PRC subsidiaries in accordance with their articles of association. The amounts to be transferred to these reserves are determined by the respective board of directors. They can be used to covert into paid-up capital, and are not distributable to shareholders.

15. CONTINGENT LIABILITIES

The Company has given guarantees to banks and leasing companies to secure facilities of \$439 million (31st March, 2004: \$406 million) granted to subsidiaries, of which \$268 million (31st March, 2004: \$231 million) were utilised at 30th September, 2004.

16. COMMITMENTS

At 30th September, 2004, the Group had outstanding commitments in respect of the acquisition of plant and machinery of \$2,330,000 (31st March, 2004: \$906,000).

17. MATERIAL RELATED PARTY TRANSACTIONS

During the period, the Group sold packaging products to companies which are controlled by a Non-Executive Director amounting to \$8,187,000 (2003: \$6,762,000), under normal commercial terms.

Apart from the above, the Group has not entered into any other material related party transactions during the period.

18. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved by the Board of Directors on 17th December, 2004.

**INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF
NEW ISLAND PRINTING HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

We have been instructed by the Company to review the interim financial report set out on pages 1 to 12.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the Directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of Group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2004.

KPMG

Certified Public Accountants

Hong Kong, 17th December, 2004

BUSINESS REVIEW AND OUTLOOK

The Group reported a turnover of approximately HK\$279.8 million for the six months period ended 30th September, 2004 (the “Review Period”) as compared to approximately HK\$241.0 million for the corresponding period in 2003/2004 (the “Corresponding Period”). Profit before taxation and profit attributable to shareholders for the Review Period amounted to approximately HK\$14.5 million and HK\$12.7 million, as compared to approximately HK\$19.3 million and HK\$15.4 million for the Corresponding Period.

The Group achieved an increase of approximately 16% in turnover during the Review Period as compared to the Corresponding Period reflecting the substantial marketing efforts in developing the overseas market that had resulted in an increase of approximately 51% in export sales. During the Review Period, however, there was a general shortage in power and labour supply in Southern China which had an adverse impact on the production and hence cost efficiency of the Dongguan plant. Coupled with the rise in paper and plastic material costs, gross profit during the Review Period suffered a decline of approximately 6%.

There was an increase of approximately 21% in selling and distribution costs during the Review Period as compared to the Corresponding Period due mainly to the increased costs associated with the increase in export sales. Administrative expenses also increased by approximately 7% during the Review Period to support the increase in business activities of the Group. Finance costs, on the other hand, fell by approximately 35% during the Review Period following the restructuring of the bank borrowings at the end of the last financial year to take advantage of the low interest rate environment.

Meanwhile, to alleviate any further adverse impact arising from the power and labour shortage problems in Southern China, the Group has taken steps to better position the Dongguan plant to cope with the situation. Two sets of new power generators were acquired and installed at the Dongguan plant in July this year. With the power generators in place, the Dongguan plant should be able to minimize any disruptions in production caused by power shortage. To relieve the demand of labour requirements, the Group has also identified and automated certain manual hand assembly procedures at the Dongguan plant. The Directors believe that these measures will enable the Dongguan plant to improve its performance under the difficult operating environment.

To further develop the overseas market, the Group has set up a sales office in New York. The Group has also established a sales office in Beijing in order to capture the growing opportunities in Northern China. The Directors are optimistic that these sales offices will enable the Group to expand its customer base geographically and contribute to the long term growth of the Group.

FINANCIAL AND CAPITAL RESOURCES

During the Review Period, the Group invested a total of approximately HK\$9 million on fixed assets investment. The daily operating activities of the Group were funded by profits generated from operations and banking facilities.

The Directors believe that the financial position of the Group is sound and that the Group has adequate resources to meet its financial commitments in the foreseeable future. As at 30th September, 2004, the borrowings of the Group, which were either denominated in Hong Kong dollars or Chinese Renminbi, amounted to approximately HK\$305 million (31st March, 2004: HK\$284 million). Of this amount, approximately HK\$155 million (31st March, 2004: HK\$164 million) was secured by mortgages over the Group's land, buildings and machinery, and bank deposits with an aggregate carrying value of approximately HK\$223 million (31st March, 2004: HK\$226 million). The gearing ratio (defined as total interest-bearing borrowings divided by total assets) of the Group as at 30th September, 2004 was approximately 44% (31st March, 2004: 45%).

STAFF

As at 30th September, 2004, the Group had a total staff of 3,370 (31st March, 2004: 2,434) of which 3,277 (31st March, 2004: 2,350) were employed in the PRC for the Group's manufacturing and distribution businesses.

The Group provides employee benefits such as staff insurance, retirement schemes and discretionary bonus and also provides in-house training programmes and external training sponsorship.

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK1 cent (2003: HK1 cent) per share for the six months ended 30th September, 2004 payable on 18th January, 2005 to the shareholders whose names appear on the register of members of the Company on 14th January, 2005.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 10th January, 2005 to Friday, 14th January, 2005 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms must be lodged with the Company's Registrars in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 7th January, 2005.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors and chief executive of the Company who held office at 30th September, 2004 had the following interests in the shares of the Company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) at that date as recorded in the register of Directors' and chief executive's interests and short positions required to be kept under section 352 of the SFO:

(a) Interests in issued shares of the Company

Name of Directors	Ordinary shares of HK\$0.1 each			% of total issued shares
	Personal interests (Note 1)	Corporate interests (Note 2)	Total number of shares held	
Madam So Chau Yim Ping, JP	19,800,000	132,000,000	151,800,000	68.22%
Mrs Cheong So Ka Wai, Patsy	3,300,000	—	3,300,000	1.48%
Mrs Fung So Ka Wah, Karen	3,300,000	—	3,300,000	1.48%
Mr So Wah Sum, Conrad	3,300,000	—	3,300,000	1.48%
Mr Ting Woo Shou, Kenneth, JP	105,000	—	105,000	0.05%

No family interests in shares are held by any of the Directors.

Notes:

- All these shares are held by the respective Directors personally as beneficial owners.
- Ka Chau Enterprises (B.V.I.) Limited (“Ka Chau”)* beneficially owned 132,000,000 shares as at 30th September, 2004. Madam So Chau Yim Ping, JP has a 60 per cent. interest in Ka Chau, and each of Mrs Cheong So Ka Wai, Patsy and Mrs Fung So Ka Wah, Karen has a 20 per cent. interest in Ka Chau. Accordingly, Madam So Chau Yim Ping, JP is deemed to be interested in the 132,000,000 shares owned by Ka Chau.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (*Continued*)

(b) Interests in non-voting deferred shares of subsidiaries

Name of Directors	Non-voting deferred shares of HK\$100 each in New Island Printing Company Limited	Non-voting deferred shares of HK\$100 each in Sonic Manufacturing Company Limited
Madam So Chau Yim Ping, JP	6,700	500
Mrs Cheong So Ka Wai, Patsy	1,000	500
Mrs Fung So Ka Wah, Karen	1,000	—
Mr So Wah Sum, Conrad	1,000	—
Madam So Chau Yim Ping, JP and Mrs Cheong So Ka Wai, Patsy	150	—
	<hr/> 9,850	<hr/> 1,000

Note: All the above non-voting deferred shares are held by the respective Directors personally as beneficial owners.

Apart from the foregoing as at 30th September, 2004, none of the Directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS

Save for those shares referred to in the Directors' interests in shares above, no person or corporation had any interest in the share capital 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 by the Company pursuant to Section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES

At no time during the six months ended 30th September, 2004 was the Company or its subsidiaries a party to any arrangements to enable the Directors or the chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th September, 2004, except that Independent Non-Executive Directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at Annual General Meetings in accordance with the Company's Bye-law.

AUDIT COMMITTEE

Under the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, an Audit Committee was formed in June, 1999. The audit committee now comprises three Independent Non-Executive Directors and one Non-Executive Director and reports to the Board of Directors. The audit committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and the interim and annual reports of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30th September, 2004, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPOSITION OF BOARD OF DIRECTORS

As at the date of this report, the Board comprises eight directors, namely Madam So Chau Yim Ping, JP (Chairman and Managing Director), Mrs. Cheong So Ka Wai, Patsy, Mrs. Fung So Ka Wah, Karen, Mr. So Wah Sum, Conrad as executive directors, Mr. Ting Woo Shou, Kenneth, JP as non-executive director and Mr. Hui Yin Fat, O.B.E. JP, Mr. Wong Wang Fat, Andrew, O.B.E. (Hon.), JP. and Mr. She Chiu Shun, Ernest as independent non-executive directors.

By Order of the Board

Li Sau Yan, Philip

Secretary

Hong Kong, 17th December, 2004