

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company and its subsidiaries are principally engaged in investment holding, treasury investments and the provision of mortgage finance and other related services.

In the opinion of the Directors, the ultimate holding company of the Company is Lippo Cayman Limited which is incorporated in the Cayman Islands.

2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December, 2004. The new HKFRSs may result in changes in the future as to how the Group's financial performance and financial position are prepared and presented.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, the Companies Ordinance and the Securities and Futures (Accounts and Audit) Rules. They have been prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 31st December, 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

(c) Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors.

Interests in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***(d) Impairment of assets**

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use and its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises.

(e) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of that asset.

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Depreciation of fixed assets is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rate used for this purpose is 33 $\frac{1}{3}$ per cent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Investment securities

Investment securities are securities which are intended to be held on a continuing strategic or long term purpose. Investment securities are included in the balance sheet at cost less provisions for impairment losses, on an individual investment basis. When such impairment losses have occurred, the carrying amounts of the securities are reduced to their fair values, as determined by the Directors and the amounts of the impairments are charged to the profit and loss account for the period in which they arise. When the circumstances and events which led to the impairment losses cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amounts of the impairments previously charged are credited to the profit and loss account to the extent of the amounts previously charged.

(g) Other investments in securities

Other investments in securities are those securities which are held for trading purpose, and are stated at fair value at the balance sheet date. Unrealised holding gains or losses arising from changes in fair value of the securities are dealt with in the profit and loss account in the period in which they arise. For unlisted investment funds where there is no quoted market price, fair value is determined on the basis of their last net asset value per unit.

(h) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;
- (ii) dealings in securities and disposals of investments, on the transaction dates when the relevant contract notes are exchanged; and
- (iii) dividend income, when the shareholders' right to receive payment has been established.

(i) Mortgage loans

Mortgage loans are reported on the balance sheet at the total of principal amount outstanding and accrued interest receivable net of provisions for doubtful debts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***(j) Provisions for doubtful debts**

A provision for doubtful debts is made when the Directors consider the recoverability of mortgage loan is in doubt. In addition, an amount has been set aside as a general provision. These provisions are deducted from "Mortgage Loans" on the balance sheet.

(k) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit and loss account.

(l) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under such operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

(m) Foreign currency transactions

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

(n) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account, or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) **Income tax** *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(o) **Cash and cash equivalents**

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(p) **Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

4. SEGMENT INFORMATION

Segment information is presented by way of business segment as the primary reporting format and geographical segment as the secondary reporting format.

The Group's operating businesses are structured and managed separately, according to the nature of their operations. The Group's business segments represent different strategic business units which are subject to risks and returns that are different from those of the other business segments. In respect of geographical segment reporting, turnover is based on the location of customers, and assets and capital expenditure are based on the location of the assets. Description of the business segments is as follows:

- (a) the mortgage finance segment engages in the provision of mortgage finance and other related services; and
- (b) the treasury investments segment includes securities trading, interest income on bank deposits and dividend income.

During the current and the prior years, there were no intersegment transactions.

4. SEGMENT INFORMATION (Continued)

An analysis of the Group's turnover and results by business segment and geographical segment is as follows:

Business segment

Group

	2004			Total HK\$'000
	Mortgage finance HK\$'000	Treasury investments HK\$'000	Other HK\$'000	
Turnover	482	189,200	–	189,682
Other revenue	91	–	–	91
	573	189,200	–	189,773
Segment results	573	17,069	(3,600)	14,042
Unallocated corporate expenses				(4,871)
Profit before tax				9,171
Tax				(886)
Net profit from ordinary activities attributable to shareholders				8,285
Segment assets	3,052	213,543	–	216,595
Unallocated assets				4,124
Total assets				220,719
Segment liabilities	522	128	–	650
Unallocated liabilities				694
Total liabilities				1,344
Other segment information:				
Net realised gain on disposal of other investments in listed securities	–	13,431	–	13,431
Unrealised holding loss on other investments in securities	–	(622)	–	(622)
Provision for impairment in value for investment securities	–	–	(3,600)	(3,600)

4. SEGMENT INFORMATION (Continued)**Business segment** (Continued)**Group**

	2003			Total HK\$'000
	Mortgage finance HK\$'000	Treasury investments HK\$'000	Other HK\$'000	
Turnover	946	73,444	–	74,390
Other revenue	348	–	–	348
	1,294	73,444	–	74,738
Segment results	1,593	7,512	(4,198)	4,907
Unallocated corporate expenses				(4,176)
Profit before tax				731
Tax				4,282
Net profit from ordinary activities attributable to shareholders				5,013
Segment assets	4,987	198,888	3,600	207,475
Unallocated assets				5,120
Total assets				212,595
Segment liabilities	584	73	–	657
Unallocated liabilities				848
Total liabilities				1,505
Other segment information:				
Net realised gain on disposal of other investments in listed securities	–	334	–	334
Unrealised holding gain on other investments in securities	–	4,585	–	4,585
Provision for impairment in value for investment securities	–	–	(4,198)	(4,198)

No capital expenditure and depreciation for the above segments are presented as they are related to the corporate office.

4. SEGMENT INFORMATION (Continued)

Geographical segment

Group

	2004				Total HK\$'000
	Hong Kong HK\$'000	Republic of Singapore HK\$'000	Japan HK\$'000	Other HK\$'000	
Revenue	88,132	57,584	30,994	13,063	189,773
Segment results	5,327	4,885	3,611	219	14,042
Segment assets	178,143	26,080	13,100	–	217,323
Unallocated assets					3,396
Total assets					220,719
Capital expenditure	(65)	–	–	–	(65)

	2003				Total HK\$'000
	Hong Kong HK\$'000	Republic of Singapore HK\$'000	Japan HK\$'000	Other HK\$'000	
Revenue	66,117	8,621	–	–	74,738
Segment results	2,457	1,545	–	905	4,907
Segment assets	182,925	20,413	–	4,975	208,313
Unallocated assets					4,282
Total assets					212,595
Capital expenditure	(3)	–	–	–	(3)

5. TURNOVER

Turnover represents interest income on mortgage loans and gross income on treasury investments which includes sales proceeds from securities trading, interest income on bank deposits and dividend income.

An analysis of the turnover of the Group by principal activity is as follows:

	Group	
	2004	2003
	HK\$'000	HK\$'000
Mortgage finance:		
Interest on mortgage loans	482	946
Treasury investments:		
Interest on bank deposits	1,136	1,923
Sale of other investments in securities	186,857	70,851
Dividend income	539	670
Other investment income	668	–
	189,682	74,390

6. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging):

	Group	
	2004	2003
	HK\$'000	HK\$'000
Staff costs (includes directors' remuneration disclosed in Note 7)		
Wages and salaries	(1,859)	(2,120)
Retirement benefit costs – Note 8	(33)	(48)
Total staff costs	(1,892)	(2,168)
Depreciation	(16)	(3)
Auditors' remuneration	(170)	(200)
Minimum lease payments under operating leases in respect of land and buildings	(669)	(721)
Net realised gain on disposal of other investments in listed securities	13,431	334

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

Directors' emoluments for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Companies Ordinance, are as follows:

	Group	
	2004	2003
	HK\$'000	<i>HK\$'000</i>
Executive Directors:		
Directors' fees	60	155
Non-executive Directors:		
Directors' fees	391	215
	451	370

The number of Directors whose emoluments fell within the following band is as follows:

Emoluments band	Group	
	2004	2003
	Number of	Number of
	Directors	Directors
Nil – HK\$1,000,000	11	8

Emoluments paid to independent non-executive Directors amounted to HK\$61,000 (2003 – HK\$215,000) during the year.

There were no arrangements under which a Director waived or agreed to waive any emoluments.

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

The five highest paid individuals during the year included one (2003 – one) Director, details of whose emoluments are set out above. The emoluments of the remaining four (2003 – four) non-director highest paid individuals for the year disclosed pursuant to the Listing Rules are analysed by amount and designated band as set out below.

	Group	
	2004	2003
	HK\$'000	HK\$'000
Basic salaries, allowances and benefits in kind	1,061	1,535
Retirement benefit costs	30	37
	1,091	1,572

Emoluments band	Group	
	2004	2003
	Number of	Number of
	individuals	individuals
Nil – HK\$1,000,000	4	4

8. RETIREMENT BENEFIT COSTS

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the Scheme. The Scheme became effective from 1st December, 2000. Contributions are made based on a percentage of the employees' relevant income and are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Scheme, except for the Group's employer voluntary contributions forfeited when the employees leave employment prior to their fully vesting in such contributions, which can be used to reduce the amount of future employer contributions, in accordance with the rules of the Scheme.

During the year, no forfeited voluntary contributions were utilised to reduce the amount of employer contributions (2003 – Nil). The amount of forfeited voluntary contributions available to offset future employer contributions to the Scheme was not material at the year end. The retirement benefit costs charged to the profit and loss account represent contributions paid and payable by the Group to the scheme and amounted to HK\$33,000 (2003 – HK\$48,000).

9. TAX

No provision for Hong Kong profits tax has been made for the year as the Group had applied the tax loss brought forward from prior years to offset the estimated profits earned during the year. No provision for Hong Kong profits tax had been made in the prior year as the Group did not generate any assessable profits during that year.

	Group	
	2004	2003
	HK\$'000	HK\$'000
Hong Kong		
Deferred tax charge/(credit) – Note 16	886	(4,282)

A reconciliation of the tax charge/(credit) applicable to profit before tax using the statutory rate for the country in which the Company and its subsidiaries are domiciled to the tax credit is as follows:

	Group	
	2004	2003
	HK\$'000	HK\$'000
Profit before tax	9,171	731
Tax at the statutory tax rate of 17.5 per cent. (2003 – 17.5 per cent.)	1,605	128
Effect of different tax rates in other jurisdictions	630	209
Income not subject to tax	(1,978)	(1,353)
Expenses not deductible for tax	682	560
Tax losses from previous periods recognised	–	(3,826)
Adjustments in respect of current tax of previous periods	(53)	–
Tax charge/(credit) at the group's effective rate of 9.7 per cent. (2003 – 586 per cent.)	886	(4,282)

10. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders includes the profit for the year dealt with in the financial statements of the Company amounted to HK\$8,214,000 (2003 – HK\$5,093,000) as referred to in Note 19 to the financial statements.

11. EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated based on (i) the net profit from ordinary activities attributable to shareholders of HK\$8,285,000 (2003 – HK\$5,013,000); and (ii) the number of 225,000,000 ordinary shares (2003 – 225,000,000 ordinary shares) in issue during the year.

(b) Diluted earnings per share

No diluted earnings per share is presented for the years ended 31st December, 2003 and 2004 as there were no dilutive potential ordinary shares during these two years.

12. FIXED ASSETS**Group and Company**

	Motor vehicle, furniture and equipment <i>HK\$'000</i>
Cost:	
At 1st January, 2004	282
Additions during the year	65
At 31st December, 2004	347
Accumulated depreciation:	
At 1st January, 2004	279
Provision for the year	16
At 31st December, 2004	295
Net book value:	
At 31st December, 2004	52
At 31st December, 2003	3

13. MORTGAGE LOANS

	Group and Company	
	2004	2003
	HK\$'000	HK\$'000
Total mortgage loan balances	3,517	5,479
Less: Provision for doubtful debts – Note 14		
– General	(62)	(102)
– Specific	(403)	(390)
	3,052	4,987
Amounts due within one year classified as current assets	(1,288)	(2,141)
Non-current portion	1,764	2,846

14. PROVISION FOR DOUBTFUL DEBTS

	Group and Company		
	Specific	General	Total
	HK\$'000	HK\$'000	HK\$'000
At 1st January, 2003	277	514	791
Provision written back during the year	–	(299)	(299)
Transfer	113	(113)	–
At 31st December, 2003 and 1st January, 2004	390	102	492
Provision written back during the year	–	(27)	(27)
Transfer	13	(13)	–
At 31st December, 2004	403	62	465

15. INVESTMENT SECURITIES

	Group	
	2004	2003
	HK\$'000	<i>HK\$'000</i>
Unlisted equity securities, at cost	7,798	7,798
Provision for impairment in value	(7,798)	(4,198)
	–	3,600

16. DEFERRED TAX ASSET

	Group and Company	
	2004	2003
	HK\$'000	<i>HK\$'000</i>
At 1st January	4,282	–
Deferred tax credited/(charged) to the profit and loss account for the year – Note 9	(886)	4,282
At 31st December	3,396	4,282

Deferred tax asset has arisen from unused tax losses available for offsetting against future taxable profit.

The Group has deductible temporary differences and tax losses arising in Hong Kong of HK\$3,882,000 (2003 – HK\$16,361,000) and HK\$14,133,000 (2003 – HK\$3,356,000), respectively, that are available indefinitely for offsetting against future taxable profits of companies in which the losses arose. Deferred tax assets have not been recognised in respect of these deductible temporary differences and tax losses due to the unpredictability of future taxable income stream.

17. OTHER INVESTMENTS IN SECURITIES

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Listed equity securities, at market value:				
Hong Kong	6,154	60,681	6,154	60,681
Overseas	16,652	25,388	16,652	25,388
Unlisted investment funds, at fair value	22,528	–	–	–
	45,334	86,069	22,806	86,069

18. SHARE CAPITAL

	Group and Company	
	2004	2003
	HK\$'000	HK\$'000
Authorised:		
300,000,000 (2003 – 300,000,000) ordinary shares of HK\$1.00 each	300,000	300,000
Issued and fully paid:		
225,000,000 (2003 – 225,000,000) ordinary shares of HK\$1.00 each	225,000	225,000

19. RESERVE**Group**

	Accumulated losses
	<i>HK\$'000</i>
At 1st January, 2003	(18,923)
Profit for the year	5,013
At 31st December, 2003 and 1st January, 2004	(13,910)
Profit for the year	8,285
At 31st December, 2004	(5,625)

Company

	Accumulated losses
	<i>HK\$'000</i>
At 1st January, 2003	(19,351)
Profit for the year	5,093
At 31st December, 2003 and 1st January, 2004	(14,258)
Profit for the year	8,214
At 31st December, 2004	(6,044)

20. INTERESTS IN SUBSIDIARIES

	Company	
	2004	2003
	HK\$'000	<i>HK\$'000</i>
Unlisted shares, at cost	1	1
Due from subsidiaries	66,576	44,333
	66,577	44,334
Provisions for impairments in values	(44,190)	(40,750)
	22,387	3,584

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of subsidiaries as at 31st December, 2004 are as follows:

Name of company	Place of incorporation and operations	Issued and fully paid ordinary share capital	Percentage of equity attributable to the Company/Group		Principal activities
Galawin Limited	British Virgin Islands	US\$1	100	100	Securities investment
Sunshine Asia Limited	British Virgin Islands	US\$1	100	100	Investment holding
Winbest Holdings Limited	British Virgin Islands	US\$1	100	100	Investment holding
AAM Investments Limited	British Virgin Islands	US\$1	–	100	Securities investment
Goldjade Investment Limited	Hong Kong	HK\$2	–	100	Securities investment
Smart Dragon Limited	British Virgin Islands	US\$1	–	100	Investment holding

21. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT**Reconciliation of profit before tax to cash generated from/(used in) operations:**

	Group	
	2004	2003
	HK\$'000	HK\$'000
Profit before tax	9,171	731
Adjustments for:		
Interest income	(1,618)	(2,869)
Depreciation	16	3
Provision for impairment in value for investment securities	3,600	4,198
Operating profit before working capital changes	11,169	2,063
Decrease in mortgage loans	1,935	5,930
Decrease/(Increase) in other investments in securities	40,735	(63,675)
Decrease/(Increase) in prepayments, deposits and other receivables	5,750	(5,694)
Decrease in creditors and accruals	(161)	(125)
Cash generated from/(used in) operations	59,428	(61,501)

22. COMMITMENTS

The Group leases its office property under operating lease arrangements. The term of the lease is for a period of two years. At 31st December, 2004, the Group and the Company have total future minimum lease payments under non-cancellable operating lease fall due as follows:

	Group and Company	
	2004	2003
	HK\$'000	HK\$'000
Within one year	56	668
In the second to fifth years, inclusive	–	56
	56	724

23. CONNECTED AND RELATED PARTY TRANSACTIONS

Listed out below are related party transactions disclosed in accordance with the Hong Kong Statement of Standard Accounting Practice 20 "Related Party Disclosures" issued by the Hong Kong Institute of Certified Public Accountants.

- (a) During the year, the Company paid rental expenses of HK\$669,000 (2003 – HK\$721,000) to Prime Power Investment Limited, a wholly-owned subsidiary of Lippo China Resources Limited ("LCR") which in turn is the intermediate holding company of the Company, in respect of office premises let to the Company. The rental was determined by reference to open market rentals.
- (b) During the year, the Group through Lippo Securities Limited ("Lippo Securities"), a wholly-owned subsidiary of Hongkong Chinese Limited which in turn is a subsidiary of LCR, sold and purchased listed securities in the market. Commissions paid to Lippo Securities during the year amounted to HK\$803,000 (2003 – HK\$441,000). The commissions were in line with those offered by Lippo Securities to its customers.

The above transactions also constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 17th March, 2005.