

COMPLIANCE WITH THE CHAPTER 13 OF THE LISTING RULES

As at 30 June 2005, the Company had loan facilities, which were subject to, inter alias, a specific performance obligation on the controlling shareholders of the Company during the tenure of such loan facilities. The specific performance obligation is that the controlling shareholders shall maintain a holding of no less than 51% of the total issued share capital of the Company throughout the tenure of the loan facilities granted to the Company. A breach of the obligation will constitute an event of default. As a result of such breach, the loan facilities may become due and repayable on demand by the relevant tenders according to the respective terms and conditions thereof. The details of the loan facilities are as follows:

Amount outstanding as at 30 June 2005	Final maturity of the loan facilities
HK\$16 million	February 2007

ACKNOWLEDGEMENT

I would like to take this opportunity to extend my thanks and appreciation to our colleagues on the Board, the management and all staff and employees of the Group for their commitments, hard work and loyalty throughout the period.

By order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 23 September 2005

As at the date hereof, the board of directors of the Company comprises 7 directors, of which 4 are Executive Directors, namely Messrs. CHU Chun Man, Augustine, Messrs. MATSUURA Takanori, Messrs. CHU Yuk Man, Simon and Messrs. CHANG Hua Jung, and the rest of 3 are Independent Non-Executive Directors, namely Messrs. CHOY Tak Ho, Messrs. CHIU Lai Kuen, Susanna and Messrs. TSE Ying Man.