CONTINUING DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

At 30 September 2005, the Group had amounts due from certain clients, which individually exceeded 8% of the market capitalization of the Company at that date. Pursuant to Rule 13.20 of the Listing Rules, they were presented below:

(a) the total margin loans due from Rosewood Assets Limited ("Rosewood") and Victorious Limited ("Victorious"), which are associated with each other, was HK$11,623,000. The interest rate is 4% over the Hong Kong prime rate per annum (the "Prime Rate"). The market value of listed shares placed by Rosewood and Victorious as collateral was HK$65,802,000. Once the collateral drops to an unacceptable level by reference to the internal guideline of the Group, the whole amount of the margin loans will become immediately repayable if they fail to provide additional deposits or collateral upon request.

(b) the term loans with accrued interests due from Huge Gain Development Ltd. ("Huge Gain") were HK$10,088,000. The repayment dates of the respective loans should be the earlier of (a) the date falling 12 months from the relevant loan was drawn; and (b) the date the Group specify in its notice in writing demanding for repayment of such loan. The interest rate charged to Huge Gain is 10% per annum. The market value of listed securities placed by Huge Gain as collateral was HK$17,747,000;

(c) the term loan with accrued interests due from Rich Delta Development Limited ("Rich Delta") was HK$14,229,000. The interest rate is 5% over the Prime Rate and will be changed to 20% per annum once in default. Rich Delta provides the Group a post-dated cheque payable on 3 November 2007.

The Group also granted a term loan of HK$2,300,000 to the beneficial owner of Rich Delta at an interest rate 5% over the Prime Rate. The beneficial owner of Rich Delta has failed to pay the first repayment which was due in November 2005 to which the provision has been made.

CONTINUING DISCLOSURE REQUIREMENTS UNDER THE LISTING RULES

(Continued)

At 30 September 2005, the net amount due from an affiliated company was HK$7,956,000, exceeding 8% of the market capitalization of the Company at that date. Pursuant to Rule 13.22 of the Listing Rules, the pro-forma balance sheet of the affiliated company was set out below:

	HK$'000
Non-current assets	201,946
Current assets	38,788
Current liabilities	(20,227)
Net assets	220,507
Group's attributable interest	52,528

The pro-forma balance sheet was extracted from the unauditied financial statements of the affiliated company as at 30 September 2005, while the Group's interests in the affiliated company were stated at cost less accumulated amortization 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.

CORPORATE GOVERNANCE

Compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules (the "CG Code")

The Group is committed to maintain high standards of corporate governance and the Board considers that effective corporate governance is an essential factor to the corporate success. During the period under review, the Company took the following measures to enhance its corporate governance:

The Board has resolved the separation of duties of Chairman and Managing Director of the Company. The Chairman will be responsible for management of the Board and the Managing Director will carry out the role of the Chief Executive Officer.

Pursuant to Code A.4.1 of the CG Code, all independent non-executive directors are now appointed for a specific term and subject to re-election in accordance with the Bye-laws of the Company.

The Company has amended its Bye-laws to comply with the new requirement in Code A.4.2 of the CG Code to the effect that all directors of the Company shall be subject to retirement by rotation at least once every three years.

The Company has established a remuneration committee with specific written terms of reference which were posted on the Company's website before the date of this report as required by Codes B.1.1 and B.1.4 of CG Code. The members of the remuneration committee are all independent non-executive directors.

As disclosed in the financial statements for the year ended 31 March 2005, the Company schedules to perform an independent review of internal controls of the Group at the coming year end. As the Group is now restructuring the operation flow of its trading business to enhance its efficiency, the independent review will then be postponed, but in any event will not be later than that required by Code C.2 of CG Code which is applicable to accounting periods commencing on or after 1 July 2005.

Save as mentioned above, the Company has complied with all requirements set out in the CG Code throughout the period under review.

CORPORATE GOVERNANCE *(Continued)*

Model code on securities transactions by Directors

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for securities transactions by its Directors. All members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the current period.

Audit Committee review

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 2005 and discussed the financial related matters with the management.

On behalf of the Board
Tam Wing Fai Johnny
Managing Director

Hong Kong, 23 December 2005