

Exposure to Fluctuations in Exchange Rates

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, US dollars and Renminbi, which were relatively stable during the year. The Group is not exposed to material exchange risks.

Contingent Liabilities

As at 30 September 2004, the Group had contingent liabilities of HK\$38,698,000 in respect of the bills discounted with recourse.

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES**Interim Results and Dividend**

The Board of Directors has declared an interim dividend of HK1.2 cents per share to shareholders whose names appear on the register of members of the Company at the close of business on 12 January 2005. The dividend will be paid on or about 4 February 2005.

Closure of the Transfer Books and Register of Members

The Transfer Books and Register of Members of the Company will be closed on 13 January 2005 on which day no transfer of shares of the Company will be registered.

In order to qualify for the entitlement of the proposed interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong, not later than 4:00 p.m. on 12 January 2005.

Directors' and Chief Executives' Interest in shares, underlying shares and debentures

At 30 September 2004, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Beneficial interests	Personal interests	Ordinary of HK\$0.1 each		Percentage of total issued shares
		Corporate interests	Total number of shares held	
Mr Kwok Wing	8,424,000	724,000,000 (note)	732,424,000	51.2%

Note: These shares are held as to 652,800,000 shares by Efulfilment Enterprises Limited and as to 71,200,000 shares by Sharp Asset Holdings Limited. Mr Kwok Wing beneficially owns 50% of the issued share capital of Efulfilment Enterprises Limited and 100% of Share Asset Holdings Limited.

In addition to the above, certain director has non-beneficial personal equity interest in certain subsidiaries held for the benefit of the Group solely for the purpose of complying with the minimum company membership requirements of the Hong Kong Companies Ordinance. Certain director also has beneficial interests in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

Other than as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2004.

Directors' and chief executives' benefits from rights to acquire shares

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

Share Option Scheme

Background of the Company's share option scheme is set out in its annual report for the financial year ended 31 March 2004.

In respect of the share options granted by the Company to the employees on 7 November 2002, 60,000,000 share options were exercised at HK\$0.465 per share and the remaining 72,800,000 share options were lapsed.

On 8 November 2004, the Company has re-granted 68,000,000 options at a nominal consideration under the share option scheme of the Company to certain employees of the Group to subscribe for shares of the company. Each option gives the holder the right to subscribe for one share of the Company at HK\$0.74 (which is equal to the closing price of the shares on the date of grant) with exercisable period from 8 November 2004 to 7 November 2007. Up to the date of approval of this report, none of the options granted to the employees of the Group on 8 November 2004 have been exercised.

The directors consider that it is not appropriate to disclose the value of the share options granted since any valuation of the share options would be subject to a number of assumptions that would be subjective and uncertain. The directors believe that the evaluation of the share options based upon speculative assumptions would not be informative and might be misleading.

Substantial Shareholders' and other person's interest in shares and underlying shares

The Company has been notified of the following interests in the Company's issued shares as at 30 September 2004 amounting to 5% or more of the ordinary shares in issue:

	Ordinary shares held	Percentage of total issued shares
Efulfilment Enterprises Limited (<i>Note 1</i>)	652,800,000	45.6%
Mr. Cheah Cheng Hye (<i>Note 2</i>)	156,296,000	10.9%
Value Partners Limited ("VPL") (<i>Note 2</i>)	156,296,000	10.9%
Templeton Asset Management Limited	154,818,000	10.8%

Note 1: The issued share capital of Efulfilment Enterprises Limited is beneficially owned by Mr Kwok Wing and Mr Kwok Chiu in the proportion of 50:50.

Note 2: Mr. Cheah is deemed to be interested in these shares by control over VPL.

Save as disclosed above, no other interests, other than the directors and chief executive of the Company, whose interests are set out in section "Directors' and chief executives' interests in shares, underlying shares and debentures" above, required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Purchase, Sale or Redemption of the Company's listed securities

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

Compliance with the 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 for any part of the six months ended 30 September 2004, 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, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Company's articles of association.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial report for the six months ended 30 September 2004 with the directors.

By Order of the Board

Kwok Wing

Chairman

Hong Kong, 28 December 2004