

SHARE OPTION SCHEME

To comply with Chapter 17 (Equity Securities – Share Option Schemes) of the Listing Rules, the Company adopted a new share option scheme (“New Scheme”) as approved by the shareholders at the Special General Meeting on 7 November 2003.

Particulars of outstanding options at the beginning and at the end of the financial period for the six months ended 30 September 2005 and options granted, exercised, cancelled and lapsed during the period under the New Scheme were as follows:

Participants	Date of Grant	Options held at 1 April 2005	Options exercised during the period	Options held at 30 September 2005	Exercise price per Share HK\$	Exercisable from	Exercisable until
Directors							
Budiman RAHARDJA	18 Dec 2003	3,305,000	Nil	3,305,000	0.106	18 Dec 2003	17 Dec 2013
	18 Dec 2003	3,305,000	Nil	3,305,000	0.106	18 Dec 2004	17 Dec 2014
	18 Dec 2003	3,305,000	Nil	3,305,000	0.106	18 Dec 2005	17 Dec 2015
KWAN Kei Chor, Samuel	18 Dec 2003	1,322,000	Nil	1,322,000	0.106	18 Dec 2003	17 Dec 2013
	18 Dec 2003	1,322,000	Nil	1,322,000	0.106	18 Dec 2004	17 Dec 2014
	18 Dec 2003	1,322,000	Nil	1,322,000	0.106	18 Dec 2005	17 Dec 2015
LO Yuk Lam	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2003	17 Dec 2013
	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2004	17 Dec 2014
	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2005	17 Dec 2015
WONG Kam Wah	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2003	17 Dec 2013
	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2004	17 Dec 2014
	18 Dec 2003	330,000	Nil	330,000	0.106	18 Dec 2005	17 Dec 2015
Employees	18 Dec 2003	2,049,000	Nil	2,049,000	0.106	18 Dec 2003	17 Dec 2013
	18 Dec 2003	2,049,000	Nil	2,049,000	0.106	18 Dec 2004	17 Dec 2014
	18 Dec 2003	2,049,000	Nil	2,049,000	0.106	18 Dec 2005	17 Dec 2015
Total		<u>22,008,000</u>		<u>22,008,000</u>			

No option was granted or cancelled or lapsed under the New Scheme during the period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the unaudited interim results for the six months ended 30 September 2005. The Audit Committee currently comprises three members including two independent non-executive directors, Mr. Lo Yuk Lam and Mr. Wong Kam Wah, and the non-executive director, Mr. Chen Zhi Yung.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, none of the directors of the Company is aware of any information which would reasonably indicate that the Company was not in compliance with the code provisions of the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, which became effective from 1 January 2005, throughout the period under review.

Under Code Provision A.1.7, there should be a procedure agreed by the Board to enable directors to seek independent professional advice at the Company's expense. The Board has not adopted such procedure yet. However, directors are allowed to seek independent professional advice at the Company's expense practically.

Under Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The role of chairman of the Company is performed by Mr. Budiman Rahardja. The Company does not have a specific post of chief executive officer at present.

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the Company's non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws (the "Bye-laws"), so accomplishing the same purpose as a specific term of appointment.

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

Under Code Provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the Bye-laws, any director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. At each annual general meeting of the Company, apart from the director holding office as Chairman or managing director, one-third of the directors of the Company for the time being shall retire from office by rotation.

Under Code Provision B.1.1, the Company should establish a remuneration committee with terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors. The Company has not established the remuneration committee and will establish one with appropriate terms of reference in the last quarter of the financial year ending 31 March 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code regarding securities transactions by directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its shares during the six months ended 30 September 2005.

By order of the Board
KWAN Kei Chor, Samuel
Director

Hong Kong, 16 December 2005