

EMPLOYEES

As at 30 June 2003, the total number of employees of the Group in Hong Kong and the PRC was 85. For the six months ended 30 June 2003, staff costs amounted to HK\$1,415,000 (2002: HK\$1,500,000). Other staff benefits include the Hong Kong Mandatory Provident Fund, insurance, professional training subsidies and share option scheme.

The share option scheme of the Company provided that the Board may grant to any full-time employee (including executive director) of the Group to subscribe for the shares of the Company pursuant to the provisions of the scheme.

The Company also engaged into Directors Insurance for directors to protect the Group from any contingent liability that might arise in the course of normal business operations.

CONTINGENT LIABILITIES

As at 30 June 2003, the Group is not aware of any major contingent liabilities that will cause substantial change to the Group's operations, except for corporate guarantees of HK\$12,147,000 granted to a former subsidiary for its banking facilities.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2003, the directors and their associates have the following interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") or notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") :