

## FINANCIAL REVIEW

### Liquidity and Financial resources

As at 30th June, 2003, the Group had no borrowing and no credit facilities obtained from financial institutions. As the Group had bank balances and cash on hand of HK\$4,860,368, which was mainly placed in a bank as time deposits. The Group did not have any significant capital commitment as at 30th June, 2003.

### Capital Structure

There has been no change in the Group's capital structure since 31st December, 2002.

## SIGNIFICANT INVESTMENTS HELD

During the period ended 30th June, 2003, the Group held investment in listed shares of HK\$17.6 million and unlisted securities of HK\$23.1 million including a short term convertible bond of HK\$10 million issued by a finance company in Hong Kong. In addition, the Group granted short term loans of HK\$10,510,000 to two private companies in Hong Kong for investment purpose. The short term loans and the bond were repaid in August 2003 in accordance with the terms of the agreements. The Group also disposed of certain investment securities, other investments, interests in subsidiaries and loans to independent third parties.

## CHANGES IN COMPOSITION OF THE COMPANY DURING THE INTERIM PERIOD

During the period, the Group did not have any acquisition activity.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30th June, 2003, the Group employed one full-time employee whose remuneration package includes fixed salary, medical insurance and mandatory provident fund.

## SHARE OPTIONS

The Group does not adopt any share option scheme.