

Charged on Assets

As at 30 June 2003, all the Group's investment properties and the issued shares of China Faith Limited, a wholly owned subsidiary of the Company, are pledged and the rental income in respect of the investment properties under operating leases are assigned to a bank against a bank loan of HK\$143,500,000 granted to the Group (as at 31 December 2002: HK\$147,400,000)

Other investments of HK\$60,689,000 (31 December 2002: HK\$101,431,000) are pledged against margin and other loan facilities granted to the Group.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2003.

Employees and Remuneration Policies

As at 30 June 2003, the Group has approximately 10 employees. Remuneration is determined by reference to their qualifications and experiences of the staff concerned. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

PROSPECTS**16**

It is our Group's policy to maximize our shareholders' value of investment. The Directors will continue to explore business opportunities that are valuable to the Group and to our shareholders concerned.

DIRECTORS' INTEREST IN SHARES

As at 30 June 2003, none of Director and chief executive of the Company is interested in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.