

Action is being taken to upgrade the floor plan of E-House, expecting to generate a higher level of rental income. Moreover, the Board intends to review the operation of the Group including the utilization of the cash balance retained with a view to enhancing its asset base and broadening its income stream by seeking further investments in synergetic or prospective business if there arises such opportunities, which the Board may think fit and are allowed under the relevant regulatory provisions.

## EMPLOYEE INFORMATION

As at 30th September 2003, the total number of employees of the Group was approximately 10 (2002: 35). Remuneration packages are generally structured by reference to market terms and individual qualifications. The remuneration policies of the Group are normally reviewed on a periodic basis. The Group participates in a mandatory provident fund scheme which covers all the eligible employees of the Group.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the six months ended 30th September 2003. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 30th September 2003.

## SHARE OPTION SCHEME

The share option scheme (the "Share Option Scheme") adopted by the Company on 8th September 1998 has expired since 8th September 2001. However, the options granted under the Share Option Scheme continued to be valid and exercisable during their respective option period. A total of 104,200,000 share options were granted under the Share Option Scheme on 21st March 2000 to certain directors and employees of the then Group (the "Optionholders") entitling the holders thereof to subscribe for shares of HK\$0.10 each of the Company at a subscription price of HK\$0.68 per share (subject to adjustment) during the period from 21st March 2000 to 20th March 2003.

Pursuant to an agreement (the "Share Option Agreement") made between the Company and the Optionholders on 18th March 2003, details of which are contained in an announcement dated 20th March 2003 issued by the Company, the option period during which the Optionholders were entitled to exercise the share options was extended by six calendar months from 21st March 2003.

The share options granted to the Optionholders under the Share Option Scheme are summarized below:–

	Number of share options			Exercise price per share option HK\$
	At 1st April 2003	Cancelled during the period (Note ii)	Outstanding at 30th September 2003	
<b>Directors</b> (Note i)				
Chan Boon Ho, Peter	30,646,000	(30,646,000)	–	0.68
Lo Lin Shing, Simon	15,324,000	(15,324,000)	–	0.68
Wong Kam Cheong, Stanley	15,324,000	(15,324,000)	–	0.68
Lai Yu Ting	12,258,000	(12,258,000)	–	0.68
Lai Hing Chiu, Dominic	6,130,000	(6,130,000)	–	0.68
<b>Employees (in aggregate)</b>	24,518,000	(24,518,000)	–	0.68
<b>Total</b>	<u>104,200,000</u>	<u>(104,200,000)</u>	<u>–</u>	

Notes:

- i. All of these directors resigned on 21st July 2003.
- ii. All of these 104,200,000 share options had been cancelled by the Company on 26th June 2003 for a consideration of HK\$0.32 per share option pursuant to the Share Option Agreement.

Save as disclosed above, no share options were granted, cancelled, lapsed or exercised during the period and there were no outstanding share options as at 30th September 2003.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2003, the interests and short positions of the directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows: