

EMPLOYEES AND REMUNERATION POLICY

At 30th September, 2003, the Group employed about 20 employees including directors. Total staff costs incurred for the period, including directors' remuneration, was HK\$3,450,000 (six months ended 30th September, 2002: HK\$4,206,000). It is the remuneration policy of the Group to reward its employees with reference to their qualifications, experience, work performance and prevailing labor market conditions.

BUSINESS PROSPECTS

The Group has achieved encouraging results for the interim period and management is committed to further improve the Group's performance for the remainder of the financial year. The dual focuses of management will continue to be enhancing the profitability and growth of the Group's existing businesses and looking for investment opportunities that will create substantial value to the Group. Emphasis will be placed on identifying investment opportunities that are Mainland related and well poised to take advantage of the strong growth of the China's economy, as well as those that will benefit from the introduction of the Closer Economic Partnership Agreement between Mainland and Hong Kong.

SHARE OPTION SCHEME

The Company's current share option scheme was approved and adopted by the shareholders at the extraordinary general meeting held on 23rd August 2002 (the "2002 Scheme"). The primary purpose of the 2002 Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The categories of the participants under the 2002 Scheme include any directors (including executive directors, non-executive directors and independent non-executive directors) of the Company and its subsidiaries and employees of the Group.

No share options have been granted since the adoption of the 2002 Scheme.