

INVESTMENT POSITION AND PLANNING

Most of the Group's investments held were industrial properties situated in Mainland China and Hong Kong. These investments provided additional HK\$1.6 million revenue to the Group during the Interim Period.

The Group did not have any significant investment position in stocks, bonds or financial derivatives during the Interim Period. The Group's exposure to fluctuations in exchange rates was very limited because most of its assets, liabilities and transactions were denominated in Hong Kong Dollar, or in other currencies such as US Dollar and Renminbi, which exchange rates against the Hong Kong Dollar are relatively stable.

CHARGES ON GROUP'S ASSETS

The Group's investment properties are situated in Hong Kong and Panyu, PRC and are all rented out. All (March 2003: 69%) of the Group's investment properties have been pledged to banks to secure credit facilities granted to the Group.

Approximately 97% (March 2003: 72%) of the Group's land and buildings have been pledged to banks to secure credit facilities granted to the Group.

SHARE CAPITAL

The share capital of the Company only comprises 4,544,857,705 ordinary shares of HK\$0.01 each. During the period, 400,000 ordinary shares of HK\$0.01 each of the Company were issued resulting from the exercise of share option by an employee.

CONTINGENT LIABILITIES

As at 30 September 2003, the Company has given corporate guarantees to the extent of HK\$74.8 million (March 2003: HK\$60.3 million) to certain banks in respect of credit facilities granted to its subsidiaries.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions and disposals of subsidiaries and associated companies during the Interim Period.

EMPLOYEES

As at 30 September 2003, the Group has approximately 1,040 employees. Most of the employees are working in the Group's manufacturing base in Panyu, PRC. The Group offers remuneration packages in line with industry practices. Share option scheme and training schemes are adopted to enhance the sense of loyalty of employees.