

## 11. CONNECTED TRANSACTIONS

During the period, the Group had entered into the following connected transactions, which in the opinion of the Board, were carried out on normal commercial terms and in ordinary course of the Group's business:

- i. Pursuant to an investment management agreement (the "Investment Management Agreement") dated 31 August 2002 entered into between the Company and Friedmann Pacific Investment Consultants Limited (the "Investment Manager"), the Company paid investment management fee (the "Investment Management Fee") of HK\$313,983 to the Investment Manager during the period under review. The Investment Management Fee was charged quarterly at a rate of 2% per annum of the net asset value of the Company as at the immediately preceding valuation date in March and June of year 2003 as stated in the Investment Management Agreement.
- ii. The Company paid rental and utilities expenses for office premises of HK\$112,030 to the Investment Manager. The rental and utilities charges were based on actual space occupied and the cost of rental in respect of the provision of the principal place of business of the Company.

## INTERIM DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend for the 6 months ended 30 September 2003 (26 April 2002 (date of incorporation) to 30 September 2002: HK\$0.05 per ordinary share).