



STAFF BENEFIT

The company reviews remuneration packages on an annual basis. Apart from salary, other benefits include contribution to the Employee Provident Fund or Mandatory Provident Fund, medical subsidies and a discretionary bonus.

BUSINESS OUTLOOK

The Group is actively identifying investment opportunities with potentials to expand its earnings base. On 26th February, 2004, the Company entered into a sale and purchase agreement to acquire from an independent third party 51% interest in the share capital of Global King Investments Limited ("Global King"). Global King's principal asset is the holding of the 100% capital of Beijing Sinogas Company Limited, a wholly foreign-owned enterprise established in the People's Republic of China (the "PRC") ("Beijing Sinogas"). Beijing Sinogas and its subsidiaries ("Beijing Sinogas Group") are principally engaged in the investment, construction and operation of liquefied petroleum gas ("LPG") and compressed natural gas ("CNG") stations in the PRC, marketing and sale of plant and equipment for gas stations and provision of related system integration technology, the research, manufacturing and distribution of conversion kits for motor vehicles to switch to alternative fuel of LPG/CNG, and LPG/CNG storage and distribution. The acquisition of a majority interest in Global King which was completed on 13th March, 2004, would enable the Group to benefit from the fast growing economy of the PRC. The consumption of LPG and CNG will grow together with the growth of car ownership and gross domestic product in the PRC. Also, LPG and CNG, which are more environmental friendly than gasoline, would become increasingly popular as energy sources of motor vehicles in the PRC. Though the Group has not invested in LPG/CNG business in the past, the Group has had investment in the petro chemical industry. In addition, the Group will continue to capitalise on the experience of the existing management of the Beijing Sinogas Group.

APPROVAL OF INTERIM REPORT

The interim report was approved by the Board on 25th March, 2004.

For and on behalf of the Board

Savio Kwong Chi Shing

Chief Executive Officer

Hong Kong, 25th March, 2004