

*Charged on Assets*

As at 30 June 2004, all the Group's investment properties and the issued shares of a wholly owned subsidiary of the Company are pledged and the rental income in respect of the investment properties under operating leases are assigned to a bank against a bank loan granted to the Group.

All the Group's other investments of HK\$14,277,000 are pledged against margin facilities granted to the Group.

Property, plant and equipment of HK\$7,803,000 are pledged against a bank loan granted to the Group.

*Contingent Liabilities*

The Group did not have any material contingent liabilities as at 30 June 2004.

*Employees and Remuneration Policies*

As at 30 June 2004, the Group has approximately 20 employees. Remuneration is determined by reference to their qualifications and experiences of the staff concerned and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

**PROSPECTS**

It is our Group's policy to maximize our shareholders' value of investment. The Directors will continue to explore business opportunities that are valuable to the Group and to our shareholders concerned.

**DIRECTORS' INTEREST IN SHARES**

As at 30 June 2004, none of the directors and chief executive of the Company had interest in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 & 8 of Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.