

Material acquisition and disposals of subsidiaries

Save as a dormant wholly-owned subsidiary of the Company incorporated in the British Virgin Islands being deregistered on 1 May 2004, no material change in the Company's investment in its subsidiary was recorded during the period under review.

Employees

As at 30 September 2004, the Company had retained two employees. Total staff costs of the Company, excluding directors' remuneration, for the period under review amounted to approximately HK\$394,701. Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

Charges on assets

Throughout the six months period ended 30 September 2004, assets of the Company were free from any form of legal charge. In addition, the Company did not have any significant contingent liabilities.

Future developments

Expecting capital markets in the region to remain unstable in the second half of the year, the Company will exercise extreme caution in managing its investment portfolio so as to strive for the best long term interest of its shareholders.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the period under review, neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's shares.

AUDIT COMMITTEE

The audit committee, which comprises of three independent non-executive directors of the Company, has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Group's unaudited financial statements for the six months period ended 30 September 2004.