

No options have been granted under the Old Share Option Scheme since its termination. During the financial period, 2,000,000 share options have been exercised into 2,000,000 ordinary shares of the Company and 2,000,000 share options have been lapsed under the Old Share Option Scheme.

On 26 August 2002, a new share option scheme (“New Share Option Scheme”) was adopted by the Company in place of the Old Share Option Scheme. The purpose of the New Share Option Scheme is to provide incentives or rewards to the eligible persons as defined in the scheme for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employee and attract human resources that are valuable to the Group. No options have been granted under the New Share Option Scheme since its adoption.

The Directors consider it inappropriate to value the options that could be granted under the New Share Option as a number of factors that are crucial for the valuation cannot be determined accurately. Accordingly, such information is not disclosed in the interim report.

STAFF

As at 30 September 2004, the Group’s operations engaged approximately 6 staff.

The remuneration policy of the Group’s employees are reviewed and approved by the executive directors. Benefits such as medical schemes, provident fund and discretionary bonus are provided.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

AUDIT COMMITTEE

The unaudited interim financial statements of the Group for the six months ended 30 September 2004 have been reviewed by audit committee of the Company.