

Apart from properties for sale in the PRC, the Group's foreign currency assets are insignificant. The Group's foreign exchange exposure is minimal and there is no need to use financial instruments for hedging purpose.

Capital commitment

As at 30 September 2004, the Company had no capital commitment.

Management and employees

As at 30 September 2004, there were 23 employees in the Group. In addition to salaries, the Group also provides staff benefits such as medical insurance and mandatory provident fund. The Group also implements a discretionary performance-linked bonus scheme for staff to grant year end bonus or share options to them as an incentive in accordance with the performance of the Group and individual employees.

The share option scheme (the "Scheme") was approved by the shareholders on 26 August 2003 to grant share options to eligible employees and Directors to subscribe for newly issued shares of the Company in accordance with the requirements of Chapter 17 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the period ended 30 September 2004, no option was granted by the Company to any eligible employees or Directors pursuant to the Scheme.

AUDIT COMMITTEE

The Group has an audit committee comprising the three independent non-executive Directors. The audit committee has reviewed the interim results with the Board.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2004, none of the Directors (including their respective spouses, infant children, related trusts and companies controlled by them) had any interests or short positions in the Company's shares, convertible securities, warrants, options or derivatives in respect of securities which carry voting rights of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")), which required notification pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position in which any such Director is taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.