

Employees and Remuneration Policies

As at 30 June 2005, the Group has approximately 26 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

On 15 July 2005, a composite offer document in relation to the mandatory unconditional cash offer (the "Offer") made by Keenlead Holdings Limited ("Keenlead"), a company with limited liabilities incorporated in the British Virgin Islands, which is wholly and beneficially owned by Ms. Ma Xiaoling, was issued jointly by Keenlead and the Company to all shareholders of the Company, excluding parties acting in concert with Keenlead. The Offer was closed on 5 August 2005, and the interest of Keenlead and parties acting in concert with it in the shares of the Company increased to 63.85% immediately after the closing of the Offer and Keenlead assumed management control.

Subsequent to the takeover of management, the Company has been actively exploring new business opportunities consistent with its strategy to be engaged in property investment business.

On 30 August 2005, the Group has entered into a legally binding memorandum of understanding with independent third parties for the intention to acquire in part or in whole of the issued share capital of a Company incorporated in the British Virgin Islands (the "Proposed Investment"), the sole asset of which is a sino-foreign equity joint-venture incorporated in the People's Republic of China (the "PRC"), the scope of business of which includes construction of port infrastructure and development of petrochemical industry projects (subject to granting of relevant operating permits). We are of the opinion that the Proposed Investment provides an opportunity for the Group to broaden its business scope and diversify into industrial property development. On 5 September 2005, the Company has entered into a placing agreement with a placing agent to raise capital for the Group to invest in the project, if the project materializes, while broadening the shareholders' base and the capital base of the Company.

The Board will continue to look for investments with reasonable return by investing on quality properties projects in Hong Kong or the PRC, and the Board continues to commit to achieve this objective and is optimistic of its success.

DIRECTORS' INTEREST IN SHARES

As at 30 June 2005, 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 (a) 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.