

### **Foreign Currency Management**

The Group's foreign currency transactions are mostly denominated in Renminbi. As material fluctuation in exchange rate of Hong Kong dollars to Renminbi is not expected, the Directors are of the view that the Group's exposure to exchange rate risk is not significant.

### **Pledge of Assets**

None of the Group's assets was pledged at 30th September, 2005.

### **Contingent Liabilities**

The Group had no material contingent liabilities at 30th September, 2005.

## **EMPLOYEES AND REMUNERATION POLICY**

As 30th September, 2005, the Group employed about 20 staff members including directors of the Company. Staff costs incurred for the period, including directors' remuneration, were HK\$3,072,000 (1.4.2004 to 30.9.2004: HK\$3,083,000).

It is the remuneration policy of the Group to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Remuneration packages, including the grant of share options, are structured to motivate individual performance and contributions to the Group.

## **BUSINESS PROSPECTS**

For the remainder of the financial year, the Group will continue its dual focuses of enhancing the performance of the existing businesses and looking for investment opportunities that will create substantial value for shareholders. The management is currently exploring business opportunities in the Inner Mongolia Region of China in the areas of manufacturing, trading and tourism industry as well as other business opportunities in Hong Kong and the Mainland. In light of the strategic direction of the Group in pursuing investment opportunities in Hong Kong and the Mainland, the management is optimistic about the Group's future performance as it is expected that the Group's investments will benefit from the continuous strong growth of the China's economy and the positive economic developments in Hong Kong.