

As at 30 June 2005, the Group's debt ratio, which was calculated as a ratio of current liabilities plus non-current liabilities to total equity, was 0.30 which has no material change with that of the last financial year end.

For the six months ended in 30 June 2005, most assets, liabilities and transactions of the Group are denominated in Renminbi in ("RMB"), Hong Kong Dollars ("HKD") and Malaysian Ringgit ("MYR"). In view of the currency stability on RMB and MYR, they did not have a significant impact on the performance of the Group. Hence, the Group had not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate active to reduce the exchange risks.

Employees and Remuneration Policy

As at 30 June 2005, the Group has a total of 6 employees located in Hong Kong and Malaysia. They are remunerated according to the nature of the job market trends, with built-in merit components incorporated in annual review to reward and motivate individual performance.

Material Acquisitions and Disposals of Investments

During the six months ended 30 June 2005, there were no material acquisitions or disposals of subsidiaries or affiliated companies.

Directors' and Chief Executives' Interest and Short Position in Shares

At 30 June 2005, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the

Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”), were as follows:

Long Position in the shares of the Company

Name of director	Notes	Number of shares held and nature of interest		Total	Percentage of issued share capital
		Personal	Corporate		
Kong Look Sen (deceased)	(1)	<u>22,760,695</u>	<u>1,457,225,836</u>	<u>1,479,986,531</u>	<u>57.79</u>
Kong Li Jer	(1)	<u>22,760,695</u>	<u>1,457,225,836</u>	<u>1,479,986,531</u>	<u>57.79</u>
Kong Li Szu	(2)	<u>22,760,695</u>	<u>1,053,850,042</u>	<u>1,076,610,737</u>	<u>42.04</u>

Notes:

- (1) The corporate interests in 1,457,225,836 shares comprise of 1,053,850,042 shares being held by Kong Fa Holding Limited (“Kong Fa”) and 403,375,794 shares by Kong Sun Enterprise Sdn. Bhd. (“KSE”), respectively. Mr. Kong Look Sen, who was a director and shareholder of Kong Fa and KSE, had passed away on 6 July 2004 and all his shares are being held under Estate. Mr. Kong Li Jer is a the director and shareholder of Kong Fa and KSE.
- (2) The corporate interest of 1,053,850,042 shares is held by Kong Fa, of which Mr. Kong Li Szu is a director and shareholder.

Save as disclosed above, at 30 June 2005, none of the directors or chief executives of the Company or their associates had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.