

MANAGEMENT OF RISKS

In the opinion of directors, the market risk arising from the financial business is not considered as material.

EMPLOYEES

As at 30 June 2006, the total number of employees of the Group was approximately 180 (30 June 2005: approximately 203). Employees' cost (including directors' emoluments) amounted to approximately HK\$19.98 million for the six months ended 30 June 2006 (six months ended 30 June 2005: approximately HK\$20.42 million).

The Group considers its employees as its most valuable asset. Apart from salary payment, other staff benefits include medical subsidies, life insurance, provident fund and subsidized external training. Continuous Professional Training will continue to be arranged for those staff registered with the Securities and Futures Commission. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employee may also receive a discretionary bonus at the end of each year based on performance. The Company adopted a share option scheme on 31 May 2002 which became effective on 28 June 2002 (the "Share Option Scheme").

PROSPECTS

Our securities broking business still faces the intense competition from banks offering related services. Riding on our long established reputation in the local broking business and our well-developed online trading platform, "Sctrade System", we aim to fortify our position among our competitors and continue to maintain steady growth. In fact, we are actively studying the feasibility of introducing more financial products onto our online trading platform in order to further improve our services and attract more new clients.