

SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in Renminbi, United States dollar and Hong Kong dollar. The Group's foreign exchange exposure is therefore minimal as long as the policy of the Government of Hong Kong Special Administrative Region to link the Hong Kong dollar to the United States dollar remains in effect.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2005, the Group employed approximately 13 full time staff in the PRC and Hong Kong. The Group remunerates its employees based on their performance, work experience and prevailing market prices. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2005, the interests and short positions of the directors of the Company and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:—

(i) Interest in shares of the Company

	Number of ordinary shares held as corporate interest	% of total issued shares
Executive Directors:		
Leung Ngai Man	380,330,000	40.94%

Note: The above shares are held by Climax Park Limited, a company incorporated in the British Virgin Islands and wholly owned by Leung Ngai Man.

