

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2006, the Group employed approximately 20 full time staff in the PRC and Hong Kong. The Group remunerated its employees based on their performance, qualifications, 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' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2006, the interests and short positions of the directors in the shares, underlying shares and debentures 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 pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors 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 (the "Model Code") for Securities Transactions by Directors of Listed Issuers, were as follows:—

(i) Interests and short positions in shares of the Company

	Number of ordinary shares (Note 1)	Approximate percentage of total issued shares
Executive Directors:		
Leung Ngai Man	300,000,000 (L) 80,000,000 (S) (Note 2)	24.39 6.50
Wong Wa Tak	1,600,000 (L) (Note 3)	0.13

Notes:

1. The letters "L" and "S" represent the entity's long and short positions in the shares of the Company, respectively.
2. These shares were held and beneficially owned by Climax Park Limited, a company incorporated in the British Virgin Islands and wholly owned by Leung Ngai Man. Climax Park Limited also has a short position for 80,000,000 shares. Under the SFO, Leung Ngai Man was deemed to be interested in these 300,000,000 shares and deemed to have a short position of 80,000,000 shares.
3. These 1,600,000 shares were held and beneficially owned by Master Hill Development Ltd., a company incorporated in Hong Kong with 50% of its shareholdings held and beneficially owned by Wong Wa Tak.