

(2) Global China Technology

Each of the directors named below was granted by Global China Technology options to subscribe for ordinary shares in Global China Technology as follows and no options granted above had been exercised by the said directors during the Period:

Name of director	Number of shares subject to option as at 1st April, 2001	Number of shares subject to option as at 30th September, 2001	Consideration paid for the option	Exercise period		Exercise price per share (HK\$)	Date of grant
				From	To		
WONG Wai Ming	30,000,000	30,000,000	—	24th October, 2000	23rd October, 2010	0.8704	23rd October, 2000
				20th September, 2002	19th September, 2011	0.3528	31st August, 2001
Judy INN	10,000,000	10,000,000	—	24th October, 2000	23rd October, 2010	0.8704	23rd October, 2000
				20th September, 2002	19th September, 2011	0.3528	31st August, 2001

Save as disclosed above, at no time during the Period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any other body corporate.

Substantial Shareholders' Interests in Share Capital

As at 30th September, 2001, the persons (not being a director or the chief executives of the company) or corporations having notified the Company of their interest of 10% or more in the issued share capital of the Company carrying rights to vote at general meetings as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance were Luckman, Global China Technology and GCML. Luckman is the controlling shareholder of Global China Technology of which GCML is the wholly owned subsidiary and all of them had interests in the same 312,624,443 shares, representing about 74.5% of the issued share capital of the Company.

EMPLOYEES

As at 30th September, 2001, the Group had a total of 2,824 employees (2000: 2,981), of which 1,416 were based in Hong Kong, 1,068 in China, and 340 overseas.

In the coming year, the Group will continue with its prudent human resources policies to ensure that while managing an efficient cost base, the Group will be able to attract and retain quality staff. Apart from basic salaries, discretionary bonus and contribution to mandatory provident fund, the Group provides its staff with various fringe benefits such as provident fund schemes, long service awards, free medical insurance cover, and subsidized meals. In addition, share options were granted to certain senior executives.

DEALINGS IN THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold shares in the Company during the Period.

CORPORATE GOVERNANCE

Code of Best Practice

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the Period except that described under the heading "Non-executive Directors" below.

Non-executive Directors

The non-executive directors have not been appointed for a specific term and they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Bye-law 109 of the Company provides that at each annual general meeting of the Company, with the exception of the executive chairman, one-third of the directors of the Company (or if their number is not three or a multiple of three, the then number nearest to but not exceeding one-third) who have been longest in office since their last election shall retire from office and the retiring directors shall be eligible for re-election.

Based on the present number of directors, a non-executive director will serve on the board for a term of about three years until he/she becomes due to retire from the board by rotation. In the opinion of the directors, this arrangement meets the same objective as the Code of Best Practice.