

EMPLOYEES

The Group adopts a competitive remuneration package for its employees based on their performance. Aside from salary payments, other benefits include contributions to provident fund schemes and medical subsidies. Salary review is conducted annually. The Group has provided various training and development programs and study leave to its staff.

As at 30th June 2003, the Group has 189 employees (including 134 employees in Mansion Wananda) who are remunerated in accordance with job nature and market trend.

PROSPECTS

Looking ahead, under the stringent cost control, the Group will re-evaluate its businesses in Hong Kong and PRC to yield the best return of investment. The Group will acquire and continue to develop potential profitable operations in the telecommunications industry and to explore new business opportunities in promising markets.

SHARE OPTION SCHEMES

The Company adopted a share option scheme on 18th May 2001 ("the 2001 Option Scheme") and had granted options to the Group's employees (including executive directors) to subscribe for shares in the Company in August 2001 and any unexercised options granted would be lapsed after 2nd August 2003.

Furthermore, the Company adopted another share option scheme on 16th May 2002 ("the 2002 Option Scheme"), to adopt the changes in the Chapter 17 of the Listing Rules, under which the Company may grant options to any executive or non-executive directors, any executives and employees and those persons who have contributed or will contribute to the Group as incentive schemes and rewards. The Company has granted new options under the 2002 Option Scheme to the employees (including the directors) and a person who will make contribution to the Group in June 2003.

SHARE OPTION SCHEMES (continued)

Details of the share options outstanding as at 30th June 2003 which have been granted under the 2001 Option Scheme and the 2002 Option Scheme are as follows:

2001 Option Scheme

	Subscription price per share	Exercisable period	Granted in August 2001	Lapsed during the period	Options outstanding at 30th June 2003
	HK\$		'000	'000	'000
Directors:					
Yiu Ying Fai	0.10	9/2/2002 –1/8/2003	100,000	–	100,000
Continuous contract employees	0.10	7/2/2002 –1/8/2003	22,060	18,910	3,150

The outstanding options granted in August 2001 were lapsed on 2nd August 2003.

2002 Option Scheme

	Subscription price per share	Exercisable period	Granted in June 2003	Lapsed during the period	Options outstanding at 30th June 2003
	HK\$		'000	'000	'000
Directors:					
Yiu Ying Fai	0.02	2/12/2003 –1/6/2006	43,800	–	43,800
Leung To Kwong, Valiant	0.02	2/12/2003 –1/6/2006	43,800	–	43,800
Continuous contract employees	0.02	2/12/2003 –1/6/2006	33,350	–	33,350
Others	0.02	2/12/2003 –1/6/2006	5,000	–	5,000

SHARE OPTION SCHEMES (continued)

The Directors consider it inappropriate to value the options as a number of factors that are crucial for the valuation cannot be determined accurately. Accordingly, such information is not disclosed in the interim report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30th June 2003, the interests and short positions of the directors and chief executive of the Company and their associates in the shares and the underlying shares of the Company as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

Name of director	<i>Note</i>	Nature of interest	Number of shares
Michele Matsuda	(1)	Corporate	805,570,000

Note:

- (1) 805,570,000 shares in the Company are held by e-Compact Limited, a company wholly owned by Anglo Japan Enterprises Limited and beneficially owned by Mr. Michele Matsuda.

Certain executive directors of the Company have been granted share options under the Company's share option schemes (details are set out under the section of Share Option Schemes above). These constitute interests in underlying share of the Company under the SFO.

Save as disclosed above, as at 30th June 2003, no interests and short position in the shares or underlying shares were held or deemed or taken to be held under Part XV of the SFO by any director or chief executive of the Company or any of their respective associates which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.