

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2003, the Group had approximately 200 and 1,480 employees for the software solutions and services business and electronic products business, respectively. These employees of which approximately 97% work in the PRC and 3% work in Hong Kong and elsewhere, respectively. The Company has also established a share option scheme and the share options are granted at Directors' discretion to motivate and reward the employees with outstanding performance.

DIRECTORS' INTERESTS IN SECURITIES

At 30 June 2003, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in the shares of the Company

Name of director	Number of ordinary shares held and nature of interest			Total	Percentage of the issued share capital
	Corporate	Personal	As trustee (Note 1)		
Mr. Yung Chih Shin, Richard (Note 2)	87,680,000	–	–	87,680,000	10.69%
Mr. Cheung Shuen Lung	–	36,890,100	63,459,100	100,349,200	12.23%
Mr. Zhang Zhao Dong	–	3,956,000	63,459,100	67,415,100	8.22%
Professor Wei Xin	–	3,956,000	63,459,100	67,415,100	8.22%
Professor Zou Wei	–	–	63,459,100	63,459,100	7.73%

Note 1: These shares held by each of the directors of the Company (a total of 63,459,100 ordinary shares of the Company) are held by F2 Consultant Limited as nominee on behalf of the directors of Founder Data Corporation International Limited ("FDC"), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, who are acting in their capacity as the trustees of a discretionary trust for the employees of FDC and its subsidiaries.

Note 2: Mr. Yung Chih Shin, Richard is interested in these shares through Ricwinco.

DIRECTORS' INTERESTS IN SECURITIES (Continued)

Short position in the shares of the Company

Name of director	Number of ordinary shares	Percentage of the issued share capital
Mr. Yung Chih Shin, Richard (Note 3)	41,227,917	5.02%

Note 3: Ricwinco has charged 41,227,917 ordinary shares of the Company to FDC pursuant to a share mortgage dated 28 June 2002 (the "Share Mortgage"). Mr. Yung Chih Shin, Richard is deemed to have a short position over such shares under the SFO by virtue of his interest in Ricwinco.

Long position in the shares of a subsidiary of the Company

Name of director	Subsidiary in which shares are held	Number of shares held	Nature of interest
Mr. Yung Chih Shin, Richard (Note 4)	Management Investment & Technology Company Limited	20,000,000 non-voting deferred shares	Corporate

Note 4: Mr. Yung Chih Shin, Richard is interested in these shares through Ricwinco.

In addition to the above, as at 30 June 2003, certain directors had non-beneficial personal equity interests in certain subsidiaries of the Company held for the benefit of the Company, solely for the purpose of complying with the minimum company membership requirements.

Long position in the underlying shares of the Company

The interests of the directors in the share options of the Company are separately disclosed under the heading "Share option schemes" below.

Save as disclosed above and as disclosed below under the heading "Directors' rights to acquire shares and debentures", as at 30 June 2003, none of the directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.