

Employees And Remuneration Policy

The Group had a total of approximately 680 employees as at 30th June, 2003. The Group recognizes the importance of its human resources to its success. The remuneration packages of the Group's employees are maintained at competitive levels based on their performance and experience and are in line with current industry practices. Other staff benefits provided by the Group include the provision of mandatory provident fund, discretionary bonuses and share option scheme. The remuneration policy and packages of the Group's employees are reviewed regularly.

Interim Dividend

The Directors have resolved not to recommend the payment of any interim dividend for the six months ended 30th June, 2003 (2002: nil).

Directors' Interests In Shares

As at 30th June, 2003, the directors and chief executive of the Company have the following interests and short positions in shares, underlying shares and debenture of the Company or any associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) as recorded in the register required to be kept 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"):

	Number of ordinary shares	Other interest
Ordinary shares		
Director		
Lai Kam Wing, Jimmy		124,550,000

Note: Raffles International Holdings Limited ("Raffles") is the beneficial owner of 124,550,000 shares representing 36.05% of the total issued share capital of the Company. The entire issued share capital of Raffles is beneficially owned by Lai Kam Wing, Jimmy.

Save as disclosed above, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share options

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Subsequent to the adoption of the Scheme on 13th December, 1996, the Stock Exchange has introduced a number of changes to Listing Rules on share option schemes, which came into effect on 1st September, 2001. No share options have been granted under the Scheme since its adoption on 1st September, 2001. However, any option to be granted under the Scheme shall be subject to the new changes.

The Company shall amend, in due course, the terms of the Scheme to comply with the requirements of the amended Listing Rules on share option schemes.

Details of options granted to the directors in prior years under this scheme and remain outstanding as at 30th June, 2003 are as follows:

Director	Number of shares options*			Exercise period	Exercise price HK\$	Share price at date of options granted** HK\$
	At 1st January, 2003	Lapsed during period	At 30th June, 2003			
Lai Ma Yuk Wah, Monita***	4,000,000	(4,000,000)	–	7/3/1997 – 6/3/2007	0.7056	0.87
Leung Mei Yee	4,000,000	–	4,000,000	7/3/1997 – 6/3/2007	0.7056	0.87
	8,000,000	(4,000,000)	4,000,000			
Other employees	6,000,000	(500,000)	5,500,000	7/3/1997 – 6/3/2007	0.7056	0.87
	14,000,000	(4,500,000)	9,500,000			

* The share options were granted on 7th March, 1997.

** The price of the Company's shares at the date of the grant of these share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.

*** Lai Ma Yuk Wah, Monita resigned as a director of the Company on 17th June, 2003.

At the balance sheet date, the Company had 9,500,000 share options outstanding under the Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 9,500,000 additional ordinary shares of the Company and an additional share capital of HK\$950,000 and share premium of HK\$5,753,200 (before issue expenses). No share options were granted or exercised during the period.