

■ DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' interests in shares" above and "Share option scheme" below, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

■ EMPLOYEE

As at 30 June 2002, the total number of employees of the Group in Hong Kong and the PRC was 166. Staff costs amounted to approximately HK\$1,500,000. The Board has long recognised that talent is vital to the Group's expansion. The salaries of employees are therefore determined at a competitive level based on their responsibility and market conditions, while employees with outstanding performance will be rewarded with discretionary bonus. Other benefits for staff stationed in Hong Kong include Hong Kong Mandatory Provident Fund, insurance, professional training subsidies and share option scheme.

The new share option scheme adopted by the Company on 21 June 2002 provided that the Board may grant to any full-time employee (including executive director) of the Group to subscribe for the shares of the Company pursuant to the provisions of the scheme.

The Board is also in the process of engaging into Directors' Insurance for directors to protect them from any contingent liability that might arise in the course of normal business operations.