



## EMPLOYEES AND REMUNERATION POLICY

The Group employed about 373 employees in both Hong Kong and in the PRC as at 30th June, 2003. The Group remunerates its employees based on their performance, experience and the prevailing market rate. Employees are also entitled to other benefits including insurance, medical cover and subsidized training programmes as well as share option scheme.

The Company has adopted a share option scheme since 31st May, 2002, which will remain in force for ten years from that date, unless otherwise cancelled or amended.

## STRATEGIC OUTLOOK

The Directors believe that the business of distribution of food and non-food products through large scale cash-and-carry warehouse stores has good potential in the PRC because of the increased purchasing power in the country due to the improved economy and demand for quality goods along with the improvement in living standards. The Directors further believe that the Group is in a strong position to take advantage of the economic boom in the PRC based on the Group's extensive experience and network in the PRC.

Looking ahead, the Group will continue to focus on the development and expansion of the business of large scale cash-and-carry warehouse stores in the PRC market and will diversify its asset and income base to business segments that the Directors foresee to show significant growth in the future. Also, the Group will explore different investment opportunities as and when appropriate.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30th June, 2003, the interests and short positions of the Directors and chief executives of the Company in shares, underlying shares or debentures of the Company or any associated corporation (within the meaning 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 were as follows:

### Long position in shares of an associated corporation

Name of Director	Name of the associated corporation in which notifiable interest is held	Number of shares held
Mr. Supachai Chearavanont	Freewill Solutions Co., Ltd.	60,000

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES (Continued)****Long position in underlying shares of the Company**

Pursuant to the share option scheme (the "Scheme") adopted by the Company on 31st May, 2002, the Company had on 6th June, 2002 granted to certain Directors of the Company the rights to subscribe for ordinary shares in the capital of the Company at an exercise price of HK\$0.07 per share exercisable during the period from 6th June, 2002 to 5th June, 2012 (both days inclusive), details of which are as follows:

<b>Name of Director</b>	<b>Date of Grant</b>	<b>Number of shares issuable upon exercise of options held as at 30th June, 2003</b>	<b>Period during which options are exercisable</b>	<b>Price per share to be paid on exercise of options HK\$</b>
Mr. Soopakij Chearavanont	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Tse Ping	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Narong Chearavanont	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Supachai Chearavanont	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Chatchaval Jiaravanon	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Kachorn Chiaravanont	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Yang Xiaoping	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07
Mr. Robert Ping-Hsien Ho	6th June, 2002	59,966,144	6th June, 2002 to 5th June, 2012	0.07

As at 30th June, 2003, none of the above share options had been exercised.

Save as disclosed above, as at 30th June, 2003, none of the Directors and chief executives of the Company had any interest or short position in shares, underlying shares or debentures of the Company or any associated corporation (within the meaning 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 for Securities Transactions by Directors of Listed Companies.