

EMPLOYEE OF THE GROUP

The Group has adopted competitive remuneration package for its employees according to their performance. There are also contributions to provident fund schemes, medical subsidies, study and examination leaves offered to all full-time staff.

As at 30 June 2005, the total headcount of the Group was 79.

PROSPECT

The Group will focus on the content aggregation and distribution businesses in the forthcoming future.

For the media contents market in Japan, advanced technology in digital equipment industries, strong consumption power and the trendy style of the younger generation in Japan create various business opportunities. Portable media devices, e.g. PSP (Sony), Nintendo DS, are very popular and they provide additional platform for distribution of digital contents.

For the VAS market in Hong Kong, there has been moderate growth in the number of 2.5G and 3G mobile subscribers. According to statistics of the Office of Telecommunications Authority ("OFTA"), the number of 2.5G and 3G mobile subscribers in Hong Kong has increased from 1.35 million in December 2004 to 1.52 million in May 2005. The increased number of 2.5G and 3G subscribers has increased the market size for products with larger file size involving delivery through General Packet Radio Services ("GPRS") and 3G mobile gateways.

The Group considers 3G services provide new business opportunities for community's applications involving video element. The Group will explore opportunities in these areas while continuing to secure our leading positions in telecommunication VAS and mobile platform provisioning. With the change in the Hong Kong VAS market, the Group shall focus on strengthening relationship with Network Operators and development of in-house content. The Group also considers the VAS market in PRC is still growing and the long term prospect of telecommunication VAS market is promising. Therefore, the Group shall monitor the market situation and develop new services when opportunities arise.

Regarding the property investment business, the Group believes the increasing demand of commercial shops, after the opening of Hong Kong Disneyland and the recovery of economy, will bring new opportunities. The Group will formulate suitable strategy to maximize the return of the property investment business.