

EMPLOYEES AND REMUNERATION POLICIES

At September 30, 2001, the Group had a total number of approximately 7,600 employees (2000:11,000 employees), which is about 31% less than the corresponding period last year.

The Group recognises the importance of its employees who contribute to the continued growth of its business. The Group offers remuneration packages that are in line with industry practice and subject to annual review. Bonuses may be awarded to employees based on individual performance as well as the Group's performance. Other staff benefits include medical insurance and mandatory provident fund. In Xixian, Shenzhen, The People's Republic of China at where the Group's production facilities are centred, staff welfare is paid with reference to the prevailing labour law in China. The Company and two of its subsidiaries each has an employees' share option scheme to allow granting options to selected employees with reference to their contributions.

