

NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEME

Staff cost for the six months ended 30 June 2002 was HK\$12.5 million, representing an increase of 27% to the corresponding period of last year. The Group had a workforce of about 2,841 staff, 27 of them were mainly located in Hong Kong, 2,185 of them located in Mainland China and the remaining staff were located in Cambodia. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis.

The Group has adopted a share option scheme under which executive directors and full-time employees of the Group may be given options which entitle them to subscribe for shares representing up to a maximum of 10% of the issued capital of the Company from time to time. No option has been granted up to the date of this report. Details of the share option scheme were disclosed in the 2001 annual financial statements.