

EMPLOYMENT AND REMUNERATION POLICY

As at 31 October 2002, the Group had 685 (30 April 2002: 640) employees in Hong Kong and the PRC.

The Group has not experienced any significant problems with its employees or disruptions to the operations due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare, share options and statutory contributions, if any, are made in accordance with individual performance and the prevailing labour laws of its operating entities. Details of the Scheme are set out under "SHARE OPTION SCHEME" above.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the period ended 31 October 2002, the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim results.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Group has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the six months ended 31 October 2002.

By Order of the Board
Wong Chi Man
Chairman and Managing Director

Hong Kong, 27 January 2003

