



## 4. Human Resources

As at 30 June 2003, the Group's total number of employees was about 26,000. The Group offers a competitive remuneration package to its employees. In addition, bonus and share options may be granted to employees based on the Group's performance and individual performance.

## PROSPECTS

The present status of the Iraqi War has taken away most of the uncertainties. Crude oil price is likely to stabilize at a lower level. The US economy is also expected to improve in the second half of the year. Recently the turnover in equity markets increased and retail sentiment appeared to improve. We therefore anticipate to have a better export prospect. The Management still takes an optimistic but cautious approach to manage the Group's finance, and to strive for bigger market share in its core business in a prudent way.

Despite the SARS impact, the economy in Mainland China remains buoyant. The prospect of the retail sector looks promising. The Management will be more aggressive in expanding its retail operations. Apart from opening more flagship stores in prime locations in the first tier cities, the Management will also endeavour to make further improvement in product quality and mix so as to elevate the brand image and to gain a bigger market share.

The joint venture with Quiksilver, Inc. will speed up the process in opening stores in the PRC. There will first be 5 to 10 directly managed stores in the first tier cities such as Shanghai and Hong Kong. The Management is fairly optimistic about the prospect of this venture.

Should the economic conditions in the US improve in the second half of the year, the retail market in Australia will improve accordingly. The Management works diligently to improve the efficiency along the supply chain to strengthen our ability in prompt delivery in the export operations. We also aim for higher inventory turnover rate and better flexibility in adjusting product mix to meet with the ever-changing market.