

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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### Contingent liabilities

The contingent liabilities of the Group, mainly from guarantees for banking facilities granted to a jointly controlled entity, increased from approximately HK\$101,039,000 as at 31 December 2003 to approximately HK\$132,782,000 as at 30 June 2004.

### Pledge of assets

As at 30 June 2004, certain of the Group's assets with an aggregate net book value of approximately HK\$411,501,000 (31 December 2003: HK\$462,404,000) were pledged to secure general facilities granted to the Group.

### Employees and remuneration policies

The Group had a total of approximately 3,665 employees as at 30 June 2004.

The remuneration policies of the Group are to ensure the fairness and competitiveness of total remuneration to motivate and retain existing employees and at the same time to attract potential employees. Remuneration packages are structured in such a way that take into account local practices in the various geographical locations in which the Group and its associates operate. These remuneration packages include basic salaries, allowances, retirement schemes, service bonuses, fixed bonuses, performance related payments and share options where appropriate.

## INTERIM DIVIDEND

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The Board did not declare an interim dividend for the six months ended 30 June 2004 (2003: Nil).

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (whether on The Stock Exchange of Hong Kong Limited or otherwise) during the period under review.

