
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Human Resources

As at June 30, 2005, the Group had a total of approximately 3,450 employees spreading among China, Hong Kong, Germany, Switzerland and Thailand.

Employees are remunerated based on their performance, experience and the prevailing industry practice. The Group's remuneration policies and packages are being reviewed by its management on a periodic basis. Bonus is awarded to employees according to the assessment of individual performance and industrial practice. Other employee benefits available for eligible employees include retirement benefits scheme and share option scheme. Up to the date of this announcement, no share option had been granted under the existing share option scheme adopted by the Company.

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

As at June 30, 2005, the interests of the directors and their associates in the shares of the Company and its associated corporations as recorded in the register maintained under Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

(Continued)

Long position in shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Fong Sou Lam	Beneficial owner	<u>18,824,000</u>	<u>3.36%</u>
Mr. Fong Kwok Leung, Kevin	Beneficial owner	1,550,000	0.28%
	Held by spouse	200,000	0.04%
	Held by discretionary trusts (<i>note</i>)	<u>304,875,601</u>	<u>54.40%</u>
		<u>306,625,601</u>	<u>54.72%</u>
Mr. Fong Kwok Chung, Bill	Beneficial owner	4,562,000	0.82%
	Held by discretionary trusts (<i>note</i>)	<u>304,875,601</u>	<u>54.40%</u>
		<u>309,437,601</u>	<u>55.22%</u>
Mr. Wan Wai Yung	Beneficial owner	<u>1,743,500</u>	<u>0.31%</u>
Ms. Poon Hang Sim, Blanche	Beneficial owner	<u>120,000</u>	<u>0.02%</u>

Note: The 304,875,601 shares are owned by two discretionary trusts, the beneficiaries of which include Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill and other Fong's family members. These shares represented an interest duplicated amongst those two directors.

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY (Continued)

Save as disclosed above and other than certain nominee shares in subsidiaries held by the directors in trust for the Company or its subsidiaries, none of the directors, chief executive nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as at June 30, 2005.

ARRANGEMENTS TO PURCHASE SHARES OR DEBT SECURITIES

At no time during the six months ended June 30, 2005 was the Company or its subsidiaries, a party to any arrangements to enable the directors of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at June 30, 2005, the register maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain directors, the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

Long position in shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
The Capital Group Companies Inc.	Beneficial owner	39,132,000	6.98%

Save as disclosed above, as at June 30, 2005, the Company has not been notified of any person who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.