

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group has limited exposure to exchange rates fluctuations as most of the business transactions were conducted in the currency of the United States dollars, Hong Kong dollars and Renminbi, all of which remained relatively stable during the period.

EMPLOYEE AND REMUNERATION POLICIES

At 30 June 2006, the Group employed a total of over 3,200 employees in Hong Kong, the PRC and the United States. It is the Group's policy to maintain harmonious relations with its employees through provision of competitive remuneration packages and training programs. The employees were remunerated based on their performance, experience and expertise as well as industrial practices. The remuneration packages are reviewed annually and discretionary bonuses may be awarded to employees in accordance with the assessment of individual performance.