

**EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2002, the Group had a total number of approximately 8,500 employees.

The remuneration policy and package of the Group's employees are structured by reference to market terms and statutory requirements as appropriate. In addition, the Group also provide other staff benefits such as medical insurance, mandatory provident fund and a share option scheme to its employees.

**AUDIT COMMITTEE**

On 11 December 1998, the Company formed an Audit Committee comprising Mr. Chow Yu Chun, Alexander, Mr. Lam Ka Chung, William, Mr. Lin Sian Zu, John and Ms. Tse Koon Hang, Ada, all of whom are independent non-executive Directors of the Company. In establishing the terms of reference of the Audit Committee, the Directors have made reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants in December 1997.

The unaudited interim report for the six months ended 31 December 2002 has been reviewed by the Audit Committee.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

**DIVIDENDS**

The Directors proposed that no interim dividend be declared for this six months period (2001: nil).

**CORPORATE GOVERNANCE**

The Company has complied throughout the period with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Fung Wai Yiu**  
*Chairman*

Hong Kong, 20 February 2003