

Employees and Remuneration Policies

As at 31st March, 2004, the Group employed 773 staff (30th September, 2003: 733). Salaries of employees are maintained at competitive levels while discretionary bonus and share options may also be granted to the eligible employees based on the Group's and the individual's performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

Audit Committee

The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters which included a review of the Interim Accounts for the six months ended 31st March, 2004.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31st March, 2004, the interests and short positions of each director and chief executive of the Company in the Company's shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long position in the shares of the Company and its associated corporations

The Company/ Name of associated corporation		Number and class of shares					Percentage of issued share capital	
Name of director	Capacity	Personal interests	Corporate interests	Family interests	Other interests	Total		
Yu Lai Si	The Company	Beneficial owner	77,666,880 ordinary	-	-	-	77,666,880 ordinary	22.9%
	Water Oasis Company Limited	Beneficial owner	330,000 non voting deferred	-	-	-	330,000 non voting deferred	
Tam Chie Sang	The Company	Interest of a controlled corporation and interest of spouse	-	-	900,000 ordinary ⁽²⁾	77,666,880 ordinary ⁽¹⁾	78,566,880 ordinary	23.1%
	Water Oasis Company Limited	Beneficial owner and interest of spouse	165,000 non voting deferred	-	165,000 non voting deferred ⁽²⁾	-	330,000 non voting deferred	
Yu Lai Chu, Eileen	The Company	Interest of a controlled corporation and beneficial owner	900,000 ordinary	-	-	77,666,880 ordinary ⁽¹⁾	78,566,880 ordinary	23.1%
	Water Oasis Company Limited	Beneficial owner and interest of spouse	165,000 non voting deferred	-	165,000 non voting deferred ⁽²⁾	-	330,000 non voting deferred	

Name of director	The Company/ Name of associated corporation		Personal Interests	Number and class of shares				Percentage of issued share capital	
		Capacity		Corporate Interests	Family Interests	Other Interests	Total		
Yu Kam Shui, Erastus	The Company	Interest of a controlled corporation	–	–	–	38,833,440 ordinary ⁽⁴⁾	38,833,440 ordinary		11.4%
Lai Yin Ping	The Company	Interest of a controlled corporation	–	–	–	38,833,440 ordinary ⁽⁵⁾	38,833,440 ordinary		11.4%

Notes:

- (1) These shares are registered in the name of Zinna Group Limited. All voting rights over Zinna Group Limited are held by Royalion Worldwide Limited, which is wholly owned by Hitchin Trading Limited as trustee of Hitchin Unit Trust which in turn is ultimately held by Trident Trust Company (Cayman) Limited, which forms part of the discretionary trust set up by Tam Chie Sang and Yu Lai Chu, Eileen. Trident Trust Company (Cayman) Limited is the trustee of the discretionary trust, the beneficiaries of which are the family members of Tam Chie Sang and Yu Lai Chu, Eileen.
- (2) These shares are registered in the name of Yu Lai Chu, Eileen, the wife of Tam Chie Sang.
- (3) These shares are registered in the name of Tam Chie Sang, the husband of Yu Lai Chu, Eileen.
- (4) These shares are registered in the name of Advance Favour Holdings Limited, a British Virgin Islands company beneficially owned by Yu Kam Shui, Erastus.
- (5) These shares are registered in the name of Billion Well Holdings Limited, a British Virgin Islands company beneficially owned by Lai Yin Ping.

Long position in the underlying shares

Name of Director	Name of company	Number of underlying shares
Yu Lai Si	The Company	6,000,000
Tam Chie Sang	The Company	3,000,000
Yu Lai Chu, Eileen	The Company	2,100,000
Yu Kam Shui, Erastus	The Company	3,000,000
Lai Yin Ping	The Company	3,000,000
Wong Lung Tak, Patrick	The Company	600,000
Wong Chun Nam	The Company	600,000
		18,300,000

Note: The above interests are share options obtained pursuant to the Share Option Scheme of the Company.

Save as disclosed above, none of the director, chief executive or any of their associates had any interest or short position in the Company's shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.