

STAFF AND REMUNERATION POLICY

At 30 September 2004, the Group employed 284 full-time employees in Hong Kong. The Group remunerates its staff based on their performance and work experience and by reference to the prevailing market rates. Staff benefits include mandatory provident fund, medical insurance and training programmes.

The Company also maintains a share option scheme. The purposes of the scheme are to provide incentives for the full-time employees and executives, to recognise their contributions to the growth of the Group and to provide more flexibility for the Group in formulating its remuneration policy. No share option was granted under the scheme during this period. Nor was there any share option outstanding at 30 September 2004.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance) at 30 September 2004, as recorded in the register maintained by the Company under Section 352 of Part XV of the Securities and Futures Ordinance, are as follows:

Director	Capacity and nature of interests	Number of ordinary shares held	Percentage of issued share capital
Ngai Chun Hung	As founder and beneficiary of a trust	490,934,400 (Note a)	52.18%
Yau Kwok Fai	Through controlled corporation	30,888,000 (Note b)	3.28%
Li Chi Pong	Personal	13,721,040	1.46%

Notes:

- These shares are legally and beneficially owned by Winhale Ltd., which is a company incorporated in the British Virgin Islands with limited liability and is ultimately beneficially owned by the Xyston Trust. The Xyston Trust is a discretionary family trust set up by Mr. Ngai Chun Hung for the benefits of himself and his family.
- These shares are legally and beneficially owned by Business Success Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Yau Kwok Fai.
- All of the above interests represent long position.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group solely for the purpose of complying with the previous minimum company membership requirement of the Hong Kong Companies Ordinance. Certain directors also have beneficial interests in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

Save as disclosed in the above, at 30 September 2004, none of the Directors or the chief executive of the Company or their respective spouse or children under 18 years of age had any interests in the equity or debt securities of the Company or any of its associated corporations which were required to be notified to the Company pursuant to Section 352 of the Securities and Futures Ordinance or to The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHT TO ACQUIRE SECURITIES

At no time during the six months ended 30 September 2004 was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company at 30 September 2004, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are as follows:

Name of shareholder	Notes	Number of ordinary shares held	Percentage of issued share capital
Winhale Ltd.	(a)	490,934,400	52.18%
Braveway Limited	(b)	490,934,400	52.18%
HSBC International Trustee Limited	(b)	490,934,400	52.18%
Guideshare Investments Limited	(c)	47,546,628	5.05%
Shek Yuen Ling	(c)	47,546,628	5.05%

Notes:

- The above interest in the name of Winhale Ltd. was also disclosed as interests of Mr. Ngai Chan Hung under the heading "Directors' Interests in Securities". In addition, these shares are ultimately beneficially owned by the Xyston Trust.
- Braveway Limited and HSBC International Trustee Limited are deemed to be interested in the 490,934,400 shares of the Company held by Winhale Ltd. by virtue of the fact that Winhale Ltd. is wholly owned by the trusts of which Braveway Limited and HSBC International Trustee Limited are the trustee.
- Ms. Shek Yuen Ling, who controls Guideshare Investments Limited, is deemed to be interested in the 47,546,628 shares in the Company held by Guideshare Investments Limited.
- All of the above interests represent long position.