

## **SUBSTANTIAL SHAREHOLDER**

As at 30th September, 2002, the sole substantial shareholder of the Company was Dr CHOW Yei Ching who held 640,527,782 shares, representing approximately 50.23% of the issued share capital of the Company as recorded in the register of the Company required to be kept under Section 16(1) of the SDI Ordinance.

Save as disclosed above, none of the Directors is aware of any other person having an interest in shares, or right to subscribe for shares, equivalent to 10% or more of the issued share capital of the Company during the period.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30th September, 2002, the Group employed approximately 4,200 full time staff globally. Total staff costs amounted to approximately HK\$251 million for the period under review. The remuneration policies are reviewed periodically on the basis of the nature of job, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, retirement schemes and employees' share option scheme.

## **AUDIT COMMITTEE**

The Audit Committee, which was established pursuant to the requirements of the Listing Rules, comprised Messrs WONG Wang Fat, Andrew, Iain Leonard DALE who retired on 20th September, 2002 and CHOW Ming Kuen, Joseph who was appointed on 28th November, 2002, the Independent Non-Executive Directors of the Company. During the period, the Audit Committee has reviewed with the Management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of unaudited interim financial statements.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30th September, 2002.

## **CODE OF BEST PRACTICE**

In the opinion of the Directors, the Company has complied with the guidelines for the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the period from 1st April, 2002 to 30th September, 2002.

## **APPRECIATION**

2002 has been a bumpy year for Hong Kong, during which the Group has been confronted with many challenges in both economic and political aspects. On behalf of the Board, I would like to take this opportunity to truly thank all staff for their concerted effort which has enabled the Group to move through these rough and difficult times smoothly.

By Order of the Board

**CHOW Yei Ching**

*Chairman and Managing Director*

Hong Kong, 16th December, 2002

*website: <http://www.chevalier.com>*