

OTHER INFORMATION

Number and remuneration of employees, remuneration policies, bonus and share option schemes and training schemes

Including the directors of the Group, as at 28th February 2001, the Group employed a total of 647 full-time employees. The Group operates different remuneration schemes for sales and non-sales employees. Sales personnel are remunerated on the basis of on-target-earning packages comprising salary and sales commission. Non-sales personnel are offered year-end bonuses equivalent to at least one months' salary based on individual merits. The Group also provides in-house training programmes for all staff. Details of share option schemes were disclosed in the 1999/2000 annual report.

Purchase, sale or redemption of shares

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

Directors' interests in equity or debt securities

At 28th February 2001, the interests of the directors and chief executives in the shares and options of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:-

(a) Ordinary shares of HK\$0.1 each of the Company (the "Share")

	Number of Shares beneficially held				Total interests
	Personal interests	Corporate interests	Family interests	Other interests	
Mr WONG Wai Kay, Ricky	1,800,000	247,046,000	-	-	248,846,000
		<i>Note</i>			
Mr CHEUNG Chi Kin, Paul	508,000	246,250,000	-	-	246,758,000
		<i>Note</i>			
Mr CHONG Kin Chun, John	370,000	-	-	-	370,000
Ms SIO Veng Kuan, Corinna	612,000	-	-	-	612,000
Ms FUNG So Mui, Fion	770,000	-	-	-	770,000

Note: The corporate interests of Mr WONG Wai Kay, Ricky and Mr CHEUNG Chi Kin, Paul arise through their respective interests in the following companies:

- (i) 240,000,000 Shares are held by Top Group International Limited ("Top Group") which is owned as to approximately 34 per cent each by Mr Wong and Mr Cheung;
- (ii) 6,250,000 Shares are held by Global Network Development Limited which is owned as to 50 per cent each by Mr Wong and Mr Cheung; and
- (iii) 796,000 Shares are held by Bullion Holdings Limited which is wholly owned by Mr Wong and his spouse.

Save as disclosed above, none of the directors or chief executives (including their spouse and children under 18 years of age) have any interest in the share capital of the Company and its associated corporations required to be disclosed pursuant to the SDI Ordinance.

(b) Share options of the Company

On 12th July 1997, a share option scheme ("the Share Option Scheme") was approved by the shareholders of the Company under which its directors may, at their discretion, invite employees of the Group including any executive directors of the Company to take up options ("the Share Options") to subscribe for Shares in the Company subject to the terms and conditions stipulated therein. The Share Options granted under the Share Option Scheme will lapse not later than 11th July 2007.

Details of the outstanding Share Options at 28th February 2001 granted to the directors of the Company are as follows:-

Date of grant	Number of Share Options outstanding	
	3rd September 1998	20th October 2000
Exercise price	HK\$0.26 (note 1)	HK\$0.58 (note 2)
Mr WONG Wai Kay, Ricky	–	10,000,000
Mr CHEUNG Chi Kin, Paul	–	10,000,000
Mr CHONG Kin Chun, John	500,000	500,000
Ms FUNG So Mui, Fion	500,000	500,000
Ms SIO Veng Kuan, Corinna	400,000	500,000
Ms TO Wai Bing	–	400,000

Notes:

- 1 The Share Options granted on 3rd September 1998 are immediately exercisable at HK\$0.26 per Share.
- 2 The Share Options granted on 20th October 2000 are exercisable at HK\$0.58 per Share over the following periods:

Immediately exercisable	7,500,000
On or after 2nd June 2001	6,400,000
On or after 2nd June 2002	8,000,000

- 3 Share Options previously granted to certain directors of the Company were cancelled pursuant to a board resolution passed on 20th October 2000. Details of the cancellation were set out as below:

Date of grant	Number of Share Options cancelled	
	19th September 1997	2nd June 2000
Exercise price	HK\$1.20	HK\$1.50
Mr WONG Wai Kay, Ricky	–	10,000,000
Mr CHEUNG Chi Kin, Paul	–	10,000,000
Mr CHONG Kin Chun, John	500,000	–
Ms FUNG So Mui, Fion	500,000	–
Ms SIO Veng Kuan, Corinna	500,000	–
Ms TO Wai Bing	–	400,000

During the six months ended 28th February 2001, 100,000 Shares were issued to a director of the Company pursuant to the exercise of the Share Options granted on 3rd September 1998 at the exercise price of HK\$0.26 per Share.

Save as disclosed above, at no time during the year had the directors and chief executives (including their spouse and children under 18 years of age) held any interest in, or been granted or exercised any rights to subscribe for, shares of the Company and its associated corporations within the meaning of the SDI Ordinance.

In addition, save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors and/or the chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial shareholders

At 28th February 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the Company had not been notified of any substantial shareholders' interests, being 10% or more of the Company's issued share capital, other than those of the directors and chief executives as disclosed above.

Compliance with the Code of Best Practice of the Listing Rules

None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited at any time during the six months ended 28th February 2001, except that the non-executive directors of the Company were not appointed for specific terms. However, the non-executive directors were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

Other disclosure

Apart from above, other areas which are required to be discussed under the requirements of paragraph 40 of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited and paragraph 16 of Hong Kong Statement of Standard Accounting Practice ("HKSSAP") No. 25 "Interim Financial Reporting", either have no material changes from the information disclosed in the annual report of the Group for the year ended 31st August 2000 or are considered not significant to the Group's operations, and hence no additional disclosure has been made in this report.

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 including a review of the unaudited interim accounts for the six months ended 28th February 2001.

Closure of Register of Members

The Register of Members will be closed from 13th June 2001 to 15th June 2001, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Central Registration Hong Kong Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 12th June 2001. The interim dividend is payable on 28th June 2001.

By Order of the Board
Wong Wai Kay, Ricky
Chairman

Hong Kong, 24th May 2001