

EMPLOYEE INFORMATION

At 30 June 2003, the Group had 918 employees. Our employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund scheme, we also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. The total amount of remuneration cost of employees of the Group for the six months under review was approximately HK\$45,115,000. We continue to provide training to employees in areas such as product knowledge, language training, customer service, selling techniques, problem solving, time management, train-the-trainer and coaching, etc.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2003, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

A. The Company

1. Long positions in the shares

Name	Capacity	Number of shares	
		Other interest	Shareholding (%)
Kwan Pak Hoo Bankee	Founder of a discretionary trust	70,971,614*	68.35

- * The shares were held by Celestial Investments Group Limited ("CIGL") and its subsidiaries. Mr Kwan was deemed to be interested in all these shares as a result of his interests in Celestial Asia Securities Holdings Limited ("CASH") through Cash Guardian Limited ("Cash Guardian") as disclosed in the "Substantial Shareholders" below.

2. Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per share (Note 1) (HK\$)	Notes	Number of options			Percentage to issued shares	
					outstanding	as at adjusted on	lapsed	outstanding	as at
					1 January 2003	6 May 2003 (Note 1)	during the period (Note 2)	30 June 2003	30 June 2003
Kwan Pak Hoo Bankee	17/1/2002	1/2/2002 – 31/1/2004	4.20	(5)	20,000,000	(19,000,000)	-	1,000,000	0.96
Law Ping Wah Bernard	12/6/2001	16/6/2001 – 15/6/2003	4.20		7,200,000	(6,840,000)	(360,000)	-	-
	17/1/2002	1/2/2002 – 31/1/2004	4.20		13,000,000	(12,350,000)	-	650,000	0.63
Li Yuen Cheuk Thomas	12/6/2001	16/6/2001 – 15/6/2003	4.20		14,400,000	(13,680,000)	(720,000)	-	-
	17/1/2002	1/2/2002 – 31/1/2004	4.20		6,000,000	(5,700,000)	-	300,000	0.29
Law Tang Fai James	17/1/2002	1/2/2002 – 31/1/2004	4.20		5,000,000	(4,750,000)	-	250,000	0.24
Leung Siu Pong James	17/1/2002	1/2/2002 – 31/1/2004	4.20		5,000,000	(4,750,000)	-	250,000	0.24
Kwok Oi Kuen Joan Elmond	17/1/2002	1/2/2002 – 31/1/2004	4.20	(4)	20,000,000	(19,000,000)	(1,000,000)	-	-
Lai Wai Kwong Daryl	17/1/2002	1/2/2002 – 31/1/2004	4.20	(4)	2,500,000	-	(2,500,000)	-	-
					<u>93,100,000</u>	<u>(86,070,000)</u>	<u>(4,580,000)</u>	<u>2,450,000</u>	<u>2.36</u>

Notes:

- (1) The number and the exercise price of options which remained outstanding on 6 May 2003 have been adjusted due to share consolidation of the Company for 20 shares into 1 share with effect from the close of business on 6 May 2003.
- (2) The lapsed options were due to expiry or cessation of employment of participants with the Group.
- (3) No option was granted, exercised or cancelled during the period.
- (4) Ms Kwok Oi Kuen Joan Elmond and Mr Lai Wai Kwong Daryl have already resigned as Directors of the Company.
- (5) Mr Kwan Pak Hoo Bankee is also a substantial shareholder of the Company.

B. Associated corporations (within the meaning of SFO)**1. CASH***(a) Long positions in the shares*

Name	Capacity	Number of shares			Shareholding (%)
		Personal	Family	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	-	-	156,952,376*	42.94
Law Ping Wah Bernard	Beneficial owner	5,096,200	-	-	1.39
Li Yuen Cheuk Thomas	Beneficial owner	2,501,875	-	-	0.68
Kwok Lai Ling Elaine	Beneficial owner and family interest	21,200	500	-	0.01

- * The shares were held by Cash Guardian. Mr Kwan was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the "Substantial Shareholders" below.

(b) Long positions in the underlying shares – options under share option scheme

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options		Percentage to issued shares	
					outstanding as at 1 January 2003	lapsed during the period (Note 2)	outstanding as at 30 June 2003	as at 30 June 2003 (%)
Kwan Pak Hoo Bankee	2/5/2002	2/5/2002 – 30/4/2003	1.32	(5)	3,000,000	(3,000,000)	-	-
Law Ping Wah Bernard	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	-	-
Li Yuen Cheuk Thomas	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	-	-
Kwok Oi Kuen Joan	6/11/2000	16/5/2001 – 15/5/2003	5.40	(1) & (4)	750,000	(750,000)	-	-
Elmond	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	-	-
Kwok Lai Ling Elaine	2/5/2002	1/11/2002 – 31/10/2003	1.32	(1)	200,000	-	200,000	0.05
					12,950,000	(12,750,000)	200,000	0.05

Notes:

- (1) The options are vested in 2 tranches as to (i) 50% exercisable from the commencement of the exercise period; and (ii) 50% exercisable from the expiry of 6 months from the commencement of the exercise period.
- (2) The lapsed options were due to the expiry.
- (3) No option was granted, exercised or cancelled during the period.
- (4) Ms Kwok Oi Kuen Joan Elmond has already resigned as Director of the Company.
- (5) Mr Kwan Pak Hoo Bankee is also the substantial shareholder of the Company.

2. CFSG

(a) Long positions in the shares

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo	Founder of a discretionary trust	-	75,463,239*	60.01
Bankee				
Kwok Lai Ling Elaine	Beneficial owner	4,120	-	0.003

* The shares were held by CIGL, a wholly-owned subsidiary of CASH. Mr Kwan was deemed to be interested in all these shares as a result of his interests in CASH through Cash Guardian as disclosed in the "Substantial Shareholders" below.

(b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options outstanding as at 1 January 2003 and 30 June 2003	Percentage to issued shares as at 30 June 2003 (%)
					30 June 2003	30 June 2003
Law Ping Wah Bernard	26/3/2001	1/10/2001 – 30/9/2004	2.20	(1)	1,000,000	0.80
Cheng Pui Lai Majone	26/3/2001	1/10/2001 – 30/9/2004	2.20	(1)	500,000	0.40
					<u>1,500,000</u>	<u>1.20</u>

Notes:

- (1) The options are vested in 2 tranches as to (i) 50% exercisable from the commencement of the exercise period; and (ii) 50% exercisable from the expiry of 12 months from the commencement of the exercise period.
- (2) No option was granted, exercised or cancelled during the period.

Save as disclosed above, as at 30 June 2003, none of the Directors, chief executive or their associates had any personal, family, corporate or other beneficial interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEMES

Details of share options to subscribe for shares in the Company granted to participants under the share option schemes of the Company during the six months ended 30 June 2003 were as follows:

Date of grant	Exercise price per share (Note 2) (HK\$)	Exercise period	Notes	Number of options			
				outstanding		lapsed during the period (Note 4)	outstanding as at 30 June 2003
				as at 1 January 2003	adjusted on 6 May 2003 (Note 2)		
Directors							
12/6/2001	4.20	16/6/2001 – 15/6/2003	(1)	21,600,000	(20,520,000)	(1,080,000)	–
17/1/2002	4.20	1/2/2002 – 31/1/2004	(1)	71,500,000	(65,550,000)	(3,500,000)	2,450,000
				<u>93,100,000</u>	<u>(86,070,000)</u>	<u>(4,580,000)</u>	<u>2,450,000</u>
Employees							
12/6/2000	6.40	13/6/2000 – 12/6/2003	(3)	3,519,000	(3,035,250)	(483,750)	–
17/1/2002	4.20	1/2/2002 – 31/1/2004		30,000,000	(28,500,000)	–	1,500,000
				<u>33,519,000</u>	<u>(31,535,250)</u>	<u>(483,750)</u>	<u>1,500,000</u>
				<u>126,619,000</u>	<u>(117,605,250)</u>	<u>(5,063,750)</u>	<u>3,950,000</u>

Notes:

- (1) Details of the options granted to the Directors are set out in the section headed "Directors' Interests in Securities".
- (2) The number and the exercise price of options which remained outstanding on 6 May 2003 have been adjusted due to share consolidation of the Company for 20 shares into 1 share with effect from the close of business on 6 May 2003.