

Other Information

Employees Schemes

Including the directors of the Group, at 31 December 2000, the Group employed around 1,500 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 discretionary year-end bonuses based on individual merits. The Group also provides pension fund, medical insurance and training programs for all staff. Details of share option schemes were disclosed in the 1999/2000 annual report.

Directors' Interests

At 31 December 2000, the interests of the directors and chief executive in the shares of the Company as recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

1. Ordinary shares

Name of directors	Personal interests	Family interests	Corporate interests	Other interests	Total
KWOK Ping Luen, Raymond	692,846	Nil	Nil	Nil	692,846
TANG Yet San, Rick	90,000	Nil	Nil	Nil	90,000

2. Rights to subscribe for ordinary shares under Share Option Scheme

Name of directors	Note	Outstanding at 1 July 2000	Granted during the period	Exercised during the period	Outstanding at 31 December 2000
Ian Charles STONE	1	383,000	Nil	Nil	383,000
Bror Bengt Vilhelm NORDSTROM	2	75,000	Nil	Nil	75,000

Notes:

1. The options are exercisable at HK\$23.90 per share during the period from 14 September 2000 to 13 September 2007.
2. The options are exercisable at HK\$20.60 per share during the period from 14 April 1999 to 13 April 2005.

50 per cent. of each option granted is exercisable in the first year after the option becomes exercisable and the remaining 50 per cent. is exercisable in full after the first anniversary of the option becoming exercisable.

Save as disclosed above, at 31 December 2000, none of the directors and chief executive and their respective associates had any other personal, family, corporate or other interests in the shares of the Company, its subsidiaries or any of its associated corporations as defined in the SDI Ordinance nor any right to subscribe for the shares of the Company, its subsidiaries or any of its associated corporations.

Substantial Shareholders

At 31 December 2000, the following parties (other than the directors and chief executive of the Company) had an interest of 10 per cent. or more of the issued share capital of the Company as recorded in the register required to be kept under section 16(1) of the SDI Ordinance or as notified to the Company:

Name of shareholders	Note	Number of shares	Percentage
Cellular 8 Holdings Limited ("Cellular 8")	1 and 2	159,053,465	26.53
Sun Hung Kai Properties Limited ("SHKP")	1 and 2	167,965,077	28.01
HSBC Holdings Plc.	3	167,965,077	28.01
BT Asia Pacific Investments Limited	4	121,280,526	20.23
British Telecommunications Plc.	4	121,280,526	20.23

Notes:

- For the purposes of the SDI Ordinance, the interest of Cellular 8 in the 159,053,465 shares of the Company noted above against the name of Cellular 8 is also attributed to SHKP on the basis that SHKP controls one-third or more of Cellular 8. The number of shares noted above against the name of SHKP therefore duplicates the interest of Cellular 8.
- For the purposes of the SDI Ordinance, the same interest of Cellular 8 is also attributed to those subsidiaries of SHKP through which SHKP holds its interest in Cellular 8. These subsidiaries are TFS Development Company Limited and Fourseas Investments Limited.
- The directors understand that, for the purposes of the SDI Ordinance, the interest of SHKP in the 167,965,077 shares noted above against its name (and the interest of each of its subsidiaries referred to in note (2) above in the same 167,965,077 shares) will also be attributed to certain subsidiaries of HSBC Holdings Plc. (namely, HSBC International Trustee Limited and HSBC Holdings B.V.) and to HSBC Holdings Plc. by reference to interests which these companies hold (or are deemed to hold) shares of SHKP. The number of shares noted above against the name of HSBC Holdings Plc. (and all such interests of any subsidiaries of HSBC Holdings Plc.) therefore duplicates the interest of SHKP in each case.
- For the purposes of the SDI Ordinance, the interest of BT Asia Pacific Investments Limited in the 121,280,526 shares noted above against the name of BT Asia Pacific Investments Limited is also attributed to British Telecommunications Plc. on the basis that British Telecommunications Plc. controls one-third or more of BT Asia Pacific Investments Limited. The number of shares noted above against the name of British Telecommunications Plc. therefore duplicates the interest of BT Asia Pacific Investments Limited in such shares.

Other Information

Save as disclosed above, no other parties had registered as having an interest of 10 per cent. or more of the issued share capital of the Company as recorded in the register kept under Section 16(1) of the SDI Ordinance.

Purchase, Sale or Redemption of Shares

During the six months ended 31 December 2000, the Company repurchased 4,123,000 shares on The Stock Exchange of Hong Kong Limited, which were then cancelled. Please refer to Note 13(b) to the Condensed Consolidated Financial Statements for details of the repurchases.

The aggregate price of the repurchased shares was HK\$41,640,550 of which HK\$41,228,250 was charged against the share premium. A sum equivalent to the nominal value of the repurchased shares, amounting to HK\$412,300 was transferred from retained profits to the capital redemption reserve.

Save as disclosed above, at no time during the six months ended 31 December 2000 was there any purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

Audit Committee

The Audit Committee of the Company has reviewed the relevant interim financial statements and report of the Group and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong. The Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosures of data and explanations shown in the financial statements.

The interim financial statements for the six months ended 31 December 2000 have not been audited but have been reviewed by the Company's external auditors.

Code of Best Practice

None of the directors is aware of any information that would reasonably indicate that the Company is not or was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules for any part of the accounting period covered by the interim report, 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 in accordance with the Company's bye-laws.

The financial information disclosed above has been complied with Appendix 16 of the Listing Rules and reviewed by the Audit Committee and the auditors before putting forward to the directors for approval.

By order of the Board
Li Sau Ping, Maria
Company Secretary

Hong Kong, 14 March 2001