

EMPLOYEE INFORMATION

At 30 June 2003, the Group had 1,123 employees, of which 147 were at CFSG Group and 918 at Pricerite Group. 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\$74.8 million. We continue to organise training to employees in areas such as mandatory professional development programmes required by regulatory bodies, product knowledge, customer services, selling techniques, problem solving, language training, time management, train-the-trainers 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			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
Chan Yau Ching Bob	Beneficial owner and family interest	70,500	200,200	–	0.07
Kwok Oi Kuen Joan Elmond	Beneficial owner	2,700,000	–	–	0.74
Law Ka Kin Eugene	Beneficial owner	125,000	–	–	0.03
Li Yuen Cheuk Thomas	Beneficial owner	2,501,875	–	–	0.68

- * 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.

2. 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		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	(4)	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)	–	–
Chan Yau Ching Bob	6/11/2000	16/5/2001 – 15/5/2003	5.40	(1)	250,000	(250,000)	–	–
	31/8/2001	1/3/2002 – 28/2/2004	2.60	(1)	1,500,000	–	1,500,000	0.41
	2/5/2002	2/5/2002 – 30/4/2003	1.32		1,500,000	(1,500,000)	–	–
Kwok Oi Kuen Joan Elmond	6/11/2000	16/5/2001 – 15/5/2003	5.40	(1)	750,000	(750,000)	–	–
	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	–	–
	6/11/2000	16/5/2001 – 15/5/2003	5.40	(1)	500,000	(500,000)	–	–
Law Ka Kin Eugene	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	–	–
	2/5/2002	2/5/2002 – 30/4/2003	1.32		3,000,000	(3,000,000)	–	–
Li Yuen Cheuk Thomas	2/5/2002	1/11/2002 – 31/10/2003	1.32	(1)	200,000	–	200,000	0.05
Chan Hak Sin	2/5/2002	1/11/2002 – 31/10/2003	1.32	(1)	200,000	–	200,000	0.05
Leung Ka Kui Johnny	2/5/2002	1/11/2002 – 31/10/2003	1.32	(1)	200,000	–	200,000	0.05
					<u>20,100,000</u>	<u>(18,000,000)</u>	<u>2,100,000</u>	<u>0.56</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 6 months from the commencement of the exercise period.
- (2) The lapsed options were due to expiry.
- (3) No option was granted, exercised or cancelled during the period.
- (4) Mr Kwan Pak Hoo Bankee is also the substantial shareholder of the Company.

B. Associated corporations (within the meaning of SFO)

1. CFSG

(a) Long positions in the shares

Name	Capacity	Number of shares Other interest	Shareholding (%)
Kwan Pak Hoo Bankee	Founder of a discretionary trust	75,463,239*	60.01

* The shares were held by Celestial Investment Group Limited ("CIGL"), a wholly-owned subsidiary of the Company. Mr Kwan was deemed to be interested in all these shares as a result of his interests in the Company 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 (%)
Law Ping Wah Bernard	26/3/2001	1/10/2001 – 30/9/2004	2.20	(1)	1,000,000	0.80
Law Ka Kin Eugene	26/3/2001	1/10/2001 – 30/9/2004	2.20	(1)	1,250,000	0.99
					<u>2,250,000</u>	<u>1.79</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.

2. Pricerite

(a) Long positions in the shares

Name	Capacity	Number of shares Other interest	Shareholding (%)
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Kwan Pak Hoo Bankee	Founder of a discretionary trust	70,971,614*	68.35
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* The shares were held by CIGL and its subsidiaries. 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 (Note 1) (HK\$)	Notes	Number of options			Percentage to issued shares	
					outstanding as at 1 January 2003	adjusted on 6 May 2003 (Note 1)	lapsed during the period (Note 2)	outstanding as at 30 June 2003	as at 30 June 2003
									(%)
Kwan Pak Hoo Bankee	17/1/2002	1/2/2002 – 31/1/2004	4.20	(4)	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
Kwok Oi Kuen Joan Elmond	17/1/2002	1/2/2002 – 31/1/2004	4.20		20,000,000	(19,000,000)	(1,000,000)	–	–
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
					<u>80,600,000</u>	<u>(76,570,000)</u>	<u>(2,080,000)</u>	<u>1,950,000</u>	<u>1.88</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 Pricerite 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) Mr Kwan Pak Hoo Bankee is also a substantial shareholder of the Company.

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).