

## SHARE OPTIONS

At the special general meeting of the Company held on 23rd May 2003, the shareholders of the Company approved the adoption of a new share option scheme (the “2003 Share Option Scheme”) which complies with the new requirements of the Listing Rules and termination of the share option scheme adopted by the shareholders of the Company on 30th November 1994 (the “1994 Share Option Scheme”). No further options shall thereafter be offered under the 1994 Share Option Scheme but in all other respects the provisions of the 1994 Share Option Scheme shall remain in full force and effect.

Movements of the share options, which have been granted under the 1994 Share Option Scheme, during the period are set out below:

Category	Exercise price HK\$	Number of share options			Outstanding at 30th June 2003	Percentage of total issued share capital	Note
		Outstanding at 1st January 2003	Exercised during the period	Lapsed during the period			
<b>Directors</b>							
Mr. LU Zhiming	5.53	1,500,000	–	–	1,500,000	0.070%	(1)
Mr. WONG Tin Yau, Kelvin	8.80	5,000,000	–	–	5,000,000	0.233%	(2)
Mr. QIN Fuyan	5.53	1,500,000	–	–	1,500,000	0.070%	(1)
<b>Continuous contract employees</b>							
	5.53	80,000	–	–	80,000	0.004%	(1)
	8.80	6,800,000	–	(1,200,000)	5,600,000	0.261%	(2)
		<u>14,880,000</u>	<u>–</u>	<u>(1,200,000)</u>	<u>13,680,000</u>	<u>0.638%</u>	

Notes:

- (1) The share options were granted on 1st July 1996 under the 1994 Share Option Scheme. The options are exercisable at any time within ten years from the date of grant, subject to the following conditions:

Percentage of the total number of options granted to each grantee which can be exercised (including the options which have already been exercised)	Price level per share at which the options can be exercised*
20% of the options	HK\$6.50 or above
40% of the options	HK\$7.00 or above
60% of the options	HK\$7.50 or above
80% of the options	HK\$8.00 or above
100% of the options	HK\$8.50 or above

\* The price level refers to the closing price of the share of the Company on the Stock Exchange at the date prior to the exercise of the options.

- (2) The share options were granted on 20th May 1997 (the "Offer Date") under the 1994 Share Option Scheme. The options are exercisable at any time within ten years from the date of grant, subject to the following conditions:
- (i) For those grantees who have completed one year full-time service in the Group may exercise a maximum of 20% of share options granted in each of the first five anniversary year from the Offer Date.
  - (ii) For those grantees who have not completed one year full-time service in the Group as at the Offer Date, a maximum of 20% of options granted may be exercisable in each of the first five anniversary years of the Offer Date after completion of one year full-time service.

During the period, no share options were cancelled under the 1994 Share Option Scheme and no options were granted by the Company under the 2003 Share Option Scheme since its adoption.

Particulars and movements of the Company's share options during the period are also set out in note 12 to the Condensed Interim Accounts.