

Share options

At a 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”) and the termination of the share option scheme adopted by the shareholders of the Company on 30th November 1994 (the “1994 Share Option Scheme”). No further share options shall thereafter be offered under the 1994 Share Option Scheme but the share options which had been granted during its life shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects the provisions of the 1994 Share Option Scheme shall remain in full force and effect.

- (a) 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			Percentage of total issued share capital	Note
		Outstanding at 1st January 2005	Exercised during the period	Outstanding at 30th June 2005		
Director						
Mr. WONG Tin Yau, Kelvin	8.80	1,800,000	(900,000)	900,000	0.04%	(1), (2), (3)
Continuous contract employees						
	8.80	902,000	(564,000)	338,000	0.02%	(1), (3)
		2,702,000	(1,464,000)	1,238,000		

Notes:

- (1) The share options were granted on 20th May 1997 (the “Offer Date”) under the 1994 Share Option Scheme. The share options are exercisable at any time within ten years from the date of grant (i.e. on or before 19th May 2007), 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 years 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 share 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.
- (2) These share options represent personal interests held by the director as beneficial owner.
- (3) The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was HK\$15.77.
- (4) During the period, no share options were cancelled or lapsed under the 1994 Share Option Scheme.

(b) Movements of the share options, which have been granted under the 2003 Share Option Scheme, during the period are set out below:

Category	Exercise price HK\$	Number of share options			Percentage of total issued share capital	Exercisable period	Note
		Outstanding at 1st January 2005	Exercised during the period	Outstanding at 30th June 2005			
Directors							
Mr. WEI Jiafu	9.54	1,000,000	–	1,000,000	0.046%	30.10.2003 – 29.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. CHEN Hongsheng	9.54	800,000	–	800,000	0.036%	28.10.2003 – 27.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. LI Jianhong	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	2.12.2004 – 1.12.2014	
Ms. SUN Yueying	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. SUN Jiakang	9.54	200,000	–	200,000	0.009%	28.10.2003 – 27.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	1.12.2004 – 30.11.2014	
Mr. XU Lirong	9.54	800,000	–	800,000	0.036%	31.10.2003 – 30.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	2.12.2004 – 1.12.2014	
Mr. WONG Tin Yau, Kelvin	9.54	800,000	–	800,000	0.036%	28.10.2003 – 27.10.2013	(1), (2), (4)
	13.75	1,000,000	–	1,000,000	0.046%	2.12.2004 – 1.12.2014	
Mr. LU Chenggang	13.75	1,000,000	–	1,000,000	0.046%	29.11.2004 – 28.11.2014	(2), (4)
Mr. QIN Fuyan	13.75	1,000,000	–	1,000,000	0.046%	29.11.2004 – 28.11.2014	(2), (4)

(b) Movements of the share options, which have been granted under the 2003 Share Option Scheme, during the period are set out below: (Continued)

Category	Exercise price HK\$	Number of share options			Percentage of total issued share capital	Exercisable period	Note
		Outstanding at 1st January 2005	Exercised during the period	Outstanding at 30th June 2005			
Ex-directors							
Mr. LIU Guoyuan	9.54	100,000	(100,000)	–	N/A	28.10.2003 – 27.10.2013	(1), (2), (3), (4), (5)
	13.75	1,000,000	–	1,000,000	0.046%	29.11.2004 – 28.11.2014	
Mr. ZHANG Fusheng	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (3), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. WANG Futian	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (3), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. MA Zehua	9.54	800,000	–	800,000	0.036%	30.10.2003 – 29.10.2013	(1), (2), (3), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. MA Guichuan	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (3), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. LI Yunpeng	9.54	800,000	–	800,000	0.036%	29.10.2003 – 28.10.2013	(1), (2), (3), (4)
	13.75	1,000,000	–	1,000,000	0.046%	3.12.2004 – 2.12.2014	
Mr. ZHOU Liancheng	9.54	400,000	(206,000)	194,000	0.009%	29.10.2003 – 28.10.2013	(1), (2), (3), (4), (5)
	13.75	1,000,000	–	1,000,000	0.046%	29.11.2004 – 28.11.2014	
Mr. HE Jiale	9.54	76,000	(76,000)	–	N/A	31.10.2003 – 30.10.2013	(1), (2), (3), (4), (5)
	13.75	1,000,000	(500,000)	500,000	0.023%	30.11.2004 – 29.11.2014	
Mr. MENG Qinghui	13.75	1,000,000	–	1,000,000	0.046%	29.11.2004 – 28.11.2014	(2), (3), (4)
		<u>27,776,000</u>	<u>(882,000)</u>	<u>26,894,000</u>			

- (b) Movements of the share options, which have been granted under the 2003 Share Option Scheme, during the period are set out below: (Continued)

Category	Exercise price HK\$	Number of share options			Percentage of total issued share capital	Exercisable period	Note
		Outstanding at 1st January 2005	Exercised during the period	Outstanding at 30th June 2005			
Continuous contract employees	9.54	9,394,000	(2,132,000)	7,262,000	0.331%	(refer to note 1)	(1), (2),
	13.75	35,990,000	(3,926,000)	32,064,000	1.462%	(refer to note 2)	(5)
Others	9.54	1,320,000	(320,000)	1,000,000	0.046%	(refer to note 1)	(1), (2),
	13.75	9,750,000	(510,000)	9,240,000	0.421%	(refer to note 2)	(5)
		56,454,000	(6,888,000)	49,566,000			
		84,230,000	(7,770,000)	76,460,000			

Notes:

- (1) The share options were granted during the period from 28th October 2003 to 6th November 2003 under the 2003 Share Option Scheme at an exercise price of HK\$9.54. The options are exercisable at any time within ten years from the commencement date which is the date on which an offer is accepted or deemed to be accepted by the grantee pursuant to the 2003 Share Option Scheme (the "Commencement Date"). The Commencement Date of the options of the grantees was from 28th October 2003 to 6th November 2003.
- (2) The share options were granted during the period from 25th November 2004 to 16th December 2004 under the 2003 Share Option Scheme at an exercise price of HK\$13.75. The options are exercisable at any time within ten years from the Commencement Date. The Commencement Date of the options of the grantees was from 25th November 2004 to 16th December 2004.
- (3) During the period, Mr. LIU Guoyuan, Mr. ZHANG Fusheng, Mr. WANG Futian, Mr. MA Zehua, Mr. MA Guichuan, Mr. LI Yunpeng, Mr. HE Jiale resigned as executive directors of the Company with effect from 9th June 2005 and Mr. ZHOU Liancheng and Mr. MENG Qinghui did not seek for re-election as executive directors of the Company and retired at the annual general meeting of the Company held on 20th May 2005.
- (4) These share options represent personal interests held by the relevant directors as beneficial owner.
- (5) The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$16.83.
- (6) During the period, no share options were granted, lapsed or cancelled under the 2003 Share Option Scheme.