



## Pledge of assets

Certain properties of the Group with an aggregate net book value of approximately HK\$94 million as at 30th June 2002 (31st December 2001: HK\$95 million) as well as fixed deposits of HK\$15 million (31st December 2001: HK\$15 million) were pledged as securities against bank loans and general banking facilities amounting to HK\$120 million (31st December 2001: HK\$120 million) granted to the Group.

## SHARE OPTIONS

On 24th May 2002, the shareholders of the Company approved the termination of the 1994 share option scheme and the adoption of a new scheme ("Scheme") to comply with the new requirements of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The purpose of the Scheme is to assist in recruiting, retaining and motivating key staff. Under the terms of the Scheme, the directors have the discretion to grant to employees and directors of any member of the Group to subscribe for shares in the Company.

Details of share options granted under the Scheme and remain outstanding as at 30th June 2002 are as follows:-

	Options held at 1st January 2002	Options lapsed during the period	Options held at 30th June 2002	Exercise price HK\$	Date of grant	Exercise period
<b>Directors:-</b>						
Lao Yuan Yi	7,338,100	-	7,338,100	0.342	26/09/1995	26/03/1996-07/10/2005
	5,503,900	-	5,503,900	0.318	11/07/1996	11/01/1997-15/07/2006
	10,000,000	-	10,000,000	0.816	01/11/1997	01/05/1998-12/11/2007
Xin Shulin, Steve	2,534,980	-	2,534,980	0.453	26/01/1995	26/07/1995-09/02/2005
	838,640	-	838,640	0.318	11/07/1996	11/01/1997-15/07/2006
	2,500,000	-	2,500,000	0.816	01/11/1997	01/05/1998-12/11/2007
	4,464,000	-	4,464,000	0.283	08/07/1998	08/01/1999-15/07/2008
Yeung Wai Kin	2,401,560	-	2,401,560	0.453	26/01/1995	26/07/1995-09/02/2005
	1,494,304	-	1,494,304	0.318	11/07/1996	11/01/1997-15/07/2006
	2,500,000	-	2,500,000	0.816	01/11/1997	01/05/1998-12/11/2007
	6,980,000	-	6,980,000	0.283	08/07/1998	08/01/1999-15/07/2008

SHARE OPTIONS (*Cont'd*)

	Options held at 1st January 2002	Options lapsed during the period	Options held at 30th June 2002	Exercise price HK\$	Date of grant	Exercise period
Directors:-						
Hu Yi Ming	1,000,000	-	1,000,000	0.816	01/11/1997	01/05/1998-12/11/2007
	2,300,000	-	2,300,000	0.283	08/07/1998	08/01/1999-15/07/2008
Employees	266,840	-	266,840	0.453	26/01/1995	26/07/1995-09/02/2005
	4,101,712	-	4,101,712	0.318	11/07/1996	11/01/1997-15/07/2006
	1,050,000	100,000	950,000	0.816	01/11/1997	01/05/1998-12/11/2007
	1,812,000	4,000	1,808,000	0.283	08/07/1998	08/01/1999-15/07/2008
	<u>57,086,036</u>	<u>104,000</u>	<u>56,982,036</u>			

*Note:*

The above options granted are not recognised in the accounts until they are exercised. Rule 17.08 of the Listing Rules stipulates that the listed issuer is encouraged to disclose in its annual report and interim report the value of share options granted to participants. The Directors consider it inappropriate to value the share options as a number of factors critical for the valuation cannot be determined accurately. Any valuation of the share option based on various speculative assumptions would be meaningless and could be misleading to the shareholders.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend (2001: Nil).