



## Supplementary Information

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2002 (the "Period"), neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### **DIRECTORS' INTERESTS IN SHARES, WARRANTS AND SHARE OPTIONS**

The interests of the Directors in the share options of the Company are separately disclosed in the section "Share option scheme" below.

Share options granted by an associated corporation:

<b>Name of director</b>	<b>Number of share options held</b>	<b>Nature of interest</b>
Mr. Li Hei Hu	60,000,000	Personal
Mr. Chen Chao	30,000,000	Personal
Mr. Li Jing Qi	13,500,000	Personal
	<b>103,500,000</b>	

The above share options were granted by Shenzhen High-Tech Holdings Limited ("Shenzhen High-Tech"), an associate of the Company, pursuant to the share option scheme approved by the shareholders of Shenzhen High-Tech on 17 November 2000. The subscription price per share payable upon the exercise of the share options is HK\$0.1945 and the share options are exercisable from 21 March 2001 to 16 November 2010 (both dates inclusive).

At 30 June 2002, according to the register maintained by the Company pursuant to section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), apart from the above and the share options granted by the Company as disclosed in the section "Share option scheme" below, none of the Directors or their associates had any personal, family, corporate or other interests in the shares, warrants and share options of the Company or any of its associated corporations as defined in the SDI Ordinance.

### **SHARE OPTION SCHEME**

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any employee or director of the Company or its subsidiaries. The Scheme became effective on 16 April 1994 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.



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The following share options were outstanding under the Scheme during the Period:

Name and category of participant	Number of share options				At 30 June 2002	Date of grant of share option*	Exercise period of share options	Exercise price of share options** HK\$	Price of Company's shares***	
	At 1 January 2002	Granted during the Period	Exercised during the Period	Lapsed during the Period					At date of grant of share options HK\$	At date of exercise of share options HK\$
<b>Directors</b>										
Mr. Li Hei Hu	35,000,000	—	—	—	35,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
Mr. Chen Chao	30,000,000	—	—	—	30,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
Mr. Li Jing Qi	30,000,000	—	—	—	30,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
Mr. Qiao Gang	15,000,000	—	—	—	15,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
Mr. Sun Yu Lin	15,000,000	—	—	—	15,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
Mr. To Chi Keung	15,000,000	—	—	—	15,000,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
	<b>140,000,000</b>	—	—	—	<b>140,000,000</b>					
<b>Other employees</b>										
In aggregate	2,000,000	—	—	—	2,000,000	4 February 1998	5 March 1998 to 4 March 2003	0.165	—	N/A
	65,600,000	—	—	(400,000)	65,200,000	21 December 2000	22 January 2001 to 15 April 2004	0.272	0.290	N/A
	2,000,000	—	—	—	2,000,000	18 May 2001	19 June 2001 to 15 April 2004	0.308	0.400	N/A
	—	4,300,000	—	—	4,300,000	5 February 2002	6 March 2002 to 15 April 2004	0.310	0.300	N/A
	<b>69,600,000</b>	4,300,000	—	(400,000)	<b>73,500,000</b>					
	<b>209,600,000</b>	4,300,000	—	(400,000)	<b>213,500,000</b>					

\* The vesting period of the share options is one month.

\*\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

\*\*\* The price of the Company's shares disclosed as at the date of the grant of the share options is the closing price as quoted by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average closing price of the shares immediately before the date on which the share options within the disclosure category were exercised.

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise



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price per share over the nominal value of the shares is recorded by the Company in the share premium account. Share options which are lapsed or cancelled prior to their exercise dates are deleted from the register of outstanding share options.

The Directors do not consider it appropriate to disclose a theoretical value of the share options granted during the Period to employees, because in the absence of a readily available market value for share options on the ordinary shares of the Company, the Directors were unable to arrive at an accurate assessment of the value of the share options.

### SUBSTANTIAL SHAREHOLDERS

At 30 June 2002, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be maintained by the Company pursuant to Section 16(1) of the SDI Ordinance:

<b>Name</b>	<b>Number of ordinary shares held</b>	<b>Percentage of the Company's issued share capital</b>
Shenzhen Investment Holding Corporation ("SIHC") — <i>Note</i>	4,963,684,042	44.26
Ultrarich International Limited ("Ultrarich")	4,836,363,636	43.12

*Note:* Ultrarich is a wholly owned subsidiary of SIHC and accordingly, SIHC was deemed to be interested in the 4,836,363,636 shares of the Company owned by Ultrarich as disclosed above. The remaining shares of the Company of which SIHC were interested in, were owned by other wholly owned subsidiaries of SIHC.

Save as disclosed above, the Company is not aware of any parties holding 10% or more of the issued share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

### AUDIT COMMITTEE

The Company established the audit committee (the "Committee") in 1995. In establishing the terms of reference for the Committee, the Directors have had regard to the "Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants. The Committee comprises three Independent Non-Executive Directors, namely Messrs. Leung Ming Yuen, Simon (chairman), Wang Xian Ping and Ding Xun. The primary duties of the Committee are to review and supervise the financial reporting and internal control procedures of the Group.

### CODE OF BEST PRACTICE

In the opinion of the Directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the Period, except that the Non-Executive Directors and Independent Non-Executive Directors of the Company were not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the bye-laws of the Company.