



SHARE OPTION SCHEMES

On 17 November 2000, a share option scheme (the "Old Scheme") was adopted by the Company under which the Board may, at their discretion, grant options to executive directors and employees of the Company and its subsidiaries to subscribe for ordinary shares in the Company during the period from 17 November 2000 to 16 November 2010.

Subsequent to the amendments to Chapter 17 (the "New Rules") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), any options granted after 1 September 2001 must comply with the provisions of the New Rules. In this circumstance, the Old Scheme was terminated and a new share options scheme (the "New Scheme") was adopted by shareholders of the Company at the annual general meeting held on 30 May 2002. According to the New Rules, the Company cannot grant further options pursuant to the Old Scheme, but options granted will continue to be valid and exercisable.

The New Scheme became effective on 30 May 2002 and will remain in force for 10 years from that date. The offer of a grant of share options under the New Scheme may be accepted within 28 days from the day of offer, upon payment of a nominal cash consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board and shall not exceed a period commencing on the expiry of one week after the date on which the option is accepted and ends on 29 May 2012.

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 price per share over the nominal value of the shares is recorded by the Company in the share premium account.

As at 30 June 2002, no options have been granted under the New Scheme.



SHARE OPTION SCHEMES (Continued)

For the six months ended 30 June 2002, details of share options outstanding are disclosed below:

Participant Name/Category	Date of grant*	Number of share options					Outstanding as at 30 June 2002	Exercise period	Exercise price** (HK\$)
		Outstanding	Granted	Exercised	Lapsed	Cancelled			
		As at 1 January 2002	during the period	during the period	during the period	during the period			
Directors									
Mr. Li Heihu	9-3-01	60,000,000 ^A	-	-	-	-	60,000,000 ^A	21-3-01 to 16-11-10	0.1945
Mr. Chen Chao	9-3-01	30,000,000 ^A	-	-	-	-	30,000,000 ^A	21-3-01 to 16-11-10	0.1945
Mr. Li Jingqi	9-3-01	13,500,000 ^A	-	-	-	-	13,500,000 ^A	21-3-01 to 16-11-10	0.1945
Mr. Gong Hanbing	9-3-01	30,000,000 ^A	-	-	-	-	30,000,000 ^A	21-3-01 to 16-11-10	0.1945
	23-7-01	2,580,000 ^A	-	-	-	-	2,580,000 ^A	1-1-02 to 31-12-06	0.1945
	23-7-01	2,580,000 ^A	-	-	-	-	2,580,000 ^A	1-7-02 to 30-6-07	0.1945
Mr. Lee Kuo Ching, Stewart	7-7-97	900,000 [#]	-	-	-	-	900,000 [#]	15-7-97 to 14-7-07	0.3800
		<u>139,560,000</u>	-	-	-	-	<u>139,560,000</u>		
Other employees									
In aggregate	9-3-01	15,000,000 ^A	-	-	-	-	15,000,000 ^A	20-3-01 to 16-11-10	0.1945
	9-3-01	1,500,000 ^A	-	-	-	-	1,500,000 ^A	22-3-01 to 16-11-10	0.1945
	23-7-01	25,000,000 ^A	-	-	-	-	25,000,000 ^A	2-8-01 to 26-7-06	0.1945
	23-7-01	25,000,000 ^A	-	-	-	-	25,000,000 ^A	4-8-01 to 28-7-06	0.1945
	23-7-01	48,862,800 ^A	-	-	-	-	48,862,800 ^A	15-8-01 to 8-8-06	0.1945
	23-7-01	47,118,550 ^A	-	-	-	-	47,118,550 ^A	1-1-02 to 31-12-06	0.1945
	23-7-01	47,118,550 ^A	-	-	-	-	47,118,550 ^A	1-7-02 to 30-6-07	0.1945
	13-8-01	750,000 ^A	-	-	-	-	750,000 ^A	1-1-02 to 31-12-06	0.1945
	13-8-01	750,000 ^A	-	-	-	-	750,000 ^A	1-7-02 to 30-6-07	0.1945
		<u>211,099,900^A</u>	-	-	-	-	<u>211,099,900^A</u>		
		<u>350,659,900</u>	-	-	-	-	<u>350,659,900</u>		



SHARE OPTION SCHEMES (Continued)

Notes:

- ^ The options were granted under the Old Scheme.
- # The options were granted to Mr. Lee Kuo Ching, Stewart under the general mandate granted by the shareholders to the directors at the annual general meeting of the Company held on 10 June 1997. The grant of such options constituted a connected transaction to the Company. Details of the grant were announced to the public according to the Listing Rules on 7 July 1997.
- * The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- ** 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2002, the following substantial shareholders of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 16(1) of the SDI Ordinance, as being interested in 10% or more of the issued share capital of the Company:

Name	Number of shares held		Percentage in total number of issued shares
	Direct interest	Indirect interest	
Shenzhen Investment Holding Corporation ("SIHC")	160,167,856	1,346,450,260	23.63%
Ultrarich International Limited ("UIL")	–	1,346,450,260	21.12%
Shenzhen International Holdings Limited ("SIHL")	–	1,346,450,260	21.12%
New Vision Limited ("NVL")	–	1,346,450,260	21.12%
Great Mind Holdings Group Limited ("GML")	1,346,450,260	–	21.12%

Notes:

In accordance with the provisions of the SDI Ordinance, the interest of GML in the 1,346,450,260 shares of the Company is also attributed to NVL, SIHL, UIL and SIHC on the basis that:

- (a) GML is the wholly-owned subsidiary of NVL;
- (b) NVL is the wholly-owned subsidiary of SIHL;
- (c) UIL controls more than one-third of the voting power at SIHL's general meetings; and
- (d) UIL is the wholly-owned subsidiary of SIHC.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded under section 16(1) of the SDI Ordinance.