

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on November 28, 1997, pursuant to which options may be granted to full-time employees (including executive directors) of the Company or its subsidiaries to subscribe for ordinary shares in the Company. As at June 30, 2002, the particulars in relation to the share option scheme of the Company, as required under Rules 17.07 and 17.09 of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were as follows:

Type of grantees	Date of grant	Exercise period	Exercise price per share <i>HK\$</i>	Number of share options			Balance as at June 30, 2002
				Balance as at January 1, 2002	Exercised during the period	Lapsed during the period	
Executive Directors							
Wang Kin Chung, Peter *	November 9, 1999	November 9, 2000 to November 8, 2002	1.39	6,500,000	—	—	6,500,000
Lo Chak Wa	November 9, 1999	November 9, 2000 to November 8, 2002	1.39	600,000	—	—	600,000
Substantial Shareholder							
Tang Chi Chien, Jack *	November 9, 1999	November 9, 2000 to November 8, 2002	1.39	6,500,000	—	—	6,500,000
Employees							
	November 9, 1999	November 9, 2000 to November 8, 2002	1.39	3,960,000	—	—	4,560,000 [#]
	May 22, 2000	May 22, 2001 to May 21, 2003	1.20	1,000,000	—	—	1,000,000

* *Mr. Tang Chi Chien, Jack has not been granted any share options. However, by virtue of Sections 9 and 10 of the SDI Ordinance, Mr. Tang Chi Chien, Jack is taken to be interested in the interest of Mr. Wang Kin Chung, Peter for the 6,500,000 share options granted to and exercisable by him.*

Mr. Chen Nam Zhang retired as an Executive Director of the Company with effect from May 27, 2002 and remains as an employee of the Group. As a result, 600,000 share options granted to Mr. Chen Nam Zhang on November 9, 1999 have been reclassified from "share options granted to Executive Directors" to "share options granted to employees".

Save as disclosed above, no share options were exercised, cancelled or lapsed during the six months ended June 30, 2002.

No share options were granted during the six months ended June 30, 2002 and accordingly, a valuation of share options granted was not necessary.

Save as disclosed above, at no time during the six months ended June 30, 2002 was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or their children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended June 30, 2002.