

Share Option Information

Annual Report

The following table discloses movement in the Company's share options during the year:

Eligible persons	Scheme type	Date of grant	Outstanding at January 1, 2002		Granted on June 4, 2002	Lapsed during the period	Outstanding at June 30, 2002	
			Before Adjustment	After Adjustment [#]			Before Adjustment	After Adjustment [@]
Mr. Wing Sum LEE (Director)	1991	May 13, 1996	2,760,000	1,380,000	-	1,380,000	-	-
	1991	July 28, 1997	12,500,000	6,250,000	-	-	6,250,000	6,875,687
	1991	January 19, 1998	3,000,000	1,500,000	-	-	1,500,000	1,650,165
	1991	December 21, 1999	6,500,000	3,250,000	-	-	3,250,000	3,575,357
	1991	February 11, 2000	3,000,000	1,500,000	-	-	1,500,000	1,650,165
	2001	August 10, 2001	35,000,000	17,500,000	-	-	17,500,000	19,251,925
	2002	September 24, 2002	-	-	-	-	-	-
			<u>62,760,000</u>	<u>31,380,000</u>	<u>-</u>	<u>1,380,000</u>	<u>30,000,000</u>	<u>33,003,299</u>
Mr. Richard Man Fai LEE (Director)	1991	May 13, 1996	2,760,000	1,380,000	-	1,380,000	-	-
	1991	July 28, 1997	13,500,000*	6,750,000*	-	-	6,750,000*	7,425,742*
	1991	January 19, 1998	3,100,000*	1,550,000*	-	-	1,550,000*	1,705,170*
	1991	June 10, 1998	1,000,000	500,000	-	-	500,000	550,055
	1991	December 21, 1999	6,700,000*	3,350,000*	-	-	3,350,000*	3,685,368*
	1991	February 11, 2000	3,500,000	1,750,000	-	-	1,750,000	1,925,192
	1991	May 28, 2001	4,000,000	2,000,000	-	-	2,000,000	2,200,220
	2001	August 10, 2001	35,000,000	17,500,000	-	-	17,500,000	19,251,925
	2001	August 29, 2001	500,000*	250,000*	-	-	250,000*	275,027*
2002	September 24, 2002	-	-	-	-	-	-	
			<u>70,060,000</u>	<u>35,030,000</u>	<u>-</u>	<u>1,380,000</u>	<u>33,650,000</u>	<u>37,018,699</u>

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Granted on September 24, 2002	Reallocation during the period	Lapsed during the period	Outstanding at December 31, 2002	Exercisable period	Exercise price		
					Before Adjustment HK\$	After Adjustment# HK\$	After Adjustment@ HK\$
-	-	-	-	June 17, 1996 - June 16, 2002	0.9460	3.0963	-
-	-	-	6,875,687	August 31, 1997 - August 30, 2003	0.5330	1.7445	1.5858
-	-	-	1,650,165	February 22, 1998 - February 21, 2004	0.2200	0.7201	0.6546
-	-	-	3,575,357	February 11, 2000 - February 10, 2006	0.1400	0.4582	0.4165
-	-	-	1,650,165	March 21, 2000 - March 20, 2006	0.3264	1.0683	0.9711
-	-	-	19,251,925	September 16, 2001 - September 15, 2007	0.1000	0.3273	0.2975
224,000	-	-	224,000	September 24, 2002 - September 23, 2008	-	-	0.1000
<u>224,000</u>	<u>-</u>	<u>-</u>	<u>33,227,299</u>				
-	-	-	-	June 13, 1996 - June 12, 2002	0.9460	3.0963	-
-	-	-	7,425,742*	August 28, 1997 - August 27, 2003	0.5330	1.7445	1.5858
-	-	-	1,705,170*	February 19, 1998 - February 18, 2004	0.2200	0.7201	0.6546
-	-	-	550,055	July 24, 1998 - July 23, 2004	0.1053	0.3446	0.3132
-	-	-	3,685,368*	February 7, 2000 - February 6, 2006	0.1400	0.4582	0.4165
-	-	-	1,925,192	March 18, 2000 - March 17, 2006	0.3264	1.0683	0.9711
-	-	-	2,200,220	June 29, 2001 - June 28, 2007	0.1000	0.3273	0.2975
-	-	-	19,251,925	September 16, 2001 - September 15, 2007	0.1000	0.3273	0.2975
-	-	-	275,027*	September 30, 2001 - September 29, 2007	0.1000	0.3273	0.2975
7,748,000	-	-	7,748,000	September 24, 2002 - September 23, 2008	-	-	0.1000
<u>7,748,000</u>	<u>-</u>	<u>-</u>	<u>44,766,699</u>				

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Eligible persons	Scheme type	Date of grant	Outstanding at January 1, 2002		Granted on June 4, 2002	Lapsed during the period	Outstanding at June 30, 2002	
			Before Adjustment	After Adjustment [#]			Before Adjustment	After Adjustment [@]
Mr. Sammy Chi Chung	1991	July 28, 1997	1,000,000	500,000	-	-	500,000	550,055
SUEN (Director)	1991	December 21, 1999	300,000	150,000	-	-	150,000	165,016
	1991	February 11, 2000	500,000	250,000	-	-	250,000	275,027
	1991	January 18, 2001	260,000	130,000	-	-	130,000	143,014
	2001	August 10, 2001	1,000,000	500,000	-	-	500,000	550,055
	2002	June 4, 2002	-	-	2,000,000	-	2,000,000	2,200,220
	2002	September 24, 2002	-	-	-	-	-	-
			<u>3,060,000</u>	<u>1,530,000</u>	<u>2,000,000</u>	<u>-</u>	<u>3,530,000</u>	<u>3,883,387</u>
Ms. Kam Har YUE (Director)	2001	August 29, 2001	<u>500,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>275,027</u>
Mr. Barry John	1991	May 28, 2001	20,000,000	10,000,000	-	-	10,000,000	11,001,100
BUTIFANT **	2001	August 10, 2001	35,000,000	17,500,000	-	-	17,500,000	19,251,925
(Ex-Director)	2002	September 24, 2002	-	-	-	-	-	-
			<u>55,000,000</u>	<u>27,500,000</u>	<u>-</u>	<u>-</u>	<u>27,500,000</u>	<u>30,253,025</u>
Mr. Jeff Man Bun	1991	May 13, 1996	600,000	300,000	-	300,000	-	-
LEE (Director)	2002	June 4, 2002	-	-	1,000,000	-	1,000,000	1,100,110
	2002	September 24, 2002	-	-	-	-	-	-
			<u>600,000</u>	<u>300,000</u>	<u>1,000,000</u>	<u>300,000</u>	<u>1,000,000</u>	<u>1,100,110</u>
Mr. Raymond Cho	2002	June 4, 2002	-	-	700,000	-	700,000	770,077
Min LEE (Director)	2002	September 24, 2002	-	-	-	-	-	-
			<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>770,077</u>
Mr. Boon Seng	2002	June 4, 2002	-	-	700,000	-	700,000	770,077
TAN (Director)	2002	September 24, 2002	-	-	-	-	-	-
			<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>770,077</u>
Total :			<u>191,980,000</u>	<u>95,990,000</u>	<u>4,400,000</u>	<u>3,060,000</u>	<u>97,330,000</u>	<u>107,073,701</u>

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Granted on September 24, 2002	Reallocation during the period	Lapsed during the period	Outstanding at December 31, 2002	Exercisable period	Exercise price		
					Before Adjustment HK\$	After Adjustment# HK\$	After Adjustment@ HK\$
-	-	-	550,055	August 31, 1997 - August 30, 2003	0.5330	1.7445	1.5858
-	-	-	165,016	February 6, 2000 - February 5, 2006	0.1400	0.4582	0.4165
-	-	-	275,027	March 22, 2000 - March 21, 2006	0.3264	1.0683	0.9711
-	-	-	143,014	March 6, 2001 - March 5, 2007	0.1000	0.3273	0.2975
-	-	-	550,055	September 19, 2001 - September 18, 2007	0.1000	0.3273	0.2975
-	-	-	2,200,220	June 4, 2002 - June 3, 2008	-	0.1584	0.1440
700,000	-	-	700,000	September 24, 2002 - September 23, 2008	-	-	0.1000
700,000	-	-	4,583,387				
-	-	-	275,027	September 30, 2001 - September 29, 2007	0.1000	0.3273	0.2975
-	(11,001,100)	-	-	June 30, 2001 - June 29, 2007	0.1000	0.3273	0.2975
-	(19,251,925)	-	-	September 14, 2001 - September 13, 2007	0.1000	0.3273	0.2975
7,748,000	(7,748,000)	-	-	September 24, 2002 - September 23, 2008	-	-	0.1000
7,748,000	(38,001,025)	-	-				
-	-	-	-	June 14, 1996 - June 13, 2002	0.9460	3.0963	-
-	-	-	1,100,110	June 4, 2002 - June 3, 2008	-	0.1584	0.1440
500,000	-	-	500,000	September 24, 2002 - September 23, 2008	-	-	0.1000
500,000	-	-	1,600,110				
-	-	-	770,077	June 4, 2002 - June 3, 2008	-	0.1584	0.1440
4,000	-	-	4,000	September 24, 2002 - September 23, 2008	-	-	0.1000
4,000	-	-	774,077				
-	-	-	770,077	June 4, 2002 - June 3, 2008	-	0.1584	0.1440
4,000	-	-	4,000	September 24, 2002 - September 23, 2008	-	-	0.1000
4,000	-	-	774,077				
16,928,000	(38,001,025)	-	86,000,676				

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Eligible persons	Scheme type	Date of grant	Outstanding at January 1, 2002		Granted on June 4, 2002	Lapsed during the period	Outstanding at June 30, 2002		
			Before Adjustment	After Adjustment [#]			Before Adjustment	After Adjustment [@]	
Continuous contract employees	1991	May 13, 1996	5,198,400	2,599,200	-	2,599,200	-	-	
	1991	July 28, 1997	3,000,000	1,500,000	-	500,000	1,000,000	1,100,110	
	1991	January 19, 1998	2,214,000	1,107,000	-	223,000	884,000	972,482	
	1991	December 21, 1999	1,848,000	924,000	-	252,500	671,500	738,696	
	1991	February 11, 2000	1,330,000	665,000	-	500,000	165,000	181,517	
	1991	September 8, 2000	3,000,000	1,500,000	-	-	1,500,000	1,650,165	
	1991	January 18, 2001	200,000	100,000	-	100,000	-	-	
	1991	May 28, 2001	-	-	-	-	-	-	
				<u>16,790,400</u>	<u>8,395,200</u>	<u>-</u>	<u>4,174,700</u>	<u>4,220,500</u>	<u>4,642,970</u>
	2001	August 10, 2001	-	-	-	-	-	-	
	2001	August 29, 2001	3,700,000	1,850,000	-	100,000	1,750,000	1,925,188	
	2001	November 23, 2001	1,000,000	500,000	-	-	500,000	550,055	
				<u>4,700,000</u>	<u>2,350,000</u>	<u>-</u>	<u>100,000</u>	<u>2,250,000</u>	<u>2,475,243</u>
	2002	June 4, 2002	-	-	22,750,000	-	22,750,000	25,027,497	
2002	September 24, 2002	-	-	-	-	-	-		
			<u>-</u>	<u>-</u>	<u>22,750,000</u>	<u>-</u>	<u>22,750,000</u>	<u>25,027,497</u>	
Total :			<u>21,490,400</u>	<u>10,745,200</u>	<u>22,750,000</u>	<u>4,274,700</u>	<u>29,220,500</u>	<u>32,145,710</u>	
Grand Total :			<u>213,470,400</u>	<u>106,735,200</u>	<u>27,150,000</u>	<u>7,334,700</u>	<u>126,550,500</u>	<u>139,219,411</u>	

* Share Options granted to Mr. Richard Man Fai LEE's spouse were included.

** Mr. Barry John BUTIFANT was an executive Director of the Company and resigned on November 7, 2002.

The share options granted to him before his resignation were therefore reallocated to Share Options granted to "Continuous Contract Employees".

The number of Share Options granted under 1991 and 2001 Schemes and their respective subscription prices have been adjusted for the Capital Reorganisation and the Rights Issue with the Bonus Share Issue taken place in March and April 2002 respectively.

@ The number of Share Options granted under 1991, 2001 and 2002 Schemes and their respective subscription prices have been adjusted for the Capital Reorganisation and the Bonus Share Issue taken place in September 2002.



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Granted on September 24, 2002	Reallocation during the period	Lapsed during the period	Outstanding at December 31, 2002	Exercisable period	Exercise price		
					Before Adjustment	After Adjustment#	After Adjustment@
					HK\$	HK\$	HK\$
-	-	-	-	June 14, 1996 - June 30, 2002	0.9460	3.0963	-
-	-	-	1,100,110	August 29, 1997 - September 10, 2003	0.5330	1.7445	1.5858
-	-	22,002	950,480	February 20, 1998 - March 12, 2004	0.2200	0.7201	0.6546
-	-	14,300	724,396	February 1, 2000 - March 21, 2006	0.1400	0.4582	0.4165
-	-	-	181,517	March 18, 2000 - March 21, 2006	0.3264	1.0683	0.9711
-	-	-	1,650,165	November 5, 2000 - November 4, 2006	0.1413	0.4625	0.4204
-	-	-	-	March 15, 2001 - March 14, 2007	0.1000	0.3273	0.2975
-	11,001,100	-	11,001,100	June 30, 2001 - June 29, 2007	0.1000	0.3273	0.2975
-	11,001,100	36,302	15,607,768				
-	19,251,925	-	19,251,925	September 14, 2001 - September 13, 2007	0.1000	0.3273	0.2975
-	-	-	1,925,188	September 30, 2001 - September 30, 2007	0.1000	0.3273	0.2975
-	-	-	550,055	December 23, 2001 - December 22, 2007	0.1000	0.3273	0.2975
-	19,251,925	-	21,727,168				
-	-	-	25,027,497	June 4, 2002 - June 3, 2008	-	0.1584	0.1440
-	7,748,000	-	7,748,000	September 24, 2002 - September 23, 2008	-	-	0.1000
-	7,748,000	-	32,775,497				
-	38,001,025	36,302	70,110,433				
16,928,000	-	36,302	156,111,109				

Share Option Information



The closing price of the Company's shares immediately before the dates of grant on June 4, 2002 and September 24, 2002 were HK\$0.139 and HK\$0.085 respectively.

The fair values of the options granted in the current year measured as at the dates of grant on June 4, 2002 and September 24, 2002 were HK\$0.098 and HK\$0.070 per option respectively. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

Date of grant	June 4, 2002	September 24, 2002
Expected life of options	6 years	6 years
Expected volatility based on historical volatility of share prices	92%	102%
Expected annual dividend yield	Nil	Nil
Hong Kong Exchange Fund Notes rate	5.05%	3.41%

For the purposes of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited due to lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.