



## SHARE OPTIONS

Details of the share options granted under the Scheme during the six months ended 30 June 2003 were as follows:

Grantees	Options to subscribe for shares of the Company			Date of grant	Exercise period	Exercise price per share
	At the beginning of the period	Granted during the period	At the end of the period			
Directors	34,094,000	-	34,094,000	15.11.2002	15.11.2002 – 14.11.2012	HK\$0.580
	-	9,243,000	9,243,000	14.3.2003	14.3.2003 – 13.3.2013	HK\$0.495
	<u>34,094,000</u>	<u>9,243,000</u>	<u>43,337,000</u>			
Employees	4,824,000	-	4,824,000	15.11.2002	15.11.2002 – 14.11.2012	HK\$0.580
	-	2,000	2,000	14.3.2003	14.3.2003 – 13.3.2013	HK\$0.495
	<u>4,824,000</u>	<u>2,000</u>	<u>4,826,000</u>			
Other participants	24,078,000	-	24,078,000	15.11.2002	15.11.2002 – 14.11.2012	HK\$0.580
	-	8,026,000	8,026,000	14.3.2003	14.3.2003 – 13.3.2013	HK\$0.495
	<u>24,078,000</u>	<u>8,026,000</u>	<u>32,104,000</u>			
	<u>62,996,000</u>	<u>17,271,000</u>	<u>80,267,000</u>			

### Notes:

- Details of the share options granted to each director of the Company are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- No share option granted under the Scheme was exercised, cancelled and lapsed during the period under review. Since there was no share option exercised during the period, no weighted average closing price of shares of the Company has been disclosed.
- The closing price of the shares of the Company immediately before 15 November 2002 at which date the share options were granted was HK\$0.58.
  - The closing price of the shares of the Company immediately before 14 March 2003 at which date the share options were granted was HK\$0.475.



## SHARE OPTIONS (continued)

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Notes: (continued)

4. The directors consider that it is not appropriate to disclose the value of share options granted during the period as the market price of the shares of the Company as at the period end date was below the exercise price of the share options granted and any valuation of the above share options would be subject to a number of assumptions that would be subjective and uncertain.
5. The share options granted under the Scheme are not recognised in the financial statements until they are exercised.

## AUDIT COMMITTEE

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The Company has engaged the Auditors to assist the Audit Committee to review the 2003 interim results of the Group. A meeting of the Audit Committee was held with the Auditors and the management of the Company on 9 September 2003 for, amongst other things, reviewing the interim results of the Group for the period ended 30 June 2003.

## COMPLIANCE WITH THE CODE OF BEST PRACTICE

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None of the directors of the Company is aware of information which would reasonably indicate that the Company is not, or was not, for any part of the six months ended 30 June 2003, in compliance with the Code of Best Practice set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of the Company's articles of association.

## APPRECIATION

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On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By Order of the Board

**Cao Zhong**  
Chairman

Hong Kong, 26 September 2003