

SHARE OPTION SCHEME

The shareholders of the Company have adopted a Share Option Scheme under which the directors may, at their discretion, invite any full time employee or executive director of the Company or its subsidiaries to take up options to subscribe for shares in the Company.

On 23 January 2003, certain directors and employees have been granted options under the Share Option Scheme.

The movement of the options granted under the Share Option Scheme during the period were as follows:

Grantee	Date of grant	Exercise price	Number of options		
			Granted during the period	Lapsed during the period	Held at 30 June 2003
<i>Directors</i>					
Fan Yajun	23 January 2003	HK\$1.10	5,000,000	–	5,000,000
To Siu Mui	23 January 2003	HK\$1.10	1,500,000	–	1,500,000
Ying Yuming	23 January 2003	HK\$1.10	5,000,000	5,000,000	–
<i>Employees</i>					
In aggregate	23 January 2003	HK\$1.10	1,500,000	–	1,500,000

The closing price of the Company's shares immediately before the date on which the options were granted was HK\$1.10.

The options granted is exercisable between 27 January 2003 to 26 January 2013, provided that 50% of the options granted shall not be exercised prior to 27 January 2004.

The options granted are not recognized in the financial statements until they are exercised. The Board considers that it is not appropriate to disclose the value of options granted during the year as a number of factors crucial for the valuation cannot be determined accurately. Any valuation of the options based on various speculative assumptions would be meaningless and misleading to the shareholders.