

DIRECTORS' INTERESTS IN SHARES

As at 30 September 2003, none of the directors of the Company had interests in or short positions of the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Share Option Scheme" below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director, chief executives or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTIONS SCHEME

The Company operates a share option scheme for the purpose of promoting additional commitment and dedication to the objectives of the Company by the participants.

The Company's share options scheme ("Scheme") was adopted on 22 September 1998. Eligible participants of the Scheme are the employees of the Company and its subsidiaries (including the executive directors of the Company and its subsidiaries). The offer of a grant of share options under the Scheme may be accepted within 28 days from the date of the offer together with the payment of nominal consideration of HK\$1 in total by the grantee.

SHARE OPTIONS SCHEME (Continued)

Pursuant to the terms of the scheme, (a) the maximum number of shares issued and permitted to be issued on the exercise of options under the Scheme and other exercise and/or employment share scheme established by the Company and/or any of its subsidiaries from time to time shall not exceed 10 per cent. of the issued share capital of the Company from time to time, excluding any shares allotted and issued pursuant to the Scheme, (b) no participant shall be granted an option which, if exercised in full, would result in the such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued to him under all options previously granted to him which have been exercised, and, issuable to him under all the options previously granted to him which are for the time being subsisting and unexercised, would exceeding 25 per cent. of the aggregate number of shares for the time being issued and issuable under the Scheme; and (c) the exercise price of the options is determined by the Board which shall be higher of the nominal value of the share or a price being not less than 80 per cent. of the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the relevant date of grant of options in respect of such options. However, these terms do not comply with the current requirements set out in the amended Chapter 17 of the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Since 1 September 2001, major amendments have been introduced to Chapter 17 of the Listing Rules. Pursuant to Rule 17.10(1) of the Listing Rules, grant of options under the Scheme must comply with the requirements of the amended Chapter 17 of the Listing Rules. Pursuant to the amended Chapter 17 of the Listing Rules, (a) the total number of securities which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the share options scheme and any other scheme of the listed issuer (or its subsidiary) to be granted under the share options scheme and any other scheme of the listed issuer must not in aggregate exceed 10 per cent. of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the share options scheme; (b) the total number of securities issued and which may fall to be issued upon exercise of the options granted to each participant (including both exercised or outstanding options) in any 12-month period shall not exceed one per cent. of the relevant class of securities of the listed issuer (or the subsidiary) in issue; (c) the exercise price of the options shall be not less than the higher of (i) the closing price of the securities as stated in the Stock Exchange's daily quotations sheet on the date of grant which must be a business day; (ii) the average closing price of the securities as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

SHARE OPTIONS SCHEME (Continued)

Therefore, the Company terminated the Scheme and adopted a new share options scheme ("New Scheme"), which complies with the requirements of the amended Chapter 17 of the Listing Rules, pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 24 June 2003. However, options already granted by the Company under the Scheme are governed by the terms of the Scheme and will not be affected by the terms of the New Scheme.

The following share options were outstanding under the Scheme during the period:

Name or category of participant	Number of share options				Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
	At 1 April 2003	Exercised during the period	Lapsed during the period	At 30 September 2003			
Other employees							
In aggregate	975,000	(350,000)	-	625,000	30/03/01	01/07/01 to 30/06/04	0.1491
	975,000	(350,000)	-	625,000	30/03/01	01/10/01 to 30/09/04	0.1491
	575,000	(275,000)	-	300,000	30/03/01	01/10/01 to 30/09/04	0.1491
	575,000	(275,000)	-	300,000	30/03/01	31/03/02 to 30/03/05	0.1491
	<u>3,100,000</u>	<u>(1,250,000)</u>	<u>-</u>	<u>1,850,000</u>			
	<u>3,100,000</u>	<u>(1,250,000)</u>	<u>-</u>	<u>1,850,000</u>			

In accordance with the provisions of the Scheme, share options will be lapsed upon the grantee ceasing to be an employee (including a director) of the Company after one month following the date of such cessation.

Save as disclosed in the above table, no options were lapsed or cancelled during the period under review.