

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 11 September 1996 (“Old Share Option Scheme”) was terminated on 26 August 2002. Under the Old Share Option Scheme, apart from share options granted to the directors of the Company as mentioned in the section headed “DIRECTORS’ INTERESTS IN SHARES” above, the following share options were also granted to certain employees of the Company:

| Date of grant | Exercisable period | Exercise price HK\$ | Number of share options outstanding at the beginning and end of period |
|----------------------|---------------------------|--------------------------------|---|
| 01.08.2001 | 01.02.2002 to 31.01.2005 | 0.255 | 3,400,000 |
| 08.12.2001 | 08.06.2002 to 07.06.2005 | 0.378 | 4,000,000 |

No options have been granted under the Old Share Option Scheme since its termination. During the financial period, 25,700,000 share options have been lapsed under the Old Share Option Scheme.

On 26 August 2002, a new share option scheme (“New Share Option Scheme”) was adopted by the Company in place of the Old Share Option Scheme. The purpose of the New Share Option Scheme is to provide incentives or rewards to the eligible persons as defined in the scheme for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employee and attract human resources that are valuable to the Group. No options have been granted under the New Share Option Scheme since its adoption.

The Directors consider it inappropriate to value the options that could be granted under the New Share Option as a number of factors that are crucial for the valuation cannot be determined accurately. Accordingly, such information is not disclosed in the interim report.