

SHARE OPTION SCHEMES

A. The Company

As at 30 June 2004, options to subscribe for an aggregate of 208,817,000 shares of the Company granted pursuant to the Pre-IPO Share Option Plan and the Share Option Scheme were outstanding. Details of which were as follows:

(a) Pre-IPO Share Option Plan

As at 30 June 2004, options to subscribe for an aggregate of 16,196,000 shares of the Company were outstanding and these options relate to the options granted to 3 persons who were employees of the Group at the date of grant. Details of which as at 30 June 2004 were as follows:

	Date of grant	Outstanding as at 1 January 2004	Number of share options			Outstanding as at 30 June 2004	Option period	Subscription price per share of the Company HK\$
			Exercised during the period	Lapsed during the period	Cancelled during the period			
Director	11/2/2000	9,080,000	–	–	–	9,080,000 <i>(Note)</i>	11/2/2000 – 10/2/2010	1.78
Employees	11/2/2000	7,116,000	–	–	–	7,116,000 <i>(Note)</i>	11/2/2000 – 10/2/2010	1.78
Total:		16,196,000	–	–	–	16,196,000		

Note: The options have vested in three tranches in the proportion of 20%:30%:50% on 11 February 2001, 11 February 2002 and 11 February 2003, respectively.

(b) Share Option Scheme

As at 30 June 2004, options to subscribe for an aggregate of 192,621,000 shares of the Company which were granted to certain Directors and continuous contract employees of the Group were outstanding. Details of which as at 30 June 2004 were as follows:

	Date of grant	Outstanding as at 1 January 2004	Number of share options				Outstanding as at 30 June 2004	Option period	Subscription price per share of the Company HK\$
			Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
Directors	30/6/2000	3,000,000	-	-	-	-	3,000,000	30/6/2000 – 29/6/2010	5.27
<i>(Note 1)</i>	8/8/2000	2,138,000	-	-	-	-	2,138,000	8/8/2000 – 7/8/2010	5.30
	15/11/2000	15,000,000	-	-	-	-	15,000,000	15/11/2000 – 14/11/2010	5.30
	7/2/2002	20,000,000	-	-	-	-	20,000,000	7/2/2002 – 6/2/2012	3.76
	9/10/2003	59,850,000	-	-	-	-	59,850,000	9/10/2003 – 8/10/2013	2.505
Employees	23/3/2000	2,672,000	-	-	402,000	-	2,270,000 <i>(Note 2)</i>	23/3/2000 – 22/3/2010	11.30
	31/5/2000	2,332,000	-	-	-	-	2,332,000 <i>(Note 3)</i>	31/5/2000 – 30/5/2010	4.685
	26/6/2000	1,192,000	-	-	54,000	-	1,138,000 <i>(Note 4)</i>	26/6/2000 – 25/6/2010	5.89
	8/8/2000	15,894,000	-	-	-	1,342,000	14,552,000 <i>(Note 5)</i>	8/8/2000 – 7/8/2010	5.30
	7/2/2002	17,810,000	-	-	-	476,000	17,334,000 <i>(Note 6)</i>	7/2/2002 – 6/2/2012	3.76
	9/10/2003	46,391,000	-	-	1,384,000	-	45,007,000 <i>(Note 7)</i>	9/10/2003 – 8/10/2013	2.505
	16/2/2004	-	10,000,000	-	-	-	10,000,000 <i>(Note 8)</i>	16/2/2004 – 15/2/2014	2.55 <i>(Note 9)</i>
Total:		186,279,000	10,000,000	-	1,840,000	1,818,000	192,621,000		

Notes:

- Details of the options granted to the Directors are set out in the section headed "Directors' Interest and Short Positions in Shares, Underlying Shares and Debentures" above.
- The options will vest in two tranches in the proportion of 50%:50% on 23 March 2005 and 23 March 2006 respectively.
- The options have vested on 31 May 2001.
- The options will vest in two tranches in the proportion of 50%:50% on 26 June 2005 and 26 June 2006 respectively.
- The options have vested on (i) 8 August 2001 or (ii) 8 August 2001 and 8 August 2002.
- The options will vest in three tranches in the proportion of 40%:30%:30% or 1/3:1/3:1/3.

For those grantees who have worked for the Group for over 1 year at the time of grant, the first tranche of the options would have vested on 8 February 2002. The second and third tranches of the options will vest on the second and third anniversaries (as the case may be) of their respective joining dates with the Group.

For those grantees who have worked for the Group for less than 1 year at the time of grant, the first, second and third tranches of the options will vest on the first, second and third anniversaries of their respective joining dates with the Group, as the case may be.

7. (i) For certain grantees, all the options have vested on 10 October 2003.
- (ii) For certain grantees, the options will vest in two tranches, the first tranche of the options has vested on 10 October 2003 and the second tranche of the options will vest on the anniversary of their respective joining dates with the Group in 2004.
- (iii) For certain grantees, the options will vest in three to four tranches, the first tranche of the options has vested on 10 October 2003 and the remaining tranches of the options will vest on the anniversaries of their respective joining dates with the Group in 2004 and 2005 or 2004 to 2006 (as the case may be).
- (iv) For certain grantees, the options will vest in three tranches in the proportion of 1/3:1/3:1/3 on the anniversaries of their respective joining dates with the Group in 2004 to 2006.
8. The options will vest in four tranches in the proportion of 1/4:1/4:1/4:1/4 on 16 February 2005, 16 February 2006, 16 February 2007 and 16 February 2008 respectively.
9. The closing price of the shares of the Company immediately before the date on which the options were granted was HK\$2.40.

B. TOM Online

As at 30 June 2004, options to subscribe for an aggregate of 277,383,331 shares of TOM Online which were granted to a Director and continuous contract employees of the Group were outstanding. Details of which as at 30 June 2004 were as follows:

	Date of grant	Number of share options					Outstanding as at 30 June 2004	Option period	Subscription price per share of TOM Online HK\$
		Outstanding as at 1 January 2004	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
Director	16/2/2004	-	165,000,000	-	-	-	165,000,000 <i>(Note 1)</i>	16/2/2004 – 15/2/2014	1.50 <i>(Note 3)</i>
Employees	16/2/2004	-	115,000,000	-	2,616,669	-	112,383,331 <i>(Note 2)</i>	16/2/2004 – 15/2/2014	1.50 <i>(Note 3)</i>
Total:		-	280,000,000	-	2,616,669	-	277,383,331		

Notes:

- Details of the options granted to the Director are set out in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
- The options granted to two grantees will vest in four tranches in the proportion of 15%:25%:30%:30% on 16 February 2005, 16 February 2006, 16 February 2007 and 16 February 2008 respectively.

For the rest of the grantees, the options will vest in four tranches in the proportion of 10%:30%:30%:30%. The first tranche of the options has vested on 12 April 2004, the second, third and fourth tranches of the options will vest on 16 February 2005, 16 February 2006 and 16 February 2007 respectively.
- As the options were granted prior to the listing of the shares of TOM Online on GEM, no closing price of the shares of TOM Online is available immediately before the date on which the options were granted.