

SHARE OPTIONS

Details of the share options granted under the Scheme during the six months ended 30 June 2004 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 ⁴	Excised during the period ⁵	At the end of the period			
Directors of the Company ¹	114,000,000 ²	-	(4,200,000)	109,800,000 ²	23.8.2002	23.8.2002 - 22.8.2012	HK\$0.295
	18,360,000	-	-	18,360,000	12.3.2003	12.3.2003 - 11.3.2013	HK\$0.280
	229,550,000	-	(5,800,000)	223,750,000	18.11.2003	18.11.2003 - 17.11.2013	HK\$0.410
	<u>361,910,000</u>	<u>-</u>	<u>(10,000,000)</u>	<u>351,910,000</u>			
Employees of the Group	3,900,000	-	(800,000)	3,100,000	23.8.2002	23.8.2002 - 22.8.2012	HK\$0.295
	-	11,000,000	-	11,000,000	18.3.2004	18.3.2004 - 17.3.2014	HK\$0.660
	<u>3,900,000</u>	<u>11,000,000</u>	<u>(800,000)</u>	<u>14,100,000</u>			
Other participants	31,100,000	-	-	31,100,000	23.8.2002	23.8.2002 - 22.8.2012	HK\$0.295
	61,960,000	-	-	61,960,000	12.3.2003	12.3.2003 - 11.3.2013	HK\$0.280
	-	5,000,000	-	5,000,000	18.3.2004	18.3.2004 - 17.3.2014	HK\$0.660
	<u>93,060,000</u>	<u>5,000,000</u>	<u>-</u>	<u>98,060,000</u>			
	<u>458,870,000</u>	<u>16,000,000</u>	<u>(10,800,000)</u>	<u>464,070,000</u>			



SHARE OPTIONS (continued)

Notes:

1. 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.
2. Included in the balance are 22,950,000 share options held by a grantee who ceased to be a director of the Company during the period but remained as a director of the Company's subsidiaries.
3. The number of share options granted to Mr. Cao Zhong, Mr. Chen Zhouping, Mr. Zhang Wenhui and Mr. Tsoi Wai Kwong, directors of the Company, on 18 November 2003 each exceeded the individual limit of 1% of the shares of the Company then in issue and were approved by the shareholders of the Company on 18 November 2003.
4. (a) The closing price of the shares of the Company immediately before the date on which the share options were granted was HK\$0.68 per share.

(b) The directors consider that it is not appropriate to state herein the value of the share options granted during the period. Any such valuation will be made on the basis of certain options pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. The directors believe that any calculation of the value of the share options as at 30 June 2004 based on a number of speculative assumptions would not be meaningful and would be misleading to the shareholders of the Company.
5. The weighted average closing price of the shares of the Company immediately before the date on which the share options were exercised was HK\$0.71 per share.
6. No share option granted under the Scheme was cancelled or lapsed during the period under review.
7. The share options granted under the Scheme are not recognised in the financial statements until they are exercised.

