

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES – continued

Other than as set out above, at 30th June, 2004, none of the directors or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or had exercised any right to subscribe for the securities or had exercised any such rights.

SHARE OPTION SCHEME

Pursuant to a resolution passed at the annual general meeting of the Company held on 27th May, 2002, the share option scheme adopted by the Company on 23rd October, 1996 (the "Old Option Scheme") was terminated and a new share option scheme (the "New Option Scheme") was adopted.

As the Old Option Scheme was terminated on 27th May, 2002, no further share options can be granted under the Old Option Scheme thereafter. However, all outstanding share options granted under the Old Option Scheme prior to the said termination shall remain valid and exercisable in accordance with the provisions of the Old Option Scheme.

Apart from the New Option Scheme, the Company has no other share option scheme in place.

SHARE OPTION SCHEME – continued

Details of share options outstanding at 30th June, 2004 were as follows:

Category of participants	Name of scheme	Exercisable period***	Exercise price per share	Number of share options outstanding at 1.1.2004 and 30.6.2004
Substantial shareholders and directors of the Company*	Old Option Scheme	21.11.1996 – 20.11.2006	60.510	674,269
		28.03.2000 – 27.03.2010	16.783	922,123
		02.06.2000 – 01.06.2010	8.134	417,506
	New Option Scheme	16.07.2002 – 15.07.2012	1.716	221,446
		17.07.2003 – 16.07.2013	0.564	457,000
				<u>2,692,344</u>
Director of the Company**	New Option Scheme	16.07.2002 – 15.07.2012	1.716	1,109,557
		17.07.2003 – 16.07.2013	0.564	2,285,000
				<u>3,394,557</u>
Employees of the Group	Old Option Scheme	05.01.1999 – 04.01.2009	5.011	44
		28.03.2000 – 27.03.2010	16.783	285,337
		02.06.2000 – 01.06.2010	8.134	417,508
	New Option Scheme	16.07.2002 – 15.07.2012	1.716	3,328,671
		17.07.2003 – 16.07.2013	0.564	10,254,939
				<u>14,286,499</u>
Other participants	New Option Scheme	16.07.2002 – 15.07.2012	1.716	4,438,228
		17.07.2003 – 16.07.2013	0.564	7,855,000
				<u>12,293,228</u>
				<u><u>32,666,628</u></u>

* Represented the share options held by Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany, the substantial shareholders and directors of the Company.

** Represented the share options held by Ms. Li Yuk Sheung, the director of the Company.

*** The exercisable period commenced on the date of grant of the relevant share options.

No share option was granted, exercised, cancelled or lapsed during the six months ended 30th June, 2004.