

## SHARE OPTION SCHEME

A share option scheme of the Company was approved and adopted on 31 May 2002. The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to inter alia, directors and employees of the Company and its subsidiaries and other participants to subscribe for shares of the Company. Further details of the Scheme were disclosed in the Company's 2004 annual report.

Based on the Company's records as at 30 June 2005, except disclosed in the section headed "Directors' Right to Acquire Shares" above, no other options were granted by the Company since its adoption.

## INTERIM DIVIDEND

At a meeting of the Board held on 13 September 2005, the Directors resolved not to pay an interim dividend to shareholders (2004: Nil).

## CONNECTED TRANSACTIONS

The Group had the following material transactions and balances with connected parties during the period.

### (A) Transactions

Connected parties	Nature of transactions	Notes	Six months ended 30 June	
			2005 HK\$'000	2004 HK\$'000
Zhejiang Geely Automobile Company Limited	Sales of automobile parts and components to an associate	(i)	1,355	628
	Dividend received from an associate		48,045	–
Shanghai Maple Guorun Automobile Company Limited	Dividend received from an associate		457	–
Zhejiang Haoqing Automobile Manufacturing Company Limited	Sales of automotive parts and components to subsidiary of an associate	(i)	34,467	6,754
Zhejiang Guo Mei Decorating Materials Company Limited	Rental expense to a related company	(i), (iii)	226	226