

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30th June, 2005, the interests of the directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register ("Register of Interests") maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### (i) Interests in ordinary shares of the Company

Name of director	Capacity	Number of shares held	Approximate percentage of interests held
Mr. Heung Wah Keung ("Mr. Heung")	Beneficial owner/ interest of spouse/ interest of controlled corporation	108,239,410*	20.79
Ms. Chen Ming Yin, Tiffany ("Ms. Chen")	Beneficial owner/ interest of spouse/ interest of controlled corporation	108,239,410*	20.79
Ms. Li Yuk Sheung	Beneficial owner	16	0.00

All interests stated above represent long positions.

\* These shares are held as to 18,395,000 shares by Mr. Heung, as to 9,429,410 shares by Ms. Chen (the spouse of Mr. Heung), as to 61,905,000 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen) and as to 18,510,000 shares by Dorest Company Limited ("Dorest") (a company wholly-owned by Glenstone Investments Limited which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung).

**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)****(ii) Rights to acquire shares in the Company**

As at 30th June, 2005, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

Name of director	Exercisable period*	Exercise price per share HK\$	Number of underlying shares comprised in the outstanding share options			Approximate percentage of interests held
			Direct interest	Deemed interest	Total	
Mr. Heung	21.11.1996 – 20.11.2006	60.510	337,135	337,134	674,269	
	28.03.2000 – 27.03.2010	16.783	461,061	461,062	922,123	
	02.06.2000 – 01.06.2010	8.134	208,753	208,753	417,506	
	16.07.2002 – 15.07.2012	1.716	110,723	110,723	221,446	
	17.07.2003 – 16.07.2013	0.564	228,500	228,500	457,000	
			<u>1,346,172</u>	<u>1,346,172<sup>#</sup></u>	<u>2,692,344</u>	<u>0.52</u>
Ms. Chen	21.11.1996 – 20.11.2006	60.510	337,134	337,135	674,269	
	28.03.2000 – 27.03.2010	16.783	461,062	461,061	922,123	
	02.06.2000 – 01.06.2010	8.134	208,753	208,753	417,506	
	16.07.2002 – 15.07.2012	1.716	110,723	110,723	221,446	
	17.07.2003 – 16.07.2013	0.564	228,500	228,500	457,000	
			<u>1,346,172</u>	<u>1,346,172<sup>+</sup></u>	<u>2,692,344</u>	<u>0.52</u>
Ms. Li Yuk Sheung	16.07.2002 – 15.07.2012	1.716	1,109,557	–	1,109,557	
	17.07.2003 – 16.07.2013	0.564	2,285,000	–	2,285,000	
			<u>3,394,557</u>	<u>–</u>	<u>3,394,557</u>	<u>0.65<sup>Δ</sup></u>

All interests stated above represent long positions.

# These share options are held by Ms. Chen, the spouse of Mr. Heung. Mr. Heung is therefore deemed to be interested in these share options.

+ These share options are held by Mr. Heung. Ms. Chen is therefore deemed to be interested in these share options.

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

Δ As at 30th June, 2005, the percentage of interests held by such director was 1.49% as recorded in the Register of Interests, which was calculated based on 228,519,396 issued shares of the Company on 17th July, 2003 (the date of the latest notice filed by such director before 30th June, 2005).

## **DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)**

Other than as set out above, as at 30th June, 2005, 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 of Interests 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.

## **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 as at 30th June, 2005 were as follows:

Category of Participants	Name of scheme	Exercisable period***	Exercise price per share HK\$	Number of share options				Outstanding as at 30.06.2005
				Outstanding as at 01.01.2005	Grant during the period	Exercised during the period	Lapsed during the period	
Substantial shareholders and directors of the Company*	Old Option Scheme	21.11.1996 – 20.11.2006	60.510	674,269	-	-	-	674,269
		28.03.2000 – 27.03.2010	16.783	922,123	-	-	-	922,123
		02.06.2000 – 01.06.2010	8.134	417,506	-	-	-	417,506
	New Option Scheme	16.07.2002 – 15.07.2012	1.716	221,446	-	-	-	221,446
		17.07.2003 – 16.07.2013	0.564	457,000	-	-	-	457,000
				<u>2,692,344</u>	-	-	-	<u>2,692,344</u>
Director of the Company**	New Option Scheme	16.07.2002 – 15.07.2012	1.716	1,109,557	-	-	-	1,109,557
		17.07.2003 – 16.07.2013	0.564	2,285,000	-	-	-	2,285,000
				<u>3,394,557</u>	-	-	-	<u>3,394,557</u>
Employees of the Group	Old Option Scheme	05.01.1999 – 04.01.2009	5.011	44	-	-	-	44
		28.03.2000 – 27.03.2010	16.783	250,539	-	-	(10,440)	240,099
		02.06.2000 – 01.06.2010	8.134	417,508	-	-	-	417,508
	New Option Scheme	16.07.2002 – 15.07.2012	1.716	3,328,671	-	-	(1,109,557)	2,219,114
		17.07.2003 – 16.07.2013	0.564	10,254,939	-	(7,969,939)	-	2,285,000
		13.12.2004 – 12.12.2014	0.520	15,800,000	-	(9,800,000)	-	6,000,000
	04.02.2005 – 03.02.2015	0.538	-	28,110,000	-	-	28,110,000	
			<u>30,051,701</u>	<u>28,110,000</u>	<u>(17,769,939)</u>	<u>(1,119,997)</u>	<u>39,271,765</u>	
Other participants	New Option Scheme	16.07.2002 – 15.07.2012	1.716	4,438,228	-	-	-	4,438,228
		17.07.2003 – 16.07.2013	0.564	7,055,000	-	-	-	7,055,000
		13.12.2004 – 12.12.2014	0.520	11,820,000	-	-	-	11,820,000
		04.02.2005 – 03.02.2015	0.538	-	10,205,000	-	-	10,205,000
				<u>23,313,228</u>	<u>10,205,000</u>	-	-	<u>33,518,228</u>
			<u>59,451,830</u>	<u>38,315,000</u>	<u>(17,769,939)</u>	<u>(1,119,997)</u>	<u>78,876,894</u>	

\* Represented the share options held by Mr. Heung and Ms. Chen, the substantial shareholders and directors of the Company.

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

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

No share option was cancelled during the six months ended 30th June, 2005.