



SHARE OPTIONS

Share Options of the Company

On 7 June 2002, the Scheme which complies with the requirements of Chapter 17 of the Listing Rules was adopted by the shareholders of the Company. Details of movement in the share options under the Scheme during the six months ended 30 June 2005 were as follows:

Category or name of grantees	Options to subscribe for shares of the Company				Date of grant	Exercise period	Exercise price per share
	At the beginning of the period	Transferred from other category during the period ²	Transferred to other category during the period ²	At the end of the period			
Directors of the Company							
Cao Zhong ¹	21,447,000	-	-	21,447,000	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
Chen Zheng ¹	18,015,000	-	-	18,015,000	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
Wang Tian ¹	16,299,000	-	-	16,299,000	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
Cheng Xiaoyu ¹	15,441,000	-	-	15,441,000	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
	71,202,000	-	-	71,202,000			
Leung Shun Sang, Tony	75	-	-	75	23.08.2002	23.08.2002 – 06.06.2012	HK\$0.73
	604	-	-	604	06.03.2003	06.03.2003 – 05.03.2013	HK\$0.76
	679	-	-	679			
	71,202,679	-	-	71,202,679			
Other employees of the Group							
	1,330,000	-	-	1,330,000	06.03.2003	06.03.2003 – 05.03.2013	HK\$0.76
	14,584,000	-	(14,584,000)	-	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
	15,914,000	-	(14,584,000)	1,330,000			
Other participant with options granted in excess of limit							
Chen Jianyong ¹	-	14,584,000	-	14,584,000	08.06.2004	08.06.2004 – 07.06.2014	HK\$0.82
	87,116,679	14,584,000	(14,584,000)	87,116,679			

SHARE OPTIONS (continued)

Notes:

1. The number of share options granted to Mr. Cao Zhong, Mr. Chen Zheng, Mr. Wang Tian, Ms. Cheng Xiaoyu and Mr. Chen Jianyong on 8 June 2004 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 the same day. Such share options are subject to the following restrictions:
 - (i) up to 40%, 70% and the balance of the share options will be exercisable from the 13th, the 25th and the 37th month respectively after the date of offer of grant; and
 - (ii) shares allotted upon exercise of those share options may not be sold within 90 days from their relevant allotment dates.
2. Re-classification of share options from the category of "Other employees of the Group" to "Other participant with options granted in excess of limit" upon termination of services of an employee of the Company during the period under review. Such share options remain exercisable up to the original expiry date.

No share option was granted, exercised, cancelled or lapsed in accordance with the terms of the Scheme during the six months ended 30 June 2005.

Share Options of a Subsidiary of the Company - Global Digital Creations Holdings Limited

Global Digital Creations Holdings Limited ("GDC"), a non wholly-owned subsidiary of the Company, has approved a share option scheme (the "GDC Scheme") by a shareholders' resolution passed at its special general meeting held on 18 July 2003. No share option under the GDC Scheme was outstanding as at the completion date of voluntary conditional share exchange offer made by the Group for the shares of GDC, and no share option to subscribe for shares of GDC was granted by virtue of the GDC Scheme since the acquisition of interest in GDC by the Company and up to 30 June 2005.

AUDIT COMMITTEE

The Company has engaged the auditors to assist the audit committee to review the 2005 interim results of the Group. A meeting of the audit committee was held with the auditors and the management of the Company on 14 September 2005 for, amongst other things, reviewing the interim results of the Group for the period ended 30 June 2005.