

SHARE OPTION SCHEME

On 7 August 2002, a share option scheme (the "Share Option Scheme") was adopted by the Company to comply with the amendments of the Listing Rules regarding share option schemes of a company.

The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include any employee (whether full time or part time), executive or officer of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any business consultants, agents and legal or financial advisers, who, in the sole discretion of the board of directors of the Company, will contribute or have contributed to the Company and/or any of its subsidiaries. The Share Option Scheme became effective on 7 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following share options were outstanding under the Share Option Scheme during the period:

Name or category of participant	Number of share options		Date of grant of share options *	Exercise period of share options	Exercise price of share options **
	At 1 January and 30-Jun-06				
Directors					
CHU Chun Man, Augustine	3,000,000		24 December 2003	29 December 2003 to 31 December 2006	1.51
CHU Yuk Man, Simon	3,000,000		24 December 2003	29 December 2003 to 31 December 2006	1.51
MATSUURA Takanori (deceased on 13 August 2006)	3,000,000		24 December 2003	29 December 2003 to 31 December 2006	1.51
Other employees					
In aggregate	1,100,000		9 June 2005	4 July 2005 to 8 June 2007	0.83
Others					
In aggregate	8,280,000		24 December 2003	29 December 2003 to 31 December 2006	1.51
	18,380,000				

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

SHARE OPTION SCHEME *(Continued)*

At the balance sheet date, the Company had 18,380,000 share options outstanding under the Share Option Scheme, which represented approximately 6.1% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 18,380,000 additional ordinary shares of the Company and additional share capital of HK\$1,838,000 and share premium of HK\$25,168,000 (before issue expenses).

No expense relating to the share option scheme has been recognised in the condensed consolidated income statement for the period as there was no share option granted during the period.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2006, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital	Number of share options held
CM Investment Company Limited		Directly beneficially owned	171,543,775	56.76%	–
A & S Company Limited	(a)	Through a controlled corporation	171,543,775	56.76%	–
Hung Tze Nga, Cathy	(b)	Through spouse	171,544,038	56.77%	3,000,000
Hung Tze Nga, Cathy		Directly beneficially owned	1,000,000	0.33%	–
			<u>172,544,038</u>	<u>57.10%</u>	<u>3,000,000</u>
Webb David Michael		Directly beneficially owned	2,022,000	0.67%	–
Webb David Michael	(c)	Through a controlled corporation	13,132,000	4.35%	–
			<u>15,154,000</u>	<u>5.02%</u>	<u>–</u>