

## SHARE OPTIONS

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. No share option was granted, cancelled or lapsed in accordance with the terms of the Scheme during the six months ended 30 June 2006. Details of movement in the share options under the Scheme during the period are as follows:

Category 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	Transferred to other category during the period	Exercised during the period	At the end of the period			
Directors of the Company <sup>1 &amp; 2</sup>	62,900,000	-	-	(1,000,000) <sup>3 &amp; 4</sup>	61,900,000	23.8.2002	23.8.2002 - 22.8.2012	HK\$0.295
	18,360,000	-	-	-	18,360,000	12.3.2003	12.3.2003 - 11.3.2013	HK\$0.280
	149,208,000	-	-	-	149,208,000	18.11.2003	18.11.2003 - 17.11.2013	HK\$0.410
	<u>230,468,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>229,468,000</u>			
Employees of the Group	110,000	-	-	-	110,000	12.3.2003	12.3.2003 - 11.3.2013	HK\$0.280
	11,000,000	-	(5,000,000) <sup>5</sup>	-	6,000,000	18.3.2004	18.3.2004 - 17.3.2014	HK\$0.660
	<u>11,110,000</u>	<u>-</u>	<u>(5,000,000)</u>	<u>-</u>	<u>6,110,000</u>			
Other participants	76,700,000	-	-	-	76,700,000	23.8.2002	23.8.2002 - 22.8.2012	HK\$0.295
	61,850,000	-	-	-	61,850,000	12.3.2003	12.3.2003 - 11.3.2013	HK\$0.280
	52,796,000	-	-	-	52,796,000	18.11.2003	18.11.2003 - 17.11.2013	HK\$0.410
	-	5,000,000 <sup>5</sup>	-	-	5,000,000	18.3.2004	18.3.2004 - 31.12.2006	HK\$0.660
	5,000,000	-	-	-	5,000,000	18.3.2004	18.3.2004 - 17.3.2014	HK\$0.660
	<u>196,346,000</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>201,346,000</u>			
<u>437,924,000</u>	<u>5,000,000</u>	<u>(5,000,000)</u>	<u>(1,000,000)</u>	<u>436,924,000</u>				





## SHARE OPTIONS (continued)

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*Notes:*

1. Details of the share options granted to each Director of the Company are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
2. The number of share options granted to Mr. Cao Zhong and Mr. Chen Zhouping, both being Directors of the Company as at 30 June 2006, on 18 November 2003 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 18 November 2003.
3. The share options were exercised by a grantee who ceased to be a Director of the Company during the period.
4. The closing price of the shares of the Company immediately before the date on which the share options were exercised was HK\$0.61 per share.
5. The share options were held by a grantee who ceased to be an employee of the Group during the period. The Board has approved the extension of the exercise period for such share options up to 31 December 2006 and such share options were re-classified from the category of "Employees of the Group" to "Other participants" during the period.

## AUDIT COMMITTEE

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The Company has engaged the Auditors to assist the Audit Committee to review the 2006 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 2006 for, amongst other things, reviewing the interim results of the Group for the period ended 30 June 2006.