

## SHARE OPTION SCHEME

During the six months ended 30 June 2006, no share option has been granted under the share option scheme adopted by the Company pursuant to an ordinary resolution passed on 20 June 2002 (the "Share Option Scheme").

As at 30 June 2006, the directors and the chief executive of the Company and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted under the Share Option Scheme:

| Name   | Options<br>outstanding<br>as at 1/1/2006 | Options lapsed     | Options<br>outstanding<br>as at 30/6/2006 |
|--|--|--------------------|---|
| <i>Directors</i>                                 |  |                    |   |
| Yang Xiaotang*                                   | 4,000,000                                | (4,000,000)        | –   |
| Tong Baoan                                       | 3,800,000                                | –                  | 3,800,000                                 |
| Fan Qingwu                                       | 3,600,000                                | –                  | 3,600,000                                 |
| Hua Longxing                                     | 3,600,000                                | –                  | 3,600,000                                 |
| Sub-total  | <u>15,000,000</u>                        | <u>(4,000,000)</u> | <u>11,000,000</u>                         |
| Aggregate of employees<br>and other participants | <u>13,450,000</u>                        | –                  | <u>13,450,000</u>                         |
| Total  | <u>28,450,000</u>                        | <u>(4,000,000)</u> | <u>24,450,000</u>                         |

\* *Mr. Yang Xiaotang resigned as non-executive director and chairman of the Company in April 2006. The option granted to Mr. Yang has lapsed in accordance with the terms of the Share Option Scheme as a result of his resignation.*

The options were all granted on 25 October 2005 under the Share Option Scheme. The options represent personal interest held by the grantees as beneficial owners. Grantees of such options are entitled to exercise the options at a price of HK\$1.488 per share in the following periods:

- (i) in respect of 40% of the options granted, from 1 November 2005 to 31 October 2008;
- (ii) in respect of a further 30% of the options granted, from 1 November 2006 to 31 October 2009; and
- (iii) in respect of the remaining 30% of the options granted, from 1 November 2007 to 31 October 2010.

Save as disclosed above, no options granted under the Share Option Scheme were exercised, lapsed or cancelled during the six months ended 30 June 2006.