



## NEW SCHEME

As at 31st December 2003, 19,950,000 share options remained outstanding under the New Scheme and details of the movements of the said outstanding share options were as follows:

Date of share option granted (*note i*): 31st March 2003  
Exercise price (*note ii*): HK\$1.04

Name or category of participants	As at 1st July 2003	Number of share options Granted/ (exercised) during the period	Lapsed during the period	As at 31st December 2003	Exercise period of share options
<b>Directors</b>					
Mr. Yang Long-san, Rowell	2,400,000	–	–	2,400,000	24th September 2003 – 23rd March 2013
	2,400,000	–	–	2,400,000	24th March 2004 – 23rd March 2013
	4,800,000	–	–	4,800,000	
Mr. Wang Ming-chun, Morris	2,500,000	–	–	2,500,000	24th September 2003 – 23rd March 2013
	2,500,000	–	–	2,500,000	24th March 2004 – 23rd March 2013
	5,000,000	–	–	5,000,000	
Mr. Lai Chen-Chu, Jack	850,000	–	–	850,000	24th September 2003 – 23rd March 2013
	850,000	–	–	850,000	24th March 2004 – 23rd March 2013
	1,700,000	–	–	1,700,000	
Mr. Chang Su-pong, Steve	750,000	–	–	750,000	24th September 2003 – 23rd March 2013
	750,000	–	–	750,000	24th March 2004 – 23rd March 2013
	1,500,000	–	–	1,500,000	



Name or category of participants	As at 1st July 2003	Number of share options Granted/ (exercised) during the period	Lapsed during the period	As at 31st December 2003	Exercise period of share options
<b>Directors</b>					
Mr. Yeh Pei-chu, Ivan	750,000	–	–	750,000	24th September 2003 – 23rd March 2013
	750,000	–	–	750,000	24th March 2004 – 23rd March 2013
	1,500,000	–	–	1,500,000	
Mr. Wong Kui-ming, Luffer	750,000	–	–	750,000	24th September 2003 – 23rd March 2013
	750,000	–	–	750,000	24th March 2004 – 23rd March 2013
	1,500,000	–	–	1,500,000	
Mr. Lee Chiu-kang, Alex	100,000	–	–	100,000	24th September 2003 – 23rd March 2013
	100,000	–	–	100,000	24th March 2004 – 23rd March 2013
	200,000	–	–	200,000	
Mr. Chan Mo-po, Paul	75,000	–	–	75,000	24th September 2003 – 23rd March 2013
	75,000	–	–	75,000	24th March 2004 – 23rd March 2013
	150,000	–	–	150,000	
Sub-total	16,350,000	–	–	16,350,000	
<b>Other employees</b>					
In aggregate	1,850,000	–	–	1,850,000	24th September 2003 – 23rd March 2013
	1,750,000	–	–	1,750,000	24th March 2004 – 23rd March 2013
Sub-total	3,600,000	–	–	3,600,000	
Total	19,950,000	–	–	19,950,000	



#### Notes:

- (i) The vesting period of share options is from the date of the grant until the commencement of the exercise period.
- (ii) The exercise price of share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The directors do not consider it appropriate to disclose a theoretical value of the share options of the Company granted because a number of factors crucial for the valuation are subjective and uncertain. Accordingly, any valuation of the options based on various speculative assumptions would not be meaningful, and would be misleading.

### SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December 2003, the interests and short positions of the substantial shareholders and other shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO were as follows:

#### (a) Long positions in shares of the Company

Name of shareholder	No. of ordinary shares	Capacity and nature of interest	% of issued share capital
Mr. Yang Long-san, Rowell	245,862,724	Beneficial owner of 21,152,000 shares and interest of controlled corporation 224,710,724 shares (Note i)	38.35%
Peipus International Ltd. (Note i)	224,710,724	Beneficial owner	35.05%
Value Partners Limited (Note ii)	37,178,000	Investment Manager	5.80%
Mr. Cheah Cheng Hye (Note ii)	37,178,000	Invested in controlled corporation	5.80%
Nordea I SICAV – Far Eastern Value Fund	34,751,000	Investment Manager	5.42%

#### Notes:

- (i) The entire issued share capital of Peipus International Ltd. is owner by Mr. Yang Long-san, Rowell. According, Mr. Yang Long-san, Rowell is deemed to be interested in all the shares in which Peipus International Ltd. is interested pursuant to the SFO.
- (ii) The issued share capital of Value Partners Limited is owned as to approximately 32.53% by Mr. Cheah Cheng Hye. Accordingly, Mr. Cheah Cheng Hye is deemed to be interested in all the shares in which Value Partners Limited is interested pursuant to the SFO.



**(b) Long positions in underlying shares and short positions in shares and underlying shares**

There were no long positions in the underlying shares or short positions in the shares and underlying shares of the Company, which were recorded in the register as required to be kept under Section 336 of Part XV of the SFO.

Save as disclosed above, no other person had interests or short positions in the shares and underlying shares of the Company, which are recorded in the register to be maintained by the Company pursuant to Section 336 of the SFO.

**PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

**AUDIT COMMITTEE**

To comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, the Company set up an Audit Committee (the "Committee") since 1998, with written terms of reference, for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The Committee comprises the Company's two independent non-executive directors. The Group's unaudited condensed consolidated interim financial statements for the period ended 31st December 2003 have been reviewed by the Committee who are of the opinion that such financial statements comply with the applicable accounting standards, and the stock exchange and legal requirements, and that adequate disclosures have been made.

**CODE OF BEST PRACTICE**

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the accounting period covered by this unaudited condensed consolidated interim financial statements, save that the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's bye-laws.

On behalf of the Board  
**Yang Long-san, Rowell**  
*Chairman and Managing Director*

Hong Kong, 24th March 2004