

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

2. The percentages of aggregate holding were calculated on the basis of 860,629,331 shares of the Company in issue at 30 September 2004.

Save as disclosed above, at 30 September 2004, none of the directors and chief executives of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company has two share option schemes. The old share option scheme of the Company was adopted on 14 May 2001 (the "2001 Share Option Scheme") and terminated on 18 July 2002. Despite termination and no further options can be granted under the 2001 Share Option Scheme, the provisions of the 2001 Share Option Scheme remain in full force and effect in all other respects to govern all outstanding options granted prior to the termination of the said scheme. The new share option scheme of the Company was adopted on 18 July 2002 (the "2002 Share Option Scheme").

(i) 2001 Share Option Scheme

The following table shows the movements in the share options under the 2001 Share Option Scheme during the six months ended 30 September 2004 and the options outstanding at the beginning and end of the period:

Grantee	Number of share options				Outstanding at 30/09/2004	Subscription price per share HK\$ (Note 2)	Date of grant	Exercisable period (Note 1)
	Outstanding at 01/04/2004	Granted during the period (Note 3)	Exercised during the period	Lapsed during the period				
Directors								
GUO Wei	2,800,000	—	—	—	2,800,000	3.180	12/07/2001	12/07/2002–11/07/2009
	2,800,000	—	—	—	2,800,000	1.976	31/08/2001	31/08/2002–30/08/2009
LIN Yang	1,500,000	—	—	—	1,500,000	3.180	12/07/2001	12/07/2002–11/07/2009
	1,500,000	—	—	—	1,500,000	1.976	31/08/2001	31/08/2002–30/08/2009
HUA Zhinian	1,100,000	—	—	—	1,100,000	3.180	12/07/2001	12/07/2002–11/07/2009
	1,100,000	—	—	—	1,100,000	1.976	31/08/2001	31/08/2002–30/08/2009
Other employees	32,582,000	—	—	4,161,000	28,421,000	3.604	08/06/2001	08/06/2002–19/06/2009
	1,100,000	—	—	—	1,100,000	3.180	12/07/2001	12/07/2002–11/07/2009
	19,736,000	—	883,000	1,166,000	17,687,000	1.976	31/08/2001	31/08/2002–30/08/2009

Notes:

- All options granted are subject to a vesting period of 4 years with 25% becoming exercisable on the first anniversary, 25% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the respective date of grant.
- The subscription price of the options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

SHARE OPTIONS *(continued)*

(i) 2001 Share Option Scheme *(continued)*

- The weighted average of the closing prices of the Company's shares immediately preceding the dates on which the options were exercised was HK\$2.671.
- No options were cancelled under the 2001 Share Option Scheme during the period.

(ii) 2002 Share Option Scheme

The following table shows the movements in the share options under the 2002 Share Option Scheme during the six months ended 30 September 2004 and the options outstanding at the beginning and end of the period:

Grantee	Number of share options				Outstanding at 30/09/2004	Subscription price per share HK\$ (Note 2)	Date of grant	Exercisable period (Note 1)
	Outstanding at 01/04/2004	Granted during the period	Exercised during the period	Lapsed during the period				
Directors								
LI Qin	—	2,500,000 (Note 3)	—	—	2,500,000	2.068	24/06/2004	24/06/2005–23/06/2012
GUO Wei	5,000,000	—	—	—	5,000,000	2.750	13/10/2003	13/10/2004–12/10/2011
LIN Yang	2,500,000	—	—	—	2,500,000	2.750	13/10/2003	13/10/2004–12/10/2011
HUA Zhinian	2,000,000	—	—	—	2,000,000	2.750	13/10/2003	13/10/2004–12/10/2011
Other employees	50,310,000	—	—	1,110,000	49,200,000	2.750	13/10/2003	13/10/2004–12/10/2011

Notes:

- All options granted are subject to a vesting period of 4 years with 25% becoming exercisable on the first anniversary, 25% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the respective date of grant.
- The subscription price of the options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- The closing price of the Company's shares on the Stock Exchange on the business day immediately preceding 24 June 2004, the date of grant of option to Mr. LI Qin, was HK\$1.990 per share.
- No options were cancelled under the 2002 Share Option Scheme during the period.