

SHARE OPTION SCHEME

Share options are granted to directors, executives and employees under the Share Option Scheme (the “Scheme”) approved by the shareholders at Annual General Meeting on 2 September 2002. There are no changes in any terms of the Scheme during the six months ended 30 September 2004. The details terms of the Scheme were disclosed in the 2004 Annual Report.

Details of share options outstanding as at 30 September 2004 which have been granted under the Scheme are as follows:

Name	Number of share options						Exercise price HK\$	Date of grant	Exercisable period
	At 1 April 2004	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30 September 2004			
TAI Tak Fung, Stephen	1,200,000	-	-	-	-	1,200,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
Takeshi NOMAGUCHI	1,200,000	-	(800,000)	-	-	400,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
MAN Wing Cheung, Ellis	1,000,000	-	(700,000)	-	-	300,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
YIP Wai Keung	1,000,000	-	(480,000)	-	-	520,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
TSE Siu Wan	1,000,000	-	(1,000,000)	-	-	-	0.93	11 November 2003	1 May 2004 to 31 October 2005
LAI Yuk Chuen, Philip	1,000,000	-	(1,000,000)	-	-	-	0.93	11 November 2003	1 May 2004 to 31 October 2005
CHAN Kay Cheung	800,000	-	-	-	-	800,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
LAN Yee Fong, Steve John	800,000	-	(800,000)	-	-	-	0.93	11 November 2003	1 May 2004 to 31 October 2005
	<u>8,000,000</u>	<u>-</u>	<u>(4,780,000)</u>	<u>-</u>	<u>-</u>	<u>3,220,000</u>			
Other employees									
Managerial level in aggregate	14,200,000	-	(8,100,000)	(200,000)	-	5,900,000	0.93	11 November 2003	1 May 2004 to 31 October 2005
Grand Total	<u><u>22,200,000</u></u>	<u><u>-</u></u>	<u><u>(12,880,000)</u></u>	<u><u>(200,000)</u></u>	<u><u>-</u></u>	<u><u>9,120,000</u></u>			

Notes:

1. In respect of the share options granted on 11 November 2003, the closing price of the shares of the Company immediately before the date on which the share options were granted was HK\$0.93.
2. The weighted average closing price per share immediately before the dates on which the share options were exercised was HK\$1.221.
3. A total of 200,000 share options at exercise price of HK\$0.93 were lapsed.
4. The above options granted are not recognised in the accounts until they are exercised. Rule 17.08 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") stipulates that the listed issuer is encouraged to disclose in its annual report and interim report the value of options granted to participants as referred to in (i) to (v) of Rule 17.07 during the financial year. The directors consider it inappropriate to value the share options as a number of factors critical for the valuation cannot be determined accurately. Any valuation of the share options based on various speculative assumptions would be meaningless and could be misleading to the shareholders. The directors therefore consider the disclosure of only the relevant market price and exercise price, which are readily ascertainable, will be appropriate.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's borrowings are primarily denominated in Hong Kong dollars and US dollars. The Group has no significant exposure to foreign exchange fluctuations.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the period, the Company purchased 3,514,000 ordinary shares of HK\$0.10 each in the capital of the Company at prices ranging from HK\$1.14 to HK\$1.20 per share on the Stock Exchange. Such purchases involved a total cash outlay of approximately HK\$4,145,000 and were for the purpose of enhancing returns on equity.

Month/Year	Number of shares repurchased	Highest price per share HK\$	Lowest price per share HK\$	Aggregate consideration paid HK'000
June 2004	3,514,000	1.20	1.14	4,145

The repurchased shares were cancelled and accordingly, the issued share capital was reduced by the nominal value thereof. The premium payable on repurchase was charged against the retained earnings of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period.