



SHARE OPTION SCHEME

On 19 June 2002, the Company adopted the Share Option Scheme, the principal terms of which were set out in the Company's 2003/2004 Annual Report.

Details of the movements of the outstanding share options granted under the Share Option Scheme of the Company during the period under review were as follows:

Name or Category of participant	Number of Shares in respect of Options			Date of grant	Exercisable period	Exercise price per share HK\$	Weighted average closing price (Note 2) HK\$
	Balance as at 1 July 2004	Exercised during the period	Outstanding as at 31 December 2004 (Note 1)				
Directors:							
Kwok Ho	21,000,000	–	21,000,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	–
	21,000,000	–	21,000,000	28/01/2003	01/01/2004 – 27/01/2013	1.58	–
	21,000,000	–	21,000,000	28/01/2003	01/01/2005 – 27/01/2013	1.58	–
Lee Yan	2,100,000	–	2,100,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	–
	1,575,000	500,000	1,075,000	24/06/2003	01/07/2003 – 23/06/2013	1.09	2.80
Chan Hong	1,600,000	–	1,600,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	–
Wong Hip Ying	1,075,000	–	1,075,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	–
	1,600,000	–	1,600,000	19/06/2003	01/07/2003 – 18/06/2013	1.08	–
Fong Jao	2,100,000	–	2,100,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	–
	1,600,000	–	1,600,000	19/06/2003	01/07/2003 – 18/06/2013	1.08	–
Employees:							
<i>In aggregate</i>	2,550,000	800,000	1,750,000	28/01/2003	01/07/2003 – 27/01/2013	1.58	2.81
	16,641,100	4,790,100	11,851,000	19/06/2003	01/07/2003 – 18/06/2013	1.08	2.77
	6,300,000	1,050,000	5,250,000	19/06/2003	01/07/2004 – 18/06/2013	1.08	2.23
	5,550,000	–	5,550,000	28/05/2004	01/01/2005 – 27/05/2014	2.40	–
	500,000	–	500,000	28/05/2004	01/07/2005 – 27/05/2014	2.40	–
	1,050,000	–	1,050,000	28/05/2004	01/01/2006 – 27/05/2014	2.40	–
	500,000	–	500,000	28/05/2004	01/07/2006 – 27/05/2014	2.40	–
	1,050,000	–	1,050,000	28/05/2004	01/01/2007 – 27/05/2014	2.40	–
Other Participants:							
<i>In aggregate</i>	1,050,000	1,050,000	–	19/06/2003	01/07/2004 – 18/06/2013	1.08	2.28
Total	109,841,100	8,190,100	101,651,000				



Notes:

1. No option has been granted, lapsed or cancelled during the six months ended 31 December 2004.
2. This represents weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised. A total of 8,190,100 options were exercised during the six months ended 31 December 2004, the weighted average closing price of the share immediately before the dates on which the options were exercised was HK\$2.64.
3. Since no option has been granted during the six months ended 31 December 2004, the closing price immediately before the date of options granted is not applicable.
4. The share options granted are not recognized in the financial statements until they are exercised. The Directors consider that it is not appropriate to disclose the value of options granted during the period, since any valuation of the above options would be subject to a number of assumptions that would be subjective and uncertain.
5. A total of 2,473,500 options were exercised by the option holders on 30 December 2004, but the shares had not been issued to them until 4 January 2005.

ISSUE OF 7.75% GUARANTEED SENIOR NOTES DUE 2010

Pursuant to a purchase agreement dated 1 February 2005 (the "Purchase Agreement"), the Company has conditionally agreed to issue the aggregate principal amount of US\$225 million of 7.75% Guaranteed Senior Notes due 2010 (the "Notes") to the purchasers as set out in the Purchase Agreement. The Notes are listed on The Singapore Exchange Securities Trading Limited. The net proceeds arising from the issue of Notes would be used to finance capital expenditures of the Company, including the expansion of its production bases, and for general corporate purposes.

Details of the Notes are set out in note 20 to the condensed accounts.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2004 (2003: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, the Company purchased 1,890,000 shares of HK\$0.1 each in the capital of the Company on 5 August 2004 at price ranging from approximately RMB2.03 (HK\$1.92) to approximately RMB2.17 (HK\$2.05) per share on the Stock Exchange. Such purchases involved a total cash outlay of approximately RMB3,987,314 (HK\$3,765,880).

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2004.