

(ii) **2002 Share Option Scheme**

The following table shows the movements in share options under the 2002 Share Option Scheme during the six months ended 30 September 2005 and the options outstanding at the beginning and end of the period:

Grantee	Outstanding at 1/04/05	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30/09/05	Subscription price per share HK\$ (Note 2)	Date of grant	Exercisable period (Note 1)
Directors								
LI Qin	2,500,000	–	–	–	2,500,000	2.068	24/06/04	24/06/05-23/06/12
GUO Wei	5,000,000	–	–	–	5,000,000	2.750	13/10/03	13/10/04-12/10/11
LIN Yang	2,500,000	–	–	–	2,500,000	2.750	13/10/03	13/10/04-12/10/11
HUA Zhinian	2,000,000	–	–	–	2,000,000	2.750	13/10/03	13/10/04-12/10/11
Other employees	48,572,000	–	–	2,316,000	46,256,000	2.750	13/10/03	13/10/04-12/10/11

Notes:

1. 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.
2. 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.
3. No options were cancelled under the 2002 Share Option Scheme during the period.

Compliance with Chapter 13 of the Listing Rules

In compliance with the continuing disclosure requirements under Rule 13.21 of Chapter 13 of the Listing Rules (as amended on 31 March 2004), the directors of the Company reported below details of a facility agreement which included conditions relating to the specific performance of the controlling shareholder of the Company.

On 24 March 2003, the Company entered into a facility agreement (the “**2003 Facility Agreement**”) with a syndicate of banks (the “**Banks**”) for a 4-year transferable loan facility of up to US\$70 million. The said loan facility has been used by the Company to repay in full the outstanding amounts under a previous facility agreement entered by the Company on 25 March 2002 and thereafter, finance its general working capital.

The 2003 Facility Agreement includes a condition to the effect that Legend Holdings Limited, the controlling shareholder of the Company, is to beneficially hold not less than 40% of the issued share capital of the Company throughout the term of the 2003 Facility Agreement. A breach of such condition, if not remedied within 30 days after the agent of the Banks has given written notice to the Company, shall constitute an event of default under the 2003 Facility Agreement and, upon such occurrence, all amounts outstanding under the 2003 Facility Agreement shall immediately become due and payable.

At 30 September 2005, the loan facility under the 2003 Facility Agreement had been fully drawn and the outstanding loan balance was repaid in full on 14 November 2005.