

SHARE OPTION SCHEME

Share options were 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 2005. The details terms of the Scheme were disclosed in the 2004/2005 Annual Report.

Movements of the share options, which have been granted under the Scheme, during the period are set out below:

Name	Number of share options					Exercise price HK\$	Date of grant	Exercisable period
	At 1 April 2005	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30 September 2005		
TAI Tak Fung, Stephen	1,200,000	-	-	-	-	1,200,000	0.93	11 November 2003
Takeshi NOMAGUCHI	400,000	-	-	-	-	400,000	0.93	11 November 2003
MAN Wing Cheung, Ellis	100,000	-	-	-	-	100,000	0.93	11 November 2003
YIP Wai Keung	520,000	-	-	-	-	520,000	0.93	11 November 2003
TSE Siu Wan	-	-	-	-	-	-	0.93	11 November 2003
LAI Yuk Chuen, Philip	-	-	-	-	-	-	0.93	11 November 2003
CHAN Kay Cheung	800,000	-	-	-	-	800,000	0.93	11 November 2003
LAN Yee Fong, Steve John	-	-	-	-	-	-	0.93	11 November 2003
	3,020,000	-	-	-	-	3,020,000		
Other employees								
Managerial level in aggregate	5,000,000	-	(400,000)	-	-	4,600,000	0.93	11 November 2003
Grand Total	8,020,000	-	(400,000)	-	-	7,620,000		



Notes:

1. The weighted average closing price per share immediately before the dates on which the share options were exercised was HK\$1.11.
2. During the period, no share options were cancelled or lapsed under the Scheme.
3. As no share option was granted by the Company during the period, thus the estimation of fair value of share options granted was not applicable. For share options granted under the Scheme of the Company, the fair value of the options shall be estimated by applying the Black-Scholes option pricing model (the “Model”), taking into account a number of factors such as the exercise price and the life of the option, the market price and volatility of the underlying shares, and the risk-free interest rate for the life of the option. The Model is developed to estimate the fair value of publicly traded options that have no vesting restrictions and are fully transferable. In addition, it requires input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of an option.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2005, the interests and short positions of the directors and chief executives of the Company (including those interests and short positions which were taken or deemed to have been taken under the provisions of the Securities and Futures Ordinance (the "SFO")) in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were notified to the Company or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(A) INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

	Number of shares held			Number of underlying shares held under equity derivatives		Total interests as % of the relevant issued share capital
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Personal/Family interests	Total interests	
TAI Tak Fung, Stephen	2,210,000	53,095,177 ⁽ⁱ⁾	30,914,000 ⁽ⁱⁱⁱ⁾	2,000,000 ^(iv & v)	88,219,177	34.10%
Takeshi NOMAGUCHI	–	–	–	400,000 ^(iv)	400,000	0.15%
MAN Wing Cheung, Ellis	–	–	–	100,000 ^(iv)	100,000	0.04%
YIP Wai Keung	736,360	–	–	520,000 ^(iv)	1,256,360	0.49%
TAI Chun Leung	–	–	30,914,000 ⁽ⁱⁱⁱ⁾	–	30,914,000	11.95%
CHAN Kay Cheung	–	–	–	800,000 ^(iv)	800,000	0.31%
LAN Yee Fong, Steve John	800,000	–	–	–	800,000	0.31%
LUI Shing Ming, Brian	–	–	–	600,000 ^(iv & vi)	600,000	0.23%

*Notes:*

- (i) Out of the 53,095,177 shares, 187,927 shares, representing 0.07% of the Company's issued share capital, are beneficially owned by Four Seas Mercantile Holdings Limited ("FSMHL"). Special Access Limited ("SAL") and Careful Guide Limited ("CGL") which in aggregate hold more than one-third of the issued share capital of FSMHL. SAL is wholly owned by Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly; whereas CGL is owned by a discretionary trust, the Tai Family Trust, the eligible beneficiaries of which include members of the family of Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. Accordingly, Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests in those 187,927 shares of the Company's issued share capital held by FSMHL. The remaining 52,907,250 shares, representing 20.45% of the Company's issued share capital, are owned by SAL, and Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are therefore deemed to have interests therein.
- (ii) 30,914,000 shares, representing 11.95% of the Company's issued capital, are owned by CGL whose shares are owned by a discretionary trust, the Tai Family Trust, the eligible beneficiaries of which include members of the family of Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. Thus Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests therein.
- (iii) Such interests in the shares are held by CGL, a company controlled by the Tai Family Trust under which Mr. TAI Chun Leung is a discretionary beneficiary. As Director of the Company, Mr. TAI Chun Leung is taken to have a duty of disclosure in relation to such shares under the SFO.
- (iv) These represent the interest in underlying shares in respect of the share options granted by the Company, the details of which are set out in the section headed "Share Option Scheme" above.
- (v) Of which, 1,200,000 share options were granted to Dr. TAI Tak Fung, Stephen, JP. Another 800,000 share options were granted to his spouse Dr. WU Mei Yung, Quinly. Dr. TAI Tak Fung, Stephen, JP is therefore deemed to have interest therein.
- (vi) 600,000 share options were granted to his spouse Mdm. LEUNG Mei Han, therefore Mr. LUI Shing Ming, Brian is deemed to have interests therein.

(B) INTERESTS IN SHARES AND UNDERLYING SHARES OF THE ASSOCIATED CORPORATION

Directors' interests in the equity of FSMHL are as follows:

	Number of shares held			Number of underlying shares held under equity derivatives		Total interests as % of the relevant issued share capital
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Trust and similar interests	Personal/Family interests	Total interests	
TAI Tak Fung, Stephen	-	190,602,000 ⁽ⁱ⁾	82,000,000 ⁽ⁱⁱ⁾	-	272,602,000	68.22%
YIP Wai Keung	680,000	-	-	-	680,000	0.17%
TAI Chun Leung	-	-	82,000,000 ⁽ⁱⁱⁱ⁾	-	82,000,000	20.52%

Notes:

- (i) Of which, 81,250,000 shares, representing 20.33% of the issued share capital of FSMHL, are owned by SAL, which in turn is wholly-owned by Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. Another 109,352,000 shares, representing 27.37% of the issued share capital of FSMHL, are owned by Capital Season Investments Limited, a company wholly-owned by Advance Finance Investments Limited ("AFIL"). Since AFIL is wholly owned by the Company, which in turn is controlled by Dr. TAI Tak Fung, Stephen, JP, SAL, CGL and FSMHL. Therefore, Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests in 109,352,000 shares of FSMHL.
- (ii) The shares, which represent 20.52% of the issued share capital of FSMHL, are owned by CGL whose shares are owned by a discretionary trust, the Tai Family Trust, the eligible beneficiaries of which include members of the family of Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly. Thus Dr. TAI Tak Fung, Stephen, JP and his spouse Dr. WU Mei Yung, Quinly are deemed to have interests therein.
- (iii) Such interests in the shares are held by CGL, a company controlled by the Tai Family Trust under which Mr. TAI Chun Leung is a discretionary beneficiary.

All the interests stated above represent long positions in the shares/underlying shares of the Company. Save as disclosed above, as at 30 September 2005, none of the directors or chief executives of the Company had, or were deemed under the SFO to have, any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.