



## SHARE OPTION SCHEMES

The movements in the options granted under the employee share option scheme for the six months ended 30 June 2006 were as follows:

|                         | Subscription<br>Price/share | Exercisable period    | Option<br>grant<br>date | No. of<br>options<br>granted | No. of<br>options<br>held at<br>1 January<br>2006 | No. of<br>options<br>exercised/<br>lapsed<br>during<br>the period | No. of<br>options<br>outstanding<br>at<br>30 June 2006 |
|-------------------------|-----------------------------|-----------------------|-------------------------|------------------------------|---|---|--|
|                         | HK\$                        |                       |                         | '000                         | '000  | '000  | '000   |
| Directors:              |                             |                       |                         |                              |   |   |  |
| Michele Matsuda         | 5.78                        | 25/5/2005-24/5/2015   | 25/5/2005               | 2,000                        | 2,000   | –   | 2,000  |
| Yiu Ying Fai *          | 3.255                       | 26/5/2006-25/5/2008   | 26/5/2006               | 100                          | 100   | –   | 100  |
| Leung To Kwong, Valiant | 2.00                        | 2/12/2003-1/6/2006    | 2/6/2003                | 438                          | 118   | 118   | –  |
|                         | 3.46                        | 28/10/2004-27/10/2006 | 28/10/2004              | 102                          | 102   | –   | 102  |
| Cheung Chi Fai, Frank   | 3.46                        | 28/10/2004-27/10/2006 | 28/10/2004              | 100                          | 100   | –   | 100  |
| Daijiro Nishihama **    | 6.50                        | 26/1/2005-25/1/2007   | 26/1/2005               | 300                          | 300   | –   | 300  |
| Continuous contract     |                             |                       |                         |                              |   |   |  |
| employees (1)           | 2.00                        | 2/12/2003-1/6/2006    | 2/6/2003                | 334                          | 100   | 100   | –  |
| Continuous contract     |                             |                       |                         |                              |   |   |  |
| employees (2)           | 6.90                        | 5/1/2005-4/1/2007     | 5/1/2005                | 40                           | 40  | –   | 40   |
| Continuous contract     |                             |                       |                         |                              |   |   |  |
| employees (3)           | 6.50                        | 26/1/2005-25/1/2007   | 26/1/2005               | 55                           | 40  | –   | 40   |
| Others                  | 6.90                        | 5/1/2005-4/1/2007     | 5/1/2005                | 20                           | 20  | –   | 20   |
| Others                  | 3.965                       | 19/1/2006-18/1/2008   | 19/1/2006               | 200                          | 200   | –   | 200  |

\* Mr. Yiu was appointed as director of the Company on 26 May 2006.

\*\* Mr. Nishihama resigned as director of the Company on 21 March 2006.



### **SHARE OPTION SCHEMES *(continued)***

The fair value of employee options granted on 19 January and 26 May 2006 were determined at HK\$2.1 and HK\$1.6 per option respectively by using Black-Scholes-Merton Option Pricing Model. The key valuation parameters as adopted in assessing the fair value of the share options included the exercise price, risk free rate, nature of the share options, expect option period, volatility and expected dividend yield. The valuation assumed that there will be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the Group's business and the price of the underlying securities. It also assumed that there will be no material change in the existing political, legal, technological, fiscal or economic condition which may significantly affect the continuity of the Group's business. During the six months ended 30 June 2006, the weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised by the employees was HK\$2.86.