Share Option Scheme

In assessing the theoretical aggregate value of the share options granted during the period, the Black-Scholes option pricing model has been used.

Share options granted during the period ended 30 June 2006:

 Date of Grant
 :
 10/03/2006

 Vesting Period
 :
 10/03/2006-10/06/2006

 Exercise Period
 :
 11/06/2006-10/06/2011

 Exercise Price
 :
 HK\$3.405 per share

	Number of options at 10/03/06	Options value at 10/03/06 HK\$ (Note (2))	Number of options at 30/06/06	Options value at 30/06/06 HK\$
Grantee: Employees	3.400.000	3.366.000	3.400.000	2.448.000
Total	3,400,000	3,366,000	3,400,000	2,448,000

Notes:

- (1) The closing price of the ordinary shares of the Company immediately before the date on which the options were granted was HK\$3.30.
- (2) According to the Black-Scholes model¹, the theoretical aggregate value of the options was estimated at HK\$3,366,000 as at 10 March 2006 (when the options were granted) with the following variables and assumptions:

Risk Free Rate	:	4.33%, being the approximate yield of the 5-year Exchange Fund Note traded on 10/03/2006
Expected Volatility	:	36.1%, being the annualised volatility of the closing price of the ordinary shares of the Company from 11/03/2005 to 10/03/2006
Expected Dividend Yield	:	2.29%, being the approximate yield of the shares of the Company over the period from 11/03/2005 to 10/03/2006
Expected Life of the Options	:	5.25 years
Assumptions	:	There is no material difference between the expected volatility over the whole life of the options and the historical volatility of the ordinary shares of the Company over the period from 11/03/2005 to 10/03/2006.

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Share Option Scheme

(3) According to the Black-Scholes model¹, the theoretical aggregate value of the outstanding options was estimated at HK\$2,448,000 as at 30 June 2006 with the following variables and assumptions:

Risk Free Rate	1	4.69%, being the approximate yield of the 5-year Exchange Fund Note traded on 30/06/2006
Expected Volatility	:	35.2%, being the annualised volatility of the closing price of the ordinary shares of the Company from 01/07/2005 to 30/06/2006
Expected Dividend Yield	:	3.03%, being the approximate yield of the shares of the Company over the period from 01/07/2005 to 30/06/2006
Expected Life of the Options	:	4.93 years
Assumptions	:	There is no material difference between the expected volatility over the whole life of the options and the historical volatility of the ordinary shares of the Company over the period from 01/07/2005 to 30/06/2006.

- (4) Options forfeited, if any, before the expiry of the options will be treated as lapsed options which will be added back to the number of ordinary shares available to be issued under the relevant share option scheme.
- ¹ The Black-Scholes model (the "Model") is developed to estimate the fair value of publicly traded options that have no vesting restriction and are fully transferable. The Model is only one of the commonly used models to estimate the fair value of an option. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.