

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 25 April 2002 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 14 May 2012. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties including consultants as incentives for their contributions to the development of the Group.

The total number of shares in respect of which options may be granted under the Scheme and any other share option scheme of the Company is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital and with an aggregate value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days from the date of the offer of grant of the share option. Options may be exercised at any time not later than 10 years from the date of grant of the share option. The exercise price is determined by the directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Movements in the share options during the six months ended 30 September 2006 are as follows:

Category/ Name of directors	Date of grant	Exercisable period	Exercise price per share	Number of share options			Outstanding and exercisable as at 30 September 2006
				Outstanding and exercisable as at 31 March 2006	Granted during the six months ended 30 September 2006	Exercised during the six months ended 30 September 2006	
Mr. Leung Ngai Man	3 January 2005	3 January 2005 to 2 January 2015	HK\$0.410	8,000,000	—	—	8,000,000
Mr. Yeung Kit	1 November 2004	1 November 2004 to 31 October 2014	HK\$0.475	1,400,000	—	—	1,400,000
	12 January 2005	12 January 2005 to 11 January 2015	HK\$0.410	5,000,000	—	—	5,000,000
Master Hill Development Limited (Note (i))	29 November 2004	29 November 2004 to 28 November 2014	HK\$0.460	3,000,000	—	—	3,000,000
Mr. Chan Sing Fai	1 November 2004	1 November 2004 to 31 October 2014	HK\$0.475	800,000	—	—	800,000
Mr. Cai Wei Lun	8 May 2006	8 May 2006 to 7 May 2016	HK\$1.46	—	3,400,000	—	3,400,000
Directors				<u>18,200,000</u>	<u>3,400,000</u>	<u>—</u>	<u>21,600,000</u>
Employees	7 October 2004	7 October 2004 to 6 October 2014	HK\$0.450	1,000,000	—	(1,000,000)	—
	29 November 2004	29 November 2004 to 28 November 2014	HK\$0.460	800,000	—	(800,000)	—
	8 May 2006	8 May 2006 to 7 May 2016	HK\$1.460	—	54,000,000	—	54,000,000
	23 June 2006	23 June 2006 to 22 June 2016	HK\$0.690	—	15,000,000	(15,000,000)	—
	1 September 2006	1 September 2006 to 31 August 2016	HK\$0.710	—	26,000,000	—	26,000,000
Consultants	1 November 2004	1 November 2004 to 31 October 2014	HK\$0.475	1,400,000	—	(1,400,000)	—
	23 March 2005	23 March 2005 to 22 March 2015	HK\$0.340	6,700,000	—	(2,700,000)	4,000,000
	8 May 2006	8 May 2006 to 7 May 2016	HK\$1.460	—	20,000,000	—	20,000,000
	1 September 2006	1 September 2006 to 31 August 2016	HK\$0.710	—	10,000,000	—	10,000,000
	4 September 2006	4 September 2006 to 3 September 2016	HK\$0.710	—	40,000,000	(10,000,000)	30,000,000
Total				<u>28,100,000</u>	<u>168,400,000</u>	<u>(30,900,000)</u>	<u>165,600,000</u>

Note (i) Mr. Wong Wa Tak has beneficial interest in Master Hill Development Limited.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS OR DISPOSALS

There were no material acquisitions or disposals of subsidiaries or associates during the six months ended 30 September 2006.