

SHARE OPTION SCHEME

A share option scheme of the Company was approved and adopted on 23 August 2002. The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to inter alia, directors and employees of the Company or its subsidiaries and other participants to subscribe for shares of the Company. Further details of the Scheme were disclosed in the Company's 2003 annual report.

Based on the Company's records as at 30 September 2003, options were already granted (whether or not exercised) over an aggregate of 27,000,000 shares of the Company and share options were available for grant over 52,271,668 shares of the Company.

The details of the share options which have been granted under the Scheme during the period ended 30 September 2003 are as follows:

Name of grantee 承授人姓名	Date of grant 授出日期	Exercise period 行使期限	Exercise price 行使價 HK\$ 港元	Outstanding options as at 30 September 2003 於二零零三年九月三十日尚 未行使購股權數目
Director				
董事				
Mr. Yeung Cheuk Kwong 楊卓光先生	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至 二零零八年二月二十八日	2.475	5,000,000
Other				
其他				
Employees and other participants 僱員及其他參與者	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至 二零零八年二月二十八日	2.475	22,000,000

No options were exercised, cancelled or lapsed during the six months ended 30 September 2003.

購股權計劃

本公司已於二零零二年八月二十三日批准及採納購股權計劃。該計劃自採納日期起計十年內有效。

根據該計劃，本公司可向(其中包括)本公司或其附屬公司之董事及僱員及其他參與者授出購股權以認購本公司股份。該計劃之進一步詳情已於本公司二零零三年年報中披露。

根據本公司於二零零三年九月三十日之記錄，已授出購股權(不論是否已獲行使)涉及本公司合共27,000,000股股份，而可供授出之購股權則涉及本公司52,271,668股股份。

截至二零零三年九月三十日止期間，根據該計劃已授出購股權之詳情載列如下：

於截至二零零三年九月三十日止六個月期間，概無購股權獲行使、註銷或失效。

The closing price of the Company's shares on 10 July 2003, the date of grant of the share options, was HK\$2.475.

The fair value of the share options granted in the current period measured at the date of grant on 10 July 2003 was HK\$0.51 per share option. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

Expected life of options (months)	購股權預期年期(月)	55
Expected volatility based on historical volatility of share prices	按股份價格之歷史波幅而預期之波幅	38%
Hong Kong Exchange Fund Notes rate (per annum)	香港外匯基金票據息率(每年)	2.706%
Expected annual dividend yield	預期每年股息率	5.74%

For the purposes of the calculation of fair value, no adjustment has been made in respect of share options expected to be forfeited due to lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions. Because changes in subjective assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

The financial impact of share options granted is not recorded in the Company or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of share options granted in the period. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium accounts. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

本公司股份於二零零三年七月十日(即購股權授出日期)之收市價為2.475港元。

於本期間授出之購股權於二零零三年七月十日授出日之公平價值為每股購股權0.51港元。下列乃運用栢力克－舒爾斯期權定價模式計算公平價值時所採用之重大假設：

在計算公平價值時，由於並無過往數據可依，故並沒有就預期沒收之購股權作出調整。

栢力克－舒爾斯期權定價模式需要輸入高度主觀之假設。由於主觀假設之變動可重大影響公平價值之估計，故董事認為現有模式不一定能就購股權之公平價值提供一個可靠之單一計算方法。

授出購股權之財務影響將不會於本公司或本集團之資產負債表內列賬，直至購股權獲行使為止。期內已授出之購股權之價值亦不會於收益表內列賬。因行使購股權而發行之股份，均以股份面值列作本公司之額外股本，而每股行使價高於股份面值之部份，將於本公司之股份溢價賬內列賬。行使期限屆滿前失效或被註銷之購股權，將於尚未行使購股權登記冊上刪除。

Save as disclosed above, none of the directors, the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS

As at 30 September 2003, the following persons (other than the directors or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

除上文所披露者外，本公司各董事及行政總裁及彼等之聯繫人士概無擁有於本公司或其聯營公司(具有證券及期貨條例第XV部所賦予之涵義)之股份、相關股份及債券須根據證券及期貨條例第352條之登記冊所記載，或根據標準守則知會本公司及聯交所之權益或淡倉。

其他人士於股份及相關股份之權益及淡倉

於二零零三年九月三十日，以下人士(不包括本公司之董事或行政總裁)於本公司股份及相關股份中擁有根據證券及期貨條例第336條存置之登記冊所記載之權益或淡倉：

Name of shareholder	Name of company	Capacity/ nature of interest 身份/ 權益性質	Number of shares held 所持股份數目		
			Long position 好倉	Short position 淡倉	Percentage of holding 持股百分比
Substantial Shareholders (as defined in the Listing Rules) 主要股東(定義見上市規則)					
Goodchamp Holdings Limited (Note 1)(附註1)	Company 本公司	Beneficial interest 實益權益	277,923,176	–	35.06%
Banque Paribas International Trustee Limited (Note 1)(附註1)	Company 本公司	Trustee interest 信託人權益	277,923,176	–	35.06%
Sinowin Inc. (Note 1)(附註1)	Company 本公司	Trustee interest 信託人權益	277,923,176	–	35.06%

Name of shareholder	Name of company	Capacity/ nature of interest 身份/ 權益性質	Number of shares held 所持股份數目		
			Long position 好倉	Short position 淡倉	Percentage of holding 持股百分比
Other Persons 其他人士					
Grandlink Holdings Limited (Note 2) (附註 2)	Company 本公司	Beneficial interest 實益權益	40,640,000	–	5.13%
Guardian Trustee Limited (Note 2) (附註 2)	Company 本公司	Trustee interest 信託人權益	40,640,000	–	5.13%
Basab Inc. (Note 2) (附註 2)	Company 本公司	Trustee interest 信託人權益	40,640,000	–	5.13%
FMR Corp. (Note 3) (附註 3)	Company 本公司	Corporate interest 公司權益	39,758,000	–	5.01%

Notes: (1) The 277,923,176 shares of the Company are held by and registered in the name of Goodchamp Holdings Limited, which is 100% owned by Sinowin Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust owned by Banque Paribas International Trustee Limited as trustee of a discretionary trust. The family members of Mr. Lam Man Chan and Ms. Ting Lai Ling, both directors of the Company, are the discretionary objects of the discretionary trust. Ms. Ting Lai Wah, a director of the Company, is the sole shareholder of Sinowin Inc.

(2) The 40,640,000 shares of the Company are held by and registered in the name of Grandlink Holdings Limited, which is 100% owned by Basab Inc. as trustee of The Basab Unit Trust. The Basab Unit Trust is a unit trust owned by Guardian Trust Limited as trustee of a discretionary trust. The family members of Mr. Hui King Chun, a director of the Company, are the beneficiaries of the discretionary trust.

附註：(1) 本公司之 277,923,176 股股份乃以 Goodchamp Holdings Limited 之名義持有及登記，而該公司乃由 Sinowin Inc. (作為 The Sinowin Unit Trust 之信託人) 擁有 100% 權益。The Sinowin Unit Trust 乃一項由 Banque Paribas International Trustee Limited (作為一項全權信託之信託人) 擁有之單位信託。本公司董事林文燦先生及丁麗玲女士之家族成員為該全權信託之全權受益人。本公司董事丁麗華女士為 Sinowin Inc. 之唯一股東。

(2) 本公司之 40,640,000 股股份乃以 Grandlink Holdings Limited 之名義持有及登記，而該公司乃由 Basab Inc. (作為 The Basab Unit Trust 之信託人) 擁有 100% 權益。The Basab Unit Trust 乃一項由 Guardian Trust Limited (作為一項全權信託之信託人) 擁有之單位信託。本公司董事許經振先生之家族成員為該全權信託之受益人。

- (3) The interests are indirectly held by FMR Corp. through its 100% controlled corporations, namely, Fidelity Management & Research Company and Fidelity Management Trust Company.

Save as disclosed above, the Company had not been notified of any other person (other than the directors or the chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 September 2003.

AUDIT COMMITTEE

In compliance with the requirements of the Stock Exchange, an audit committee comprising two independent non-executive directors was formed. Reporting to the Directors of the Company, the audit committee is dedicated to the review and supervision of the Group's financial reporting process and internal controls.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the period, except for the term of office for the non-executive directors of the Company is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company.

DEALING IN COMPANY'S LISTED SECURITIES

During the period, there were no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

- (3) 該等權益乃FMR Corp.透過其全權控制之公司Fidelity Management & Research Company及Fidelity Management Trust Company間接持有。

除上文所披露者外，於二零零三年九月三十日，本公司並無接獲任何人士（不包括本公司之董事或行政總裁）知會於本公司之股份及相關股份中擁有本公司根據證券及期貨條例第336條所存置之登記冊所所記載之權益或淡倉。

審核委員會

本公司已遵照聯交所之規定成立一個審核委員會，成員包括兩名獨立非執行董事。審核委員會向本公司董事匯報，其責任為審閱及監管本集團之財務申報程序及內部控制。

遵守最佳應用守則之規定

本公司於本期間一直遵守聯交所證券上市規則（「上市規則」）附錄14所載之最佳應用守則，惟根據本公司之公司細則規定，本公司非執行董事須於股東週年大會上輪流告退，並可膺選連任。

買賣本公司之上市證券

於本期間，本公司或其任何附屬公司並無買賣或贖回本公司之上市證券。

ACKNOWLEDGEMENT

On behalf of the Board, I wish to take this opportunity to express sincere gratitude to our management team and staff for their efforts in pursuance of excellence, which help cultivate the growing momentum of the Group. The Group will continue to offer the best and most-needed products and services to its customers, which is believed to bring satisfactory returns to our shareholders and investors.

By order of the Board

Lam Man Chan

Chairman

Hong Kong, 1 December 2003

致謝

本人謹代表董事會，衷心感謝管理層及員工們團結一致地追求卓越、為集團成長作出貢獻。本集團將繼續努力，承諾為顧客提供最滿意的產品和服務，為股東及投資者帶來滿意回報。

承董事會命

主席

林文燦

香港，二零零三年十二月一日