

SHARE OPTION SCHEMES

The Company had adopted share option schemes ("Share Option Schemes") on 19 April 1994, 7 September 1999 and 23 May 2002 respectively under which the Directors may invite any eligible person to take up share options ("Share Options") to subscribe for Shares.

As at 30 June 2004, the number of shares in respect of which options could be exercisable under the terms of the Share Option Schemes was 28,395,000 shares representing 8.89% of the shares of the Company in issue at that date.

The following table discloses movements in the Company's share options during the period:

(A) DIRECTORS

Name	Date of grant	Exercisable period	Exercise price	Balance at 31/12/2003 於二零零三年十二月三十一日之結餘	Granted during the period	Exercised during the period	Cancelled/lapsed during the period 期內註銷/失效	Balance at 30/6/2004 於二零零四年六月三十日之結餘
姓名	授出日期	行使期間	行使價 HK\$ 港元		期內授出	期內行使		
Peter Francis Amour 區沛達	27/6/2000	27/6/2001-26/6/2004	0.567	2,400,000		2,400,000		0
	4/12/2002	4/12/2002-3/12/2007	0.292	125,000				125,000
	3/3/2003	3/3/2003-2/3/2008	0.385	1,100,000				1,100,000
	9/12/2003	9/12/2003-8/12/2008	1.020	1,900,000				1,900,000
	16/3/2004	16/3/2004-15/3/2009	0.996	0	1,100,000			1,100,000
Sir Keith Bright Keith Bright 爵士	27/6/2000	27/6/2001-26/6/2004	0.567	300,000		300,000		0
	4/12/2002	4/12/2002-3/12/2007	0.292	50,000		50,000		0

購股權計劃

本公司分別於一九九四年四月十九日、一九九九年九月七日及二零零二年五月二十三日採納購股權計劃（「購股權計劃」），據此，董事可邀請任何合資格人士取得購股權（購股權）以認購股份。

於二零零四年六月三十日，根據購股權計劃條款可予行使之購股權相關之股份數目為28,395,000股，佔本公司於該日已發行股份之8.89%。

下表披露本公司於期內之購股權變動：

(A) 董事

Name	Date of grant	Exercisable period	Exercise price	Balance at 31/12/2003 於二零零三年十二月三十一日之結餘	Granted during the period	Exercised during the period	Cancelled/lapsed during the period 期內註銷/失效	Balance at 30/6/2004 於二零零四年六月三十日之結餘
姓名	授出日期	行使期間	行使價 HK\$ 港元		期內授出	期內行使		
Malcolm Paton	6/6/1997	6/6/1997-18/4/2004	14.333	799,200			799,200	0
	30/6/2000	30/6/2001-29/6/2004	0.567	2,385,000		2,385,000		0
	4/12/2002	4/12/2002-3/12/2007	0.292	1,500,000				1,500,000
	3/3/2003	3/3/2003-2/3/2008	0.385	1,100,000				1,100,000
	9/12/2003	9/12/2003-8/12/2008	1.020	1,900,000				1,900,000
	16/3/2004	16/3/2004-15/3/2009	0.996	0	1,100,000			1,100,000
Leung Shek Kong 梁錫光	6/6/1997	6/6/1997-18/4/2004	14.333	799,200			799,200	0
	30/6/2000	30/6/2001-29/6/2004	0.567	2,250,000		2,250,000		0
	4/12/2002	4/12/2002-3/12/2007	0.292	125,000				125,000
	3/3/2003	3/3/2003-2/3/2008	0.385	1,100,000				1,100,000
	9/12/2003	9/12/2003-8/12/2008	1.020	1,900,000				1,900,000
	16/3/2004	16/3/2004-15/3/2009	0.996	0	1,100,000			1,100,000
Mak Chee Bun 麥致貴	19/10/2000	13/7/2001-18/10/2004	0.567	750,000		750,000		0
	5/6/2001	13/7/2001-4/6/2005	0.434	1,500,000				1,500,000
	4/12/2002	4/12/2002-3/12/2007	0.292	125,000				125,000
	3/3/2003	3/3/2003-2/3/2008	0.385	1,100,000				1,100,000
	9/12/2003	9/12/2003-8/12/2008	1.020	1,900,000				1,900,000
	16/3/2004	16/3/2004-15/3/2009	0.996	0	1,100,000			1,100,000
Sub-total 小計				25,108,400	4,400,000	8,135,000	1,598,400	19,775,000

(B) EMPLOYEES (OTHER THAN DIRECTORS)**(B) 僱員（不包括董事）**

Date of grant	Exercisable period	Exercise price	Balance at 31/12/2003 於二零零三年十二月三十一日之結餘	Granted during the period 期內授出	Exercised during the period 期內行使	Cancelled/lapsed during the period 期內註銷／失效	Balance at 30/6/2004 於二零零四年六月三十日之結餘
授出日期	行使期間	行使價 HK\$ 港元					
6/6/1997	6/6/1997-18/4/2004	14.33	355,200			355,200	0
5/1/2000	5/1/2001-4/1/2004	1.579	600,000			600,000	0
23/6/2000	23/6/2001-22/6/2004	0.567	225,000		225,000		0
29/6/2000	29/6/2001-28/6/2004	0.567	22,500		22,500		0
30/6/2000	30/6/2001-29/6/2004	0.567	150,000		150,000		0
3/7/2000	3/7/2001-2/7/2004	0.567	42,000		42,000		0
4/7/2000	4/7/2001-3/7/2004	0.567	112,500		112,500		0
5/7/2000	5/7/2001-4/7/2004	0.567	22,500		22,500		0
4/12/2002	4/12/2002-3/12/2007	0.292	70,000				70,000
9/12/2003	9/12/2003-8/12/2008 (Note 1) (附註 1)	1.020	8,550,000				8,550,000
Sub-total 小計			10,149,700	0	574,500	955,200	8,620,000
Total 總計			35,258,100	4,400,000	8,709,500 (Note 2) (附註 2)	2,553,600 (Note 3) (附註 3)	28,395,000

Notes:**附註：**

- These options are exercisable subject to (i) up to 50% of the options are exercisable from 9 December 2003 to 8 December 2004; (ii) all options are exercisable from 9 December 2004 to 8 December 2008.
- The weighted average closing price immediately before the dates on which the options were exercised was HK\$0.987.
- Options lapsed in accordance with the terms of the relevant option schemes due to expiry of options or resignation of employees.

- 該等購股權可予以行使，惟須受限於：(i)由二零零三年十二月九日至二零零四年十二月八日止期間可行使最多50%之購股權；(ii)所有購股權可由二零零四年十二月九日至二零零八年十二月八日止期間行使。
- 緊接該等購股權獲行使日期前之加權平均收市價為0.987港元。
- 因購股權到期或僱員離職，購股權已根據有關購股權計劃之條款失效。

The closing price immediately before the date on which the options were granted was HK\$0.99. The fair value of the options granted in the period totalled approximately HK\$2,198,000. The following significant assumptions were used to derive the fair value, using the Black Scholes option pricing model:

- a) an expected volatility of 57% based on historical volatility;
- b) no annual dividends based on historical dividends;
- c) the estimated expected life of the options granted during the period is five years; and
- d) a risk-free interest rate of 2.48% based on the Hong Kong Exchange Fund Notes interest rate at the date the options were granted.

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

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

緊接購股權授出日期前之收市價為0.99港元。期內授出之購股權公平值合共約為2,198,000港元。利用布萊克－蘇爾司期權價格公式計算公平價值時，作以下主要假設：

- a) 按過往之波動情況計算，預期波幅為57%；
- b) 按過往之股息計算並無年度股息；
- c) 期內授出購股權之估計年期為五年；及
- d) 根據於購股權授出日期之香港外匯基金票據利率計算，無風險利率為2.48%。

就計算公平價值而言，由於缺乏歷史數據，故並無就預期將予沒收之購股權作出任何調整。

布萊克－蘇爾司期權價格公式須作高度主觀假設，包括股價波動。由於主觀假設之變動可對公平價值估計構成重大影響，故董事認為，現有公式未必是計算購股權公平值之唯一可靠方法。