

SHARE CAPITAL

Authorised:

HK\$

<u>1,200,000,000</u>	Shares	<u>12,000,000</u>
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Issued and to be issued, fully paid or credited as fully paid:

43,247,992	Shares in issue as at the date of this prospectus	432,480
66,300,000	Shares to be issued pursuant to the New Issue	663,000
<u>670,452,008</u>	Shares to be issued pursuant to the Capitalization Issue	<u>6,704,520</u>
<u>780,000,000</u>	Shares	<u>7,800,000</u>

Notes:

Pursuant to Rule 11.23(1) of the GEM Listing Rules, at the time of the listing of the Shares and at all times thereafter, the Company must maintain the “minimum prescribed percentage” of its issued share capital in the hands of the public which, in the case of the Company, is not less than 25%.

Assumptions

The above table assumes that the New Issue and the Capitalization Issue become unconditional.

It takes no account of any Shares which may be issued under the Share Option Scheme and/or the Sotas Option, or under the general mandate to issue Shares (see below “General mandate to issue Shares”), or Shares which may be repurchased by the Company (see below “General mandate to repurchase Shares”).

Ranking

The New Shares will rank pari passu in all respects with all Shares then in issue or to be issued and, in particular, will qualify for all dividends or other distributions thereafter declared, paid or made on the Shares.

Share Option Scheme

The Company has conditionally adopted the Share Option Scheme, a summary of the principal terms of which are set out in the paragraph headed “Share Option Scheme” in appendix V to this prospectus.

Under the Share Option Scheme, options to subscribe for Shares may be granted to any full-time or part-time employees of the Group, including any Directors and certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board, have contributed to the Group provided that the overall limit on the number of Shares which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company, shall not exceed 30% of the Shares in issue from time to time.

General mandate to issue Shares

A general unconditional mandate has been granted to the Directors to allot, issue and deal with (otherwise than by way of rights issues, by virtue of scrip dividend schemes or other similar arrangements in accordance with the articles of association of the Company or pursuant to the exercise of the options under the Share Option Scheme) on behalf of the Company, Shares with an aggregate nominal value of not exceeding the sum of:

- (i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately after the completion of the New Issue and the Capitalization Issue but before the exercise of the Sotas Option; and
- (ii) the aggregate nominal amount of share capital of the Company purchased under the authority granted to the Directors referred to in the paragraph headed “General mandate to purchase Shares” below.

This mandate will remain in effect until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (iii) the time when such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

For further details of this general mandate, see the section headed “Resolutions of the Shareholders passed at the Company’s special general meeting held on 18th July, 2003” in appendix V to this prospectus.

General mandate to repurchase Shares

A general unconditional mandate has been granted to the Directors to exercise all the powers of the Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, such numbers of securities of the Company as will represent up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately after completion of the New Issue and the Capitalization Issue but before the exercise of the Sotas Option.

This mandate will remain in effect until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (iii) the time when such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

For further details of this general mandate, see the section headed “Purchase by the Company of its own securities” in appendix V to this prospectus.