
SHARE CAPITAL

	<i>HK\$'000</i>	<i>Approximate percentage of issued share capital</i>
Number of Shares		
<i>Authorised:</i>		
500,000,000	50,000	
<i>Issued and to be issued, fully paid or credited as fully paid upon completion of the Capitalisation Issue and the Share Offer:</i>		
2,000,000	200	0.80%
173,000,000	17,300	69.20%
67,500,000	6,750	27.00%
<u>7,500,000</u>	<u>750</u>	<u>3.00%</u>
<u>250,000,000</u>	<u>25,000</u>	<u>100.00%</u>

Notes:

1. Assumptions

The above table assumes the Share Offer and the Capitalisation Issue have become unconditional.

It does not take into account any Shares which may fall to be issued upon the exercise of any option granted under the Share Option Scheme or under the general mandate (see below), or which may be bought back by the Company (see below).

2. Ranking

The Offer Shares will rank pari passu in all aspects with all other Shares in issue save for the entitlement under the Capitalisation Issue. In particular, the Offer Shares will rank in full for all dividends and other distributions hereafter declared, made or paid on the Shares.

3. Share Option Scheme

The Company has conditionally adopted the Share Option Scheme. A summary of the principal terms of the scheme is set out in the paragraph 13 under the section headed "Statutory and general information — Share Option Scheme" in Appendix V.

Under the scheme, full-time employees and executive Directors of the Group may be given options which entitle them to subscribe for Shares representing up to a maximum of 10% of the issued share capital of the Company from time to time (not counting Shares which may be issued under the scheme).

4. General mandate to issue Shares

If the Share Offer becomes unconditional, the Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with a total nominal value of not more than the sum of:

- a) 20% of the total nominal amount of the share capital of the Company issued and to be issued (as set out in the above table); and

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- b) the total amount of the share capital of the Company (if any) bought back by the Company under the general mandate to repurchase Shares.

This mandate does not apply to the situation where the Directors allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement, or the issue of Shares on the exercise of options granted under the Share Option Scheme.

This mandate will expire:

- a) at the end of the Company's next annual general meeting; or
- b) at the end of the period within which the Company is required by law or the Articles of Association to hold its next annual general meeting; or
- c) when varied or revoked by an ordinary resolution of its shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, see paragraph 3(v) under the section headed "Further information about the Company — Resolutions of all shareholders of the Company passed on 21st September, 1999 and on 11th November, 1999" in Appendix V.

5. General mandate to repurchase Shares

The Directors have been granted a general unconditional mandate to exercise all the powers of the Company to buy back Shares with a total nominal value of not more than 10% of the total nominal amount of the share capital of the Company issued and to be issued (as set out in the above table) if the Share Offer becomes unconditional.

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose), and which are in accordance with the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in paragraph 6 under the section headed "Further information about the Company — Repurchase by the Company of its own securities" in Appendix V.

This mandate will expire:

- a) at the end of the Company's next annual general meeting; or
- b) at the end of the period within which the Company is required by law or the Articles of Association to hold its next annual general meeting; or
- c) when varied or revoked by an ordinary resolution of its shareholders in general meeting,

whichever is the earliest.

6. Convertible Securities

The Company has not issued any securities, debentures or loan notes convertible into shares of the Company.