



SOLUTECK Holdings Limited

一創科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Third Quarterly Report

for the period from 1 April, 2000 to 31 December, 2000

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This document, for which the directors (the “Directors”) of SOLUTECK HOLDINGS LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to SOLUTECK HOLDINGS LIMITED. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this document is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Board of Directors (the "Board") of Soluteck Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the nine months ended 31 December, 2000.

BUSINESS REVIEW

The Group was successfully listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited on 3 January, 2001. Net proceeds of approximately HK\$18 million was raised to accelerate business growth. The listing exercise allows the Group to further expand business while also strengthen its position as a total solution provider of comprehensive and advanced banking and postal information technology solutions to the banking and finance sector as well as the postal sector in the PRC and Hong Kong.

For the nine months ended 31 December, 2000, the Group reported an unaudited turnover of approximately HK\$267.1 million, representing a surge of approximately 122% over the same period in the previous year. The Group successfully sustained this significant growth with profit attributable to shareholders amounting to approximately HK\$30.2 million, representing approximately 76% higher than the corresponding period last year. The earnings per share of the Company were 7.7 HK cents.

Being one of the leading banking and postal information technology solutions providers in the PRC, the Group has established a strong foothold in the industry. In addition to the implementation and upgrading of self-service automatic teller machine ("ATM") and electronic postal automation systems, the Group also engages in the provision of system hardware, software technical support and consultancy services, as well as the development and implementation of e-banking application software.

The implementation of self-service ATM systems remains the Group's core business which accounted for approximately 86% of the total turnover during the review period. The Group has been appointed since 1993 by NCR (Hong Kong) Limited ("NCR"), as its authorised value-added reseller of self-service ATM systems and related applications hardware and software for commercial banks and postal savings bureaus in the PRC. Receiving "The Best ATM Reseller" award from NCR since 1996, this demonstrates the Group's commitment to provide comprehensive and quality services to customers.

Leveraging its extensive experience and expertise in the industry, the Group has developed proprietary applications software including the ATM Networking Software System, ATM Networking Monitoring Software System and ATM Goldcard Software Module to facilitate the operations of self-service ATM systems with its own research and development team.

On 1 September, 2000, the Group acquired Task Consultants Limited in view of the increasing demand for e-banking application software for banking customers. The Group's in-house research and development capability was further strengthened with a total of 32 engineers specializing in the global development of related applications. A series of software applications have been tailored for the e-banking transaction requirements of commercial banks and financial institutions in Hong Kong, Macau and the PRC. BANK24 was one of the many applications software systems launched last year. The Group will continue to develop additional modules for its integration into the multi-channel e-banking platform BANK24 to enhance further compatibility.

Apart from its self-service ATM systems, the Group has been appointed as a distributor of Pitney Bowes, the leading technology supplier of mailing and integrated logistics and postal equipment and office solutions, since 1997. Apart from acting as a principal value-added distributor in the PRC, the Group also provides customization, localization and maintenance

services of applications software for postal automation systems. The Board is pleased to report that the Group received "The Top Performance Award for Production Mail and Mailing Products" from Pitney Bowes in April 2000.

The awards received from these two world-leading technology suppliers reaffirm the Group's successes in providing excellent technology solutions for the banking and postal sector. The Group is committed to provide hardware and software technical support and consultancy services through its five wholly-owned subsidiaries in the PRC, located at Beijing, Shanghai, Chengdu and Guangzhou, to provide comprehensive banking and postal systems integration, pre-sales and after-sales support, maintenance and enhancement services and technical support. In addition, the Group's software and hardware research and development team aims at customizing and localizing selected technologies and system application which fulfil customer specific requirements.

PROSPECTS

The PRC information technology ("IT") market is an infant market with promising growth potential. According to IDC, the PRC will represent approximately 32% of the total IT market in the Asia Pacific region (excluding Japan) by 2004 with the expected compound annual growth rate for the PRC IT market running at approximately 26% from 1999 to 2004. The Group is a specialist in this area, with a strong foothold in the huge market, in view of its activities in the banking and postal sector since 1993.

The implementation of the Golden Card Project – the 10-year programme initiated by the PRC government with an aim to accelerate the development of inter-bank electronic payment systems and banking and credit card systems in the PRC; and the Green Card Project – initiated by the State Post Bureau of the PRC in 1994 to computerize its saving network together with the electronic automation systems adopted by the postal sector in the PRC have generated high growth potential for IT in the banking and postal industries in the PRC and stimulated demand for quality solution providers.

In view of the market demand and as part of the Group's growth strategy, the Group intends to establish an integrated research and development centre in Guangdong province to further enhance development of its advanced e-banking software applications and multi-channel e-banking platform for banks and financial institutions in Hong Kong, Macau and the PRC.

Furthermore, with the PRC's imminent entry into the World Trade Organisation ("WTO"), the Board expects commercial banks and postal saving bureaus in the PRC to upgrade their existing systems and offer additional services to expand their branch networks in order to maintain their competitiveness against foreign banks. In the meantime, foreign banks will seek reliable solutions providers in the PRC who can work together with them to explore opportunities in the vast banking and postal industries. The Group is well positioned to capture the many market opportunities ahead with its proven track record, experience and expertise.

The Group recently established five wholly owned subsidiaries in the PRC, aiming to provide customized and localized services to customers. In the future, the Group will continue to expand its distribution and service networks in the PRC by enhancing the operations of its PRC subsidiaries. An additional customer service centre is expected to be established in Zhengzhou in order to foster closer business relations with customers and ultimately to provide timely and quality support services to its valued customers.

During the review period, the Group entered the applications hosting service business through a joint venture with Goldfaith International Limited. In October 2000, Arthur Andersen & Co





was appointed as consultants to the joint venture on compliance matters. The Group is highly optimistic that the provision of corporate e-banking applications solutions will provide an additional revenue stream for the Group.

Looking into future, the Group will further strengthen its market position and become the ultimate IT solutions provider for the banking and the postal industries.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow. At 31 December, 2000, the Group had cash and bank balances amounting to a total of HK\$44.8 million. There were no bank borrowings as at 31 December, 2000. With the above resources and the proceeds from the IPO, the Group has adequate capital resources to finance its business expansion activities as stated in the prospectus.

RESULTS

The Board of Directors (the "Board") of Soluteck Holdings Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the periods of three months and nine months ended 31 December, 2000 (the "Periods") together with comparative unaudited consolidated results of the Group for the corresponding periods in 1999 as follows:

		From 1 October, 2000 to 31 December, 2000 HK\$	From 1 April, 2000 to 31 December, 2000 HK\$	From 1 October, 1999 to 31 December, 1999 HK\$	From 1 April, 1999 to 31 December, 1999 HK\$
	Notes				
Turnover	3	120,193,548	267,092,792	55,630,106	120,417,978
Cost of sales		(100,361,407)	(211,060,398)	(37,033,214)	(88,827,561)
Gross profit		19,832,141	56,032,394	18,596,892	31,590,417
Other income		559,739	2,521,485	856,846	2,409,627
Selling expenses		(2,474,606)	(4,644,632)	(1,700,852)	(3,919,295)
Administration expenses		(7,216,170)	(17,996,676)	(3,805,936)	(9,523,460)
Profit from operations		10,701,104	35,912,571	13,946,950	20,557,289
Finance costs		(51,311)	(92,484)	(30,382)	(91,144)
Profit before taxation		10,649,793	35,820,087	13,916,568	20,466,145
Share of loss attributable to Associated Company		(5,375)	(5,375)	-	-
Profit before taxation		10,644,418	35,814,712	13,916,568	20,466,145
Taxation	4	(1,916,722)	(5,605,977)	(2,298,483)	(3,274,583)
Profit after taxation		8,727,696	30,208,735	11,618,085	17,191,562
Earnings per share	5	2.2 cents	7.7 cents	3.0 cents	4.4 cents

Notes:

1. Group Reorganisation

The Company was incorporated in the Cayman Islands on 10 August, 2000 as an exempted company with limited liability under the Companies Law (2000 Revision) of Cayman Islands.

On 13 December, 2000, pursuant to a group reorganization to rationalize the Group's structure in preparation for a public listing of the Company's shares on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group. The Company's shares were successfully listed on the Stock Exchange on 3 January, 2001.

The Group resulting from the aforesaid reorganization becomes a continuing entity. Accordingly, the consolidated results of the Group for the period ended 31 December, 2000 and 1999 has been prepared on the basis of merger accounting, except for Task Consultants Limited which was acquired by the Group on 1 September, 2000, as if the Company has been the holding company of the Group throughout the accounting periods presented.

In the opinion of the Directors, the unaudited consolidated results prepared on the above basis can give a more fair presentation of the Group's results as a whole.

2. Basis of preparation

The principal accounting policies adopted in preparing the unaudited consolidated results conform with Statement of Standard Accounting Practice issued by the Hong Kong Society of Accountants.

3. Turnover and revenue

The Group is principally engaged in the sale of electronic banking systems and mailing systems, and the provision of hardware and software technical support services. Revenues recognised during the period are as follows:

	From 1 October, 2000 to 31 December, 2000 HK\$	From 1 April, 2000 to 31 December, 2000 HK\$	From 1 October, 1999 to 31 December, 1999 HK\$	From 1 April, 1999 to 31 December, 1999 HK\$
Turnover				
Sale of goods	110,243,437	237,126,255	45,291,706	101,063,864
Rendering of services	9,950,111	29,966,537	10,338,400	19,354,114
	<u>120,193,548</u>	<u>267,092,792</u>	<u>55,630,106</u>	<u>120,417,978</u>
Other revenue				
Interest income	559,739	2,521,485	856,846	2,409,627
Total revenues	<u>120,753,287</u>	<u>269,614,277</u>	<u>56,486,952</u>	<u>122,827,605</u>

4. Taxation

- Hong Kong profits tax has been provided for at the rate of 16% (1999: 16%) on the estimated assessable profits of the company.
- Overseas taxation represented tax charge on the assessable profits of the subsidiaries operating in the PRC calculated at the income tax rate of 15% (1999: 15%).
- There was no material unprovided deferred taxation assets/liabilities for the period.





5. Earnings per share

The calculation of the basic earnings per share for the three months and nine months ended 31 December, 2000 is based on the unaudited consolidated profit attributable to shareholders of approximately HK\$8,727,696 and HK\$30,208,735 (1999: HK\$11,618,085 and HK\$17,191,562) and the weighted averaged number of 391,956,522 and 390,654,545 (1999: 390,000,000 and 390,000,000) ordinary shares in issue throughout the relevant accounting periods respectively, after taking into consideration of the capitalisation issue in 2000 as described in details in the section headed "Statutory and General Information" in Appendix IV to the Company's prospectus dated 22 December, 2000.

Diluted earnings per share is not shown as there is no dilution effect arising from the outstanding options issued by the Company.

MOVEMENT OF RESERVE

Apart from the merger reserve of approximately HK\$24 million arising from the consolidation and exchange fluctuation reserve of approximately HK\$3,000, there is no other movement to and from reserve.

QUARTERLY DIVIDEND

The directors do not recommend the payment of quarterly dividend for the period from 1 April, 2000 to 31 December, 2000 (1999: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND OPTIONS

(i) Shares

As at 31 December, 2000, the interests of the directors and the chief executive of the Company in the share capital of the Company and the associated corporation pursuant to section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Shares in the Company

Name of director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total Interests
Mr. Chung Lok Fai	-	19,500,000 (Note 1)	262,500,000 (Note 2)	-	282,000,000
Mr. Tam Wing Chit, Tom	11,115,000	-	-	-	11,115,000
Ms. Chung Yuk Hung, Yvonne	-	-	- (Note 2)	-	- (Note 2)
Mr. Chung Yuk Man, Kevin	-	-	- (Note 2)	-	- (Note 2)

Notes:

- These shares were held by Ms. Tsou Lo Nien, the spouse of Mr. Chung Lok Fai.

2. These shares were registered in the name of Innovative Tech Worldwide Inc. (“ITW”), a company incorporated in the British Virgin Islands. The issued share capital of ITW is owned by the following persons:

Name of shareholders	Number of shares	Percentage of shareholding
Dynatek Limited (a)	25.5	34.0
Chung Lok Fai (“Mr. Chung”) (b)	15.3	20.4
Tsou Lo Nien (b)	12.0	16.0
Hou Chung (c)	12.0	16.0
Chung Yuk Hung, Yvonne (d)	5.1	6.8
Chung Yuk Man, Kevin (e)	5.1	6.8
Total	<u>75.0</u>	<u>100.0</u>

- (a) Dynatek Limited is an investment holding company incorporated in Hong Kong with all of its shares held by Hou Chung and Chung Po Chu, his spouse, in equal shares. Dynatek Limited holds 25.5 shares issued by ITW, representing 34.0 per cent. of the issued share capital of ITW. Accordingly, Dynatek Limited is deemed, by virtue of the SDI Ordinance, to be interested in the Shares in which ITW is interested, amounting to 262,500,000 Shares immediately after completion of the Placing and the Capitalisation Issue. Dynatek Limited, Hou Chung and Chung Po Chu are deemed to be Initial Management Shareholders. Chung Po Chu is the sister of Mr. Chung. Chung Po Chu and Hou Chung are parents of Hou Hsiao Bing and Hou Hsiao Wen, Eddie, both of whom are executive Directors.
- (b) Mr. Chung and his spouse, Tsou Lo Nien, own in aggregate, 36.4 per cent. of the issued share capital of ITW. Accordingly, each of Mr. Chung and Tsou Lo Nien is deemed, by virtue of the SDI Ordinance, to be interested in the Shares in which ITW is interested, amounting to 262,500,000 Shares immediately after completion of the Placing and the Capitalisation Issue. Mr. Chung is also deemed to be interested in 19,500,000 Shares registered in the name of Tsou Lo Nien. Mr. Chung is an executive Director and Tsou Lo Nien is a director of Truth Honour. As a result, each of Mr. Chung and Tsou Lo Nien is deemed, by virtue of the SDI Ordinance, to be interested in 282,000,000 Shares in aggregate, representing approximately 62.67 per cent. of the Shares in issue immediately after completion of the Placing and the Capitalisation Issue (assuming that the Over-allotment Option and the Pre-IPO Share Options are not exercised). Mr. Chung and Tsou Lo Nien are deemed to be Initial Management Shareholders.
- (c) Hou Chung, together with Dynatek Limited, a company beneficially owned by him and his spouse, Chung Po Chu, is interested in 50.0 per cent. of the issued shares of ITW. Accordingly, Hou Chung is deemed, by virtue of the SDI Ordinance, to be interested in all the Shares in which ITW is interested, amounting to 262,500,000 Shares immediately after completion of the Placing and the Capitalisation Issue. Together with the 19,500,000 Shares registered in his own name, Hou Chung is deemed, by virtue of the SDI Ordinance, to be interested in 282,000,000 Shares in aggregate, representing approximately 62.67 per cent. of the Shares in issue immediately after completion of the Placing and the Capitalisation Issue (assuming that the Over-allotment Option and the Pre-IPO Share Options are not exercised). Hou Chung is deemed to be an Initial Management Shareholder.
- (d) Chung Yuk Hung, Yvonne is an executive Director. Chung Yuk Hung, Yvonne holds 5.1 shares issued by ITW, representing 6.8 per cent. of the issued share capital of ITW. Accordingly, Chung Yuk Hung, Yvonne has an attributable interest in 6.8 per cent. of the Shares in which ITW is interested, amounting to 17,850,000 Shares immediately after completion of the Placing and the Capitalisation Issue. She is deemed to be an Initial Management Shareholder.





- (e) Chung Yuk Man, Kevin is an executive Director. Chung Yuk Man, Kevin holds 5.1 shares issued by ITW, representing 6.8 per cent. of the issued share capital of ITW. Accordingly, Chung Yuk Man, Kevin has an attributable interest in 6.8 per cent. of the Shares in which ITW is interested amounting to 17,850,000 Shares immediately after completion of the Placing and the Capitalisation Issue. He is deemed to be an Initial Management Shareholder.

(ii) **Directors' right to acquire shares in the Company**

Pursuant to the Pre-IPO Share Options granted under the share option scheme of the Company, certain directors have interests in options to subscribe for shares in the Company as set out below. The options have a duration of 10 years from the date on which the offer of grant was made.

Name of director	Date of grant	Exercise price HK\$	Number of share options Outstanding as at 31.12.2000	Expiry Date
Mr. Chung Lok Fai	18/12/2000	0.4	2,000,000	17/12/2010
Ms. Chung Yuk Hung, Yvonne	18/12/2000	0.4	2,000,000	17/12/2010
Mr. Chung Yuk Man, Kevin	18/12/2000	0.4	2,000,000	17/12/2010
Mr. Hou Hsiao Wen, Eddie	18/12/2000	0.4	2,000,000	17/12/2010
Mr. Hou Hsiao Bing	18/12/2000	0.4	2,000,000	17/12/2010

Notes:

- None of the above outstanding options was exercised during the period under review.
- Under the offer letters in respect of the grant of the Pre-IPO Share Options, whether in respect of the Shares to be subscribed at a 50 per cent. discount to the Offer Price or at the Offer Price, the Pre-IPO Share Options can only be exercised by the grantees thereof in the following manner:

Commencing from	Percentage of the Pre-IPO Share Options that can be exercised (including those Pre-IPO Share Options which have already been exercised)
the Business Day immediately following the first anniversary of the commencement of the trading of the Shares on GEM	25
the Business Day immediately following the second anniversary of the commencement of the trading of the Shares on GEM	50
the Business Day immediately following the third anniversary of the commencement of the trading of the Shares on GEM	75
the Business Day immediately following the fourth anniversary of the commencement of the trading of the Shares on GEM	100

Other than as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Other than as disclosed above at 31 December, 2000, neither the directors nor the chief executive, nor any of their associates, had any interests in any securities of the Company or any of its associated corporations as defined by the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

As at 31 December, 2000, the register of substantial shareholders maintained by the Company pursuant to section 16(1) of the SDI Ordinance discloses the following company and persons as having an interest of 10% or more of the issued share capital of the Company:

Name	Notes	Number of Shares	Percentage of issued share capital
Innovative Tech Worldwide Inc	2	262,500,000	58.33%
Dynatek Limited	2	262,500,000	58.33%
Hou Chung	2	282,000,000	62.67%
Chung Po Chu	2	282,000,000	62.67%
Tsou Lo Nien	2	282,000,000	62.67%
Chung Lok Fai ("Mr. Chung")	1, 2	282,000,000	62.67%

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 December, 2000.

Notes:

- 262,500,000 shares are registered in the name of ITW of which Chung Lok Fai and his wife, Tsou Lo Nien, own, in aggregate, 36.4 per cent. of the issued share capital. The other 19,500,000 shares are registered in the name of his wife, Tsou Lo Nien.
- These shares were registered in the name of Innovative Tech Worldwide Inc., a company incorporated in the British Virgin Islands. Please refer to note 2 to "Directors' and Chief Executive's Interests in Shares and Options" for details of the shareholding of Innovative Tech Worldwide Inc.

SPONSOR INTEREST

Pursuant to the agreement dated 21 December, 2000 entered into between the Company and DBS Asia Capital Limited ("DBS"), DBS will receive a fee for acting as the Company's retained sponsor for the period from 3 January, 2001 to 31 March, 2003.

At 31 December, 2000, neither DBS Asia Capital Limited, its directors, employees nor their associates, had any interest in any securities of the Company or any of its associated corporation.

DETAILS OF SHARE OPTIONS GRANTED

(i) Pre-IPO Share Options granted under the share option scheme

As at 31 December, 2000, options to subscribe for an aggregate of 20,600,000 ordinary shares of HK\$0.1 each in the Company pursuant to the Pre-IPO Share Options granted

under the share option scheme (as approved by the Directors of Soluteck Holdings Limited on 13 December, 2000) were outstanding. Details of options granted and, as at 31 December, 2000, remaining unexercised under the Pre-IPO Share Options granted under the share option scheme remain unchanged as disclosed on pages 221-229 of the prospectus of the Company dated 22 December, 2000. During the nine months ended 31 December, 2000, no options granted were exercised.

(ii) Share Option Scheme

Save for the Pre-IPO Share Options granted under the share option scheme, no other options have been granted under the Share Option Scheme:

A summary of the major terms of the Pre-IPO Share Options granted under the share option scheme are set out at pages 221-229 of the prospectus of the Company dated 22 December, 2000.

Note:

Movement of Share Options

Pre-IPO Share Options	At 1 April, 2000 No. of Options	Movement during the period			At 31 December, 2000	No. of new shares arising therefrom
		Granted	Exercised	Cancelled	No. of Options	
<i>Exercise price:</i>						
HK\$0.20						
- Director of a subsidiary:						
LAM Shut Chun	Nil	500,000	Nil	Nil	500,000	Nil
- Other Employees	Nil	9,400,000	Nil	Nil	9,400,000	Nil
<i>Exercise price:</i>						
HK\$0.40						
- Executive Directors of the Company:						
CHUNG Lok Fai	Nil	2,000,000	Nil	Nil	2,000,000	Nil
HOU Hsiao Wen, Eddie	Nil	2,000,000	Nil	Nil	2,000,000	Nil
HOU Hsiao Bing	Nil	2,000,000	Nil	Nil	2,000,000	Nil
CHUNG Yuk Hung, Yvonne	Nil	2,000,000	Nil	Nil	2,000,000	Nil
CHUNG Yuk Man, Kevin	Nil	2,000,000	Nil	Nil	2,000,000	Nil
- Other Employees	Nil	700,000	Nil	Nil	700,000	Nil
	Nil	20,600,000	Nil	Nil	20,600,000	Nil

YEAR 2000

In the Company's prospectus dated 22 December, 2000, the directors reported that the computers and software internally used by the Group are believed to be year 2000 compliant and therefore, the Year 2000 compliance issue had no material adverse impact on the business operations in all functional areas of the Group.

The Group has not experienced to date any significant adverse consequences in connection with the year 2000 issue. However, the directors will continue their oversight of date change issues during the year 2001.

AUDIT COMMITTEE

The Company's audit committee was formed on 13 December, 2000 comprising the independent non-executive directors, Ms. Lui Ming, Rosita and Mr. Ho Wai Wing, Raymond. The terms of reference of the audit committee have been established with regard to Rules 5.23, 5.24 and 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the Board of Directors.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the period from 1 April, 2000 to 31 December, 2000.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

Chung Lok Fai
Chairman

Hong Kong, 12 February, 2001

