

APPENDIX

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GENERAL MANDATE TO REPURCHASE SHARES

This Appendix includes information required by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to be given to shareholders concerning the proposed securities repurchase mandate to be granted to the board of directors of the Company (the “Directors”).

(a) Exercise of the repurchase mandate

Ordinary Resolutions nos. 5 and 6 set out in the Notice of Annual General Meeting will, if passed, give an unconditional general mandate to the Directors authorising the repurchase by the Company of up to 10% of the fully paid shares of HK\$0.10 each in the capital of the Company (“Shares”) in issue at the date of the Annual General Meeting, at any time until whichever is the first to occur of, either (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 the Bye-laws of the Company or any applicable law to be held, or (iii) the revocation or variation of Ordinary Resolution 5 by an ordinary resolution of the shareholders of the Company in general meeting (the “Relevant Period”).

As at 15th April 2002, being the latest practicable date prior to the printing of this Appendix (the “Latest Practicable Date”), 692,791,964 Shares were in issue. Based on the

附錄

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一般授權以購回股份

本附錄載有香港聯合交易所有限公司（「聯交所」）規定向股東提供有關建議給予本公司之董事局（「董事」）購回證券授權之資料。

(a) 行使購回證券授權

股東週年大會通告所載之第5及第6項普通決議案如獲通過，將一般及無條件授權董事，以批准本公司購回股份，數額以不超過股東週年大會舉行之日已發行本公司股本中每股面值港幣0.10元繳足股份（「股份」）之10%為限。授權之有效期限截至(i)本公司下屆股東週年大會結束時，或(ii)本公司之細則或任何適用法例規定本公司須舉行下屆股東週年大會之期限屆滿之日，或(iii)本公司股東於股東大會上通過普通決議案撤銷或修訂第5項普通決議案之日（以其最早者為準）為止（「有關期間」）。

按二零零二年四月十五日（即本附錄付印前之最後實際可行日期（「最後實際可行日期」））已發行股份692,791,964股計算，於有

assumptions that no further shares will be issued nor repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, exercise in full of the repurchase mandate would result in up to 69,279,196 Shares being repurchased by the Company during the Relevant Period.

(b) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(c) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-laws of the Company, which may include capital paid up on the purchased securities, profits otherwise available for dividends and the proceeds of a new issue of shares made for the purpose. Repurchase of Shares may be funded by borrowings or other working capital sources.

If the repurchase mandate is exercised in full, there may be a material adverse effect on the working capital or gearing position of the Company and its subsidiaries (the “Group”) which in the opinion of the Directors are from time to time appropriate for the Group (as compared with the position disclosed in the audited consolidated financial statements as

關期間內全面行使購回證券授權將使本公司可購回最多69,279,196股股份。此乃假設由最後實際可行日期起直至股東週年大會舉行之日期為止並無發行其他股份，亦無購回其他股份。

(b) 購回證券之理由

董事相信股東授予董事一般權力以購回股份乃符合本公司及其股東之最佳利益。購回股份可視乎當時之市況及融資安排而提高每股資產淨值及／或每股盈利，且只會在董事相信此舉對本公司及股東有利之情況下進行。

(c) 購回證券所需資金

本公司用以購回證券之資金必須為依據百慕達法例及本公司之組織章程大綱及公司細則可作此用途之資金包括有關證券之已繳股本、原可供派息之溢利，就證券購回事宜而發行新股之所得款項、借貸或其他營運資金可用作購回證券。

倘依據購回證券授權購回最高限額之證券，則董事認為本公司及其附屬公司（「本集團」）應具備之營運資金或資本負債比率可能會受重大之不利影響（相對於二零零一年十二月三十一日之經審核綜合財務報告所示之情況而言）。因此，除非其認為計及一切有關因

at 31st December, 2001). The Directors therefore do not propose to exercise the repurchase mandate to such an extent unless the Directors determine that such repurchases are, taking into account all relevant factors, in the best interests of the Group.

(d) Securities repurchases made by the Company

Neither the Company nor any of its subsidiaries has purchased any of the Company's securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

(e) Shares prices

The highest and lowest prices at which Shares of the Company have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Share Price	
	Highest HK\$	Lowest HK\$
2001		
April	0.360	0.260
May	0.390	0.320
June	0.340	0.280
July	0.305	0.265
August	0.290	0.260
September	0.245	0.188
October	0.248	0.200
November	0.310	0.270
December	0.305	0.275
2002		
January	0.305	0.265
February	0.305	0.290
March	0.350	0.305

素後購回證券乃符合本集團之最佳利益，否則董事不擬行使購回證券授權，致令產生上述影響。

(d) 本公司購回之證券

於最後實際可行日期前六個月內本公司或其任何附屬公司概無購買本公司證券（不論是否在聯交所購回）。

(e) 股價

以下為本公司股份於最後實際可行日期前十二個月每月在聯交所錄得之最高及最低成交價：

	股份價格	
	最高 港幣	最低 港幣
二零零一年		
四月	0.360	0.260
五月	0.390	0.320
六月	0.340	0.280
七月	0.305	0.265
八月	0.290	0.260
九月	0.245	0.188
十月	0.248	0.200
十一月	0.310	0.270
十二月	0.305	0.275
二零零二年		
一月	0.305	0.265
二月	0.305	0.290
三月	0.350	0.305

(f) General

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company under the repurchase mandate if such repurchase mandate is approved by shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the laws of Bermuda.

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could, depending upon the level of increase in shareholding interest(s), obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Greatway Company Inc. was beneficially interested in approximately 26.8% of the issued share capital of the Company. In the event that the Company exercises the repurchase mandate in full, the beneficial interest of Greatway Company Inc. in the Company will increase to approximately 29.8%. Accordingly, Greatway Company Inc. will not be required under the Takeovers Code to make an offer for all the issued securities of the Company pursuant to such increase.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the repurchase mandate is approved by the shareholders.

(f) 一般事項

在作出一切合理查詢後，據董事所知，彼等或其聯繫人士暫無意在購回證券授權獲股東批准後向本公司出售任何股份。

董事已向聯交所承諾，彼等在行使購回證券授權時，將遵守上市規則及百慕達法例。

倘因本公司購回股份而導致一名股東所持之本公司投票權之比例增加，根據香港公司收購及合併守則（「收購守則」）而言，該項增加將被視為收購。該股東或多名與其一致行動之股東可能因此取得或共同取得本公司之控制權（視乎股東之股權增加水平而定），以致有責任遵照收購守則第26條提出強制收購建議。

於最後實際可行日期，Greatway Company Inc. 實益擁有本公司已發行股本約26.8%。倘本公司全面行使購回證券授權，Greatway Company Inc. 所持之本公司實益權益將增至約29.8%。因此，Greatway Company Inc. 將毋須因此項增加而根據收購守則提出全面收購本公司之已發行證券。

本公司並無接獲任何關連人士（定義見上市規則）通知，表示彼等現有意在購回證券授權獲股東批准後向本公司出售股份或承諾不會向本公司出售股份。