
STRUCTURE OF THE NEW ISSUE

PRICE PAYABLE ON APPLICATION

New Issue Price of HK\$1.00 plus 1% brokerage, 0.007% SFC transaction levy and 0.005% Stock Exchange trading fee. This means that HK\$10,101.20 shall be paid for every 10,000 Shares.

CONDITIONS OF THE NEW ISSUE

Acceptance of all applications for the New Shares is conditional upon:

1. Listing

The Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein.

2. Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s), by the Underwriter), and not being terminated, at or before 5:00 p.m. on the second Business Day following the date on which the application lists for the New Issue are closed. Details of the Underwriting Agreement, its conditions and grounds for termination, are set out in the section headed “Underwriting” on pages 51 to 54 of this prospectus.

If these conditions are not fulfilled on or before 27th June, 2002, the New Issue will lapse and the application moneys will be returned to the applicants without interest. The terms on which the application moneys under the New Issue will be returned to the applicants are set out in the section headed “Refund of your money” on the application forms relating thereto.

In the meantime, application monies will be held in one or more separate bank accounts with the receiving banker in Hong Kong.

NEW ISSUE

Mechanism and basis of allocation

The New Shares to be offered in the New Issue, totalling 30,000,000 Shares, will represent 50% of the enlarged issued share capital of the Company immediately following completion of the New Issue. The level of applications for the New Shares will be announced in Hong Kong iMail (in English) and Hong Kong Economic Journal (in Chinese) on or before Tuesday, 4th June, 2002.

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New Issue

The New Issue is a public offer for subscription in Hong Kong of 30,000,000 Shares, at HK\$1.00 per Share, payable on application, plus 1% brokerage, 0.007% SFC transaction levy and 0.005% Stock Exchange trading fee. References in this prospectus to application, application forms, application monies or to the procedure for application relate solely to the New Issue.

For allocation purposes only, the total number of New Shares available for public subscription under the New Issue will be divided equally into two pools: pool A and pool B. The New Shares in pool A will be allocated on an equitable basis to applicants who have applied for New Shares in the value of HK\$5 million or less (excluding the SFC transaction levy, the Stock Exchange trading fee and brokerage payable thereon). The New Shares in pool B will be allocated on an equitable basis to applicants who have applied for New Shares in the value of more than HK\$5 million (excluding the SFC transaction levy and the Stock Exchange trading fee and brokerage payable thereon). Applicants should be aware that applications in pool B are likely to receive different allocation ratios from applications in pool A. Where one of the pools is under-subscribed and the other pool is over-subscribed, the surplus New Shares from the under-subscribed pool will be transferred to satisfy demand in the over-subscribed pool and be allocated accordingly. Applicants can only apply to receive an allocation of New Shares in either pool A or pool B but not from both pools.

Basis of allocation for over-subscription

Allocation of New Shares to investors under the New Issue will be based solely on the level of valid applications received. The basis of allocation may vary, depending on the number of the New Shares validly applied for by each applicant, but will otherwise be made on a strictly pro-rata basis. However, this may involve balloting, which would mean that some applicants may be allotted more New Shares than others who have applied for the same number of New Shares and that applicants who are not successful in the ballot may not receive any New Shares.

Potential investors are reminded that under Rule 21.04(4) of the Listing Rules, at the time of listing, no person shall control 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the votes exercisable at any general meeting of the Company. For these purposes, the interests of all the associates of a Shareholder and any persons acting in concert (within the meaning of the Takeovers Code) with that Shareholder will be aggregated.