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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of Plotio Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**PLOTIO**

百利好集團有限公司\*

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**PLOTIO HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

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**DISCLOSEABLE TRANSACTION  
WHICH INVOLVES THE ISSUE OF NEW SHARES**

Financial adviser to Plotio Holdings Limited

**Deloitte & Touche  
Corporate Finance Ltd**

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\* For identification only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Acquisition”	the acquisition by Rexy of 21% interest in CyberLiving from the Vendors
“Acquisition Agreement”	the conditional agreement dated 20 September, 2000 between Rexy, the Vendors, the Warrantor and the Company in relation to the Acquisition
“Board”	the board of Directors
“Codebank”	Codebank Limited, a company incorporated in Hong Kong with limited liability
“Company”	Plotio Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition Agreement
“Completion Date”	the date of completion of the Acquisition Agreement which shall take place on or before the third business day after the Acquisition Agreement has become unconditional
“Consideration Share(s)”	75,000,000 Shares to be allotted and issued to the Vendors in equal shares at the Issue Price
“Cyberinfo”	Cyberinfo Management Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of CyberLiving
“CyberLiving”	CyberLiving Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“CyberLiving Group”	CyberLiving and its wholly owned subsidiary, Cyberinfo
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hycomm”	Hycomm Technology Incorporated, a company incorporated as an international business company in the British Virgin Islands
“Greater China Region”	mainland China, Taiwan, Macau and Hong Kong

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## DEFINITIONS

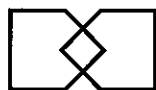
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“Issue Price”	the issue price of HK\$0.73 per Consideration Share
“Latest Practicable Date”	9 October, 2000, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 days from the date of the Acquisition Agreement (or such later date as the Vendors and Remy may agree in writing)
“Options”	outstanding options granted by the Company under its share option scheme entitling the holders of options to subscribe for Shares
“Remy”	Remy Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned indirectly held subsidiary of the Company
“Sallmanns”	Sallmanns (Far East) Limited, independent chartered surveyors, valuers
“SDI Ordinance”	The Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Share(s)”	Shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	City Support Trading Limited, Nice Plan Development Limited and Nanyin Investment Limited
“Warrants”	warrants of the Company in units of subscription rights of HK\$0.75 each entitling the holders thereof to subscribe in cash for Shares from 12 October, 1998 until 2:00 p.m. Hong Kong time on 12 October, 2000 (both days inclusive), at an initial subscription price of HK\$0.75 per Share, subject to adjustments (adjusted to HK\$0.74 on 1 June, 1999)
“Warrantor”	Multiturn Trading Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$” and “HK cents”	Hong Kong dollars and Hong Kong cents respectively, the lawful currency of Hong Kong
“%”	percentage

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## LETTER FROM THE BOARD

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**PLOTIO**

百利好集團有限公司\*

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**PLOTIO HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

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*Executive Directors:*

Mr. Lai Yiu Keung (*Chairman and Managing Director*)  
Madam Chung Lai Ha (*Deputy Chairman*)  
Mr. Kwok Chong, Anthony  
Mr. Lai Chi Kin  
Mr. Cheung Kin Keung  
Mr. Tang Xueyi

*Non-executive Directors:*

Mr. Tsui Tack Kong  
Mr. Lam Hon Keung, Keith

*Independent non-executive Directors:*

Mr. Ho John  
Mr. Ling Kam Tong, Victor

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong*

2nd Floor  
Hillier Building  
273-277 Queen's Road Central  
and 33 Hillier Street  
Hong Kong

11 October, 2000

*To the Shareholders and, for information only,  
holders of the Warrants*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION WHICH INVOLVES THE ISSUE OF NEW SHARES**

#### **INTRODUCTION**

The Board announced on 20 September, 2000 that Rexy, a wholly owned indirectly held subsidiary of the Company, entered into the Acquisition Agreement with the Vendors and the Warrantor on 20 September, 2000 for the purchase of shares in CyberLiving from the Vendors.

The Acquisition Agreement constitutes a discloseable transaction of the Company and is subject to disclosure requirements under the Listing Rules.

\* *For identification only*

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## LETTER FROM THE BOARD

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### THE ACQUISITION AGREEMENT

#### Date of the Acquisition Agreement

20 September, 2000

#### Parties

Purchaser: Rexy

Vendors: City Support Trading Limited, Nice Plan Development Limited and Nanyin Investment Limited, independent third parties not connected with the Company, any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them. Each of the Vendors currently holds 7% of the issued share capital in CyberLiving. The Vendors will not hold any shares in CyberLiving upon Completion.

Warrantor: Multiturn Trading Limited, holder of about 40% shares in CyberLiving and is an independent third party not connected with the Company, any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them. As a major shareholder of CyberLiving, Multiturn Trading Limited has agreed to give certain warranties and undertakings in favour of Rexy pursuant to the Acquisition Agreement. Pursuant to the Acquisition Agreement, no consideration is payable to the Warrantor.

Issuer: the Company as guarantor of Rexy's obligations under the Acquisition Agreement

#### Interest to be acquired

Pursuant to the Acquisition Agreement, Rexy has conditionally agreed to acquire about 21% of the issued share capital in CyberLiving. Upon Completion, the remaining 79% of the issued share capital of CyberLiving will be held as to about 40% by the Warrantor, as to about 15% by Busyway Profits Limited, as to about 10% by Sinopower Profits Limited, as to about 7.5% by Oriental Faith Technology Limited and as to about 6.5% by other private individuals. All such shareholders of CyberLiving are independent third parties not connected with the Company, any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them.

#### Consideration

The total consideration payable by the Company to the respective Vendors for the Acquisition is HK\$54,750,000 which will be settled by the allotment and issue of 75,000,000 Consideration Shares, credited as fully paid. The Consideration Shares represent 6.62% of the existing issued share capital of the Company, and approximately 6.21% of the enlarged issued share capital of the Company.

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## LETTER FROM THE BOARD

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The Issue Price is HK\$0.73 per Share for each Consideration Share. The Issue Price represents:

- (a) a premium of approximately 32.7% over the closing price of the Shares of HK\$0.55 on 20 September, 2000, the last trading day prior to the release of the announcement of the Company dated 20 September, 2000 in relation to the Acquisition Agreement;
- (b) a premium of approximately 14.4% over the 10-day average closing price of HK\$0.638 per Share;
- (c) the equivalent of the 15-day average closing price of HK\$0.73 per Share;
- (d) a premium of approximately 564% over the net asset value per Share of approximately HK\$0.11 based on the Company's audited net asset value as at 31 March, 2000;
- (e) a premium of approximately 82.5% over the closing price of the Shares of HK\$0.40 as at the Latest Practicable Date;
- (f) a premium of approximately 41.5% over the 10-day average closing price of the Shares of HK\$0.516 as at the Latest Practicable Date;
- (g) a premium of approximately 39.3% over the 15-day average closing price of the Shares of HK\$0.524 as at the Latest Practicable Date.

The Consideration Shares will rank *pari passu* with the existing Shares in all respects as from the date of allotment and issue, and will be issued under the general mandate of the Company granted by its shareholders on 28 September, 2000 allowing the issue of Shares of up to 225,073,124 which represents 20% of the issued share capital of 1,125,365,624 as at 28 September, 2000. The Company has not issued any shares pursuant to the general mandate as at the Latest Practicable Date.

The consideration and other terms of the Acquisition Agreement have been arrived at after arm's length negotiations between the parties based on the estimated valuation of CyberLiving of about HK\$260,000,000 by Sallmanns, an independent valuer. The consideration of HK\$54,750,000 represents a premium of approximately 0.27% over the attributable valuation amount of approximately HK\$54,600,000 based on the estimated valuation.

Application has been made for the listing of and permission to deal in the Consideration Shares.

### Conditions of the Acquisition Agreement

Completion of the Acquisition Agreement is conditional upon, *inter alia*:

- (a) Remy conducting the due diligence review pursuant to the terms of the Acquisition Agreement and being reasonably satisfied (i) with the business, assets, financial position and prospects of CyberLiving Group in all respects; and (ii) that there has been no material adverse change in the business, assets and financial position of CyberLiving Group between the date of the Acquisition Agreement and Completion;

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## LETTER FROM THE BOARD

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- (b) the Vendors and the Warrantor issuing a certificate stating that none of the representations, warranties and undertakings as provided in the Acquisition Agreement has been breached as at the Completion Date;
- (c) receipt by Rexy of a valuation report issued by Sallmanns (Far East) Limited confirming that the value of the business of CyberLiving, on discounted cash flow basis is not less than HK\$260,000,000;
- (d) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (e) (where required) the Bermuda Monetary Authority granting its permission to the issue and allotment of the Consideration Shares;
- (f) the obtaining by Rexy and the Company of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Acquisition Agreement which may be required under the Listing Rules, from the Stock Exchange or any regulatory authority.

Rexy may waive all or any of the conditions above (other than (d), (e) and (f)) at any time before the Longstop Date by notice in writing to the Vendors.

If the above conditions are not fulfilled (or waived) in full on or before 5:00 p.m. on the Longstop Date, all rights and obligations of the parties to the Acquisition Agreement shall cease or terminate as provided in the terms of the Acquisition Agreement.

### **Completion**

Upon fulfillment or waiver of all the above conditions precedent, Completion shall take place on or before the third business day after the Acquisition Agreement has become unconditional. Upon Completion, Rexy will appoint one out of five directors to each of the board of CyberLiving and Cyberinfo and Rexy will enter into an agreement with the shareholders of CyberLiving regulating the internal management and operation of CyberLiving.

### **Non-disposal undertakings by the Vendors**

Each of the Vendors has undertaken to Rexy that without the prior written consent of Rexy, the Vendor will not dispose of the Consideration Shares within the period of six months from the Completion Date save that each of the Vendors may sell not more than 10 per cent. of the Consideration Shares held by that Vendor in each of the first three months from the Completion Date.



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## LETTER FROM THE BOARD

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### Dilution effect

The table below shows the dilution effect on the approximate shareholdings of the Company upon Completion.

	Current shareholdings		Shareholdings immediately after the issue of the Consideration Shares	
	Percentage	No. of Shares	Percentage	No. of Shares
Lai Yiu Keung and Chung Lai Ha	23.50%	266,000,000	22.03%	266,000,000
Tsui Tack Kong	3.83%	43,397,500	3.60%	43,397,500
Cheung Kin Keung	17.00%	192,500,000	15.95%	192,500,000
the Vendors*	0.00%	0	6.21%	75,000,000
Public	55.67%	630,349,153	52.21%	630,349,153
Total	<u>100.00%</u>	<u>1,132,246,653</u>	<u>100.00%</u>	<u>1,207,246,653</u>

*Note:* These figures assume that there will be no change to the issued share capital of the Company and interests in Shares from the Latest Practicable Date up to Completion.

\* The shareholdings of the Vendors will constitute as part of the public shareholdings upon Completion.

### INFORMATION ON CYBERLIVING

CyberLiving was incorporated in the British Virgin Islands on 19 May, 2000. The issued share capital of CyberLiving amounted to US\$10,000 prior to the Acquisition.

CyberLiving is principally engaged in the design, development and installation of personalised content and e-services to networked homes in the Greater China Region via the residential data network. The residential data network developed by CyberLiving is known as the "Cyber Village", and is a network system which links up homes with their local residential community via intranet, in-home network, home automation devices and a centralised operation center to enhance living standards.

The main product of CyberLiving is the premise gateway system which consists of internet gateways and a gateway server interconnected over public communications networks. The gateways are situated on the exterior of a house or building to enable the delivery of information both within the building and to the outside world. Leveraging on its alliances with technical partners, CyberLiving has also developed the smart-board, an easy-to-use interface which offers value-added services such as messaging, e-mail and e-commerce. Apart from these products, CyberLiving is also engaged in the provision of a range of services such as tailor-made content related to a local residential area and internet management and maintenance to ensure ongoing network availability and performance.

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## LETTER FROM THE BOARD

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CyberLiving derives its revenue from systems integration, content design and systems maintenance and management. Such fees are mainly received from property management companies which in turn provide services to residential households. It is not considered that any additional working capital will be required from the Company for the operation of CyberLiving in the near future.

Based on the unaudited combined accounts of CyberLiving, the net loss attributable to its shareholders amounted to HK\$1,172,996.90 for the period from 19 May, 2000 (date of incorporation) to 31 August, 2000 and the unaudited net assets amounted to HK\$438,158.67 as at 31 August, 2000. The goodwill arising from the Acquisition is approximately HK\$55 million and it will be written off against the reserves of the Company upon Completion. CyberLiving will be accounted for as an associated company of the Group upon Completion.

### REASONS FOR THE ACQUISITION

The Group is principally engaged in property development and property investment. The Group is also engaged in the provision of property management, property agency and construction services in Hong Kong.

The Group has marked a step into technology-related businesses in recent months by the acquisition of 25.88% interest in Hycomm and an aggregate of 18% interest in Codebank. With these acquisitions, the Company has diversified into a broad range of technology-related businesses which include the design, development and installation of software and systems relating to wireless data and wireless IP network, internet software development and vertical portal solutions. On 2 June, 2000, the Company entered into a disposal agreement with Mr. Lai Yiu Keung, a director and substantial shareholder of the Company, for the disposal of the entire issued share capital in five wholly owned subsidiaries to Mr. Lai Yiu Keung. The disposal is a milestone for the business re-engineering of the Group.

In view of the continuously depressed local property market, the Group will continue to re-engineer the business of the Group, gradually shifting its business strategy from property investment and development into technology-related businesses. The Directors consider that the Acquisition will facilitate the Group in achieving this goal, thereby strengthening its technology-related businesses and broadening its earnings base and assets base in the long run. The Directors also believe that the shareholder base will be strengthened as a result of the Acquisition.

### FURTHER INFORMATION

*Your attention is drawn to the information set out in the appendices to this circular.*

*Yours faithfully,*  
For and on behalf of the Board of  
**Plotio Holdings Limited**  
**Lai Yiu Keung**  
*Chairman*

The following is the text of a letter received from Sallmanns, prepared for the purpose of inclusion in this circular.



CHARTERED SURVEYORS, PROPERTY CONSULTANTS  
LAND, BUILDING, PLANT & MACHINERY VALUERS  
FINANCIAL AND INTANGIBLE ASSET VALUERS

15/F Trinity House  
165-171 Wanchai Road  
Hong Kong  
Tel: (852) 2169 6000  
Fax: (852) 2528 5079

The Directors  
Plotio Holdings Limited  
2nd Floor  
Hillier Building  
273-277 Queen's Road Central  
and 33 Hillier Street  
Hong Kong

Dear Sirs,

In accordance with your instructions we have carried out a valuation to determine an independent opinion of the market value for a 100% equity interest in CyberLiving Holdings Limited (the "Company") as at 1 September 2000. This letter summarizes the principle conclusions of our detailed valuation dated 11 October, 2000.

The purpose of the valuation is to express an independent opinion of the market value of a 100% equity interest in the Company in relation to an acquisition of a 21% equity interest in the Company by Plotio Holdings Limited.

Our valuation has been carried out on a market value basis. Market value is defined as *the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*

We confirm that we have made relevant enquiries and obtained such further information as we considered necessary for the purposes of valuation.

CyberLiving Holdings Limited was incorporated in the British Virgin Islands with authorized capital of US\$50,000 on 19 May, 2000. The Company's Cyber Village Project ("CVP") adds interactive communications to current property management systems. CVP is mainly involved in the building of Intranet in-home networks, the setting up of home automation devices and the centralization of the Data Operation Centre to fulfill the demand for better living standards, comfort, convenience and safety. CVP also provides better person to person and person to community communications and provides a transaction platform for value added e-services.

The valuation of an interest in the Company requires consideration of all pertinent factors affecting the operation of the business and its ability to generate future investment returns. The factors considered in this valuation included, but were not limited to, the following:

- the nature of the Company and the history of the operation from its inception;
- the business development plan of the Company;
- the financial condition of the Company;
- the economic outlook and the industry outlook in general;
- the specific economic environment and competition for the Company;
- the operational contracts and agreements in relation to the Company;
- market-derived investment returns of entities engaged in similar lines of business; and
- the financial and business risk of the Company including the continuity of income and the projected future results.

In assessing the market value of the Company, we have adopted the income approach technique known as the discounted cash flow method. Under the discounted cash flow method, value depends on the present worth of the future economic benefits to be derived from projected revenue. Indications of value have been developed by discounting projected net future cashflow available for payment of shareholders' interest to their present worth at market derived rates of return which in our opinion are appropriate for the risks of the Company.

In arriving at our assessed value, we have considered the revenue streams including system integration projects, network maintenance service, property management fees and e-commerce commission and system design fees and expenses such as advertising, customer service & maintenance, general & administrative and tax, etc. relating to the Company. Therefore, we have not made provision for other non-operating cashflow items such as interest income, exchange rate gain/loss, etc. in the valuation model.

We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic condition that adversely affects the business of the Company. We have also assumed the accuracy of information provided and relied to a considerable extent on such information in arriving at our opinion of value.

Our valuation is also premised on the following:

- The particulars of the Company and the current market situation remain static throughout the concession period.

- Its competitive advantages and disadvantages do not change significantly during the concession period.

In determining the discount rate of 22 per cent for the operations adopted in the valuation, we have taken into account a number of factors including the current market information and the underlying risk inherent in the Company, such as liquidity risk, company specific risk, etc.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and Sallmanns.

Based on our investigations and analysis, it is our opinion that as at 1 September 2000, the market value of a 100 per cent equity interest in the Company is reasonably stated by the amount of HK\$260 Million (Hong Kong Dollars Two Hundred And Sixty Million ONLY).

Yours faithfully,  
For and on behalf of  
**Sallmanns (Far East) Limited**  
**Brett A. Shadbolt**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the securities of the Company or any associated corporation (within the meaning of the SDI Ordinance) which had been notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 or Part I of the Schedule to the SDI Ordinance) or which were required pursuant to section 29 of the SDI Ordinance, to be entered in the register referred therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### The Company

#### (a) Interests in Shares and Warrants

Name of Director	Type of interest	Number of Shares	Number of Warrants
Mr. Lai Yiu Keung	Family	236,000,000 <i>(Note 1)</i>	61,200,000 <i>(Note 1)</i>
	Corporate	30,000,000 <i>(Note 2)</i>	6,000,000 <i>(Note 2)</i>
Ms. Chung Lai Ha	Family	266,000,000 <i>(Notes 1 and 3)</i>	67,200,000 <i>(Notes 1 and 3)</i>
Mr. Cheung Kin Keung	Corporate	192,500,000 <i>(Note 4)</i>	–
Mr. Tsui Tack Kong	Personal	43,397,500	8,679,500

*(b) Interests in Options*

Name of Director	Number of Shares in respect of which Options are held
Mr. Lai Yiu Keung	24,000,000
Mr. Cheung Kin Keung	20,000,000
Mr. Tang Xueyi	10,000,000
Mr. Tsui Tack Kong	4,000,000
Mr. Lai Chi Kin	3,000,000
Mr. Lam Hon Keung, Keith	2,000,000

*Notes:*

1. These Shares and Warrants are beneficially held by Justwell Limited through its wholly owned subsidiary, United Man's Limited. The entire issued share capital of Justwell Limited is held by a trustee for the benefit of a discretionary trust the beneficiaries of which include certain other family members of Mr. Lai Yiu Keung and Ms. Chung Lai Ha.
2. These Shares and Warrants are registered in the name of Justgood Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Lai Yiu Keung.
3. Ms. Chung Lai Ha is the spouse of Mr. Lai Yiu Keung and is deemed to be interested in those Shares and Warrants of the Company in which Mr. Lai Yiu Keung has an interest.
4. These Shares are held by G. Yean Group Incorporated in which Kentmark Limited, a company owned by Mr. Cheung Kin Keung and his spouse, is deemed to have an interest.

**Subsidiaries or associated corporations**

Name of Director	Name of associated corporation	Type of interest	Type and number of securities
Mr. Lai Yiu Keung	Bestful Development Limited	Personal	8,000 non-voting 5% deferred shares
	Billtech Limited	Personal	2,000 non-voting 5% deferred shares
	Great Centre Limited	Personal	20,000 non-voting 5% deferred shares
	Newborn Development Limited	Personal	10,000 non-voting 5% deferred shares
	Nicecity Holdings Limited	Personal	8,000 non-voting 5% deferred shares
	Oriental Gain Properties Limited	Personal	3,710 non-voting 5% deferred shares

**APPENDIX II****GENERAL INFORMATION**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Type of interest</b>	<b>Type and number of securities</b>
	Plotio Development (HK) Limited	Personal	9,500 non-voting 5% deferred shares
	Plotio Investment (HK) Limited	Personal	9,500 non-voting 5% deferred shares
	Total Busy Development Limited	Personal	40,500 non-voting 5% deferred shares
Ms. Chung Lai Ha	Plotio Development (HK) Limited	Personal	500 non-voting 5% deferred shares
	Plotio Investment (HK) Limited	Personal	500 non-voting 5% deferred shares
Mr. Tsui Tack Kong	Bestful Development Limited	Personal	2,000 non-voting 5% deferred shares
	Great Centre Limited	Personal	5,000 non-voting 5% deferred shares
	Nicecity Holdings Limited	Personal	2,000 non-voting 5% deferred shares
	Oriental Gain Properties Limited	Personal	530 non-voting 5% deferred shares
	Total Busy Development Limited	Personal	4,500 non-voting 5% deferred shares

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had any interest in any equity or debt securities of the Company or associated corporations (within the meaning of the SDI Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interests which they were deemed or taken to have under section 31 of part I of the Schedule to the SDI Ordinance) or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, or which were required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein.



### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, and save for the interests disclosed in paragraph 2 of this Appendix, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the following companies other than a director or chief executive of the Company had a direct or indirect interest of 10% or more of the issued ordinary shares of the Company:

Name	Number of Shares	Approximate percentage
Justwell Limited	236,000,000 ( <i>Note 1</i> )	20.84
United Man's Limited	236,000,000 ( <i>Note 1</i> )	20.84
Kentmark Limited	192,500,000 ( <i>Note 2</i> )	17.00
G. Yean Group Incorporated	192,500,000 ( <i>Note 2</i> )	17.00

*Notes:*

- These Shares are registered in the name of United Man's Limited ("UML"). The entire issued share capital of UML is owned by Justwell Limited, the entire issued share capital of which is held by a trustee for the benefit of a discretionary trust the beneficiaries of which include certain family members of Mr. Lai Yiu Keung and Ms. Chung Lai Ha.
- These Shares are held by G. Yean Group Incorporated in which Kentmark Limited, a company owned by Mr. Cheung Kin Keung and his spouse, is deemed to have an interest.

Save as disclosed herein, no person has notified the Company that he had direct or indirect interests amounting to 10% or more of the issued share capital of the Company as at the Latest Practicable Date pursuant to Section 16(1) of the SDI Ordinance.

### 4. SHARE CAPITAL

The authorized and issued share capital of the Company immediately following completion will be as follows:

<i>Authorised:</i>	\$
3,000,000,000 Shares	300,000,000.00
<i>Issued and fully paid or credited as fully paid:</i>	
1,132,246,653 Shares in issue as at the Latest Practicable Date	113,224,665.30
75,000,000 Consideration Shares	7,500,000.00
<u>1,207,246,653 Shares in issue upon Completion</u>	<u>120,724,665.30</u>

**5. CONSENT**

Sallmanns has given and has not withdrawn its written consent to the issue of this circular with inclusion of its report and references to its name in the form and context in which they appear.

Sallmanns is not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and does not have any interest, either directly or indirectly, in any assets which have been, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**6. QUALIFICATION**

The following are the qualifications of the expert who has given opinion or advice in this circular.

<b>Name</b>	<b>Qualification</b>
Sallmanns	chartered surveyors, valuers

**7. MATERIAL CHANGES**

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 March, 2000 (being the date to which the last published audited financial statements of the Group were made up.)

**8. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**9. SERVICE CONTRACTS**

Mr. Lai Yiu Keung has entered into a service contract with the Company which is for a term of three years commencing on 1 October, 2000.

Each of Ms. Chung Lai Ha, Mr. Lai Chi Kin and Mr. Kwok Chong, Anthony has entered into a service contract with the Company, each for a term of two years commencing on 1 October, 1999.

Mr. Ling Kam Tong, Victor and Mr. Ho John have entered into service contracts with the Company which is for a term of three years commencing on 1 January, 2000.

Save as disclosed above, no Director has any existing or proposed directors' service contracts with any member of the Group, other than contracts terminable on not more than one year's notice without compensation (other than statutory compensation).

**10. MISCELLANEOUS**

- a. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM 11 Bermuda.
- b. The head office and principal place of business of the Company in Hong Kong is at 2nd Floor, Hillier Building, 273-277 Queen's Road Central and 33 Hillier Street, Central, Hong Kong.
- c. The company secretary of the Company is Mr. Choy Mun Kei, who is a member of The Hong Kong Society of Accountants.
- d. The branch share registrars of the Company in Hong Kong is Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.