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## SUBSTANTIAL, INITIAL MANAGEMENT AND SIGNIFICANT SHAREHOLDERS AND STRATEGIC INVESTORS

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### SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, after the completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised and taking no account of the Shares which may be taken up under the Share Offer), the only persons directly or indirectly holding interests in 10 per cent. or more of the Shares will be:

Name	Number of Shares	Approximate percentage of holding
Ms. Peggy Chan	579,956,044	57.99% (Note 2)
Passion (Note 1)	579,956,044	57.99% (Note 2)

Notes:

1. As Passion is a company wholly-owned by Ms. Peggy Chan, Ms. Peggy Chan will have deemed interest in the 579,956,044 Shares held by Passion under the SDI Ordinance.
2. On 15th June, 2000, Ms. Peggy Chan through Passion granted the Employees' Options to the Designated Employees. If the Employees' Options are exercised in full, the shareholdings of Ms. Peggy Chan and Passion in the Company will be reduced to approximately 56.38 per cent. (assuming the Over-allotment Option is not exercised, the Additional Convertible Note is not converted, and the shareholding structure of the Company upon completion of the Share Offer and the Capitalisation Issue will not otherwise be altered).

### INITIAL MANAGEMENT SHAREHOLDERS

Immediately after the completion of the Share Offer and the Capitalisation Issue, Mr. Fung Din Chung, Rickie, Mr. Ng Wai King, Steve, Ms. Leung Lucy, Michele (through Mossell) and Mr. Ip Kim Kuen will be interested in 24,559,498, 21,050,998, 24,559,498 and 1,403,400 Shares respectively, representing in aggregate approximately 7.16 per cent. of the enlarged issued share capital of the Company immediately following completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised). As such, together with Ms. Peggy Chan and Passion, Mr. Fung Din Chung, Rickie, Mr. Ng Wai King, Steve, Ms. Leung Lucy, Michele, Mossell and Mr. Ip Kim Kuen are considered to be the initial management shareholders (as defined in the GEM Listing Rules) of the Company.

Each of Ms. Peggy Chan and Passion has undertaken to the Company and the Stock Exchange, save as provided under waivers granted by the Stock Exchange as described under "Waivers in respect of the GEM Listing Rules", that:

- (i) she or it will place with an escrow agent acceptable to the Stock Exchange her or its Relevant Securities during the Relevant Lock-up Period and all the Relevant Securities not yet disposed of by her or it during the period of six months from the expiry of the Relevant Lock-up Period;
- (ii) during the Relevant Lock-up Period, she or it will not, save as provided in the GEM Listing Rules, dispose of (or enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of her or its direct or indirect interest in the Relevant Securities;

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- (iii) within the Relevant Lock-up Period and during the period of six months from the expiry of the Relevant Lock-up Period, she or it shall (a) when she or it pledges or charges any interest in the Relevant Securities, immediately inform the Company and HSBC Investment Bank Asia in writing of such pledge or charge together with the number of such securities so pledged or charged, the purpose for which the pledge or charge is made and such other relevant details; and (b) when she or it received indications, either verbal or written, from any pledgee or chargee that the Relevant Securities pledged or charged by her or it will be or has been disposed of, immediately inform the Company and HSBC Investment Bank Asia in writing of such indications or disposal. Upon receiving such information in writing, the Company will, as soon as practicable, make a public disclosure by way of a press announcement; and
- (iv) during the period of six months from the expiry of the Relevant Lock-up Period, she or it will not, save as provided in the GEM Listing Rules, dispose of (nor enter into any arrangement to dispose of) nor permit the registered holder to dispose of (nor enter into any agreement to dispose of) any of her or its direct or indirect interest in the Relevant Securities so that she and it would together control less than 35 per cent. of the issued Shares.

Each of the other Initial Management Shareholders has undertaken to the Company and the Stock Exchange, save as provided under waivers granted by the Stock Exchange as described under “Waivers in respect of the GEM Listing Rules”, that:

- (i) he or she or it will place with an escrow agent acceptable to the Stock Exchange his or her or its Relevant Securities during the Relevant Lock-up Period;
- (ii) during the Relevant Lock-up Period, he, she or it will not, save as provided in the GEM Listing Rules, dispose of (or enter into any agreement to dispose of) nor permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of his, her or its direct or indirect interest in the Relevant Securities; and
- (iii) within the Relevant Lock-up Period he or she or it shall (a) when he or she or it pledges or charges any interest in the Relevant Securities, immediately inform the Company and HSBC Investment Bank Asia in writing of such pledge or charge together with the number of such securities so pledged or charged, the purpose for which the pledge or charge is made and such other relevant details; and (b) when he or she or it received indications, either verbal or written, from any pledgee or chargee that the Relevant Securities pledged or charged by him, her or it will be or has been disposed of, immediately inform the Company and HSBC Investment Bank Asia in writing of such indications or disposal. Upon receiving such information in writing, the Company will, as soon as practicable, make a public disclosure by way of a press announcement.

As set out under “Waivers in respect of the GEM Listing Rules”, a waiver from strict compliance with the above restriction imposed on Ms. Peggy Chan and Passion has been granted in connection with the Stock Borrowing Agreement between HSBC Investment Bank Asia and Passion.

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### **SIGNIFICANT SHAREHOLDERS**

Cheung Kong and Alps are considered to be the significant shareholders (as defined in the GEM Listing Rules) of the Company as a result of the holding of 71,969,151 Shares by Alps, a wholly-owned subsidiary of Cheung Kong, immediately following the completion of the Share Offer and the Capitalisation Issue, representing approximately 7.20 per cent. of the enlarged issued share capital of the Company immediately following completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised). Each of the Significant Shareholders has undertaken to the Company and the Stock Exchange to comply with the requirements of Rules 13.18 and 13.20 of the GEM Listing Rules. Those rules require that from the Listing Date up to and including the date falling six months thereafter:

- (a) the Significant Shareholders place in escrow, with an escrow agent acceptable to the Stock Exchange, its Relevant Securities on terms acceptable to the Stock Exchange;
- (b) the Significant Shareholders do not, save as provided in Rule 13.19 of the GEM Listing Rules, dispose of (or enter into any agreement to dispose of) or permit the registered holder to dispose of (or to enter into any agreement to dispose of) any of its direct or indirect interest in the Relevant Securities;
- (c) in the event that the Significant Shareholders pledge or charge any direct or indirect interest in the Relevant Securities under Rule 13.19(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.19(4) of the GEM Listing Rules, they must inform the Company immediately thereafter, disclosing certain prescribed details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and
- (d) having pledged or charged any of their interest in the Relevant Securities under sub-paragraph (c) above, the Significant Shareholders must inform the Company immediately in the event that they become aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the Relevant Securities affected.

### **STRATEGIC INVESTORS**

The UOB Investors will together hold 43,617,668 Shares, representing approximately 4.36 per cent. of the enlarged issued share capital of the Company following completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised). ChinaVest will through CV Software Holdings hold 32,713,251 Shares, representing approximately 3.27 per cent. of the enlarged issued share capital of the Company following completion of the Share Offer and the Capitalisation Issue (assuming the Over-allotment Option is not exercised). Each of the UOB Investors, ChinaVest and CV Software Holdings has undertaken to the Company and the Stock Exchange that from the Listing Date up to and including the date falling six months thereafter, it shall comply with the requirements set out under paragraphs (a) and (b) under “Substantial, initial management and significant shareholders — Significant Shareholders” above as if it were a Significant Shareholder.