
CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM Website in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

2000

Allocation to placees on or before Tuesday, 25th July

Announcement of the level of indication of interest of
the Placing to be published on the GEM Website on Wednesday, 26th July

Share certificates available on or before (Note) Wednesday, 26th July

Dealings in the H Shares on GEM to commence on or about Thursday, 27th July

Notes:

1. The share certificates are expected to be issued in the name of HKSCC Nominees Limited and deposited into CCASS on or about 26th July, 2000 for credit to the respective CCASS participants stock accounts designated by the placees.
2. All times stated herein refer to Hong Kong time.

For further details of the structure of the Placing, please see the section headed “Structure and conditions of the Placing” in this prospectus.