



## Century Legend (Holdings) Limited

世紀建業(集團)有限公司\*

(incorporated in Bermuda with limited liability)

### OPTION AGREEMENT

On 18th October, 2001 Mr. Ng and Madam Fu entered into an agreement with Mr. Tsang pursuant to which Mr. Ng and Madam Fu have each agreed to grant the Call Options to Mr. Tsang and Mr. Tsang has agreed to grant to each of Mr. Ng and Madam Fu the Put Options. Details of the Option Agreement are set out below.

The Options are exercisable at any time from the date of the Option Agreement and prior to 17th April, 2002. Upon exercise of the rights attaching to the Call Options by Mr. Tsang or the Put Options by Mr. Ng and Madam Fu and the completion of the sale and purchase of the Company Option Shares or the CLL Option Shares (as the case may be), Mr. Tsang and parties acting in concert with him will become directly or indirectly interested in approximately 50.5% of the total issued share capital of the Company and may be obliged under the Takeovers Code to make a general cash offer for all the issued shares in the Company not already owned by him and parties acting in concert with him.

**The Put Options and the Call Options may or may not be exercised. The obligation to make a general cash offer for all issued shares of the Company may arise if the Put Options or Call Options are exercised by the relevant parties and the sale and purchase of the Company Option Shares or the CLL Option Shares is completed. Shareholders should exercise caution when dealing in the shares in the Company.**

On 18th October, 2001, the Board was advised by Mr. Ng. Kwan ("Mr. Ng"), Madam Fu Cheng Wai ("Madam Fu") and Mr. Tsang Chiu Mo, Samuel ("Mr. Tsang") that on the same day they have entered into an agreement (the "Option Agreement") pursuant to which Mr. Ng and Madam Fu have each agreed to grant the CLL Call Option and the Company Call Option (the "Call Options") to Mr. Tsang, and Mr. Tsang has agreed to grant to each of Mr. Ng and Madam Fu both the CCL Put Option and Company Put Option (the "Put Options") in respect of the Company Option Shares and the CLL Option Shares (as defined below). Details of the Option Agreement are set out below.

#### OPTION AGREEMENT DATED 18TH OCTOBER, 2001

##### 1. Parties

###### (i) Mr. Ng:

Mr. Ng is interested in 22,500 shares or 45% of the issued share capital of Century Legend Limited ("CLL"), which was established in the British Virgin Islands with limited liability and is the controlling shareholder of the Company. The sole material asset of CLL is its beneficial interest in 868,389,900 issued shares of the Company (the "Shares"), representing approximately 50.5% issued share capital of the Company.

###### (ii) Madam Fu:

Madam Fu is interested in 22,500 shares or 45% of the issued share capital of CLL.

###### (iii) Mr. Tsang:

Mr. Tsang holds 5% of the issued share capital of CLL. Mr. Tsang is an executive director of the Company.

The remaining 5% shareholding of CLL is beneficially held by Mr. Tsang Chiu Ching, the brother of Mr. Tsang and also an executive director of the Company.

##### 2. Consideration:

HK\$1 for each of the Put Options and the Call Options.

##### 3. CLL Call Option:

Mr. Tsang has the right to require each of Mr. Ng and Madam Fu to sell to him (or his nominee) their respective interests in 22,500 shares in the issued share capital in CLL ("CLL Option Shares") for a consideration of HK\$10,160,161.83 payable to each of Mr. Ng and Madam Fu.

##### 4. Company Call Option:

Mr. Tsang has the right to require each of Mr. Ng and Madam Fu to sell to him (or his nominee) 390,775,455 Shares ("Company Option Shares") at a total consideration of HK\$10,160,161.83, equivalent to HK\$0.026 per Company Option Share (which represents a discount of 10.34% to the closing price of the Shares of HK\$0.029 as quoted on The Stock Exchange of Hong Kong Limited on 18th October, 2001).

The Company Option Shares being the respective attributable interests of Mr. Ng and Madam Fu in the Company, which equivalent to approximately 22.71% of the issued share capital of the Company.

In the event that the Company Call Option is exercised, Mr. Ng and Madam Fu both agree and undertake to procure CLL to distribute all the Shares beneficially held by its to its shareholders proportionally.

##### 5. CLL Put Option:

Each of Mr. Ng and Madam Fu has the right to require Mr. Tsang to purchase the CLL Option Shares from Mr. Ng and Madam Fu for a consideration price of HK\$10,160,161.83 payable to each of Mr. Ng and Madam Fu.

##### 6. Company Put Option:

Each of Mr. Ng and Madam Fu has the right to require Mr. Tsang to purchase the Company Option Shares from Mr. Ng and Madam Fu for a total consideration of HK\$10,160,161.83, equivalent to HK\$0.026 per Company Option Share.

In the event that the Company Put Option is exercised, Mr. Ng and Madam Fu both agree and undertake to procure CLL to distribute all the Shares beneficially held by it to its shareholders proportionally.

##### 7. Exercise of Options:

Either the CLL Call Options or the Company Call Options may be exercised by Mr. Tsang in respect of all but not partial of the 45,000 CLL shares, being the aggregate of the CLL Option Shares held by each Mr. Ng and Madam Fu, or 781,550,910 Shares, being the aggregate of the Company Option Shares held indirectly by each Mr. Ng and Madam Fu (as the case may be) at any time from the date of the Option Agreement and prior to 17th April, 2002 (the "Option Period").

Either the CLL Put Option or the Company Put Option may be exercised jointly but not severally by Mr. Ng and Madam Fu in respect of all but not partial of the 45,000 CLL shares, being the aggregate of the CLL Option Shares held by each Mr. Ng and Madam Fu, or 781,550,910 Shares, being the aggregate of the Company Option Shares held indirectly by each Mr. Ng and Madam Fu (as the case may be) at any time during the Option Period.

Both Call Options and Put Options must be exercised prior to 17th April, 2002 or any other day as may be agreed by all parties to the Option Agreement, after which the Put Options and the Call Options lapse.

##### 8. Completion:

Completion shall take place within 7 days (or on any other day as the parties may agreed) after the serving of an option exercise notice.

##### 9. Assignment:

Mr. Tsang is entitled to assign his right under the Option Agreement to any third parties controlled by him or parties acting in concert him.

##### 10. Adjustment clause:

The number of shares in CLL and shares in the Company subject to the Option Agreement will be adjusted in the event of any changes in the issued share capital of the Company, including consolidation of Shares, capitalisation issues and capital distribution, prior to the expiry of the Option Agreement.

For the avoidance of doubt, the Option Agreement stipulates that the voting rights in respect of the Company Option Shares will not be transferred to Mr. Tsang unless and until either the Call Options or the Put Options (as the case may be) are exercised and the sale and purchase of the CLL Option Shares or Company Option Shares (as the case may be) is completed in accordance with the Option Agreement.

#### GENERAL

In the event that the rights attaching to the aforesaid options are exercised and the sale and purchase of the CCL Option Shares or Company Option Shares (as the case may be) is completed, Mr. Tsang may be obliged under the Code on Takeovers and Mergers (the "Takeovers Code") to make a general cash offer for all the issued Shares in the Company not already owned by him or parties acting in concert with him.

**The Put Options and the Call Options may or may not be exercised. An obligation to make a general cash offer to all issued shares of the Company may arise if the Put Options or Call Options (as the case may be) are exercised and the sale and purchase of the CLL Option Shares or Company Option Shares (as the case may be) is completed. Shareholders should exercise caution when dealing in the shares in the Company.**

It is not expected that there will be any change in the business or management or directors of the Company and its subsidiaries as the result of the Option Agreement.

Further announcement will be made by the Company upon the assignment of rights under the Call Options by Mr. Tsang, to other parties, or the exercise/lapse of the Put Options and Call Options, or any changes in the number of shares in CLL or in the Company that is subject to the Option Agreement.

By Order of the Board  
Century Legend (Holdings) Limited  
Chu Ming Tak Evans Tania  
Executive Director

Hong Kong SAR, 18th October, 2001

\* for identification purpose only