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This announcement, for which the directors (the “Directors”) of Soluteck Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



SOLUTECK
SOLUTECK HOLDINGS LIMITED
— 創科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

**ANNOUNCEMENT ON ISSUE OF NEW SHARES IN SATISFACTION OF
MANAGEMENT BONUS AND PERFORMANCE BONUS PAYABLE TO
A DIRECTOR AND CERTAIN EMPLOYEES OF A SUBSIDIARY OF
THE COMPANY**

The board (the “Board”) of Directors would like to announce that it approved on 28 December, 2001 an issue of an aggregate of 2,612,072 new shares (the “Shares”), representing approximately 0.58 per cent. of the enlarged issued share capital of the Company, by way of exercising a specific mandate given to the Directors as disclosed in the prospectus (the “Prospectus”) of the Company dated 22 December, 2000. Such issue of new Shares will be used in satisfaction of management bonus (the “Management Bonus”) and performance bonus (the “Performance Bonus”) pursuant to the terms of the respective service contracts entered into between Task Consultants Limited (“Task Consultants”), a wholly-owned subsidiary of the Company, and Mr. Tam Wing Chit, Tom (“Mr. Tam”), an executive Director, and Messrs. Chan Shu Tak, Alex, Shiu Chi Shing, Kelvin and Yu Chak Fai, Stanley (collectively, “Task Consultants Team”). Mr. Tam and each member of Task Consultants Team are directors of Task Consultants.

As disclosed in the Prospectus, the Board has been authorised by the shareholders of the Company to allot and issue Shares to Mr. Tam and members of Task Consultants Team in satisfaction of the Management Bonus and the Performance Bonus to which they are entitled pursuant to their respective service contracts entered into with Task Consultants.

As disclosed in the Prospectus, the Company has been granted by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) a waiver from strict compliance with the shareholders’ approval requirement, if applicable, under the GEM Listing Rules in respect of the issue of new Shares in satisfaction of the Management Bonus and the Performance Bonus payable to Mr. Tam.

An application has been made to the Stock Exchange for the listing of and permission to deal in the 2,612,072 new Shares. The Directors expect that dealings in the 2,612,072 new Shares will commence on GEM on 4 January, 2002.

INTRODUCTION

The Board would like to announce that it approved on 28 December, 2001 an issue of an aggregate of 2,612,072 new Shares, representing approximately 0.58 per cent. of the enlarged issued share capital of the Company, by way of exercising a specific mandate given to the Directors as disclosed in the Prospectus. Such issue of new Shares will be used in satisfaction of the Management Bonus and the Performance Bonus.

BACKGROUND INFORMATION

Mr. Tam's entitlement to the Management Bonus and the Performance Bonus

As disclosed in the Prospectus, Mr. Tam, who is an executive Director, entered into a service contract with Task Consultants on 18 October, 2000 for a term of two years commencing from 1 October, 2000, pursuant to which Mr. Tam is entitled to the Management Bonus of HK\$200,000 upon completion of every 12 months' service.

In addition, Mr. Tam is entitled to the Performance Bonus the amount of which is based on the net profit (the "Net Profit") of Task Consultants before taxation and minority interests (if any) and the payment of the Performance Bonus but excluding extraordinary and exceptional items during the relevant period.

Entitlement of members of Task Consultants Team to the Management Bonus and the Performance Bonus

As disclosed in the Prospectus, each of the members of Task Consultants Team, namely Chan Shu Tak, Alex, Shiu Chi Shing, Kelvin and Yu Chak Fai, Stanley, being the directors of Task Consultants, has separately entered into a service contract with Task Consultants containing terms similar to those of Mr. Tam's service contract. Hence they are also entitled to the Management Bonus and the Performance Bonus.

Basis of the Management Bonus

The Management Bonus will be satisfied by the issue of new Shares (rounded down to the nearest whole number of Shares), credited as fully paid, the number of which will equal to HK\$200,000 divided by the offer price (the "Offer Price") of HK\$0.40 for each Share at the time of listing of the Company on GEM.

The following sets forth the number of new Shares to be issued to Mr. Tam and each member of Task Consultants Team in satisfaction of the Management Bonus:—

Number of new Shares to be issued in satisfaction of the Management Bonus

Name	Calculation	Number of new Shares to be issued
Mr. Tam	HK\$200,000/HK\$0.4	500,000 Shares
Chan Shu Tak, Alex	HK\$200,000/HK\$0.4	500,000 Shares
Shiu Chi Shing, Kelvin	HK\$200,000/HK\$0.4	500,000 Shares
Yu Chak Fai, Stanley	HK\$200,000/HK\$0.4	500,000 Shares
Total		2,000,000 Shares

Basis of the Performance Bonus

The aggregate amount of the Performance Bonus to which Mr. Tam and members of Task Consultants Team are entitled will equal to 30 per cent. of the Net Profit or if the Net Profit is less than HK\$5.3 million, 10 per cent. of the Net Profit, provided that the aggregate amount of such Performance Bonus cannot in any event exceed the amount of the net cash inflow from operating activities of Task Consultants during the relevant period.

The Performance Bonus will be satisfied by the issue of new Shares (rounded down to the nearest whole number of Shares), credited as fully paid, the number of which will equal to the applicable amount of the Performance Bonus divided by the Offer Price, provided that the aggregate number of new Shares falling to be issued in satisfaction of the Performance Bonus cannot exceed two per cent. of the then issued Shares (as enlarged by the issue of such Shares).

The following sets forth the number of new Shares to be issued to Mr. Tam and members of Task Consultants Team in satisfaction of the Performance Bonus:-

Calculation of the number of new Shares to be issued in satisfaction of the Performance Bonus

The audited Net Profit during the 13 months' period ended 30 September, 2001	Approximately HK\$2.45 million
The aggregate Performance Bonus to which Mr. Tam and members of Task Consultants Team are entitled (10 per cent. of the Net Profit)	HK\$244,830
Aggregate number of new Shares to be issued in satisfaction of the Performance Bonus (rounded down to the nearest whole number of Shares)	<u><u>612,072 Shares</u></u>

Based on the above, each of Mr. Tam and each member of Task Consultants Team will be entitled to 153,018 new Shares (rounded down to the nearest whole number of Shares).

Total number of new Shares to be issued in satisfaction of the Management Bonus and the Performance Bonus

The total number of new Shares to be issued in satisfaction of the Management Bonus and the Performance Bonus and the individual entitlement of Mr. Tam and members of Task Consultants Team are set forth below:–

Number of new Shares to be issued in satisfaction of the Management Bonus and the Performance Bonus

Name	Management Bonus (Number of new Shares)	Performance Bonus (Number of new Shares)	Total number of new Shares to be issued
Mr. Tam	500,000 Shares	153,018 Shares	653,018 Shares
Chan Shu Tak, Alex	500,000 Shares	153,018 Shares	653,018 Shares
Shiu Chi Shing, Kelvin	500,000 Shares	153,018 Shares	653,018 Shares
Yu Chak Fai, Stanley	<u>500,000 Shares</u>	<u>153,018 Shares</u>	<u>653,018 Shares</u>
Total	<u><u>2,000,000 Shares</u></u>	<u><u>612,072 Shares</u></u>	<u><u>2,612,072 Shares</u></u>

The total number of new Shares to be issued will represent approximately 0.58 per cent. of the enlarged issued share capital of the Company. As disclosed in the Prospectus, the Board has been authorised by the shareholders of the Company to allot and issue Shares to Mr. Tam and members of Task Consultants Team in satisfaction of the Management Bonus and the Performance Bonus to which they are entitled pursuant to their respective service contracts entered into with Task Consultants. The Directors will allot and issue the 2,612,072 new Shares pursuant to such specific mandate.

As disclosed in the Prospectus, the Company has been granted by the Stock Exchange a waiver from strict compliance with the shareholders' approval requirement, if applicable, under the GEM Listing Rules in respect of the issue of new Shares in satisfaction of the Management Bonus and the Performance Bonus payable to Mr. Tam.

LISTING OF THE NEW SHARES ON GEM

An application has been made to the Stock Exchange for the listing of and permission to deal in the 2,612,072 new Shares. The Directors expect that dealings in the 2,612,072 new Shares will commence on GEM on 4 January, 2002.

By order of the Board
Soluteck Holdings Limited
Chung Lok Fai
Chairman

Hong Kong, 28 December, 2001

This announcement will remain on the GEM website with the domain name of www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

* *For identification purpose only*