EXAMPLE A - CALCULATION OF GAIN (LOSS) FOR SHARES USING THE WEIGHTED AVERAGE COST METHOD

1. Discounted ST shares (ST A and ST 2)

No. of Shares bought / received	Cumulative Qty (No. of Shares)	Cumulative Cost ($)	Weighted Average Cost ($)
	A	B	B / A
Dec 1993. Bought 600 ST A shares @ $1.90.	600	1,140	1.9000
Nov 1994. Received 60 ST A Loyalty shares.	660	1,140	1.7273
Nov 1995. Received 60 ST A Loyalty shares.	720	1,140	1.5833
Aug 1996. Bought 500 ST2 shares @ $2.50.	1,220	2,390	1.9590
Nov 1997. Received 60 ST A & 50 ST2 Loyalty shares.	1,330	2,390	1.7970
Nov 1998. Received 50 ST2 Loyalty shares.	1,380	2,390	1.7319
Nov 1999. Received 60 ST A Loyalty shares.	1,440	2,390	1.6597
Nov 2000. Received 50 ST2 Loyalty shares.	1,490	2,390	1.6040
Nov 2002. Received 50 ST2 Loyalty shares.	1,540	2,390	1.5519

For example, if the ST share price is $3.50, then you would gain* $1.9481 ($3.50 - $1.5519) for each discounted ST share sold.

excluding brokerage fees and other fees