
INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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:–

1. the information contained in this prospectus is accurate and complete in all material respects and not misleading;
2. there are no other matters the omission of which would make any statement in this prospectus misleading; and
3. all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CONSENT OF THE CSRC

The CSRC has given its consent to the Placing and the making of applications by the Company to list the H Shares on GEM. In granting such consent, the CSRC accepts no responsibility for the financial soundness of the Company nor the accuracy of any of the statements made or opinions expressed in this prospectus.

FULLY UNDERWRITTEN

The Placing is an offer by the Company of 24,000,000 H Shares which are being offered in Hong Kong for subscription at a price of HK\$11.00 per H Share. The Placing Shares are being offered by way of placing to professional, institutional and other investors at the Placing Price. The Placing is subject to the conditions set out under the section headed “Structure and conditions of the Placing” in this prospectus. Each person subscribing for the Placing Shares will be required to, or deemed by its subscription for the Placing Shares to, confirm that it is aware of the restrictions on offers of the Placing Shares described in this prospectus. This prospectus is published solely in connection with the Placing.

The Placing is sponsored by Tai Fook Capital and fully underwritten by the Placing Underwriters. For further information about the underwriting arrangements, please refer to the section headed “Underwriting” on pages 143 to 147.

H SHARES TO BE OFFERED IN HONG KONG ONLY

No action has been taken in any jurisdiction other than Hong Kong to permit any offering of the H Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. This prospectus is not an offer or invitation nor is it calculated to invite or solicit

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

offers in any jurisdiction in which it is not authorised, nor is it an offer or invitation to any person to whom it is unlawful to make an authorised offer or invitation.

United States

The H Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), and may not be offered or sold within the United States, or to, or for the account or benefit of, US persons except in certain transactions exempt from, or not subject to, the registration requirements of the US Securities Act. The H Shares are being offered and sold outside of the United States to non-US persons in reliance on Regulation S under the US Securities Act. Terms used in this section have the meanings given to them by Regulation S under the US Securities Act.

The H Shares may not be offered or sold (i) as part of the distribution at any time or (ii) otherwise until 40 days after the latest of the commencement of the Placing, the closing date of the Placing and the closing date for any exercise of the Over-allotment Option, within the United States or to, or for the account or benefit of, US persons, and the Placing Underwriters will send to each dealer to which it sells H Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the H Shares within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the later of the commencement of the Placing, the closing date of the Placing and the closing date of any exercise of the Over-allotment Option, an offer or sale of H Shares within the United States (whether or not as part of the Placing) by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from, or in a transaction not subject to, such registration requirements.

The H Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the H Shares or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offence in the US.

United Kingdom

This prospectus has not been approved by an authorised person in the United Kingdom and has not been registered with the Registrar of Companies in the United Kingdom. The H Shares may not be offered or sold in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

meaning of the Financial Services Act 1986 as amended by Public Offers of Securities Regulations 1995 and where the applicable provisions of the Financial Services Act 1986 have been complied with. In addition, no person may issue or pass on to any person in the United Kingdom any document received by him in connection with the issue or sale of the H Shares unless that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

Japan

The Placing has not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”). The H Shares which are being offered hereby may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to the applicable exemption from the registration requirements of the Securities and Exchange Law and in compliance with any other applicable requirements of Japanese law.

Singapore

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies and Business in Singapore and the H Shares will be offered in Singapore pursuant to exemptions invoked under Division 5A of Part IV of the Companies Act (Chapter 50 of Singapore (the “Singapore Companies Act”). Accordingly, this prospectus and any other offering document or materials in connection with the offer of the H Shares may not be issued, circulated or distributed in Singapore nor may any of the H Shares be offered for subscription or purchased or sold, directly or indirectly, nor may an invitation or offer to subscribe for or purchase any H Shares be made, directly or indirectly, to the public or any member of the public in Singapore other than (a) pursuant to, and in accordance with the conditions of, exemptions invoked under Division 5A of Part IV of the Singapore Companies Act and to persons to whom the H Shares may be offered or sold under such exemption; or (b) otherwise pursuant to, and in accordance with the conditions of any other provision of the Singapore Companies Act.

APPLICATION FOR LISTING ON GEM

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in the H Shares (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme.

No part of the Company’s share or loan capital is listed or dealt in on any other stock exchange. At present, the Company is not seeking or proposing to seek listing of or permission to deal in such capital on any other stock exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of subscribing for the H Shares, or about the purchasing, holding or disposing of or dealing in the H Shares, you should consult an expert.

The Company, the Directors, Tai Fook Capital and any other parties involved in the Placing do not accept responsibility for any tax effects on, or liability of, any person resulting from subscribing for the H Shares, or purchasing, holding or disposing of or dealing in the H Shares.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

The Company has instructed HKSCC Registrars Limited, its Hong Kong branch share registrar, and HKSCC Registrars Limited has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until the holder delivers a signed form to the share registrar in respect of the H Shares bearing statements to the effect that the holder:

- (i) agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law, the Special Regulations and the Articles of Association;
- (ii) agrees with the Company, each shareholder, Director, Supervisor, manager and officer of the Company, and the Company acting for itself and for each Director, Supervisor, manager and officer of the Company agrees with each shareholder, to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award, and such arbitration shall be final and conclusive;
- (iii) agrees with the Company and each shareholder of the Company that the H Shares are freely transferable by the holders thereof; and
- (iv) authorises the Company to enter into a contract on his behalf with each Director and officer of the Company whereby such Directors and officers undertake to observe and comply with their obligations to shareholders as stipulated in the Articles of Association.

STAMP DUTY

Dealings in the H Shares registered on the Company's branch register of members maintained in Hong Kong will be subject to Hong Kong stamp duty.

STRUCTURE OF THE PLACING

Details of the structure of the Placing, including conditions of the Placing, are set out in the section headed "Structure and conditions of the Placing" in this prospectus.

EXCHANGE RATE CONVERSION

Except as otherwise noted, this prospectus contains translations of Renminbi amounts into Hong Kong dollars at the rate of HK\$1.00 = RMB1.0624, the PBOC Rate prevailing on 30th June, 2000, and such rate is for reference only. No representation is made that the Renminbi or Hong Kong dollar amounts set out in this prospectus could have been or can be converted into Hong Kong dollars or Renminbi, as the case may be, at any particular rate on such date or any other date.