
INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL 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 Companies Ordinance and 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:

- (a) the information contained in this prospectus is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this prospectus misleading; and
- (c) 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

On 7 September 2006, the CSRC granted its consent to the Company's application for the listing of the H Shares on GEM and the International Placing. Having granted 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.

SIGNING OF PLACING UNDERWRITING AGREEMENT AND DETERMINATION OF THE PLACING PRICE

The Placing Underwriting Agreement is expected to be signed on or about the date that the Placing Price is agreed. The Placing Price is expected to be fixed by agreement between Cazenove (for itself and on behalf of the other Placing Underwriters) and the Company at or before the Price Determination Time, which is currently scheduled at or before 5:00 p.m. on Monday, 27 November 2006 or such later time and/or date as may be agreed between the Company and Cazenove (for itself and on behalf of the Placing Underwriters) but in any event no later than 5:00 p.m. on 29 November 2006. If the Placing Underwriting Agreement is not signed or the Placing Price is not agreed or the termination rights referred to in the section headed "Underwriting" in this prospectus are exercised, the International Placing will not proceed.

The Placing Price will not be more than HK\$3.0 per H Share and is currently expected to be not less than HK\$2.4 per H Share. Cazenove (for itself and on behalf of the other Placing Underwriters) may, with the consent of the Company, reduce the aforesaid indicative Placing Price range below that stated in this prospectus (which is HK\$2.4 per H Share to HK\$3.0 per H Share). Potential investors should be aware that the Placing Price to be determined at or before the Price Determination Time may be, but is currently not expected to be, lower than the indicative range of the Placing Price stated in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

Cazenove is the Global Coordinator, Sole Bookrunner, Sponsor and Lead Manager of the International Placing. Subject to the execution and terms of the Placing Underwriting Agreement (including an agreement on the Placing Price), the International Placing will be fully underwritten by the Placing Underwriters. For further information about the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

RESTRICTIONS ON OFFER OF THE PLACING SHARES

No action has been taken in any jurisdiction other than Hong Kong to permit the International Placing or the distribution of this prospectus. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the International Placing in any jurisdiction or, in any circumstance in which such an offer or invitation is not authorised, or to any person to whom it is unlawful to make such an offer or invitation.

The Placing Shares are offered for subscription solely on the basis of the information contained and the representations made in this prospectus. No person is authorised in connection with the International Placing to give any information, or to make any representation, not contained in this prospectus. Any information or representation not contained herein shall not be relied upon as having been authorised by the Company, the Sponsor, the Placing Underwriters, any of their respective directors, officers, employees and/ or representatives or any other person involved in the International Placing.

The distribution of this prospectus and the offering of the Placing Shares in certain jurisdictions are restricted by law and in particular, but without limitation, to the following:

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) an offer to the public of any Placing Shares may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Placing Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) any other individual or entity authorised in that Relevant Member State as a qualified investor within the meaning of the Prospectus Directive; or

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

- (d) by the Placing Underwriters to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Cazenove as global coordinator for any such offer; or
- (e) in any other circumstances not requiring the publication by the Company of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

provided that no such offer of Placing Shares shall result in a requirement for the publication by the Company or any Placing Underwriters of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each person to whom an offer is made under sub-paragraph (a), (b) or (c) above shall be deemed to have represented on acceptance thereof that it is a qualified investor within the meaning of the Prospectus Directive.

For the purposes of the above, the expression an “offer of Placing Shares to the public” in relation to any Placing Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Placing Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Placing Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

This prospectus has not been approved under Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) by a person authorised under the FSMA in the United Kingdom. This prospectus is being distributed in the United Kingdom only to, and is directed only at, (i) investment professionals, as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**FSMA Order**”), and (ii) persons falling within Article 49 of the FSMA Order (all such persons together being referred to as “**relevant persons**”). This prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any description, including those who do not have professional experience in matters relating to investments, should return this document to Cazenove and take no other action.

The Placing Shares may not be offered or sold in the United Kingdom except to persons whose ordinary activities involve 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 for the purposes of the FSMA or the Prospectus Regulations 2005.

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

In addition, no person may issue or pass on to any person in the United Kingdom any documents received by him in connection with the International Placing or communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in relation to the Placing Shares unless the recipient is a relevant person.

France

The Placing Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, to the public in France and this prospectus or any other offering material relating to the Placing Shares have not been distributed or are caused to be distributed and will not be distributed or be caused to be distributed to the public in France and that such offers, sales and distributions have been and will only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in accordance with Articles D411.1 to D411.3 of the French Code monétaire et financier.

Ireland

All applicable provisions of the Investment Intermediaries Act 1995 to 2000 of Ireland, with respect to anything done in relation to the offer, sale or delivery of the Placing Shares in or involving Ireland, have been complied and will be complied with.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly this prospectus may not be issued, circulated or distributed in Singapore nor may any persons make an offer of the Placing Shares to any persons in Singapore or invite any person in Singapore to make an offer for the Placing Shares, both which upon acceptance would give rise to a contract for the issue or sale of the Placing Shares by the Company, other than pursuant to, and in accordance with the conditions of, an exemption invoked under Division 1, Sub-division (4) of Part XIII of the Securities and Futures Act and to persons to whom the Placing Shares may be offered or sold under such exemption. Furthermore, no advertisement may be made offering or calling attention to an offer or intended offer of the Placing Shares in Singapore, nor any statements be published that directly or indirectly refers to the offer or intended offer, or is reasonably likely to induce persons to subscribe for or purchase the Placing Shares.

Japan

The Placing Shares have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, the Placing Shares may not directly or indirectly, be offered or sold, in Japan or to, or for the benefit of, any resident of Japan, except (i) pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Securities and Exchange Law of Japan and (ii) otherwise in compliance with the applicable provisions of Japanese law. As used in this paragraph “resident of Japan” means any person residing in Japan, any corporation or other legal entity organised under the laws

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

of Japan except for its branches or other offices located outside Japan and, with respect to any corporation or other legal entity organised under a law other than Japanese law, its branches and offices located in Japan.

The PRC

This prospectus does not constitute a public offer of the Placing Shares, whether by way of sale or subscription, in the PRC. The Placing Shares are not being offered and may not be offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Taiwan

The Placing Shares have not been and will not be registered with the Securities and Futures Bureau of Taiwan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan otherwise to, or for the benefit of, any resident of Taiwan, except (a) pursuant to the requirements of the securities related laws and regulations in Taiwan and (b) in compliance with any other applicable requirements of Taiwanese laws.

Cayman Islands

No offer of the Placing Shares will be made to the public in the Cayman Islands.

US

The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”) or under any securities regulatory authority of any state of the US and may not be offered, sold, pledged or transferred within the US, or to, or for the account or benefit of, US persons. The Placing Shares are being offered and sold outside the US in an offshore transaction to non-US persons pursuant to Regulation S under the US Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the US Securities Act.

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

APPLICATION FOR LISTING ON GEM

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in, the H Shares (including any Over-allotment Shares) on GEM. No part of the Company’s share or loan capital is currently listed or dealt in on any other stock exchange and no such listing or permission to deal is being or, is proposed to be sought at present.

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

Under section 44B(1) of the Companies Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H shares on GEM is refused by the Stock Exchange.

Save as otherwise approved by the Stock Exchange, only those securities of the Company which are registered on its register of members to be maintained in Hong Kong will be allowed for trading on GEM.

Dealings in the H Shares on GEM are expected to commence on Friday, 1 December 2006. The H Shares will be traded in board lots of 2,000 each.

PROFESSIONAL TAX ADVICE

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

Prospective investors for the Placing Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, holding, purchasing or disposing of or dealing in the Placing Shares or any rights thereof. None of the Company, the Directors, the Sponsor, the Placing Underwriters, any of their respective directors, officers, employees and/or representatives and any other parties involved in the International Placing accepts any responsibility for any tax effects on, or liability of, any person resulting from subscribing for, holding, purchasing or disposing of or, dealing in the Placing Shares or any rights thereof.

REGISTRATION PROCEDURE FOR SUBSCRIPTION AND TRANSFER OF H SHARES

The Company has instructed Computershare Hong Kong Investor Services Limited, its H Share Hong Kong share registrar and who has agreed, not to register any subscription for or transfer of the H Shares in the name of any holder unless and until the holder delivers to Computershare Hong Kong Investor Services Limited a signed form in respect of such H Shares bearing statements to the effect that the holder of those H Shares:

- (i) agrees with the Company and each other shareholder of the Company, and the Company agrees with such registered holder(s) and each other shareholder of the Company, to observe and comply with the Company Law, the Special Regulations and the Articles of Association;
- (ii) agrees with the Company, each other 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 of its shareholders, 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

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award, which arbitration shall be final and conclusive;

- (iii) agrees with the Company and each other shareholder of the Company that the H Shares are freely transferable by the holder thereof; and
- (iv) authorises the Company to enter into a contract on the holder's behalf with each director, supervisor and officer of the Company whereby such directors, supervisors and officers of the Company undertake to observe and comply with their obligations to the shareholders of the Company stipulated in the Articles of Association.

STAMP DUTY

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

STRUCTURE AND CONDITIONS OF THE INTERNATIONAL PLACING

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

STABILISATION AND OVER-ALLOTMENT OPTION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, agree to purchase or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, to prevent a decline in the initial public offer prices of the securities. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price. In other jurisdictions, the stabilisation price may or may not be higher than the offer price.

In connection with the International Placing, Cazenove (for itself and on behalf of the other Underwriters) may over-allocate H Shares or effect transactions with a view to support the market price of the Placing Shares at a level higher than that which might otherwise prevail for a limited period after the issue date. In covering such over-allocations, Cazenove (for itself and on behalf of the other Underwriters) may exercise the Over-allotment Option no later than 30 days after the Listing Date or make (or agree, offer or attempt to make) open-market purchases in the secondary market. Cazenove may also sell or agree to sell any H Shares acquired in the course of any stabilisation action in order to liquidate any position that has been established by such action. Any such secondary market purchase or sale will be made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on Cazenove to conduct any such stabilising action which, if taken, may be discontinued at any time at the absolute discretion of Cazenove and is required to be brought to an end after a limited period. The number of H Shares over-allocated will not be greater than the maximum number of Over-allotment Shares, being 21,856,000 H Shares,

INFORMATION ABOUT THIS PROSPECTUS AND THE INTERNATIONAL PLACING

which is approximately 15% of the Placing Shares initially available for subscription under the International Placing. Pursuant to section 3 of the Price Stabilising Rules of the SFO, stabilising action may only take place, among other factors, where the total value of the International Placing is not less than HK\$100 million. If Cazenove decides to exercise the Over-allotment Option, it will be exercised solely to cover over-allocations in the International Placing. The Placing Shares (including any Over-allotment Shares) will be allocated prior to the commencement of trading of the H Shares on GEM.

If the Over-allotment Option is exercised in full, the aggregate number of H Shares to be issued pursuant thereto will represent approximately 33% of the enlarged issued share capital of the Company following completion of the International Placing and full exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made by the Company.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares to be issued pursuant to the International Placing and any Over-allotment Shares, on GEM by the GEM Listing Committee and the compliance by the Company with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements have been made for the H Shares to be admitted into CCASS.