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## STRUCTURE AND CONDITIONS OF THE PLACING

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### PLACING PRICE AND PRICE PAYABLE ON SUBSCRIPTION

The Placing Price is HK\$1.20 per Placing Share. Subscribers, when subscribing for our Shares, shall pay the Placing Price plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy. Investors shall pay HK\$4,848.4 for every board lot of 4,000 Shares.

The level of indications of interests in the Placing and the basis of allocations of the Placing Shares will be announced on GEM Website at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [www.hzeg.com](http://www.hzeg.com) at or before 9:00 a.m. on Wednesday, 15 May 2013.

### CONDITIONS OF THE PLACING

The Placing will be conditional upon, among others:

- (a) the Stock Exchange granting the listing of, and permission to deal in, our Shares in issue and the Shares to be issued as described in this prospectus on GEM (including any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, the Capitalisation Issue or any options to be granted under the Share Option Scheme); and
- (b) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including the waiver of any condition(s) by the Sole Lead Manager (for itself and on behalf of the Underwriters) and not being terminated in accordance with the terms of that agreement or otherwise),

in each case, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event on or before the day which is 30th day after the date of this prospectus.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Placing will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by our Company on GEM Website at [www.hkgem.com](http://www.hkgem.com) and our website at [www.hzeg.com](http://www.hzeg.com) on the next business day following such lapse.

### BASIS OF ALLOCATION

Allocation of the Placing Shares to selected individual, professional and institutional investors will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investors are likely to purchase further Shares or hold or sell their Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares which would lead to the establishment of a solid professional and institutional shareholder base for the benefit of our Company and Shareholders as a whole. In particular, the Placing Shares will be allocated in accordance with Rule 11.23(8) of the GEM Listing Rules, which provides that not more than 50% of our Shares in public hands at the time of Listing will be owned by the three largest public Shareholders.

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Save with the prior written consent of the Stock Exchange, no allocation will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed. Details of the Placing will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

### **THE PLACING**

The number of Placing Shares being offered under the Placing will be 68,000,000 Shares, representing 25% of the enlarged issued share capital of our Company immediately after the Capitalisation Issue and completion of the Placing (assuming the Offer Size Adjustment Option is not exercised). If the Offer Size Adjustment Option is exercised in full, the Placing Shares will represent approximately 27.7% of the enlarged issued share capital immediately after completion of the Placing and the exercise of the Offer Size Adjustment Option as set out below. Subject to the terms and conditions of the Underwriting Agreement, the Placing Shares are expected to be fully underwritten by the Underwriters.

The Underwriters or agents nominated by them on behalf of our Company will conditionally place the Placing Shares at the Placing Price plus a 1% brokerage fee, a 0.005% Stock Exchange trading fee and a 0.003% SFC transaction levy with professional, institutional and private investors. Conditionally upon complying with the relevant rules and regulations, the Placing Shares can be placed with private investors in Hong Kong. Professional and/or institutional investors generally include dealers, brokers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

### **OFFER SIZE ADJUSTMENT OPTION**

Pursuant to the Underwriting Agreement, our Company will grant to the Sole Lead Manager the Offer Size Adjustment Option, which is exercisable by the Sole Lead Manager (for itself and on behalf of the Underwriters) prior to 6:00 p.m. on the Business Day immediately before the date of allotment results announcement with respect to the level of indication of interest in the Placing, in writing, to require our Company to allot and issue up to 10,200,000 additional Shares at the Placing Price, representing 15% of the total number of Shares initially available for subscription under the Placing. Any such additional Shares may be issued to cover any excess demand in the Placing at the absolute discretion of the Sole Lead Manager.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Sole Lead Manager to meet any excess demand in the Placing. The Offer Size Adjustment Option will not be associated with any price stabilisation activities of the Shares in the secondary market after the listing of the Shares on GEM and will not be subject to the Securities and Futures (Price Stabilizing) Rules of the SFO (Chapter 571W of the Laws of Hong Kong). No purchase of the Shares in the secondary market will be effected to cover any excess demand in the Placing which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

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Our Company will disclose in its allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised on any future date. The allotment results announcement will be published on the GEM website and our Company's website.

### **SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

If Stock Exchange grants the listing of, and permission to deal in, our Shares on GEM and our Company complies with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any 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. All necessary arrangements have been made for our Shares to be admitted into CCASS.

### **COMMENCEMENT OF DEALINGS IN OUR SHARES**

Dealings in our Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 16 May 2013. Shares will be traded in board lots of 4,000 Shares and are fully transferable.