

## DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the related Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by the Company, the Vendor, the Sponsors, the Underwriters, any of their respective directors, agents or employees or any other person involved in the Share Offer.

## UNDERWRITING AGREEMENTS

This prospectus is published in connection with the Share Offer for which Cazenove is the global co-ordinator, bookrunner and co-sponsor and First Shanghai is the sponsor. The Share Offer comprises the Placing and the Public Offer. The Placing is fully underwritten by the Placing Underwriters pursuant to Placing Underwriting Agreement to be entered into on or about 21st June, 2002 and the Public Offer is fully underwritten by the Public Offer Underwriters. Information relating to the underwriting arrangements is set out in the section headed "Underwriting" of this prospectus.

## DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which is expected to be determined by agreement between Cazenove (on behalf of the Underwriters) and the Company (for itself and on behalf of the Vendor) on or before 8:00 p.m. on Friday, 21st June, 2002, or such later time as may be agreed by Cazenove, on behalf of the Underwriters, and the Company, but in any event no later than 3:00 p.m. on Tuesday, 25th June, 2002. **If Cazenove, on behalf of the Underwriters, and the Company are unable to reach agreement on the Offer Price by 3:00 p.m. on Tuesday, 25th June, 2002, the Share Offer will not proceed.**

## RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering or sale of the Offer Shares in certain jurisdictions is restricted by law. Accordingly, and without limitation to the following, this prospectus may not be used for or in connection with, and does not constitute, an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons who possess this document are required by the Company, the Vendor, the Sponsors and the Underwriters to observe such restrictions.

## **United States**

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the “U.S. Securities Act”) and may not be offered, sold, pledged or transferred within the United States, or to, or for the account or benefit of, U.S. persons. The Offer Shares are being offered and sold outside the United States in an offshore transaction to non-U.S. persons in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

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

## **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 Offer Shares may not be offered or sold prior to the expiry of the period of 6 months from the date of the issue and sale of the Offer Shares to persons 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 purposes of their businesses or otherwise in circumstances which will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 of the United Kingdom. No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (“Financial Services and Markets Act”) in connection with the issue or sale of the Shares in any circumstances unless section 21(1) of the Financial Services and Markets Act does not apply to it or unless (if it is an authorised person in the United Kingdom) section 21(1) of the Financial Services and Markets Act would not, if it were not an authorised person, apply to it.

## **Singapore**

This prospectus has not been registered as a prospectus with the Registrar of Companies and Business in Singapore and the Offer Shares may not be offered or sold, directly or indirectly, to the public or any member of the public in Singapore other than to an institutional investor or other person specified in Section 106C of the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”) or otherwise pursuant to, and in accordance with the conditions of, any other provision of the Singapore Companies Act.

## **Italy**

This prospectus has not been registered pursuant to the Italian securities legislation. The Offer Shares may not be offered or sold in Italy in a solicitation to the public at large. Sale of

the Offer Shares in Italy may only be negotiated with Qualified Investors as defined by article 31(2) of Consob Regulation 11522/98 as amended and restated, and, in any event, on an individual basis, and may only be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations.

### **Germany**

This prospectus has not been filed with or approved by the Federal Banking Supervisory Office and the Federal Supervisory Authority in Germany for Securities Trading in Germany. The Offer Shares may not be offered or sold in Germany except to persons falling within the scope of paragraph 2 numbers 1, 2 and 3 of the German Securities Prospectus Act in its version of 9 September 1998 and provided that compliance will be made with all German securities, tax, exchange control and other applicable laws and regulations.

### **Denmark**

This prospectus has not been filed with or approved by the Danish Securities Council or any other Regulatory Authority in the Kingdom of Denmark. The Offer Shares may not be offered or sold directly or indirectly in Denmark, except to professional investors (being entities which are subject to financial supervision in Denmark or physical and legal persons acting in the course of their business) or to prospective investors where the offer of the Shares is subject to a minimum investment requirement or a minimum denomination equivalent to at least the counter value of DKK300,000 or otherwise in circumstances which will not result in the offer of the Shares being subject to the Danish prospectus requirements pursuant to Chapter 12 of the Danish Act on Trading in Securities and Executive Order No. 1207 of 15th December, 2000 on the First Public Offer of Certain Securities.

### **Sweden**

This prospectus has not been filed with or approved by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act. The Offer Shares may not be offered or sold directly or indirectly in Sweden except in circumstances which will not trigger the requirement to register and file a prospectus under the Swedish Financial Instruments Trading Act.

### **Finland**

This prospectus has not been registered pursuant to the Finnish Securities Market Act of 1989 (as amended). The Offer Shares may not be offered or sold directly or indirectly to the public in the Republic of Finland and any offer or sale of the Shares in the Republic of Finland may be made only to a limited number of pre-selected investors to whom an offer or sale of the Shares may be made under the laws of the Republic of Finland.

### **Norway**

This prospectus has not been registered with or approved by the Norwegian Register of Business Enterprises under Chapter 5 of the Norwegian Securities Trading Act of 19th June, 1997. The Offer Shares may not be offered or sold directly or indirectly in Norway except to persons who are registered with the Oslo Stock Exchange as professional investors (meaning a person who invests in securities as part of his professional activity and who is registered with

the Oslo Stock Exchange as a professional investor) or in respect of offers for the purchase of or subscription for securities issued in minimum lots of 40,000 EURO or otherwise in circumstances which will not trigger the requirement to prepare and file a prospectus in connection with the offer of Shares under the Norwegian Securities Trading Act of 19th June, 1997.

### **Switzerland**

The Offer Shares may not be offered or sold directly or indirectly in Switzerland, except in circumstances which will not result in the offer of the Shares being a public offering in Switzerland within the meaning of the Swiss Code of Obligations.

### **PRC**

This prospectus does not constitute a public offer of the Offer Shares, whether by sale or subscription, in the PRC. The Offer Shares are not being offered or sold within the PRC, by means of this prospectus or any other document.

### **Cayman Islands**

No invitation may be made to the public in the Cayman Islands to subscribe for or purchase any of the Shares.

Each person acquiring the Offer Shares in the Share Offer will be required to confirm, or be deemed by his or her or its acquisition of the Offer Shares to have confirmed, that he or she or it is aware of the restrictions on offer and sale of the Offer Shares described in this prospectus.

## **STRUCTURE AND CONDITIONS OF THE SHARE OFFER**

Further details of the structure and conditions of the Share Offer, including details of the Over-allotment Option, are set out under the section headed “Structure and conditions of the Share Offer” of this prospectus.

## **APPLICATION FOR LISTING ON THE STOCK EXCHANGE**

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalisation Issue, the Shares to be issued pursuant to the Share Offer (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option), any Shares which may fall to be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and any options which may be granted under the Share Option Scheme and any Shares which may fall to be issued upon conversion of the Convertible Notes.

No part of the share capital of the Company is listed or dealt in on the Growth Enterprise Market of the Stock Exchange or any other stock exchange and at present no such listing or permission to deal is being or is proposed to be sought.

## PROCEDURES FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedures for applying for the Public Offer Shares is set out in the section headed “How to apply for the Public Offer Shares” of this prospectus and on the relevant Application Forms.

## COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the main board of Stock Exchange are expected to commence on Thursday, 27th June, 2002. Shares will be traded in board lots of 2,000 each.

## HONG KONG BRANCH REGISTER OF MEMBERS AND STAMP DUTY

All of the Shares issued pursuant to the Public Offer and the Placing will be registered on the Company’s branch register of members to be maintained in Hong Kong. The Company’s branch register of members will be maintained by its branch share registrar in Hong Kong, Tengis Limited. The Company’s principal register of members will be maintained by its principal registrar, Bank of Butterfield International (Cayman) Ltd., in the Cayman Islands.

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

## SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, the 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 Shares on the Stock Exchange or any other date HKSCC chooses. 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 the Shares to be admitted into CCASS. If you are unsure about the details of CCASS settlement arrangements and how such arrangements will affect your rights and interests, you should seek the advice of your stockbrokers or other professional advisers.

## PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, the Offer Shares, you should consult an expert. It is emphasised that none of the Company, the Vendor, the Sponsors, the Underwriters, any of their respective directors, agents or advisers or any other person involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, the Offer Shares.