

## PRICE PAYABLE ON APPLICATION

Investors will be required to pay the maximum indicative Offer Price of HK\$0.87, plus 1% brokerage, 0.005% Stock Exchange trading fee, 0.005% transaction levy and 0.002% investor compensation levy imposed by the SFC amounting to a total of HK\$3,515.21 per board lot of 4,000 Shares.

If the final Offer Price is less than the maximum indicative Offer Price, arrangement will be made to refund any excess amount to the investors, **WITHOUT INTEREST.**

The Offer Price is expected to be determined by the Vendor, the Company and DBS Asia (acting for itself and on behalf of the other Underwriters) on 6 December 2004 or such later date as may be agreed by the Vendor, the Company and DBS Asia but in any event no later than 7 December 2004.

If, based on the level of interests expressed by prospective professional and institutional investors during the book-building process, DBS Asia (with the consent of the Vendor and the Company) think it appropriate, the indicative Offer Price range may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer, cause there to be published in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) a notice of the reduction of the indicative Offer Price range. Such notice will also include any financial information which may change as a result of any such reduction. If applications for Public Offer Shares have been submitted prior to the last day for lodging applications under the Public Offer, then even if the Offer Price range is so reduced, such applications cannot be subsequently withdrawn.

If, for any reason, the Offer Price is not agreed between the Vendor, the Company and DBS Asia, the Share Offer will not proceed and will lapse.

## CONDITIONS OF THE SHARE OFFER

The Share Offer is conditional on:—

1. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Capitalisation Issue and the Share Offer (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any Shares which fall to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme;
2. the execution and delivery of the Placing and Underwriting Agreement on or around the Price Determination Date;
3. the agreement on the Offer Price between DBS Asia, the Company and the Vendor on the Price Determination Date; and

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4. the obligations of the Underwriters under each of the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by DBS Asia (acting for itself and on behalf of the other 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 Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If such conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of lapse of the Share Offer will be caused to be published by the Company in South China Morning Post in English and Hong Kong Economic Times in Chinese on the next day following such lapse. In such event, all application money will be returned, **WITHOUT** interest. The terms on which the application money will be returned are set forth under the heading “Refund of your application money” on the Application Forms. In the meantime, all application money will be held in a separate bank account or separate bank accounts with the receiving banker or other bank(s) licenced under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

### SHARE OFFER

The Share Offer comprises the Public Offer and the Placing. The 132,000,000 Offer Shares (comprising 100,000,000 New Shares and 32,000,000 Sale Shares) initially being offered in the Share Offer will represent 33% of the Company’s enlarged issued share capital immediately following completion of the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised). Out of the 132,000,000 Offer Shares initially available under the Share Offer, 118,800,000 Offer Shares (comprising 86,800,000 New Shares and 32,000,000 Sale Shares), representing 90% of the Offer Shares initially available under the Share Offer, will be conditionally placed with professional, institutional, corporate and other investors anticipated to have a sizeable demand for shares and other securities in Hong Kong and certain other jurisdictions under the Placing. The remaining 13,200,000 New Shares, representing 10% of the number of Offer Shares initially available under the Share Offer, will be offered to members of the public in Hong Kong under the Public Offer. Both the Placing and the Public Offer are subject to reallocation on the basis described under the paragraphs headed “Public Offer” below.

**Investors are free to select whether to apply for Shares under the Public Offer or the Placing, but may not apply under both of these tranches. In particular, applicants for Shares under the Public Offer cannot apply for Shares under the Placing and applicants who apply for Shares under the Placing may not apply for Shares under the Public Offer. Investors may only receive Shares under the Public Offer or the Placing but not both of these tranches. The Directors and DBS Asia (for itself and on behalf of the other Underwriters) will take all reasonable steps to identify any multiple applications between Public Offer and Placing which are not allowed and are bound to be rejected.**

## PUBLIC OFFER

The Company is initially offering 13,200,000 New Shares at the Offer Price, representing an aggregate of 10% of the Offer Shares initially available under the Share Offer assuming the Over-allotment Option is not exercised, for subscription by members of the public in Hong Kong, subject to the reallocation arrangement stated below. The Public Offer is fully underwritten by the Public Offer Underwriters, subject to the terms and conditions of the Public Offer Underwriting Agreement, including the agreement on the Offer Price between DBS Asia, the Company and the Vendor on the Price Determination Date.

The Public Offer is open to all members of the public in Hong Kong. Persons allotted Shares under the Public Offer cannot apply for Shares under the Placing. The Public Offer will be subject to the conditions stated under the paragraphs headed “Conditions of the Share Offer” above.

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. When there is over-subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

If the Public Offer is not fully subscribed and demand for the Placing Shares exceeds the number of Placing Shares initially available under the Share Offer, DBS Asia (for itself and on behalf of the other Underwriters) will have the absolute discretion to reallocate any unsubscribed Shares originally included in the Public Offer to the Placing in such number as they deem appropriate pursuant to the terms of the Underwriting Agreements.

The total number of the Public Offer Shares to be allotted and issued pursuant to the Public Offer may change as a result of the clawback arrangement referred to in the paragraphs headed under “Over-subscription” below.

There will initially be a total of 13,200,000 Public Offer Shares available for subscription under the Public Offer under the **WHITE** and **YELLOW** Application Forms. For allocation purposes only, the number of the Public Offer Shares will be divided equally into two pools:— pool A and pool B. The Public Offer Shares in pool A will consist of 6,600,000 Shares and will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares in the value of HK\$5,000,000 (excluding transaction levy and investor compensation levy imposed by the SFC, the Stock Exchange trading fee and brokerage payable thereon) or less. The Public Offer Shares available in pool B will consist of 6,600,000 Shares and will be allocated on an equitable basis to applicants who have applied for Public Offer Shares in the value of more than HK\$5,000,000 (excluding transaction levy and investor compensation levy imposed by the SFC, the Stock Exchange trading fee and brokerage) and up to the total initial value of pool B.

Investors should be aware that allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pools, are likely to be different. Where one of the pools is undersubscribed, the surplus Public Offer Shares will be transferred to satisfy the demand in the other pool and be allocated accordingly. Applicants can only

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receive an allocation of Public Offer Shares from any one pool but not from both pools and can only make applications to either pool A or pool B. Any application made for more than 100% of the Public Offer Shares initially available under pool A or pool B will be rejected.

### **Over-subscription**

The number of the Offer Shares initially offered under the Public Offer and the Placing is subject to reallocation.

If the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Public Offer, then 26,400,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that an aggregate of 39,600,000 Offer Shares will be available under the Public Offer, representing 30% of the Offer Shares initially available under the Share Offer.

If the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Public Offer, then 39,600,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that an aggregate of 52,800,000 Offer Shares will be available under the Public Offer, representing 40% of the Offer Shares initially available under the Share Offer.

If the number of Offer Shares validly applied for under the Public Offer represents 100 times or more than the number of the Offer Shares initially available for subscription under the Public Offer, then 52,800,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that an aggregate of 66,000,000 Offer Shares will be available under the Public Offer, representing 50% of the Offer Shares initially available under the Share Offer.

In each such case, the additional Offer Shares reallocated to the Public Offer from the Placing will be allocated equally between pool A and pool B and the number of Shares allocated to the Placing will be correspondingly reduced.

### **PLACING**

The Company and the Vendor are initially offering 118,800,000 Offer Shares (comprising 86,800,000 New Shares and 32,000,000 Sale Shares) at the Offer Price, representing an aggregate of 90% of the total number of Offer Shares initially available under the Share Offer, for subscription and purchase by professional, institutional, corporate and other investors by way of Placing, subject to the clawback arrangement as mentioned in the paragraphs headed "Over-subscription" above and the exercise of the Over-allotment Option as mentioned in the paragraphs headed "Over-allotment Option" below. The Placing is expected to be fully underwritten by the Placing Underwriters, subject to the terms and conditions of the Placing and Underwriting Agreement and the agreement on the Offer Price between DBS Asia, the Company and the Vendor on the Price Determination Date.

Pursuant to the Placing, it is expected that the Placing Underwriters or selling agents nominated by the Placing Underwriters on behalf of the Company shall place the Placing Shares at the Offer Price payable by the subscribers and purchasers of the Placing Shares. Investors subscribing for or purchasing the Placing Shares are also required to pay 1.0% brokerage, 0.005% Stock Exchange trading fee, 0.005% transaction levy and 0.002% investor

compensation levy imposed by the SFC. Placing Shares will be placed with professional, institutional, corporate and other investors anticipated to have a sizeable demand for shares and other securities in Hong Kong and certain other jurisdictions outside the United States. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealings in shares and other securities and entities which regularly invest in shares and other securities.

In Hong Kong, retail investors should apply for the Offer Shares under the Public Offer, as retail investors applying for Placing Shares (including applying through banks and other institutions) are unlikely to be allocated any Placing Shares. If you are a professional, institutional or individual investor and have applied for the Placing Shares, you are required to declare that you have applied for the Placing Shares only. In such event, you will not receive any Offer Shares under the Public Offer.

The total number of Placing Shares to be allocated may change as a result of the clawback arrangement referred to in the paragraphs headed “Over-subscription” above and any reallocation to the Placing of all or any unsubscribed Shares originally included in the Public Offer as referred to in the paragraphs headed “Public Offer” above. Further, DBS Asia (for itself and on behalf of the other Underwriters) may, in its absolute discretion, reallocate all or any of the untaken Placing Shares from the Placing to the Public Offer in such amounts and manner as it deems appropriate.

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the potential investors are likely to buy further Shares, or hold or sell their Shares, after the listing of the Shares on the Main Board. 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 to the benefit of the Company and its shareholders as a whole. In addition, the Directors and DBS Asia (acting for itself and on behalf of the other Placing Underwriters) will use their best endeavours to observe the minimum public float requirement under the Listing Rules when making allocations of the Placing Shares to investors who are anticipated to have a sizeable demand for such Shares.

### **OVER-ALLOTMENT OPTION**

Pursuant to the Placing and Underwriting Agreement, the Company is expected to grant the Over-allotment Option to the Placing Underwriters, exercisable by DBS Asia (acting for itself and on behalf of the other Placing Underwriters) at any time prior to the date falling 30 days after the last day for lodging applications under the Public Offer, to require the Company to allot and issue up to an aggregate of 19,800,000 additional new Shares, equivalent to 15% of the number of Offer Shares initially being offered under the Share Offer, at the Offer Price. The Over-allotment Shares issued under the Over-allotment Option (if exercised) will be issued on the same terms and conditions as the New Shares initially available under the Placing.

If the Over-allotment Option is exercised in full, the Offer Shares being offered under the Share Offer will represent approximately 36.16% of the Company’s enlarged issued share capital immediately following completion of the Share Offer, the Capitalisation Issue and the exercise of the Over-allotment Option. The Over-allotment Option will be granted to DBS Asia to cover any over-allocations in the Placing and/or the obligations of DBS Asia to return

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securities borrowed under the Stock Borrowing Agreement. DBS Asia may exercise the Over-allotment Option, whether in part or in full. If the Over-allotment Option is exercised, a press announcement will be made.

### STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may purchase the newly issued securities in the secondary market during a specified period of time to retard and, if possible, prevent a decline in the initial public offer prices of the securities. In Hong Kong and certain other jurisdictions, such secondary market purchases actively aimed at reducing the market price are prohibited, and the price at which stabilisation is effected is not permitted to exceed the initial offering price.

DBS Asia has been appointed by the Company as the stabilising manager for the purposes of the Share Offer in accordance with the Securities and Futures (Price Stabilising) Rules made under the SFO. In connection with the Share Offer, DBS Asia, as stabilising manager, or any person acting for it, may over-allot or effect any other transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. Stabilising activities may include, among other things, the exercise of the Over-allotment Option, in whole or in part, or purchases of the Shares in the secondary market or selling the Shares to liquidate a position held as a result of the purchase. Any such market purchase will be effected in compliance with all applicable laws, rules and regulatory requirements in place in Hong Kong on stabilisation including the Securities and Futures (Price Stabilising) Rules made under the SFO. However there is no obligation on DBS Asia or any person acting for it to conduct any such stabilising activity which, if commenced, will be done at the absolute discretion of DBS Asia and may be discontinued at any time and is required to be brought to an end after a limited period. The number of the Shares that may be over-allocated will not exceed the number of the Shares that may be issued under the Over-allotment Option, namely 19,800,000 Shares, which is 15% of the number of the Shares initially available under the Share Offer.

The possible stabilising action which may be taken by DBS Asia in connection with the Share Offer may involve (among other things) (a) over-allocation of Shares; (b) exercising Over-allotment Option in whole or in part; (c) purchases of Shares; (d) establishing, hedging and liquidating positions in Shares; and/or (e) offering or attempting to do anything mentioned in (b), (c) or (d).

Prospective applicants for and investors in the Offer Shares should note that:—

- (a) DBS Asia may, in connection with the stabilising action, maintain a long position in the Shares;
- (b) there is no certainty regarding the size of the long position and the period for which DBS Asia will maintain such position, which is at the absolute discretion of DBS Asia;
- (c) in the event that DBS Asia liquidates the long position by making sales in the open market, this may lead to a decline in the market price of the Shares;

- (d) stabilising action cannot be taken to support the price of the Shares for longer than the stabilising period which begins on the Listing Date and ends on the 30th day after the last date for lodging applications under the Public Offer, currently expected to be 2 January 2005, and after this date, when no further stabilising action may be taken, demand for the Shares and therefore its price, could fall;
- (e) any stabilising action taken by DBS Asia may not necessarily result in the market price of the Shares staying at or above the Offer Price whether during or after the stabilising period; and
- (f) stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that purchase of Shares by DBS Asia may be made at prices at or below the Offer Price.

An announcement will be made to the public within seven days after the end of the stabilisation period as required under the Securities and Futures (Price Stabilising) Rules made under the SFO.

### STOCK BORROWING AGREEMENT

In order to facilitate settlement of the over-allocations under the Placing, if any, Data Dreamland is expected to agree with DBS Asia (acting in the capacity as the lead manager of the Placing) that, if so requested by DBS Asia, it may, subject to the terms of the Stock Borrowing Agreement, making available to DBS Asia up to 19,800,000 Shares held by it to facilitate settlement of over-allocations in the Placing. **As a result of an application on behalf of the Company, Barrie Bay and Data Dreamland by the Sponsor, the Stock Exchange has granted a waiver to Barrie Bay and Data Dreamland from strict compliance with Rule 10.07(1)(a) of the Listing Rules which restricts the disposal of Shares by controlling shareholders following a new listing, in order to allow Data Dreamland to enter into and perform its obligations under the Stock Borrowing Agreement. The waiver is granted subject to the conditions that:—**

- such stock borrowing arrangement with Data Dreamland made under the Stock Borrowing Agreement will only be effected by DBS Asia for settlement of over-allocations in the Placing;
- the maximum number of Shares borrowed from Data Dreamland under the Stock Borrowing Agreement will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option;
- the same number of Shares so borrowed must be returned to Data Dreamland no later than the third business day following the earlier of (i) the last day on which the Over-allotment Option may be exercised, or (ii) the day on which the Over-allotment Option is exercised in full and the relevant Over-allotment Shares have been issued;
- the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, rules and regulatory requirements; and

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- no payment will be made to Data Dreamland by DBS Asia in consideration for such borrowing arrangement.

### **TRANSFER OF THE SALE SHARES**

All transfer of the Sale Shares to placees or their designated person(s) will be effected on the Company's principal register of members in the Cayman Islands. Completion of the acknowledgement form in a placing letter shall constitute an irrevocable instruction by the placee(s) that the registration of all the Sale Shares in respect of which the relevant application is accepted shall be removed from the Company's principal register of members in the Cayman Islands to the Company's Hong Kong branch register of members after (i) the Placing has become unconditional and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms at or before 8:00 a.m. on the Listing Date.