
INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies Ordinance, the Securities (Stock Exchange Listing) Rules 1989 of Hong Kong (as amended) and the GEM Listing Rules for the purpose of giving information to the public about the Group.

The Directors collectively and individually accept full responsibility for the information contained in this prospectus which includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information relating to the Group. 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.

FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Placing which is sponsored by CPY. The Placing is fully underwritten by the Underwriters pursuant to the Underwriting Agreement. Further information relating to the underwriting arrangements is set out in the section headed "Underwriting" in this prospectus.

PLACING SHARES TO BE OFFERED IN CERTAIN JURISDICTIONS ONLY

No action has been taken to permit the offering of the Placing Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation, nor is it calculated to invite or solicit offers to subscribe for or to purchase any Placing Shares in any jurisdiction other than Hong Kong and it is not an offer or invitation to subscribe for or to purchase any Placing Shares to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Placing Shares in certain jurisdictions may be restricted by law.

The Placing Shares are offered solely on the basis of the information contained and the representations made in this prospectus. No person is authorised in connection with the Placing to give any information or to make any representation not contained in this prospectus. Any information

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or representation not contained in this prospectus must not be relied upon as having been authorised by the Company, CPY, any of the Underwriters, any of their respective directors, the Vendors or any other person(s) involved in the Placing.

Singapore

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies and Businesses in Singapore. Accordingly, this prospectus and any other document or materials in connection with the offer of the Placing Shares may not be issued, circulated or distributed in Singapore nor may any of the Placing Shares be offered for subscription or sold, directly or indirectly, nor may any invitation or offer to subscribe for or purchase any Placing Shares be made directly or indirectly: (i) to persons in Singapore other than under circumstances in which such offer or sale does not constitute an offer or sale of the Placing Shares to the public in Singapore; or (ii) to any member of the public in Singapore other than (a) to an institutional investor or other person specified in section 106C of the Companies Act (Cap. 50) of Singapore (“Singapore Companies Act”) (b) to a sophisticated investor, and in accordance with the conditions, specified in section 106D of the Singapore Companies Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other provision of the Singapore Companies Act. The Registrar of Companies and Businesses in Singapore takes no responsibility as to the contents of this prospectus.

Japan

The Placing Shares have not been and will not be registered under the Securities Exchange Law of Japan (Law No. 25 of 1948, as amended) (“SEL”). Accordingly, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the SEL and any other applicable laws, regulations and ministerial guidelines of Japan, the Placing Shares may not be offered or sold in Japan, directly or indirectly, or for the benefit of, any resident of Japan (within the meaning of Article 6, Paragraph I Item 5 and Item 6 of the Foreign Exchange and Foreign Trade Law of Japan). If the total number of investors who will be or have already been solicited for subscription or purchase of the Placing Shares in Japan reaches 49, no further solicitation should be made in Japan. To the extent the number of investors to be solicited for subscription or purchase of the Placing Shares does not exceed 49, it is exempted from the registration requirements under the SEL mentioned above, details of which are set out in the SEC and the related regulations.

Taiwan

The Placing has not been and will not be registered with the Securities and Futures Commission of Taiwan pursuant to the Taiwan Securities and Exchange Law and the Company has not been and will not be registered in Taiwan. Accordingly, none of the Placing Shares may be offered for subscription, purchase or sale in Taiwan.

Cayman Islands

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

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STABILISATION

In connection with the Placing, CPY International (on behalf of the Underwriters) after consultation with the Company may over-allocate up to an aggregate of 63,748,000 additional Shares (such over-allocations may be covered by exercising the Over-allotment Option in full or in part, at any time up to 30 days from the date of this prospectus or by stock borrowing or by purchasing Shares in the secondary market) and/or effect transactions which stabilise or maintain the market price of the Shares at levels other than those which might otherwise prevail but which are not higher than the Issue Price. Any such over-allocation purchase and/or transactions will be made in compliance with all applicable laws and regulatory requirements.

Best Today has agreed with CPY International that it will make available to CPY International on a temporary basis by way of stock borrowing arrangements up to a total of 63,748,000 Shares to facilitate the settlement of over-allocations in connection with the Placing before the exercise of the Over-allotment Option.

CPY International may also on behalf of the Underwriters effect transactions which stabilise or maintain the market price of the Shares. 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. Such transactions, if commenced, may be discontinued at any time. Should stabilising transactions be effected in connection with the distribution of Shares, they will be done at the absolute discretion of CPY International.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for or 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 issue price of the securities. The stabilisation price to cover over-allocations will not exceed the initial issue price.

In Hong Kong, such stabilisation activities on the Stock Exchange are restricted to cases where the underwriters purchase shares in the secondary market genuinely and solely for the purpose of covering over-allocations in the relevant offer. Such transactions, if commenced, may be discontinued at any time. The relevant provisions of the Securities Ordinance prohibit market manipulation in the form of pegging or stabilising the price of securities in certain circumstances.

APPLICATION FOR LISTING ON THE GEM

Application has been made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including the additional Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and of any options which may be granted under the Share Option Scheme). No part of the share or loan capital of the Company is 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 as at the date of this prospectus.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the GEM is expected to commence on 9th July, 2001 and Shares will be traded in board lots of 4,000 Shares.

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SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the GEM and the compliance with the stock admission requirements of Hongkong Clearing, the Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the GEM or on any other date Hongkong Clearing 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.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and dealing in the Placing Shares. None of the Company, the Vendors, CPY, the Underwriters, any of their respective directors, agents or advisers or any other party involved in the Placing accepts responsibility for any tax effects on, or liability of, any person resulting from the subscription for, purchase of, holding of or dealing in the Placing Shares.

HONG KONG BRANCH REGISTER AND STAMP DUTY

All the New Shares and all the Sale Shares will be registered on the Company's branch register of members to be maintained by Hong Kong Registrars Limited in Hong Kong shortly before dealing in the Shares commences on the Stock Exchange. Dealings in the Shares on the Hong Kong branch register will be subject to Hong Kong stamp duty. The Company's principal register of members is maintained by Bank of Butterfield International (Cayman) Ltd. in the Cayman Islands.

STRUCTURE AND CONDITIONS OF THE PLACING

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