
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 with regard to the Group.

This prospectus, for which the Directors collectively and individually accept full responsibility, 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 and sets out the terms and conditions of the Placing. The Placing is managed by JS Cresvale as the lead manager and bookrunner and the application for listing of the Shares on the GEM is sponsored by China Everbright. The Placing is fully underwritten by the Underwriters.

PLACING SHARES TO BE OFFERED IN HONG KONG ONLY

No action has been taken in any territory or jurisdiction other than Hong Kong to permit the offering of the Placing Shares 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 any jurisdiction in which it is not authorised, and is not an offer or invitation to any person to whom it is unlawful to make an unauthorised offer or invitation.

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 and any information or representation not contained herein must not be relied upon as having been authorised by the Company, JS Cresvale, China Everbright, the Underwriters, any of their respective directors, or any other persons involved in the Placing.

United States

The Placing Shares have not been and will not be registered under the US Securities Act or any state securities law, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any US person (as defined in Regulation S under the US Securities Act), except in certain transactions exempt from the registration requirements of the US Securities Act.

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

Accordingly, the Placing Shares are being offered and sold only outside the United States to persons other than US persons as defined in Regulation S in offshore transactions in reliance on, and in compliance with, Regulation S or otherwise pursuant to an available exemption from the registration requirements of the US Securities Act.

In addition, until 40 days after the commencement of the Placing, an offer or sale by any dealer of Shares within the United States (whether or not as a part of the Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made other than in accordance with an available exemption from the registration requirements of the US Securities Act.

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 Placing Shares may not be offered or sold in the United Kingdom and this prospectus or any other announcement or document in connection with the Placing may not be published or distributed in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments, shares or bonds (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not constituted and will not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended. In addition, no person may issue or pass on to any person in the United Kingdom this prospectus and any document received by it in connection with the offer of the Placing Shares unless that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 of the United Kingdom (as amended by the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1997) or is a person to whom such document may otherwise lawfully be issued or passed on.

Singapore

This prospectus has not been registered with the Registrar of Companies in Singapore. Accordingly, this prospectus 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 an invitation or offer to subscribe for any Placing Shares be made (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 pursuant to, and in accordance with the conditions of, an exemption invoked under Division 5A of Part IV of the Companies Act, Chapter 50 of Singapore and to persons to whom the Placing Shares will 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 to the public in Singapore.

Japan

This prospectus has not been and will not be registered under the Securities and Exchange Law of Japan. The Placing Shares which are being offered hereby may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an applicable exemption for the registration requirements of the Securities and Exchange Law of Japan and any other applicable exemption from the registration requirements of the Securities and Exchange Law of Japan and any other applicable Japanese law.

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

Taiwan

The Placing Shares have not been and will not be registered with the SFC of Taiwan pursuant to the Taiwan Securities and Exchange Law. Accordingly, none of the Placing Shares may be offered for subscription, purchase or sold, directly or indirectly, in Taiwan.

Cayman Islands

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

STABILISATION

In connection with the Placing, JS Cresvale (on behalf of the Underwriters) may over-allocate up to an aggregate of 10,500,000 additional Shares (such over-allocations may be covered by exercising the Over-allotment Option in full or in part, at any time up to 28 days from the date of this prospectus 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 Offer Price. Any such over-allocation purchase transactions will be made in compliance with all applicable laws.

Regarding the Over-allotment Option, Otto Link has agreed with JS Cresvale that it will make available to JS Cresvale on a temporary basis by way of stock borrowing arrangements up to a total of 10,500,000 Shares to facilitate the settlement of over-allocations in connection with the Placing before the exercise of the Over-allotment Option.

JS Cresvale 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 JS Cresvale.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid 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 offer prices of the securities. The stabilisation price to cover over-allocations will not exceed the initial offer 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. Should stabilising transactions be effected in connection with the distribution of the Placing Shares, they will be done at the absolute discretion of JS Cresvale. Relevant provisions of the Securities Ordinance prohibit market manipulation in the form of pegging or stabilising the price of securities in certain circumstances.

INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

APPLICATION FOR LISTING ON THE GEM

The Company has applied to the Stock Exchange for listing of and permission to deal in its existing issued Shares, the Placing Shares, the Shares to be issued under the Capitalisation Issue and any Shares which may be issued pursuant to the exercise of the options under the Share Option Scheme.

Only Shares which are registered on the Hong Kong branch share register of the Company may be traded on the GEM and no part of the Company's share or loan capital is listed or dealt in on any other stock exchange. At present, the Company is not seeking or proposing to seek listing or permission to deal on any other stock exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential shareholders should consult their professional advisers if they are in any doubt as to the taxation implications of the subscribing for, purchasing, holding and dealing in the Shares. None of the Company, China Everbright, 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, holding or dealing in Shares.

HONG KONG BRANCH REGISTER AND STAMP DUTY

All the Placing Shares will be registered on the Hong Kong register of members of the Company. Dealings in the Shares on that register will be subject to Hong Kong stamp duty.

STRUCTURE OF THE PLACING

Details of the structure of the Placing, including conditions, are set out in the section headed "Structure of the Placing".