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## **INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING**

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### **DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies Ordinance, the Securities (Stock Exchange Listing) Rules 1989 of Hong Kong and the GEM Listing Rules for the purpose of giving information to the public with regard 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.

### **EXCLUSION OF INFORMATION NOT IN THIS PROSPECTUS**

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, the Vendors, the Underwriters, their respective directors or any other person involved in the Placing or their respective directors, officers, employees and/or representatives.

### **PLACING SHARES ARE FULLY UNDERWRITTEN**

This prospectus sets out the terms and conditions of the Placing. This prospectus is published solely in connection with the Placing.

The Placing is an offer by the Company and the Vendors of initially 240,000,000 New Shares and 60,000,000 Sales Shares, respectively, to select professional and institutional investors and other investors anticipated to have a sizeable demand for the Placing Shares in Hong Kong under the Placing, at the Placing Price, payable in full on application.

The Placing is sponsored by CPY and managed by CPY International and fully underwritten by the Underwriters. For further information about the underwriting arrangements, see the section headed "Underwriting" of this prospectus.

### **PLACING SHARES TO BE OFFERED IN HONG KONG ONLY**

No action has been taken in any jurisdiction other than Hong Kong to permit any public offering of the Placing Shares or the distribution of this prospectus. This prospectus is not 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.

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### United States

The Placing Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "US Securities Act"). The Placing Shares may not be offered or sold, within the United States, or to, or for the account or benefit of, US person except in certain transactions exempt from, or not subject to, the registration requirements of the US Securities Act. The Shares under the Placing are being offered and sold outside of the United States in the offshore transactions to non-US persons in reliance on Regulation S under the US Securities Act. Terms used herein have the meanings given to them by Regulation S under the US Securities Act.

The Shares offered under the Placing may not be offered or sold (i) as part of a distribution at any time; or (ii) otherwise until 40 days after the latest of the commencement of the Placing and the closing date of the Placing and the closing date of any exercise of the Over-allotment Option, within the United States or to, or for the account or benefit of, US persons, and the Underwriters will send to each dealer to which it sells Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Shares within the United States or to, or for the account or benefit of, US persons.

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

The Shares offered under the Placing have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, not have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this prospectus. 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 Placing Shares may not be offered or sold and neither this prospectus nor any other publication or document relating to the Placing may be issued or be caused to be issued in the United Kingdom except to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, for the purpose of their business, or otherwise in circumstances which do not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended and except in compliance with the Financial Services Act 1986. In particular, this prospectus may not be issued or passed on to any person in the United Kingdom who does not fall within Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

### Canada

The Placing Shares may not be offered or sold, directly or indirectly, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

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### Japan

The Placing Shares have not been and will not be registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration and prospectus delivery requirements of the Securities and Exchange Law of Japan; and (ii) in compliance with any other applicable requirements of Japanese law.

### Singapore

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies and Businesses in Singapore. The Placing Shares are not being offered or sold and may not be offered or sold, nor may this prospectus or any document or other material in connection with the Placing Shares be issued, circulated or distributed, either directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 106C of the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act"); or (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Singapore Companies Act; after the necessary conditions and filings for the respective exemptions under Section 106C and Section 106D have been satisfied.

### Cayman Islands

The Company is prohibited from making any invitation to the public in the Cayman Islands to subscribe for or purchase any of the Placing Shares.

### GENERAL

Each person acquiring the Placing Shares will be required to, or be deemed by this acquisition of Placing Shares to, confirm that he or she or it is aware of the restrictions on the offering of the Placing Shares described in this prospectus.

### APPLICATION FOR LISTING ON GEM

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal on GEM in, its existing Shares in issue, and to be issued as mentioned in this prospectus and any Shares which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme, the exercise of the Over-allotment Option.

Under section 44B(1) of the Companies Ordinance, if the permission for the Shares offered under this prospectus to be listed on GEM has not been applied for before the third day after the first issue of the prospectus or is not granted before the expiration of three weeks from the date of the closing of the subscription lists under the Placing or such longer period not exceeding six weeks as may, within the said three weeks, be notified to the Company, then any allocation of Placing Shares made on application in pursuance of this prospectus shall, whenever made, be void.

No part of the share or loan capital of the Company is listed or dealt in on the Main Board or any other stock exchange. At present, the Company is not seeking or proposing to seek listing of or permission to deal in the Shares on the Main Board or any other stock exchange. All the Shares will be registered on the Hong Kong branch register of members of the Company in order to enable them to be traded on GEM.

Pursuant to Rule 11.23(1) of the GEM Listing Rules, at the time of listing and at all times thereafter, the Company must maintain the "minimum prescribed percentage" of 25% of the issued share capital of the Company in the hands of the public.

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### **COMMENCEMENT OF DEALINGS IN THE SHARES**

Dealings in the Shares on the GEM is expected to be commenced on 7th February, 2002 and Shares will be traded in board lots of 5,000 each.

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

If you are unsure about the taxation implications of subscribing for the Placing Shares, or about purchasing, holding, disposing of or dealing in the Shares, you should consult an expert.

The Company, the Vendors, CPY and the Underwriters, their respective directors, agents or advisers and any other person involved in the Placing do not accept any responsibility for any tax effects on, or liability of, any person resulting from subscribing for, or purchasing, holding or disposing of or dealing in the Shares.

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

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued on GEM by the Stock Exchange 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 Listing Date or on any other date the 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.

Investors should seek the advice of their stockbroker or other professional advisers for details of those settlement arrangements as such arrangements will affect their rights and interests.

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.

### **HONG KONG BRANCH REGISTER AND STAMP DUTY**

All Shares to be issued pursuant to the Placing and the Capitalisation Issue and any Shares to be issued on an exercise of the Over-allotment Option will be registered on the Company's branch register of members to be maintained by Central Registration Hong Kong Limited in Hong Kong. The Company's principal register of members will be maintained by Bank of Bermuda (Cayman) Limited in the Cayman Islands. Only Shares registered on the Company's branch register of members maintained in Hong Kong may be traded on GEM.

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

### **STRUCTURE AND CONDITIONS OF THE PLACING**

Details of the structure of the Placing, including conditions of the Placing, and information on stabilisation are set out in the section headed "Structure and Conditions of the Placing" of this prospectus.