
INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

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 and the GEM Listing Rules for the purposes of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

1. the information contained in this prospectus is accurate and complete in all material respects and not misleading;
2. there are no other matters the omission of which would make any statement in this prospectus misleading; and
3. 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.

UNDERWRITING

This prospectus is published solely in connection with the Share Offer. For applicants under the Public Offer, this prospectus and the application forms set out the terms and conditions of the Share Offer.

The Share Offer comprises the Public Offer of initially 22,500,000 Public Offer Shares and the Placing of initially 127,500,000 Placing Shares, both at the Offer Price.

The Public Offer is sponsored by HSBC Investment Bank Asia, and is fully underwritten by the Public Offer Underwriters. The Placing is managed by HSBC Investment Bank Asia and fully underwritten by the Placing Underwriters.

If, for any reason, the Offer Price is not agreed on or before 27th June, 2000 between the Company and HSBC Investment Bank Asia (on behalf of the Underwriters), the Share Offer will not proceed.

CONSENT OF BERMUDA MONETARY AUTHORITY AND FILING WITH BERMUDA REGISTRAR OF COMPANIES

The Bermuda Monetary Authority has given its consent to the issue of the Offer Shares pursuant to the Share Offer as mentioned herein, the issue of Shares to existing shareholders of the Company pursuant to the Capitalisation Issue, the issue of Shares upon the conversion of the Additional Convertible Note, the issue of Shares upon the exercise of the Over-allotment Option and of options granted under the Share Option Scheme, the issue of options, warrants, depository receipts, rights, loan notes, bonds and other securities of the Company to persons regarded as non-residents of Bermuda for exchange control purposes and the issue of further Shares up to the amount of the authorised share capital from time to time of the Company to persons regarded as non-residents of Bermuda for exchange control purposes. A copy of this prospectus, together with copies of the white and yellow application forms, has also been filed with the Registrar of Companies in Bermuda. In giving such consent and in accepting this prospectus and the application forms for filing, neither the Bermuda Monetary Authority nor the

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Registrar of Companies in Bermuda accepts any responsibility for the financial soundness of the Group or for the correctness of any of the statements made or opinions expressed in this prospectus or in the application forms. None of the Offer Shares may be offered or sold in Bermuda, by means of any document, or to any person, firm or company regarded as a resident of Bermuda for exchange control purposes.

PUBLIC OFFER SHARES TO BE OFFERED TO HONG KONG PUBLIC ONLY

No action has been taken in any jurisdiction other than Hong Kong and Bermuda to permit an offering of the Offer Shares or the distribution of this prospectus to the public in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

The Offer 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 Share Offer to give any information or to make any representation not contained in this prospectus. Any information or representation not contained in this prospectus must not be relied upon as having been authorised by the Company, the Underwriters, any of their respective directors or any other person involved in the Share Offer.

The Shares have not been and will not be registered under the US Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the US Securities Act.

Each Underwriter has agreed that, except as permitted by the Underwriting Agreement, it will not offer or sell the Offer Shares (i) as part of its distribution at any time or (ii) otherwise until 40 days after the latest of the commencement of the Share Offer, the closing date of the Share Offer, and the closing date for any exercise of the Over-allotment Option (the "Distribution Compliance Period"), within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Offer Shares (other than on a sale pursuant to Rule 144A) during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Offer Shares within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Offer Shares are being offered and sold outside the United States to non-US persons in reliance on Regulation S. The Underwriting Agreement provides that only HSBC Investment Bank Asia and those Placing Underwriters approved by HSBC Investment Bank Asia may through their US broker-dealer affiliates arrange for the offer and the sale of Share Offer within the United States only to Qualified Institutional Buyers in reliance on an exemption from the registration requirements of the US Securities Act.

In addition, until 40 days after the commencement of the Share Offer, an offer or sale by any dealer of Shares within the United States (whether or not as a part of the Share Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made other than in accordance with Rule 144A or another exemption from the registration requirements of the US Securities Act.

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The Offer 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. Any offer or sale of Shares in Canada may be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer or sale is made.

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 in the United Kingdom and this prospectus or any other announcement or document in connection with the Share Offer 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 Share Offer unless that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

This prospectus has not been registered with the Registrar of Companies and Businesses in Singapore and the Offer Shares will be offered in Singapore pursuant to an exemption invoked under section 106C and section 106D of the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act"). Accordingly, the Offer Shares may not be offered or sold, nor may this prospectus or any other offering document or material relating to the Offer Shares be circulated or distributed, directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person specified in section 106C of the Singapore Companies Act, (2) to a sophisticated investor, and in accordance with the conditions, specified in section 106D of the Singapore Companies Act or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Companies Act.

The Share Offer has not been, and will not be, registered under the Securities and Exchange Law of Japan. The Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an applicable exemption from the registration requirements of the Securities and Exchange Law of Japan and in compliance with any other applicable Japanese law.

Each person acquiring the Offer Shares will be required to, or is deemed by his acquisition of the Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

The Company and/or HSBC Investment Bank Asia shall have full discretion to reject any application for the Offer Shares in full or in part.

APPLICATION FOR LISTING ON 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, Shares to be issued to the Company's

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existing shareholders pursuant to the Capitalisation Issue, the Offer Shares which are to be issued pursuant to the Share Offer, Shares to be issued upon the conversion of the Additional Convertible Note and Shares which may fall to be issued upon exercise of the Over-allotment Option and of options 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 at present no such listing or permission to deal is being proposed to be sought.

HONG KONG BRANCH REGISTER AND STAMP DUTY

All Shares issued pursuant to applications made in the Share Offer will be registered on the Company's branch register of members to be maintained in Hong Kong. The Company's principal register of members will be maintained in Bermuda. 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.

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.

The Company, the Directors, the Underwriters, any of their respective directors and any other person involved in the Share Offer do not accept responsibility for any tax effects on or liabilities resulting from the subscription for, or purchase, holding or disposal of, or dealing in or the exercise of any rights in relation to, the Offer Shares.

STAMP DUTY

The sale, purchase, transfer of and dealings in Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate of which is \$2.25 for every \$1,000 (or part thereof) of the consideration or, if higher, the fair value of the Shares being sold or transferred.

A Bermuda exempted company is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates, essentially to real and personal property physically situated in Bermuda, including shares in local (as opposed to exempted) companies. Neither the Company nor the shareholders (other than shareholders ordinarily resident in Bermuda) are subject to stamp duty or other similar duty on the issue or transfer of the Shares.

PROCEDURE FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedure for applying for the Public Offer Shares is set out under "How to apply for Public Offer Shares" and on the relevant application forms.

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer are set out under "Structure of the Share Offer".