
INFORMATION ABOUT THIS PROSPECTUS AND THE NEW ISSUE

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 Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors and the directors of the Investment Manager, collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

FULLY UNDERWRITTEN

The New Issue is an offer by the Company of 30,000,000 New Shares for subscription at a price of HK\$1.00 per Share, payable in full on application. This prospectus and the application forms set out the terms and conditions of the New Issue.

The New Issue is sponsored by Upbest Securities and is fully underwritten by the Underwriter. For more information about the Underwriter and the underwriting arrangements, please refer to the section headed "Underwriting" on pages 51 to 54 of this prospectus.

NEW SHARES TO BE OFFERED IN HONG KONG ONLY

No action has been taken in any jurisdiction other than Hong Kong to permit 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.

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

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee for the approval of the listing of, and permission to deal in, its existing Shares and the Shares to be issued as mentioned herein. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after the transactions are made. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

No part of the share capital or loan capital of the Company is listed or dealt in on GEM or on any other stock exchange. At present, the Company is not seeking or proposing to seek listing or permission to deal on GEM or on any other stock exchanges.

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NO AUDITED ACCOUNTS

The Company has no business track record and no audited accounts have been made up in respect of any part of the period of three years ending on a date three months before the issue of this prospectus.

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 the New Shares, or about purchasing, holding or dealing in them.

The Company, the Investment Manager, the Sponsor, the Underwriter, their respective directors and any other person involved in the New Issue do not accept responsibility for any tax effects on, or liability of, any person resulting from subscribing for, or purchasing, holding or disposing of the New Shares or exercising any rights attached to them.

STAMP DUTY

Dealings in the Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. Dealings in the Shares will not be subject to the Cayman Islands stamp duty.

PROCEDURE FOR APPLICATION FOR THE NEW SHARES

The procedure for applying for the New Shares is set out under the section headed "How to apply for the New Shares" on pages 57 to 62 of this prospectus and on the relevant application forms.

STRUCTURE OF THE NEW ISSUE

The Company is an investment company and is subject to the provisions of Chapter 21 of the Listing Rules. Potential investors are reminded that under Rule 21.04(4) of the Listing Rules, at the time of listing, no person shall control 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the votes exercisable at any general meeting of the Company. For these purposes, the interests of all the associates of a Shareholder and any persons acting in concert (within the meaning of the Takeovers Code) with that Shareholder will be aggregated.

INVESTMENT RESTRICTIONS

The Company will not either on its own or through its wholly-owned subsidiaries own or control more than 30% (or such other percentage as may be prescribed by the Takeovers Code as being the level of interest for triggering a mandatory general offer) of the voting rights in any one of the investee companies, and will not invest more than 20% of the Net Asset Value in any single investment. The Company will not invest more than 50% of its assets outside Hong Kong and the PRC.