
STRUCTURE OF THE SHARE OFFER

PRICE PAYABLE UPON APPLICATION

The Offer Price payable upon application is HK\$0.88 per Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.007% SFC transaction levy. This means that, for every 4,000 Shares, you will pay HK\$3,555.62.

CONDITIONS OF THE SHARE OFFER

Acceptance of your applications for Offer Shares is conditional upon:

1. Listing

The Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and the application forms relating thereto; and

2. Underwriting Agreements

The obligations of the Underwriters under the Underwriting Agreements becoming unconditional, and not being terminated, on or before the dates and times specified therein and in any event not later than 17 July 2003. Details of the Underwriting Agreements, their conditions and grounds for termination are summarised in the section headed “Underwriting” in this prospectus.

If these conditions are not fulfilled or waived on or before 17 July 2003, all application money will be returned to you, without interest. The terms on which your money will be returned to you are set out under the section headed “Refund of your money” on the application forms.

In the meantime, your application money will be held in one or more separate bank accounts with the receiving banker or other licensed banks in Hong Kong.

THE SHARE OFFER

The Share Offer comprises the Public Offer and the Placing (including the Offer for Sale). The total number of Offer Shares under the Public Offer is 11,888,000 Offer Shares representing approximately 2.5% of the Company’s enlarged issued share capital immediately after the completion of the Share Offer, assuming the Over-allotment Option is not exercised. The number of Offer Shares under the Placing (including the Sale Shares) is 106,976,000 Offer Shares representing approximately 22.5% of the Company’s enlarged issued share capital immediately after completion of the Share Offer, assuming the Over-allotment Option is not exercised. The Share Offer is fully underwritten by the Underwriters. The level of applications for the Public Offer Shares and the level of indications of interest for the Placing Shares will be announced in The Standard (in English), Hong Kong Economic Times (in Chinese) and Wen Wei Po (in Chinese).

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Investors are free to select whether to apply for the Shares under the Public Offer or indicate an interest in the Shares under the Placing, but may not do both (other than applications for the Reserved Shares pursuant to the Preferential Offer). If you apply for the Shares under the Public Offer or the Placing, you will only receive the Shares under the Public Offer or the Placing, but not both tranches. If you apply for the Public Offer Shares, you are required to declare on your application form that you have not been allotted any Placing Shares. The Company, the Directors, JS Cresvale, Kingsway Capital and Kingsway SW Securities will take reasonable steps to identify and reject any multiple applications which are not allowed and will be rejected.

I) The Public Offer

The Public Offer is a public offer for subscription in Hong Kong of 11,888,000 Offer Shares representing 10% of the total number of Offer Shares initially available in the Share Offer, at the Offer Price plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.007% SFC transaction levy, payable on application. The Public Offer is open to all members of the public in Hong Kong. Applicants for Shares under the Public Offer cannot apply for Shares under the Placing (except for applications for the Reserved Shares pursuant to the Preferential Offer). Further details of offer mechanism of the Public Offer Shares are set out under the section headed “Offer mechanism-basis of allocation of the Public Offer Shares” of this prospectus.

II) The Placing (including Offer for Sale)

A total of 106,976,000 Offer Shares will be initially offered under the Placing (including the Reserved Shares offered under the Preferential Offer), representing 90% of the total number of Offer Shares available under the Share Offer, assuming that the Over-allotment Option is not exercised. Placing Shares comprise 66,612,000 New Placing Shares and 40,364,000 Sale Shares, representing approximately 56.0% and 34.0% respectively of the total number of Offer Shares initially available under the Share Offer, assuming that the Over-allotment Option is not exercised. Investors subscribing for the Placing Shares are also required to pay a 1% brokerage, a 0.005% Stock Exchange trading fee and a 0.007% SFC transaction levy.

It is expected that the Placing Underwriters or selling agents nominated by them on behalf of the Company and the Vendors will conditionally place the Placing Shares at the Offer Price with investors in Hong Kong. The Placing is aimed at professional, institutional and selected private investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Individual investors applying through banks or other institutions who seek Placing Shares in the Placing may also be allocated the Placing Shares.

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Allocation of the Placing Shares pursuant to the Placing is based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further and/or hold and/or sell its Placing Shares after the listing of the Shares on the Stock Exchange. Such allocation is generally intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of the Company and its Shareholders as a whole. Investors to whom Placing Shares are offered will be required to undertake not to apply for any Public Offer Shares under the Public Offer.

If the Placing is not fully subscribed, Kingsway SW Securities will have the absolute discretion to reallocate all or any unsubscribed Placing Shares originally included in the Placing to the Public Offer in such number as it deems appropriate.

PREFERENCE TO FULL-TIME EMPLOYEES

Up to 1,184,000 Public Offer Shares (the “Employee Shares”), representing 1.0% of the Offer Shares and 10.0% of the Public Offer Shares, are available for subscription by persons who are full-time employees of the Group (other than the Directors or chief executive of the Company and its Subsidiaries, existing beneficial owners of the Shares and their respective associates) on a preferential basis if their applications are made on **PINK** application forms.

Applicants for 100% or more of the Employee Shares available for subscription by full-time employees of the Group made on valid **PINK** application forms will be rejected. Applicants for up to 4,000 Employee Shares available for subscription by full-time employees of the Group made on valid **PINK** application forms will be allocated the full number of the Employee Shares applied for. Applicants for more than 4,000 Employee Shares available for subscription by full-time employees of the Group will first receive an allocation of 4,000 Employee Shares available for subscription by full-time employees of the Group. Allocation for the remaining number of Employee Shares validly applied for will be (i) made on a pro-rata basis in proportion (as nearly as possible without involving portions of a board lot) to the number of Employee Shares applied for; or (ii) balloted if there are insufficient Employee Shares to be pro-rated. If balloting is conducted, some employees may be allocated more Employee Shares than others who have applied for the same number of Employee Shares. However, the allocation of the Employee Shares will in any event be allocated on an equitable basis and will not be based on seniority or length or service of the employees who have applied for the Employee Shares.

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PREFERENCE TO SHAREHOLDERS OF OGHL

In order to enable holders of OGHL Shares to participate in the Share Offer on a preferential basis as to allocation only, Qualifying Shareholders are being invited to apply for an aggregate of 2 million Reserved Shares, representing 1.68% of the Offer Shares and 1.87% of the Placing Shares respectively initially available on an assured basis. Qualifying Shareholders are entitled to subscribe for the Reserved Shares on the basis of one Reserved Share for every 200 OGHL Shares held by them on the Record Date. Any Qualifying Shareholder holding less than 200 OGHL Shares will, however, not be entitled to apply for the Reserved Shares. **The Assured Entitlements may represent Shares not in a multiple of a full board lot of 4,000 Shares, and dealings in odd lot Shares may be at below their prevailing market price.**

With a view to maintaining at least the minimum prescribed percentage of Shares in the hands of the public in compliance with the Listing Rules immediately after the Share Offer, no Reserved Shares will be offered to Grecian Resources Limited, Holylake Resources Limited and those holders of OGHL Shares who are also the directors of OGHL or the Company, or an associate of such directors as at the Record Date. Instead, the Reserved Shares to which such shareholder would have been entitled will be reallocated to the Preferential Offer.

A **BLUE** application form together with a copy of this prospectus is being despatched to each Qualifying Shareholder with an Assured Entitlement. Qualifying Shareholders are permitted to apply for a number of Reserved Shares which is greater than, less than, or equal to, their Assured Entitlements under the Preferential Offer. A valid application in respect of a number of Reserved Shares less than or equal to a Qualifying Shareholder's Assured Entitlement will be accepted in full, subject as mentioned in the **BLUE** application forms. Where a Qualifying Shareholder applies for a number of Reserved Shares greater than his or her Assured Entitlement, his or her Assured Entitlement will be satisfied in full, subject as mentioned above, but the excess portion of such application will only be met to the extent that there are sufficient available Reserved Shares resulting from other Qualifying Shareholders declining to take up some or all of their Assured Entitlements. Kingsway SW Securities, on behalf of the Placing Underwriters, will allocate any Assured Entitlements not taken up by Qualifying Shareholders first to satisfy the excess applications for Reserved Shares from Qualifying Shareholders and thereafter, at the discretion of Kingsway SW Securities, to institutional investors in the Placing.

In addition to any application for Reserved Shares, Qualifying Shareholders will be entitled to apply for Public Offer Shares on **WHITE** or **YELLOW** application forms. However, Qualifying Shareholders will receive no preference as to entitlement or allocation in respect of applications for Public Offer Shares made on **WHITE** or **YELLOW** application forms.

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Assured Entitlements of Qualifying Shareholders are not transferrable and there will be no trading in nil paid entitlements on the Stock Exchange. Kingsway SW Securities has the authority to make available all or any Reserved Shares not taken up by the Qualifying Shareholders to the Placing.

The procedure for application under the Preferential Offer is set out in the section headed “How to apply for Public Offer Shares and Reserved Shares” in this prospectus and in the **BLUE** application forms.

OGHL has undertaken to the Company and the Placing Underwriters that it and its associates will not apply for all or part of the Reserved Shares representing its Assured Entitlement under the Preferential Offer.

This prospectus, together with the BLUE application forms comprising the documents to be issued in connection with the Preferential Offer will not be registered under any applicable securities legislation of any jurisdictions other than Hong Kong. Accordingly, no Reserved Shares are being offered to Overseas Shareholders or US Shareholders under the Preferential Offer and no BLUE application forms will be sent to such persons. Applications will not be accepted from Overseas Shareholders or US Shareholders or persons who are acting for the account or benefit of Overseas Shareholders or U.S. Shareholders.

OFFER MECHANISM – BASIS OF ALLOCATION OF THE PUBLIC OFFER SHARES

Allocation of the Public Offer Shares to investors under the Public Offer (other than applications using the **PINK** forms) will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of the Public Offer Shares validly applied for by each applicant, but will otherwise be made on a strictly pro-rata basis. When there is over subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares. The results of the Public Offer and basis of allotment of the Public Offer Shares are expected to be published in The Standard (in English), Hong Kong Economic Times (in Chinese) and Wen Wei Po (in Chinese).

Applications under the Public Offer from investors receiving the Placing Shares under the Placing will be identified and rejected and investors receiving the Public Offer Shares under the Public Offer will not be offered the Placing Shares under the Placing (except for applications for the Reserved Shares pursuant to the Preferential Offer). Multiple applications or suspected multiple applications and applications for more than 100% of the Public Offer Shares being initially offered for public subscription under the Public Offer are liable to be rejected.

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Applicants under the Public Offer will be required each to give an undertaking and confirmation in the application form submitted by them that they and any person(s) for whose benefit they are making the application will not receive any Placing Shares under the Placing, have not indicated and will not indicate an interest for any Placing Shares under the Placing, and their applications are liable to be rejected if the said undertaking and, or, confirmation is breached and, or, untrue, as the case may be. The Company and Kingsway SW Securities have full discretion to reject or accept any application, or to accept only part of any application.

OVERSUBSCRIPTION

The initial allocation of Offer Shares between the Public Offer and the Placing is subject to reallocation depending on the level of subscription of the Public Offer. The number of Offer Shares under the Placing will be reallocated to the Public Offer on the following basis:

- (a) If the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of Public Offer Shares initially available for subscription by the public under the Public Offer, then the number of Offer Shares to be reallocated to the Public Offer from the Placing will be increased so that the total number of Shares available under the Public Offer will be 35,660,000 Shares, representing approximately 30% of total number of Offer Shares initially available under the Share Offer (assuming that the Over-allotment Option is not exercised).
- (b) If the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of Public Offer Shares initially available for subscription by the public under the Public Offer, then the number of Offer Shares to be reallocated to the Public Offer from the Placing will be increased so that the total number of Offer Shares available under the Public Offer will be 47,548,000 Offer Shares, representing approximately 40% of total number of Offer Shares initially available under the Share Offer (assuming that the Over-allotment Option is not exercised).
- (c) If the number of Offer Shares validly applied for under the Public Offer represents 100 times or more the number of Public Offer Shares initially available for subscription by the public under the Public Offer, then the number of Offer Shares to be reallocated to the Public Offer from the Placing will be increased so that the total number of Offer Shares available under the Public Offer will be 59,432,000 Offer Shares, representing approximately 50% of the total number of Offer Shares initially available under the Share Offer (assuming that the Over-allotment Option is not exercised).

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If the Public Offer Shares are not fully subscribed, Kingsway SW Securities (on behalf of itself and Underwriters) has the authority to reallocate all or any unsubscribed Public Offer Shares originally included in the Public Offer to the Placing, in such number as it deems appropriate provided that there is sufficient demand under the Placing to take up such reallocated Shares. If the Placing is not fully subscribed, Kingsway SW Securities, on behalf of the Underwriters, has the authority to reallocate all or any unsubscribed Placing Shares originally included in the Placing to the Public Offer, in such number as it deems appropriate provided that there is sufficient demand under the Public Offer to take up such reallocated Shares. Details of any reallocation of Shares between the Public Offer and the Placing will be disclosed in the results announcement, which is expected to be made on Thursday, 26 June 2003.

TRANSFER OF SALE SHARES

All transfers of the Sale Shares to successful applicants (or such other persons as instructed by the successful applicants) will be effected on the Company's principal register of members in Bermuda. An application for Offer Shares (in the Placing) shall constitute an irrevocable instruction by the applicant(s) that the registration of all the Sale Shares comprised in the Offer Shares in respect of which the relevant application is accepted shall be registered with the Company's principal register of members in Bermuda and thereafter, such registration be removed to the Company's branch register of members in Hong Kong as may be directed by the Company prior to the issue of share certificates in respect thereof.

OVER-ALLOTMENT OPTION

Under the Placing Underwriting Agreement, the Company has granted to Kingsway SW Securities (for itself and on behalf of the other Placing Underwriters) the right but not the obligation to exercise the Over-allotment Option within 30 days from the date of this prospectus. Under the Over-allotment Option, Kingsway SW Securities will have the right to require the Company to issue up to 17,828,000 additional new Shares, representing approximately 15% of the number of Shares initially available under the Share Offer, solely for the purpose of covering over-allocations in the Placing, if any. These new Shares will be issued at the Offer Price. As further described below, in connection with the Share Offer, Kingsway SW Securities may, at its option, also cover any over-allocations by, among other means, (i) the purchase of Shares in the secondary market or (ii) stock borrowing from Successful Gold as mentioned below or (iii) exercise of the Over-allotment Option or (iv) by a combination of the above means. Any such secondary market purchases will be made at prices not higher than the Offer Price and in compliance with all applicable laws, rules and regulations. The maximum number of Shares that may be over-allocated in the Placing shall not exceed the number of Shares that may be issued and allotted under the Over-allotment Option.

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If the Over-allotment Option is exercised in full, the Offer Shares comprised in the Share Offer will represent approximately 27.74% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Share Offer and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

In order to facilitate settlement of the Shares to be issued pursuant to the Over-allotment Option, Successful Gold has agreed with Kingsway SW Securities that, if so requested by Kingsway SW Securities, it will make available to Kingsway SW Securities up to 17,828,000 Shares by way of stock borrowing arrangement to facilitate settlement of over-allocations in the Placing. Application has been made to the Stock Exchange for a waiver from strict compliance with Rule 10.07 of the Listing Rules which restricts the disposal of Shares by Successful Gold following six months from the date of listing of the Shares on the Stock Exchange. A waiver has been granted by the Stock Exchange on condition that:

- (i) the stock borrowing arrangement will be effected in compliance with all applicable laws and regulatory requirements;
- (ii) no benefits or payments will be made to Successful Gold in relation to such stock borrowing arrangements; and
- (iii) any Shares which may be made available to Kingsway SW Securities pursuant to such arrangement will be made available on terms that the same number of Shares must be returned to Successful Gold no later than the third business day after the earlier of:
 - (a) the last day on which the Over-allotment Option may be exercised (i.e. 30 days from the date of this prospectus); and
 - (b) the date on which the Over-allotment Option is exercised in full.
- (iv) The stock borrowing arrangement will be effected by Kingsway SW Securities solely for settlement of over-allotment in the Placing. The number of Shares borrowed from Successful Gold will be limited to the maximum number of Shares which may be issued upon full exercise of the Over-allotment Option, representing 17,828,000 Shares.

This stock borrowing arrangement will be effected in compliance with all applicable laws and regulatory requirements. No payments will be made to Successful Gold by Kingsway SW Securities in relation to such stock borrowing arrangement.

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STABILISATION AND OVER-ALLOTMENT

As already explained, in connection with the Share Offer, Kingsway SW Securities (for itself and on behalf of the other Placing Underwriters), may over-allocate up to an aggregate of 17,828,000 additional Placing Shares and cover such over-allocated Placing Shares by exercising the Over-allotment Option at any time up to 30 days from the date of this prospectus, or by making purchases in the secondary market or as described above. Any such purchases will be made in compliance with all applicable laws and regulatory requirements. A press announcement will be made in the event that the Over-allotment Option is exercised in part or in full.

In connection with the Share Offer, Kingsway SW Securities as stabilising manager, or any person acting for it, may also over-allot or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the issue date. 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. However, there is no obligation on Kingsway SW Securities to do this. Such stabilisation action, if begun, may be discontinued at any time, and is required to be brought to an end after a limited period.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, agree to purchase 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 public offer prices of the securities. In Hong Kong the stabilization price will not exceed the initial public offer price. In other jurisdictions, the stabilisation price will not be higher than the initial public offer price.

During the stabilisation period, detailed below, Kingsway SW Securities as stabilising manager, or any person acting for it, may offer or agree to purchase, or purchase, Shares for the sole purpose of preventing or minimising any reduction in the market price of the Shares. In connection with any such stabilisation transactions, Kingsway SW Securities as stabilising manager, or any person acting for it, may allocate a greater number of Shares than the number that is initially offered, or sell or agree to sell Shares so as to establish a short position in them. It may close out any such short position by exercising the Over-allotment Option, as described above. It may also agree to sell or sell any Shares acquired in the course of any stabilisation transactions in order to liquidate any position that has been established by such action. Investors are warned that Kingsway SW Securities may, in connection with the stabilising action, maintain a long position in the Shares. In such an event, there is no certainty regarding the extent to which and the time period for which Kingsway SW Securities would maintain such a position, and investors are warned as to the possible impact in the case of liquidation of such a long position by Kingsway SW Securities. Stabilising action cannot be taken to support the price of any Shares for longer than the stabilising period, which will begin on the commencement of trading of the Shares after this prospectus is issued, whether in this

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prospectus or otherwise, and end on the 30th day after the last day for the lodging of applications under the Public Offer. The stabilising period is expected to end on or before 20 July 2003. After this date, when no further stabilising action may be taken, demand for the Shares, and therefore their price, could fall.

Investors should be aware that the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of stabilisation action. Investors should further note that stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that stabilising bids may be made or transactions effected at a price below the price which the investor has paid for the Shares.