
INFORMATION ABOUT THIS PROSPECTUS AND THE PLACING

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 GEM Listing Rules for the purpose 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:—

- (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. The Placing initially involves 37,500,000 new Shares and 12,500,000 existing Shares (subject to the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited to the Underwriters) at the Placing Price.

The Placing is managed by CPY International and the listing of the Shares on GEM is sponsored by Core Pacific - Yamaichi. The Placing is fully underwritten by the Underwriters.

CONSENT OF THE BERMUDA MONETARY AUTHORITY

Permission under the Exchange Control Act 1972 of Bermuda (as amended and regulations thereunder) has been received from the Bermuda Monetary Authority for the issue of Shares pursuant to the Placing on the terms of this prospectus, the issue of Shares under the Capitalisation Issue, and the issue of the Shares upon the exercise of options which may be granted under the Share Option Scheme and pursuant to the general mandates referred to in the paragraph headed "Resolutions in writing of the sole shareholder of the Company passed on 1st August, 2000" in Appendix IV to this prospectus. In granting such permission and in accepting this prospectus for filing, neither the Bermuda Monetary Authority nor the 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.

PLACING SHARES TO BE OFFERED IN HONG KONG ONLY

No action has been taken in any jurisdiction other than Hong Kong and Bermuda to permit the offering of the Placing Shares or the distribution of this prospectus in any territory or 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 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, the Sponsor, the Lead Manager, the Underwriters, any of their respective directors, or any other parties involved in the Placing.

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United States

The Placing Shares have not been and will not be registered under the US Securities Act, as amended (the “Securities Act”), and may not be offered, sold or delivered within the US or to, or for the account or benefit of, US persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the 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 except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the public offers of Securities Regulations 1995. In addition, no person may issue or pass on to any person in the United Kingdom 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 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 the public or 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

The Placing has not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”). 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 and any other applicable exemption from the registration requirements of the Securities and Exchange Law and any other applicable Japanese law.

STABILISATION

In connection with the Placing, CPY International, on behalf of the Placing Underwriters, may over-allocate Shares and may cover such over-allocations by means of exercising the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited to the Underwriters no later than 30 days after the date of this prospectus or making open-market purchases in the secondary market. The number of Shares that may be over-allocated is no greater than the number of Shares that may be sold upon the full exercise of the Over-allocation Option, being 7,500,000 Shares, which is 15% of the Shares initially available under the Placing. CPY International

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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 CPY International.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the Underwriters may bid for, 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 Placing Price of the securities.

In Hong Kong, such stabilisation activities are restricted to cases where underwriters genuinely purchase shares on the secondary market solely for the purpose of covering over-allocations in an offering. The stabilisation price will not exceed the Placing Price. The relevant provisions of the Securities Ordinance prohibit market manipulation in the form of pegging or stabilising the price of securities in certain circumstances.

In order to facilitate the settlement of over-allocations in connection with the Placing, CPY International may choose to borrow Shares from shareholders of the Company under stock borrowing arrangements prior to any exercise of the Over-allocation Option by which up to 7,500,000 existing Shares are to be sold by Noble Class Group Limited to the Underwriters, or the acquisition of a sufficient number of Shares from other sources. Such stock borrowing arrangements may include arrangements agreed between CPY International or its affiliated entities and Noble Class Group Limited, the substantial and initial management shareholder of the Company.

An application has been made to the Stock Exchange for a waiver to be granted to Noble Class Group Limited from strict compliance with Rule 13.16 of the GEM Listing Rules which restricts the disposal of shares by initial management shareholders following a new listing, in order to allow it to enter into such stock borrowing arrangements. The Stock Exchange has indicated that the waiver will be granted subject to the condition that:

- (1) such stock borrowing arrangement with Noble Class Group Limited will only be effected by the Underwriters for settlement of over-allocations in connection with the Placing;
- (2) the maximum number of Shares borrowed from Noble Class Group Limited will be limited to the maximum number of 7,500,000 Shares which may be placed upon exercise of the Over-allocation Option; and
- (3) up to 7,500,000 Shares will be returned to Noble Class Group Limited (subject to the offset arrangement as mentioned below) no later than 3 business days following the earlier of (i) the last day on which the Over-allocation Option may be exercised or (ii) the day on which the Over-allocation Option is exercised in full.

Such stock borrowing arrangement will be effected in compliance with all applicable laws and regulatory requirements. No payments will be made to Noble Class Group Limited by the Underwriters in relation to such stock borrowing arrangement. In the event that CPY International (on behalf of the Underwriters) exercises the Over-allocation Option, such Shares received by CPY International pursuant to the exercise of the Over-allocation Option will be used to offset against the Shares owed by CPY International to Noble Class Group Limited, if any.

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APPLICATION FOR LISTING ON GEM

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

As at the date of this prospectus, no part of the Company's share or loan capital is listed or dealt in on any other stock exchange and the Company is not seeking or proposing to seek listing of or permission to deal in the Shares on any other stock exchange.

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 20% of the issued share capital of the Company in the hands of the public.

HONG KONG BRANCH REGISTER AND STAMP DUTY

All Shares issued pursuant to applications made in the the Placing 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 by Reid Management Limited in Bermuda. Only Shares registered in the Company's branch register of members maintained in Hong Kong may be traded on GEM.

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

PROFESSIONAL TAX ADVICE RECOMMENDED

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

None of the Company, the Sponsor, the Lead Manager, the Underwriters, their respective directors and any other person involved in the Placing accepts responsibility for tax effects on, or liability of, any person resulting from subscribing for, or purchasing, holding, disposing of or dealing in the Placing Shares.

EXCHANGE RATE CONVERSION

In this prospectus, unless otherwise specifically provided, amounts in Renminbi have been converted into Hong Kong dollars at the rate of RMB1 = HK\$0.9145, amounts in New Taiwan dollars have been converted into Hong Kong dollars at the rate of NT\$1=HK\$0.2495 and amounts in US dollars have been converted into Hong Kong dollars at the rate of US\$1 to HK\$7.7915, as quoted on the South China Morning Post on 9th August 2000. Such conversions are for the purpose of convenience and for indication and reference purposes only and should not be construed as any representation that the Renminbi amounts, New Taiwan dollar amounts, US dollar amounts and the Hong Kong dollar amounts have been, could have been or could be converted into Hong Kong dollars, US dollars, New Taiwan dollar amounts, and Renminbi, as the case may be, at that or any other rate or at all.