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## STRUCTURE OF THE SHARE OFFER

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### SHARE OFFER

The Share Offer comprises the Public Offer and the Preferential Offer. The Company intends to initially make available up to 318,635,636 Offer Shares under the Share Offer, of which 282,635,636 Offer Shares will be offered to the Qualifying EIHL Shareholders pursuant to the Preferential Offer and the remaining 36,000,000 Offer Shares will be offered to the public in Hong Kong pursuant to the Public Offer (subject to, in each case, re-allocation on the basis described below under the section headed “Public Offer”). The 318,635,636 Offer Shares initially being offered in the Share Offer will represent approximately 52.99% of the Company’s enlarged share capital immediately after the completion of the Share Offer.

Shares under the Preferential Offer are offered to the Qualifying EIHL Shareholders on an assured basis. Charron has undertaken in the Underwriting Agreement to take up its Assured Entitlement under the Preferential Offer. Any untaken Reserved Shares (other than Charron’s Assured Entitlement) under the Preferential Offer will be re-allocated to the Public Offer and the Share Offer (other than Charron’s Assured Entitlement) is fully underwritten by the Underwriters, subject to other terms and conditions in the Underwriting Agreement.

The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. However, the Public Offer would not be opened to the Qualifying EIHL Shareholders (except those Qualifying EIHL Shareholders who held the EIHL Shares as at the Record Date as trustee or otherwise on behalf of other person(s) as a nominee only) and the beneficial owners of EIHL Shares as at the Record Date.

### PUBLIC OFFER

Pursuant to the Public Offer, the Company is initially offering 36,000,000 Public Offer Shares, representing approximately 11.30% of the total number of Offer Shares initially being offered in the Share Offer, for subscription by way of a public offer in Hong Kong at the Offer Price. Applicants under the Public Offer are required to pay, on application, the Offer Price of HK\$0.38 per Share in addition to any brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Share. Further information is set out below in the section headed “How to apply for Public Offer Shares and Reserved Shares” in this prospectus.

The Public Offer Shares will be divided equally into two pools for allocation purposes: pool A and pool B. The Public Offer Shares in pool A will be allocated on an equitable basis to successful applicants who have applied for Public Offer Shares with a total subscription and purchase amount (excluding amounts of brokerage, SFC transaction levy and Stock Exchange trading fee) of HK\$5 million or less. The Public Offer Shares in pool B will be allocated on an equitable basis to successful applicants who have applied for Public Offer Shares with a total subscription and purchase amount (excluding amounts of brokerage, SFC transaction levy and Stock Exchange trading fee) of more than HK\$5 million and up to the total value of pool B. You should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Public Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Public Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. You can only receive an allocation of Public Offer Shares from either pool A or pool B but not from both pools and may only apply for Public Offer Shares in pool A or pool B. In addition, multiple applications within either pool or between pools will be rejected. No applications will be accepted from applicants applying for more than the total number of Public Offer

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Shares originally allocated to each pool. The Company and the Joint Sponsors have full discretion to reject or accept any application, or to accept only part of any application.

### OVER-SUBSCRIPTION OF THE PUBLIC OFFER

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by each applicant, but will otherwise be made on a strictly pro-rata basis. However, this 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 Public Offer Shares and that applicants who are not successful in the ballot may not receive any Public Offer Shares.

### PREFERENTIAL OFFER

In order to enable shareholders of EIHL to participate in the Share Offer on a preferential basis as to allocation only, Qualifying EIHL Shareholders are being invited to apply for an aggregate of 282,635,636 Reserved Shares (representing approximately 88.70% of the Offer Shares and approximately 47.01% of the enlarged share capital of the Company upon completion of the Share Offer) in the Preferential Offer on an assured basis of one Reserved Share for every whole multiple of five EIHL Shares held by them at the close of business on the Record Date. Qualifying EIHL Shareholders holding less than five EIHL Shares at the close of business on the Record Date will not receive any Assured Entitlement.

The controlling shareholder of EIHL as at the Record Date, being Charron, will be entitled to subscribe under the Preferential Offer for 162,660,282 Shares, representing approximately 51.05% of the Offer Shares and approximately 27.05% of the enlarged share capital of the Company upon completion of the Share Offer. Charron has undertaken in the Underwriting Agreement to fully take up its Assured Entitlement of the Reserved Shares under Preferential Offer.

**The Assured Entitlements may represent Shares not in a multiple of a full board lot of 6,000 Shares, and dealings in odd lot Shares may be at below their prevailing market price. Neither the Company nor the Joint Sponsors will be making special arrangements for the trading of odd lots.**

A **BLUE** Application Form is being despatched to each Qualifying EIHL Shareholder together with a copy of this prospectus. Qualifying EIHL Shareholders are permitted to apply for a number of Reserved Shares which is 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 EIHL Shareholder's Assured Entitlement will be accepted in full, subject as mentioned in the **BLUE** Application Forms. Where a Qualifying EIHL 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 not be met.

**Qualifying EIHL Shareholders (except those Qualifying EIHL Shareholders who held the EIHL Shares as at the Record Date as trustee or otherwise on behalf of other person(s) as a nominee only) and the beneficial owners of EIHL Shares as at the Record Date will not be entitled to apply for Public Offer Shares on WHITE or YELLOW Application Forms. Accordingly, if any Qualifying EIHL Shareholder (except the Qualifying EIHL Shareholder who held the EIHL Shares**

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as at the Record Date as trustee or otherwise on behalf of other person(s) as a nominee only) and the beneficial owner of the EIHL shares as at the Record Date has applied for the Offer Shares on WHITE or YELLOW Application Form, such application on WHITE or YELLOW Application Form shall be revoked and become invalid. However, the application on BLUE Application Form made by such Qualifying EIHL Shareholder for Reserved Shares which is less than or equal to his/her Assured Entitlement under the Preferential Offer will still be valid.

Assured Entitlements of Qualifying EIHL Shareholders are not transferable and there will be no trading in nil paid entitlements on the Stock Exchange. If the Assured Entitlements are not fully taken up by the Qualifying EIHL Shareholders, the Joint Sponsors (on behalf of the Underwriters) have the authority to re-allocate all or any of the Assured Entitlements not taken up to the Public Offer in such proportions as they consider appropriate.

The procedure for application and the terms and conditions of the Preferential Offer are set out in the section headed “How to apply for Public Offer Shares and Reserved Shares” and in the BLUE Application Forms.

### PRICE PAYABLE ON APPLICATION

The Offer Price will be HK\$0.38 per Offer Share with the nominal value of HK\$0.01 each. Applicants under the Share Offer must pay, on application, the price of HK\$0.38 per Offer Share plus 1% brokerage, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005% amounting to a total of approximately HK\$2,303.00 per board lot of 6,000 Shares.

### CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon:

- (a) the Stock Exchange 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; and
- (b) the Underwriting Agreement becoming unconditional, which require, amongst other things, that the Underwriting Agreement not being terminated, prior to 8:00 a.m. on the day on which dealings in the Shares first commence on the Stock Exchange, which is expected to be on 24 April 2007. Details of the Underwriting Agreement, their conditions and grounds for termination are set out in the section headed “Underwriting” in this prospectus.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of lapse of the Public Offer will be caused to be published by the Company in The Standard (in English) and Hong Kong Daily News and Sing Tao Daily (both in Chinese) on the next day following such lapse. In such event, all application monies will be returned without interest, on the terms set out in the section headed “Conditions of your application – Refund of your money” on the notes attached to the Application Forms.

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