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## PLACING AND LISTING

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### THE PLACING

Pursuant to the Placing Agreement, the Placing Managers have been appointed by the Company as its agents to subscribe or procure selected professional investors to subscribe for the Placing Shares at a price of US\$1.05 per Placing Share (inclusive of the fees, commissions and expenses of the Placing Managers), as to 42,900,000 Placing Shares on a fully underwritten basis and as to 6,100,000 Placing Shares on a best efforts basis.

Each placee will be required to subscribe for a minimum of 100,000 Placing Shares at an aggregate subscription price of US\$105,000.

Subscription for the Placing Shares must be made pursuant to, and in accordance with the terms and conditions set forth in, a subscription letter that will be provided to each potential placee.

The proceeds of the Placing (which together with the proceeds of the issue of Shares to Core Investors, but after the deduction of fees, commissions and expenses) will be invested by the Company according to the objectives and policy and subject to the limitations set out above in the sections headed "Investment Objectives and Policy" and "Investment Restrictions" respectively.

The Shares and Warrants (together "the Securities") have not been, and it is not intended that they will be, registered under the 1933 Act and have not been registered or qualified under any State securities or "Blue Sky" law of the United States and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and similar requirements of such State laws. The Securities are being offered in the United States only to Qualified Institutional Buyers and to other accredited investors in reliance on the exemptions provided, as the case may be, by Rule 144A and by Section 4(2) of the 1933 Act and exemptions of similar import under State securities or "Blue Sky" laws of the United States. The Securities are also being offered outside the United States in accordance with Regulation S under the 1933 Act. Purchasers of the Securities within the United States may only resell such securities in the United States to Qualified Institutional Buyers pursuant to the exemption provided by Rule 144A or to accredited investors with the prior approval of the Board or outside the United States pursuant to the exemption provided by Regulation S.

The Company intends to establish the exemption from periodic reporting under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act") provided by Rule 12g3-2(b) thereunder, by furnishing to the United States Securities and Exchange Commission the information specified by such rule. Pursuant to the terms of the Placing Agreement, the Company has agreed that if at any time the Company is neither subject to the reporting requirements of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b) thereunder, it will provide the information specified in Rule 144A (d)(4) under the 1933 Act to holders or prospective purchasers of the Securities to permit compliance with Rule 144A in connection with resales of the Securities.

No Employee Benefit Plan will be entitled to purchase or hold or subscribe for Securities if that will result in 25 percent or more of the Securities being acquired or held by Employee Benefit Plans, in order to avoid the assets of the Company being treated as "plan assets" for the purpose of the United States Employee Retirement Income Securities Act of 1974, as amended (ERISA). For the purposes of the above, the term "Employee Benefit Plan" has the meaning given to it by ERISA, which includes, without limitation, an "employee pension benefit plan" or "employee welfare benefit plan", as defined by ERISA, whether such plan is established or maintained in the United States or any other jurisdiction. All purchasers and other transferees of Securities will be required to certify whether or not they are Employee Benefit Plans and any purchase by or transfer of Securities to an Employee Benefit Plan will be subject to the consent of the Directors.

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The Company will not be registered under the Investment Company Act. Based on interpretations of the Investment Company Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its securities (other than short-term notes) who are US persons, it may become subject to the registration requirements of the Investment Company Act. The Company will attempt to ensure that Securities are beneficially owned by no more than 100 US persons.

Subscribers or purchasers of Securities who are sold or offered Securities outside the United States in the Placing will, in addition to being required to certify whether they are Employee Benefit Plans, be required to certify as to their non-US person status to the Placing Managers and must commit not to transfer to any US person without the Company's consent and to notify the Company if they become at any time a US person. If such persons are unable to give such certification as to non-US person status they will only be allowed to subscribe or purchase if such subscription or purchase is approved by the Directors and they will be required to obtain the same form of certification, to be provided to the Registrar of the Company, on any resale of definitive certificates. Any transfer where such certifications as to non-US person status cannot be given will be subject to the approval of the Directors.

Subscribers and purchasers of Securities in the United States in the Placing must, in addition to certifying whether they are Employee Benefit Plans, certify that they are Qualified Institutional Buyers or other accredited investors, that they are not holding the Securities for the account or benefit of any other person, and that they will not resell in the United States or to a US person except to a Qualified Institutional Buyer under Rule 144A. In addition, any subscriber or subsequent purchaser who is a US person must represent that at the completion of the subscription or purchase their holding will not exceed 10 percent of the Securities, unless that subscriber or subsequent purchaser has received the consent of the Board.

If at any time as a result of events of which the Company has notice the Securities will be owned beneficially by more than 100 US persons (the "Permitted Number"), the Company may determine to redeem such amount of the Securities of such number of persons as will be sufficient to reduce the number of persons who are beneficial owners of the Securities to or below the Permitted Number or to require any person to transfer Securities or arrange the sale of the same in accordance with the Articles. If and to the extent the excess would result from a person becoming a US person, or from a holder of the Securities which itself has multiple beneficial owners (e.g., a trust, partnership or corporation) owning or acquiring an interest in the Securities under circumstances where the Company would be required to consider each beneficial owner of that holder as a separate beneficial owner of the Securities (i.e., where such holder held 10 percent or more of the Securities, and where the value of the Securities held by such holder, together with the shares held by that holder in investment companies which would be required to be registered pursuant to the Investment Company Act except for the fact that they have fewer than the Permitted Number of beneficial owners of their securities (or would have fewer than such number of beneficial owners if the attribution rules of Section 3(c)(1)(A) of the Investment Company Act were not applicable), would constitute 10 percent or more of such holder's assets), the Securities owned or held by such person shall be selected first for redemption, required retransfer or compulsory resale. Similarly, if a holder is organised for the purpose of investing in securities of one or more unregistered foreign investment companies, and the beneficial owners of that holder's securities would be counted as beneficial owners of the securities of the foreign investment companies, including the Company, then the Securities owned or held by such person will be selected first for redemption, required retransfer or compulsory resale.

The procedure for determining which Securities will be redeemed, retransferred or resold in any particular case is at the discretion of the Company. In exercising its discretion and in making determinations as to whether to redeem or require sale or transfer of Securities, and in determining which holders shall be subject to mandatory redemption or sale or transfer, the Company may act upon the basis of such information as may be known to it, without any obligation to make special enquiries, and may rely upon the advice of United States securities law counsel. In no event shall the Company be liable to any holder for any consequence of exercising or making in good faith any discretion or determination with respect to such redemption, transfer or resale.

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In the case of a redemption, retransfer or resale of the Securities held by a person, it is possible that the timing of the redemption, transfer or resale may result in realisation by the holder of short term capital gain or loss rather than long term capital gain or loss, or that such gain or loss may be realised in a taxable year of the holder other than the year in which the holder anticipated realisation of such gain or loss.

Upon making any determination to redeem, require retransfer or require resale of the Securities, the Company shall give notice to the relevant holders in accordance with the provisions of the Articles.

In addition, until 40 days after the commencement of the Placing, an offer or sale of any of the Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act if made otherwise than in accordance with Rule 144A under the 1933 Act.

Each Placing Manager has further represented and agreed that (1) it has not offered or sold and it will not offer or sell in the United Kingdom, by means of any document, any Securities, other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent), (2) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom, and (3) it has only issued and passed on and it will only issue the Securities to persons who are both persons of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988.

The Securities may not be offered or sold in Singapore except under circumstances in which such offer or sale does not constitute an offer or sale of the Shares to the public in Singapore or in which such offer or sale is made 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 Shares may be offered or sold under such exemption.

None of the Securities have been or will be registered under the Securities and Exchange Law of Japan and none of the Securities may be offered, sold or delivered, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption available under the Securities and Exchange Law of Japan or in accordance with other applicable Japanese laws and regulations.

The Securities may not be offered or sold in Switzerland in circumstances which would constitute an offer to the public within the meaning of the Swiss Act on Investment Funds of 1st July, 1966 and the Implementing Regulations of 1st January, 1967 and 13th January, 1977. In particular, there should be no solicitations of funds from a group of persons which is not strictly limited, there should be no public call by documents such as circular letters or public announcements.

This prospectus may only be issued to a strictly limited group of Swiss investors, on a private basis.

The Securities may not be sold in Germany by way of public offering, public solicitation or in similar ways.

The Securities have not been, nor will they be, registered under the Securities and Exchanges Law of the Republic of Korea, and may not be offered or sold, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of the Republic of Korea (as the term is defined under the Foreign Exchange Management Law of the Republic of Korea), except pursuant to an exemption available under the Foreign Exchange Management Law, the Securities and Exchange Law or other applicable laws and regulation of the Republic of Korea.

The Share and Warrant certificates of the Company will carry appropriate legends as to the restrictions on transfer and as to certificates required on transfer.

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### CONDITIONS OF THE PLACING

Acceptance of all applications for Placing Shares will be conditional on (i) the Listing Committee of the Stock Exchange granting listing of and permissions to deal in the Shares in issue and to be issued as mentioned in this prospectus and the Warrants to be issued as mentioned herein and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants and (ii) the obligations of the Placing Managers under the Placing Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s), by the Placing Managers) and not being terminated in accordance with the terms of that agreement or otherwise, in each case on or before 30th July, 1993. If such conditions have not been fulfilled on or before such date, all application moneys will be returned, without interest.

### LISTING

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares, and the Warrants to be issued as described in this prospectus and any Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list the Shares or the Warrants on any other stock exchange.

### DEALING

It is expected that dealings in the Shares and Warrants on the Stock Exchange will commence on 22nd July, 1993. The Shares will be traded in board lots of 10,000 Shares. The board lot for Warrants will be Warrants carrying rights to subscribe US\$10,000 for Shares, representing the aggregate subscription price for 10,000 Shares, on the basis of an initial subscription price of US\$1.00 per Share. The price of the Shares and Warrants will be quoted on the Stock Exchange in HK dollars. The Shares and Warrants will be issued in registered form.

The rules of the Stock Exchange currently require settlement to be made within 48 hours of a transaction, for which delivery of certificates is required.

The Stock Exchange charges a transaction levy of 0.02 percent and a special levy of 0.03 percent in respect of each transaction carried out on the Stock Exchange, payable by both seller and buyer and calculated on the value of the consideration for the securities concerned. In addition, member brokers of the Stock Exchange charge brokerage to both buyers and sellers which is required to be no less than 0.25 percent of the value of the purchase or sale (calculated on the value of the relevant securities).

Hong Kong stamp duty, currently at the rate of HK\$1.50 per HK\$1,000, or part thereof, of the consideration or its value will be payable on every purchase, and on every sale, of Shares and Warrants (i.e. a total of \$3.00 per HK\$1,000 is currently payable on a typical sale and purchase transaction). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Shares and Warrants.

The Company has appointed Central Registration Hong Kong Limited as its share and warrant registrar. Instruments of transfer and Share and Warrant certificates can be lodged with Central Registration Hong Kong Limited. Share and Warrant certificates will be available for collection from Central Registration Hong Kong Limited or despatched by registered post.