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巨騰國際控股有限公司
JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

PROPOSED BONUS ISSUE OF WARRANTS

A letter from the Board is set out on pages 4 to 11 of this circular and a summary of the principal terms of the Warrants is set out on pages 12 to 21 of this circular.

1 April 2015

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EXPECTED TIMETABLE

Set out below is the expected timetable for the Bonus Issue of Warrants.

2015

Last day of dealing in the Shares on a cum-entitlement basis for the Bonus Issue of Warrants	Tuesday, 31 March
First day of dealings in Shares on an ex-entitlements basis for the Bonus Issue of Warrants	Wednesday, 1 April
Latest time for lodging forms of transfers of Shares for registration in order to qualify for the Bonus Issue of Warrants	4:30 p.m. on Thursday, 2 April
Closure of register of members (both days inclusive)	From Wednesday, 8 April to Thursday, 9 April
Record Date for determining entitlements to Warrants	Thursday, 9 April
Despatch of certificates for the Warrants	Wednesday, 15 April
Commencement of dealing in the Warrants on the Hong Kong Stock Exchange	9:00 a.m., Thursday, 16 April

All times stated in this circular refer to Hong Kong times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable will be announced in the manner in accordance with the Listing Rules.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 17 March 2015 in relation to the Bonus Issue of Warrants
“Board”	the board of Directors
“Bonus Issue of Warrants”	the proposed conditional bonus issue of Warrants by the Company to the Qualified Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of one (1) Warrant for every eight (8) Shares held on the Record Date
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Ju Teng International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Depository Bank”	Yuanta Commercial Bank Co., Ltd., the depository bank of the TDR
“Director(s)”	director(s) of the Company
“Excluded Shareholders”	Overseas Shareholders to whom the Directors, having made enquiries regarding the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, consider it necessary or expedient not to offer the Warrants on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction

DEFINITIONS

“General Mandate”	a general and unconditional mandate granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company held on 14 May 2014
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Instrument”	the deed poll to be executed by the Company creating and constituting the Warrants
“Last Trading Day”	Tuesday, 17 March 2015, being the last trading day of the Shares prior to the publication of the Announcement
“Latest Practicable Date”	26 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong
“Qualified Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 9 April 2015, being the record date for determining entitlements to the Bonus Issue of Warrants
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Share Registrar”	the Hong Kong branch share registrar and transfer office of the Company, being Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, which has been appointed as the Warrant registrar and transfer agent to handle the registration of transfer, exercise and splitting (where applicable) of the Warrants
“Subscription Date”	has the meaning ascribed to it in paragraph 1(B) in the Appendix to this circular
“Subscription Price”	an initial exercise price of HK\$4.6 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Shares
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“TDR”	the Taiwan depository receipts, each unit of which representing one Share, issued by the Depository Bank and listed on the Taiwan Stock Exchange
“Warrant(s)”	warrant(s) to be constituted by an instrument by way of deed poll to be executed by the Company and to be issued by the Company entitling the holders thereof to subscribe for an aggregate of up to 143,954,000 Warrant Shares at the Subscription Price at any time during a period commencing from the date of first issue of the Warrants up to the date falling eighteen (18) months of the date of first issue of the Warrants, both days inclusive, a summary of the terms of which is set out in the Appendix to this circular
“Warrant Share(s)”	up to 143,954,000 new Shares to be issued by the Company upon the full exercise of the subscription rights attached to the Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



巨騰國際控股有限公司
JU TENG INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3336)

Executive Directors:

Mr. Cheng Li-Yu
Mr. Cheng Li-Yen
Mr. Hsieh Wan-Fu
Mr. Huang Kuo-Kuang
Mr. Lo Jung-Te
Mr. Tsui Yung Kwok

Independent non-executive Directors:

Mr. Cherng Chia-Jiun
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suites 3311-3312
Jardine House
1 Connaught Place
Central
Hong Kong

1 April 2015

*To the Shareholders, and for information only,
the holders of options of the Company*

Dear Sir or Madam,

PROPOSED BONUS ISSUE OF WARRANTS

INTRODUCTION

Reference is made to the Announcement in relation to the proposed Bonus Issue of Warrants to the Qualified Shareholders on the basis of one (1) Warrant for every eight (8) Shares held on the Record Date. The primary purpose of this circular is to provide you with further information regarding the Bonus Issue of Warrants. A summary of the terms of the Warrants, including circumstances in which the Subscription Price may be adjusted, is set out in the Appendix on pages 12 to 21 to this circular.

LETTER FROM THE BOARD

PROPOSED BONUS ISSUE OF WARRANTS

Basis of Bonus Issue of Warrants

The Board proposed, subject to the satisfaction of the condition below, the Bonus Issue of Warrants to the Qualified Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every eight (8) Shares held. The Warrants will be issued in registered form. The Warrants to be issued in relation to the Bonus Issue of Warrants will only be issued to the Qualified Shareholders.

Conditions

The Bonus Issue of Warrants is conditional upon the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the Warrants and the Warrant Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

Number of Warrants and Warrant Shares issuable

Each Warrant will entitle its holder to subscribe for one (1) Warrant Share. Based on a total of 1,151,632,000 Shares in issue as at the Record Date, not more than 143,954,000 Warrants would be issued pursuant to the Bonus Issue of Warrants. Upon the full exercise of the subscription rights attached to the Warrants, up to 143,954,000 Warrant Shares will be issued, which represents approximately 12.50% of the issued share capital of the Company as at the Latest Practicable Date and approximately 11.11% of the issued share capital as enlarged by the issue of the Warrant Shares.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the number of issued shares of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the Latest Practicable Date, saved for the outstanding share options granted under the Company's share option scheme adopted on 6 October 2005 which complies with Chapter 17 of the Listing Rules, the Company has no options, warrants or other equity securities with similar rights to subscribe or purchase equity securities of the Company with subscription rights outstanding and not yet exercised.

Subscription Price

The initial Subscription Price of HK\$4.6 per Warrant Share in cash (subject to adjustment) represents:

- (i) a discount of approximately 5.54% to the closing price of HK\$4.87 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 4.37% to the average of the closing prices of approximately HK\$4.81 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately preceding and including the Last Trading Day;
- (iii) a discount of approximately 1.10% to the closing price per Share of HK\$4.55 as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date; and
- (iv) a discount of approximately 1.55% to the average of the closing prices of approximately HK\$4.53 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately preceding and including the Latest Practicable Date.

The Subscription Price for the Warrants was determined with reference to the market price of the Shares with a discount to the recent trading price of the Shares as set out above after taking into consideration of (i) the dilutive effect brought to the existing Shares upon the full exercise of the subscription rights attached to the Warrants, which represents 12.50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) the expected business growth of the business of the Group, which in turn may lead to the increase in trading price of the Shares, during the subscription period of eighteen (18) months of the Warrants. The Directors consider the terms of the Bonus Issue of Warrants, including the Subscription Price thereof, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment to Subscription Price

The Subscription Price is subject to adjustment for subdivision or consolidation of Shares, issue of Shares by way of capitalisation of profit or reserves, capital distribution to the Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, or offer to Shareholders new Shares for subscription by way of rights, or grant to Shareholders any options, warrants or other rights to subscribe for or purchase any Shares, or issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription of new Shares, or issue for cash of any Shares below 90% of the market price as calculated pursuant to the Instrument or the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company. For details of the adjustment events, please refer to the paragraph headed "2. Adjustment of subscription rights and/or subscription price" in the Appendix to this circular.

Subscription period

The Warrants will be exercisable at any time during a period commencing from the date of first issue of the Warrants up to the date falling eighteen (18) months of the date of first issue of the Warrants, both days inclusive. Based on the expected date of issue of the Warrants certificates, it is expected that the Warrants will be exercisable from Wednesday, 15 April 2015 to Friday, 14 October 2016, both days inclusive.

LETTER FROM THE BOARD

Listing application

The Company has applied to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Warrants and the Warrant Shares. The Warrant Shares will rank pari passu in all respects with the then existing issued Shares.

Application will also be made to HKSCC for the admission of the Warrants into the CCASS.

Save for the 128,451,000 units of TDR (or equivalent to 128,451,000 Shares) listed on the Taiwan Stock Exchange as at Latest Practicable Date, none of the securities of the Company are listed or dealt in on any other stock exchange other than the Hong Kong Stock Exchange and no such listing or permission to deal in is proposed to be sought. No application for the listing of the Warrants will be made in Taiwan.

Certificates for the Warrants and board lot

Subject to the satisfaction of the condition to the Bonus Issue of Warrants, it is expected that certificates for the Warrants will be posted on or before Wednesday, 15 April 2015 at the risk of the Qualified Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Hong Kong Stock Exchange at 9:00 a.m. on Thursday, 16 April 2015. The Warrants are expected to be traded on the Hong Kong Stock Exchange in board lots of 2,000 Warrants.

Status of the Warrants and the Warrant Shares

Other than the right to subscribe for Warrant Shares, holders of Warrants will not be entitled to dividends or to participate in the distribution and/or any offers of further securities which may be made by the Company nor will they have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. Warrant Shares which are allotted and issued on the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the then Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Hong Kong Stock Exchange prior to the relevant Subscription Date.

Taxation

Dealings in the Warrants and the Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants may be subject to the payment of stamp duty, Hong Kong Stock Exchange trading fee, transaction levy, or any other applicable fees and charges in Hong Kong. The Qualified Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holdings or disposal of, dealing in or exercising, the Warrants and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Warrants otherwise falling to be issued to them under the Bonus Issue of Warrants. It is emphasised that none of the Company, the Directors

LETTER FROM THE BOARD

or any other parties involved in the Bonus Issue of Warrants accepts responsibility for any tax implication or liabilities of the Shareholders or the holders of the Warrants resulting from the purchase, holding or disposal of, or dealing in, the Warrant Shares or the Warrants or exercise of the subscription rights attaching to the Warrants.

Rights of the TDR holders

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the distribution of the Warrants by the Company and the issue of Warrant Shares and the issue of the corresponding TDRs upon the requests of TDR holders for the exercise of the Warrants will become effective without any prior filing or registration of this circular with, nor any prior reporting to, the Financial Supervisory Commission. Accordingly, upon satisfaction of the conditions of the Bonus Issue of Warrants, the Company could issue the Warrants to the TDR holders in accordance with the applicable laws of Taiwan and the TDR depository agreement entered into between the Company and the Depository Bank.

Pursuant to the requirements of the TDR depository agreement between the Company and the Depository Bank, upon receipt of the Warrants, the Depository Bank will distribute the same to the TDR holders in proportion to the depository shares represented by the TDR held by them as at the record date to be fixed by the Depository Bank in accordance with such mechanism as it considers appropriate and in compliance with the applicable laws. As such, the TDR holders will also receive the Warrants certificates through the Depository Bank and will be able to subscribe for the Warrant Shares or dispose of their Warrants through the Depository Bank in accordance with the mechanism for distribution and exercise of the Warrants. In the event that any TDR holder opts to exercise his/her/its rights to subscribe for the Warrant Shares upon receiving the Warrants certificates through the Depository Bank, he/she/it may request the Depository Bank to exercise the Warrants on his/her/its behalf and request the Company to issue such Warrant Shares and deposit such Warrant Shares at the Depository Bank, which shall then issue to the TDR holders such corresponding number of additional TDRs which shall rank *pari passu* with all the existing TDRs. In the event that any TDR holder opts to dispose any Warrants upon receiving the Warrants certificates through the Depository Bank, he/she/it may request the Depository Bank to dispose the Warrants on his/her/its behalf and collect the proceeds from the Depository Bank.

Detailed mechanism for distribution, exercise and disposal of the Warrants will be announced in Taiwan by the Company in due course in accordance with the applicable rules and regulations in Taiwan.

Transferability of the Warrants

Transferability of the Warrants is set out in paragraph 5 under the section headed "Transfer, transmission and register" in the Appendix to this circular.

The Share Registrar, Tricor Investor Services Limited has been appointed as the Warrant registrar and transfer agent to handle the registration of transfer, exercise and splitting (where applicable) of the Warrants. The charge for splitting of Warrant certificates are expected to be HK\$2.5 per new certificate issued. The charge for transfer of Warrants are expected to be HK\$2.5 per old Warrant certificate cancelled or per new Warrant certificate issued, whichever is the higher. The charges for transfer or splitting of the Warrants shall be borne by the holder of the Warrant or the transferee who lodges the request with the Warrant registrar and transfer agent. New certificates will be available for collection within 10 Business Days upon surrender

LETTER FROM THE BOARD

of the old Warrant certificates to the Warrant registrar and transfer agent for splitting or lodgement of the instrument of transfer and the related Warrant certificates to the Warrant registrar and transfer agent for registration of transfer.

Book closure for entitlement to Bonus Issue of Warrants

For the purpose of determining members who are qualified for the proposed Bonus Issue of Warrants, the register of members of the Company will be closed from Wednesday, 8 April 2015 to Thursday, 9 April 2015, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the proposed Bonus Issue of Warrant, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Share Registrar at the Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 2 April 2015 for registration.

Fractional entitlements to the Warrants

Fractional entitlements to the Warrants (if any) will not be issued to any Shareholder and will be disregarded.

Overseas Shareholders

As at the Latest Practicable Date, on the basis of the information made available to the Directors, the Company has one Overseas Shareholder in Taiwan and one Overseas Shareholder in Samoa. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange.

Based on the advice provided by the legal counsels in Taiwan and Samoa, there is no legal restriction under the applicable legislation of Taiwan and Samoa or requirement of any relevant regulatory body or stock exchange with respect to the issue of Warrants to the Overseas Shareholders in Taiwan and Samoa. In view of this, the Directors have decided to extend the issue of Warrants to the Overseas Shareholders with registered address in Taiwan and Samoa and such Overseas Shareholders are Qualified Shareholder.

If on the Record Date, the register of members of the Company reveals there are other Overseas Shareholders, an enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange. If, upon obtaining such legal advice, the Directors consider that the issue of the Warrants to such Overseas Shareholders, would or might, in the absence of compliance with registration or other special formalities, be unlawful or impracticable, no issue of Warrants will be made to such Overseas Shareholder. However, arrangements will be made for the Warrants which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

LETTER FROM THE BOARD

General Mandate to issue the Warrant Shares

The Warrant Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 14 May 2014. Under the General Mandate, the Company was authorised to issue up to 233,473,200 Shares, being 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the annual general meeting. As at the Record Date, no Shares have been allotted and issued under the General Mandate. Under Rule 15.02 of the Listing Rules, as the Warrant Shares will be allotted and issued pursuant to the General Mandate, the issue of the Warrants and the Warrant Shares upon the exercise of the Warrants are not subject to Shareholders' approval.

Reasons for the Bonus Issue of Warrants and use of proceeds

The Board believes that the Bonus Issue of Warrants will provide Shareholders with an opportunity to participate in the growth of the Company. The Bonus Issue of Warrants will also, upon the exercise of the subscription rights attaching thereto, strengthen the equity base of the Company and increase the Company's working capital. The Board believes that the Bonus Issue of Warrants is beneficial to and in the interests of the Company and the Shareholders as a whole.

On the basis of the maximum number of Warrants to be issued and based on the Subscription Price per Warrant Share, gross proceeds of approximately HK\$662.19 million will be raised upon full exercise of the subscription rights attached to the Warrants. Based on the estimated expenses of approximately HK\$0.5 million, the net proceeds of the Bonus Issue of Warrants is estimated to be approximately HK\$661.69 million. It is intended that 70% of the net proceeds will be used for the purchase of production equipment and construction of production plant and 30% of the net proceeds will be used as general working capital of the Group depending on its business needs at the relevant time. As at the Latest Practicable Date, the Company has not identified any specific opportunities for such future development and the Company has not had specific plan for the use of the general working capital. Having said that, the use of general working capital may include, but not limited to, the settlement of trade payables and other payables and repayment of bank borrowings. As at the Latest Practicable Date, there was no concrete identified investment opportunity and the Company has not entered into any formal negotiation, agreement, arrangement or understanding regarding any potential acquisition(s) and/or disposal(s) other than production equipment and production plants.

Based on the estimated amount of net proceeds and the maximum number of Warrants to be issued under the Bonus Issue of Warrants, the net price per Warrant Share is approximately HK\$4.6.

Fund Raising Activities in the Past Twelve Months

In the past 12 months immediately preceding the Latest Practicable Date, the Company did not engage in any fund-raising activity.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the Appendix to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By order of the Board
Ju Teng International Holdings Limited
Cheng Li-Yu
Chairman

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS

The Warrants will be issued subject to and with the benefit of the Instrument to be executed by the Company and they will be issued in registered form and will form one class and rank pari passu in all respects with each other. Warrants to be issued in relation to the Bonus Issue of Warrants will only be issued to Qualified Shareholders. Based on the 1,151,632,000 Shares in issue as at the Latest Practicable Date, the maximum number of Warrants to be issued will be 143,954,000 units entitling the holders thereof to subscribe for a maximum of 143,954,000 new Shares (subject to adjustment in accordance with the terms and conditions of the Instrument) at an initial Subscription Price of HK\$4.6 per Share in cash (subject to adjustment).

The principal terms and conditions of the Warrants will be set out in the certificates for the Warrants and will include provisions to the effect set out below. Holders of the Warrants will be entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and the provisions of the Instrument, a copy of which will be available for inspection by the Shareholders at the Company's principal place of business in Hong Kong at Suites 3311-3312, Jardine House, 1 Connaught Place, Central, Hong Kong and of the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong during normal business hours on any weekday, except Saturdays, Sundays and public holidays, throughout the Subscription Period from Wednesday, 15 April 2015 up to and including Friday, 14 October 2016.

1. EXERCISE OF SUBSCRIPTION RIGHTS

- (A) Subject to the provisions of the terms and conditions of the Instrument and in compliance with all exchange control, fiscal and other laws and regulations applicable thereto, the registered holder (the "**Warrant Holder**") of the Warrants represented by the certificate for the Warrants (the "**Warrant Certificate**") will have the right, which may be exercised in whole or in part (but not in respect of any fraction of a Share) at any time during the period commencing from Wednesday, 15 April 2015 and ending at 4:00 p.m. (Hong Kong time) on Friday, 14 October 2016, both days inclusive (the "**Subscription Period**"), to subscribe for fully paid Shares at the Subscription Price of HK\$4.6 per Share, subject to adjustment (the "**Subscription Rights**"). After 4:00 p.m. (Hong Kong time) on Friday, 14 October 2016, any Subscription Rights which have not been exercised will lapse and the Warrants and the Warrant Certificates shall cease to be valid for any purpose whatsoever.

For the purpose of the Instrument, Shares shall mean ordinary shares of HK\$0.10 each in the share capital of the Company existing on the date of the Instrument and all other (if any) stock from time to time and for the time being ranking pari passu therewith and all other (if any) Shares or stock in the equity share capital of the Company resulting from any subdivision, consolidation or reclassification of Shares.

- (B) In order to exercise in whole or in part the Subscription Rights represented by the Warrant Certificate, the Warrantholder(s) must deliver to the registrar of the Company who maintains the register of Warrantholders (the "**Registrar**"):
- (i) the Warrant Certificate;

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS

- (ii) the completed and signed subscription form (the “**Subscription Form**”) printed on the overleaf of the Warrant Certificate (which shall be irrevocable); and
- (iii) a remittance for the Exercise Moneys (as defined below) for the Shares in respect of which the Subscription Rights are being exercised (or, in the case of a partial exercise, the relevant portion of the Exercise Moneys).

In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

The date of receipt by the Registrar of the above documents is the “**Subscription Date**”. If such rights are exercised during a period when the register of holders of Shares is closed, the Subscription Date will be the next following Business Day on which such register is open.

“**Exercise Moneys**” shall mean in relation to any Warrant or Warrants, the amount in cash which the Warrantholder of such Warrant or Warrants is entitled to subscribe upon the exercise of the Subscription Rights represented thereby.

- (C) No fraction of a Share will be allotted but any balance representing fractions of the Exercise Moneys paid on the exercise of the Subscription Rights will be retained by the Company for its own benefit, provided always that, if the Subscription Rights attached to the Warrants represented by any one or more Warrant Certificates are exercised by the same Warrantholder on the same Subscription Date, then for the purpose of determining whether any (and if so, what) fraction of a Share arises, such Subscription Rights represented by such Warrant Certificates shall be aggregated.
- (D) The Company has undertaken in the Instrument that Shares falling to be issued upon the exercise of the Subscription Rights represented by the Warrant Certificate will be issued and allotted not later than 28 days after the relevant Subscription Date and will rank *pari passu* with the fully paid Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders thereof to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Hong Kong Stock Exchange prior to the relevant Subscription Date.
- (E) As soon as practicable after the relevant allotment of Shares (and not later than 28 days after the relevant Subscription Date) there will be issued free of charge to the Warrantholder(s):
 - (i) a certificate (or certificates) for the relevant Warrant Shares in the name(s) of such Warrantholder(s);

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE WARRANTS

- (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by the Warrant Certificate and remaining unexercised;
- (iii) (if applicable) a certificate in registered form evidencing the right of the exercising Warrantholder to the allotment of an additional nominal amount of the capital of the Company, in the event that the credit standing to the subscription right reserve (see paragraph 4 below) is insufficient for the purpose for which it is established; and
- (iv) (if applicable) a certificate of any balance of fractions of Subscription Price paid on exercise of the Subscription Rights which is retained pursuant to the provisions referred to in paragraph (C) above.

The certificate(s) for Shares arising on the exercise of Subscription Rights, the balancing Warrant Certificate (if any) and the certificate evidencing the right to allotment of an additional nominal amount of capital (if any) and the certificate of the balance of fractions of Subscription Price retained by the Company (if any) will be sent by post at the risk of such Warrantholder to the address of such Warrantholder or (in the case of a joint holding) to that one of the joint Warrantholders whose name stands first in the register of the Warrantholders. If the Company agrees, such certificates may by prior arrangement be retained by the Registrar to await collection by the relevant Warrantholder(s).

2. ADJUSTMENTS OF SUBSCRIPTION RIGHTS AND/OR SUBSCRIPTION PRICE

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- (A) The Subscription Price shall (except as mentioned in sub-paragraphs (B) and (C) below) be adjusted as provided in the Instrument in each of the following cases:
 - (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - (iii) Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares (in their capacity as such);
 - (iv) a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire cash assets of the Company or any of its subsidiaries;

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- (v) an offer or grant being made by the Company to holders of its Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90% of the market price (calculated as provided in the Instrument);
- (vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined below) per Share is less than 90% of the market price (calculated as provided in the Instrument), or the terms of any such issue being altered so that the said total Effective Consideration is less than 90% of the market price;

“**total Effective Consideration**” shall mean the consideration receivable by the issuer for issue of securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights and the Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue;

- (vii) an issue being made wholly for cash of Shares (other than pursuant to a share option scheme) at a price less than 90% of the market price (calculated as provided in the Instrument); and
 - (viii) a cancellation of any Shares repurchased by the Company (other than on the Hong Kong Stock Exchange or any other stock exchange recognised for such purpose) in circumstances where the Directors consider that it would be fair and appropriate to make an adjustment to the Subscription Price to reflect the relative interests of the persons affected by such purchase of shares by the Company.
- (B) Except as mentioned in sub-paragraph (C) below, no such adjustment as is referred to in subparagraph (A) above shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any Subsidiary (as defined in the Instrument) wholly or partly convertible into, or rights to acquire, Shares to executive Directors or employees of the Company or any Subsidiaries or their personal representatives pursuant to a Share Option Scheme (as defined in the Instrument);

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- (iii) an issue by the Company of Shares or by the Company or any Subsidiary of securities convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
- (iv) an issue of fully paid Shares by way of capitalisation of all or part of the Subscription Right Reserve (as defined below) to be established in certain circumstances pursuant to the terms and conditions contained in the Instrument (or any similar reserve which has been or may be established pursuant to the terms of any other securities wholly or partly convertible into or rights to acquire Shares);

“Subscription Right Reserve” shall mean a reserve to be established and thereafter maintained by the Company as from the date of any act or transaction, other than those permitted under the Instrument, which would reduce the Subscription Price to below the par value of a Share, for an amount which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional Shares required to be issued and allotted credited as fully paid up pursuant to the terms of the Instrument on the exercise in full of all the Subscription Rights outstanding and shall, subject to any necessary approval of the shareholders of the Company being obtained in accordance with the provisions of the relevant laws, apply the Subscription Right Reserve in paying up in full such additional Shares as and when the same are allotted.

- (v) an issue of Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Instrument) of such Shares is not more than 110% of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash; and
 - (vi) the issue of the Warrants or the issue of Shares pursuant to the exercise of the Warrants.
- (C) Notwithstanding the provisions referred to in sub-paragraphs (A) and (B) above, in any circumstance where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions, the Directors may appoint an approved merchant bank or the auditors of the Company to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would not or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the auditors of the Company shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) as shall be certified by such approved merchant bank or the auditors of the Company to be in its opinion appropriate.
- (D) Any adjustment to the Subscription Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up. No adjustment shall be made to the Subscription Price in any case in which the

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amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. No adjustment may be made (except on a consolidation of Shares) which would increase the Subscription Price.

- (E) Every adjustment to the Subscription Price will be certified by the auditors of the Company or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Warrantheolders. Any such certificate(s) of the auditors and/or approved merchant bank will be available at the principal place of business for the time being of the Company in Hong Kong, where copies may be obtained without charge.

3. REGISTER OF WARRANTS

The Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or required by law, be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

4. SUBSCRIPTION RIGHT RESERVE

The Instrument provides that, subject to such provision not contravening any laws of the Cayman Islands for the time being applicable to the Company, if the Company does any act which would result in the Subscription Price being reduced below the par value of a Share, a subscription right reserve is to be created and applied in paying up the difference between the Subscription Price and the par value of a Share on any exercise of the Warrants.

5. TRANSFER, TRANSMISSION AND REGISTER

The Warrants shall be transferable in whole amounts or multiples of the Subscription Price for the time being in force (being HK\$4.6 as at the Latest Practicable Date) by an instrument of transfer in any usual or common form or such other form as may be approved by the Directors or, where the transferor and/or the transferee is HKSCC Nominees Limited, by an instrument of transfer executed under hand by authorised person(s) or by machine imprinted signature(s). For this purpose, the Company shall maintain a register of Warrantheolders therefor. The Instrument contains provisions relating to the transfer, transmission and registration of the Warrants. Transfers of Warrants must be executed by both the transferor and the transferee.

Persons who hold the Warrants and have not registered the Warrants in their own names and wish to exercise the Warrants may incur additional costs and expenses in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Warrants, particularly during the period commencing ten business days prior to and including the last day of the Subscription Period, or such earlier date as provided in the Instrument. Since the Warrants will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three trading days before the last day of the Subscription Period.

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6. CLOSURE OF REGISTER OF WARRANTHOLDERS

The registration of transfers of Warrants may be suspended and the register of Warrantholders may be closed for such period as the Directors may from time to time direct, provided that the same shall not be closed, or registration shall not be suspended, for a period of more than 30 days or, with the approval of an ordinary resolution of Warrantholders, for a longer period not exceeding 60 days in any one year. Any transfer, or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholder who has so exercised the Subscription Rights attached to his Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Warrantholders.

7. PURCHASE AND CANCELLATION

The Company or any of the Subsidiaries (as defined in the Instrument) may at any time purchase Warrants:

- (i) by tender (available to all Warrantholders alike) at any price; or
- (ii) by private treaty at such price as may be agreed with the Warrantholder,

but not otherwise. All Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or resold.

8. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- (A) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by special resolution of the provisions of the Instrument and/or the conditions of the Warrant. A special resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (B) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of the conditions of the Warrant and/or the Instrument) and the sanction of a special resolution shall be necessary and sufficient to effect such alteration or abrogation.
- (C) Where a Warrantholder is a clearing house recognised by the laws of the jurisdiction in which the Shares are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction or a nominee of such clearing house, and, in each case, being a corporation, it may authorise such person(s) as it thinks fit to act as its representative(s) or proxy(ies) at any meeting of Warrantholders or at any meeting of any class of Warrantholders provided that the authorisation shall specify the number of (and, if relevant, the class of) Warrants in respect of which each such representative or proxy is so authorised. Each person so authorised shall be

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entitled to exercise the same rights and powers on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrantholder (or its nominee) in respect of the number (and, in relevant, the class) of Warrants specified in the relevant authorisation or proxy form.

- (D) The quorum for a meeting of Warrantholders shall be two Warrantholders present in person or by proxy and being or presenting in the aggregate the holders of not less than 10% of the Warrants for the time being outstanding. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of any such meeting.

9. REPLACEMENT OF WARRANT CERTIFICATES

In the case of lost Warrant Certificates, Division 5 of Part 4 of the Companies Ordinance (Cap.622 of the Laws of Hong Kong) shall apply as if “share” referred to therein included Warrants.

If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Registrar on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.5 as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

10. PROTECTION OF SUBSCRIPTION RIGHTS

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

11. CALL

If at any time Warrants which have not been exercised carry rights to subscribe for Shares are equal to or less than 5 per cent. of the aggregate value of Subscription Rights, then the Company may, on giving not less than one month’s notice, require Warrantholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to such Warrantholders.

12. FURTHER ISSUES

The Company shall be at liberty to issue further warrants to subscribe for Shares in such manner and on such terms as it sees fit.

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13. UNDERTAKINGS BY THE COMPANY

The Company has undertaken in the Instrument, among other matters, that:

- (i) it shall use its best endeavours to procure that:
 - (a) at all times during the Subscription Period, the Warrants may be dealt in on the Hong Kong Stock Exchange (save that this obligation will lapse in the event that the listing of the Warrants on the Hong Kong Stock Exchange is withdrawn following an offer for all or any of the Warrants); and
 - (b) all Warrant Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Hong Kong Stock Exchange (save that this obligation will lapse in the event that the listing of the Warrant Shares on the Hong Kong Stock Exchange is withdrawn following an offer for all or any of the Warrant Shares where a like offer is extended to holders of the Warrants);
- (ii) it will send to each Warrantholder, within seven days as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of the Shares generally; and
- (iii) it will pay all Hong Kong and, if applicable, Cayman Islands stamp duties, registration fees or similar charges in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights.

14. NOTICES

The Instrument contains provisions relating to notices to be given to Warrantholders.

Every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent.

15. OVERSEAS WARRANTHOLDERS

The Instrument contain provisions restricting the rights of Warrantholders who are resident in or nationals of a Restricted Jurisdiction (as defined in the Instrument) from exercising the Subscription Rights attaching to any Warrants held by such Warrantholders. "Restricted Jurisdiction" is defined as including the United States of America, any of its territories or possessions, the United Kingdom, Canada, any jurisdiction under the laws of which an exercise of Subscription Rights by a Warrantholder who is national or resident thereof or the performance by the Company of the obligations expressed to be assumed by it under the Instrument or the conditions of the Warrants cannot be carried out lawfully or cannot be carried out lawfully without the Company first having taken certain actions in such jurisdiction, and any other country, state or territory nominated by the Directors from time to time. Warrantholders will be notified of any such nomination as soon as practicable after it has been made.

16. LIQUIDATION OF THE COMPANY

- (A) In the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to windup the Company voluntarily, every Warranholder shall be entitled by irrevocable surrender of his Warrant Certificate(s) to the Company with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys or the relative portion thereof (such surrender to occur not later than five Business Days prior to the proposed shareholders' meeting) to be allotted and issued, as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' meeting, the Shares which fall to be issued pursuant to the exercise of the relevant Subscription Rights.

- (B) If an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some persons designated by them for such purpose by special resolution, shall be a party or in conjunction with which a proposal is made to the Warranholders and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warranholders.

17. GOVERNING LAW

The Instrument and the Warrants are governed by and shall be construed in accordance with the laws of Hong Kong.