

## **RMB Follow-on Offering FAQ**

**1. What is a RMB follow-on offering?**

An RMB follow-on offering allows an existing listed issuer to raise funds in RMB. A listed issuer can choose to raise funds in RMB via placement, rights issue/open offer, public offer, or a combination of the above, which is similar to existing fund raising methods allowed under the Listing Rules. The RMB follow-on offering will lead to the creation of a new counter of RMB-traded Shares of the same issuer on the Stock Exchange alongside the HKD counter with different stock codes. While the new shares subscribed in RMB will be traded in the RMB counter, the existing HKD-traded Shares will continue to be traded in the existing HKD counter.

**2. Will HKD-traded Shares and RMB-traded Shares be convertible into each other?**

Yes, HKD-traded Shares and RMB-traded Shares can be converted between each other. Liquidity in the trading of both counters is expected to be enhanced as a result.

**3. How can investors holding physical certificates of HKD-traded Shares be converted into RMB-traded Shares, or vice versa?**

Holders of HKD-traded Shares who wish to trade their Shares on the RMB Counter must first convert their HKD-traded Shares into RMB-traded Shares. Upon conversion, holders of such HKD-traded Shares will be moved from the HKD-traded Share Register to the RMB-traded Share Register. Likewise, holders of RMB-traded Shares who wish to trade their Shares on the HKD Counter must first convert their RMB-traded Shares into HKD-traded Shares. Shareholders may convert their HKD-traded Shares into RMB-traded Shares, or vice versa, by submitting share certificates of the Shares to be converted either (i) to HHI's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, during their office hours in exchange for new share certificates for the RMB-traded Shares or HKD-traded Shares (as the case may be) starting from 26 October 2012 (for conversion of HKD-traded Shares into RMB-traded Shares) or 29 October 2012 (for conversion of RMB-traded Shares into HKD-traded Shares), or (ii) to their brokers or dealers for them to perform multi-counter transfer through CCASS. Share certificates for HKD-traded Shares are in red colour and share certificates for RMB-traded Shares are in blue colour.

**4. How can investors make an instruction to convert their HKD-traded Shares held through HKSCC Nominees into RMB-traded Shares, or vice versa?**

Shareholders who have deposited their Shares into CCASS may convert their HKD-traded Shares to RMB-traded Shares, or vice versa, by giving instructions to their brokers or custodians for them to instruct HKSCC Nominees Limited to convert their Shares to RMB-traded Shares or HKD-traded Shares (as the case may be) starting from 29 October 2012.

**5. What is a Free Conversion Period?**

During the Free Conversion Period, from 26 October 2012 (for holders of physical certificates) or 29 October 2012 (for holders whose shares are deposited into CCASS) to 23 November 2012, existing holders of HKD-traded Shares can convert their Shares into RMB-traded Shares at their own discretion at the listed issuer's expense. After the Free Conversion Period, holders of HKD-traded Shares can still convert their Shares into RMB-traded Shares but at the shareholder's own expense. No similar free conversion arrangement will be made available to holders of RMB-traded Shares.

**6. Will holders of the RMB-traded Shares and the HKD-traded Shares be treated differently?**

The Shares traded in the two counters are of the same class. Shareholders shall be entitled to identical shareholders rights regardless of the currency in which their Shares are traded.

**7. What currency/currencies will investors/brokers use to pay for RMB follow-on offerings and trades?**

Hong Kong stamp duty payable by the purchaser on every purchase of and by the seller on every sale of RMB-traded Shares is payable in HKD. While dealings in the RMB-traded Shares will be in RMB, the amount of stamp duty payable on every purchase and every sale of the RMB-traded Shares will be calculated based on the exchange rate as determined by the Hong Kong Monetary Authority which will be published on the Stock Exchange's website by 11:00 a.m. or earlier on each trading day.

Stock Exchange trading fee, Securities and Futures Commission transaction levy, CCASS stock settlement fee payable by each counterparty to a Stock Exchange trade will be collected in HKD and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the Stock Exchange's website by 11:00 a.m. or earlier on each trading day. The currency in which brokerage commission in respect of trades of RMB-traded Shares on the RMB Counter is freely negotiable.

**8. In what currency/currencies will investors receive dividends?**

In the future, dividend (if any) declared by HHI may be in HKD or RMB at HHI's discretion. Although RMB-traded Shares and HKD-traded Shares will be traded in different currency on the RMB Counter and the HKD Counter respectively, they are shares of the same class of HHI entitling the holders thereof to identical rights. Holders of RMB-traded Shares and holders of HKD-traded Shares will receive any future dividend which may be declared by HHI in the currency in which it is declared by HHI, unless they exercise the option given by HHI to elect to receive in the other currency (such option (if any) will be given to all Shareholders) and have validly exercised such option, and in which event, they will receive such dividend in the currency so elected by them.