

## STRUCTURE OF THE GLOBAL OFFERING

### PRICING AND ALLOCATION

#### Offer Price range

The Offer Price will be not more than HK\$3.10 per Offer Share and is expected to be not less than HK\$2.10 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

### PRICE PAYABLE ON APPLICATION

Applicants for Hong Kong Offer Shares under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$3.10 for each Hong Kong Offer Share. If the Offer Price is less than HK\$3.10, appropriate refund payments (including the brokerage, SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applications. Please refer to the section headed “Further Terms and Conditions of the Hong Kong Public Offering — 8. Refund of Application Monies” in this prospectus.

### DETERMINING THE OFFER PRICE

The International Underwriters are soliciting from prospective investors indications of interest in acquiring our shares in the International Offering. Prospective investors will be required to specify the number of shares under the International Offering which they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or around Tuesday, 6 October 2009.

The Offer Price is expected to be fixed by agreement between the Joint Bookrunners (on behalf of the Underwriters) and us, on the Price Determination Date, when market demand for the Hong Kong Offer Shares will be determined. The price determination date is expected to be on or around Wednesday, 7 October 2009 and in any event, no later than Thursday, 8 October 2009.

**If, for any reason, we and the Joint Bookrunners (on behalf of the Hong Kong Underwriters) are unable to reach agreement on the Offer Price on or before Thursday, 8 October 2009, the Global Offering will not proceed.**

### REDUCTION IN OFFER PRICE RANGE AND/OR NUMBER OF HONG KONG OFFER SHARES

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Joint Bookrunners (on behalf of the Underwriters) consider it appropriate, the indicative Offer Price range and/or the number of Hong Kong Offer Shares may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering, provided that it will not result in our Company not fulfilling the requirement under Rule 8.05(2)(d) of the Listing Rules.

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In this case, we will, as soon as practicable following the decision to make any such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published in *South China Morning Post* (in English) and *Hong Kong Economic Times* (in Chinese) notice of the reduction in the indicative Offer Price range and/or number of Hong Kong Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the offering statistics as currently set out in the section headed “Summary” in this prospectus and any other financial information which may change as a result of such reduction. The Offer Price, if agreed upon, will be fixed within such revised Offer Price range. In the absence of any such notice, the Offer Price shall under no circumstances be set outside the Offer Price range indicated in this prospectus.

**Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range and/or number of Hong Kong Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Applicants under the Hong Kong Public Offering should note that in no circumstances can applications be withdrawn once submitted, even if the indicative Offer Price range and/or number of Hong Kong Offer Shares is so reduced.**

### ALLOCATION

Our Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Bookrunners.

Allocation of our Shares pursuant to the International Offering will be determined by the Joint Bookrunners and will be based on a number of factors including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell shares after the listing of the Hong Kong Offer Shares on the Stock Exchange. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of our Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

### ANNOUNCEMENT OF OFFER PRICE AND BASIS OF ALLOCATIONS

The final Offer Price, level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on Monday, 12 October 2009 in *South China Morning Post* (in English), *Hong Kong Economic Times* (in Chinese), the website of the Company at [www.shenguan.com.cn](http://www.shenguan.com.cn) and the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

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Results of allocations in the Hong Kong Public Offering including the Hong Kong Identity Card/Passport/Hong Kong Business Registration Numbers of successful applicants and the number of Hong Kong Offer Shares successfully applied for will be available through a variety of channels as described in the section headed “How to Apply for the Hong Kong Offer Shares – 10. Publication of Results, Dispatch/Collection of Share Certificates and Refunds of Application Monies” in this prospectus.

### CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Hong Kong Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, our Shares to be issued pursuant to the Global Offering (including the additional Shares which may be made available pursuant to the exercise of the Over-allotment Option);
- the Offer Price having been duly agreed between us and the Joint Bookrunners (on behalf of the Hong Kong Underwriters);
- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in such Underwriting Agreements (unless and to the extent such conditions are waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be caused to be published by us in *South China Morning Post* (in English) and *Hong Kong Economic Times* (in Chinese) on the next business day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “Further Terms and Conditions of the Hong Kong Public Offering — 8. Refund of Application Monies” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Hong Kong Banking Ordinance.

**Share certificates for the Hong Kong Offer Shares are expected to be issued on Monday, 12 October 2009 but will only become valid certificates of title at 8:00 a.m. on Tuesday, 13 October 2009, provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” in this prospectus has not been exercised.**

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### THE HONG KONG PUBLIC OFFERING

We are initially offering 40,000,000 Shares at the Offer Price, representing 10% of the 400,000,000 Offer Shares initially available under the Global Offering, for subscription by the public in Hong Kong. The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering will initially be divided equally into two pools for allocation purposes as follows:

- Pool A: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee) of HK\$5 million or less; and
- Pool B: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee) of more than HK\$5 million and up to the value of Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 20,000,000 Hong Kong Offer Shares will be rejected.

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to the following adjustments:

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 120,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering;
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Shares to be reallocated to the Hong Kong Public Offering from International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 160,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering; and

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- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 200,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

Subject to the above, the Joint Bookrunners have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering or all or any unsubscribed International Offer Shares to the Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application form submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any International Offer Shares, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue.

Our Company, our Directors and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the Hong Kong Public Offering from investors who have received shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have received shares in the Hong Kong Public Offering.

The Joint Bookrunners (on behalf of the Underwriters) may require any investor who has been offered shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Bookrunners so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for shares under the Hong Kong Public Offering.

References in this prospectus to applications, application forms, application monies or to the procedure for application relate solely to the Hong Kong Public Offering.

### THE INTERNATIONAL OFFERING

The International Offering will consist of initially 360,000,000 Shares, to be offered by us (a) in the U.S. to QIBs; (b) in the U.S. to a limited number of institutional "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act; and (c) outside of the U.S. in reliance on Regulation S under the U.S. Securities Act, including to professional and institutional investors in Hong Kong. We are expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the International Underwriters during the 30-day period commencing from the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 60,000,000 additional shares, representing in aggregate 15% of the Offer Shares initially available under the Global Offering. These shares will be issued or sold at the same price per share under the International Offering, among other things, to cover over-allocations in the International Offering, if any.

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### SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling our Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, our Shares and our Company complies with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, 13 October 2009, it is expected that dealings in our shares on the Stock Exchange will commence at 9:30 a.m. on Tuesday, 13 October 2009. Our shares will be traded in board lots of 2,000 Shares.

### OVER-ALLOTMENT AND STABILIZATION

We expect to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator (on behalf of the International Underwriters) within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require us to allot and issue up to an additional 60,000,000 Shares, representing in aggregate 15% of the Offer Shares initially available under the Global Offering. These Shares will be issued at the Offer Price solely to cover over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, a press announcement will be made.

The 400,000,000 Shares initially being offered in the Global Offering will represent 25% of our enlarged share capital immediately after the completion of the Global Offering, without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the number of Shares being offered in the Global Offering will increase to 460,000,000, representing approximately 27.71% of our enlarged share capital immediately after the completion of the Global Offering and the exercise of the Over-allotment Option.

For the purpose of covering any covered short position, including any covered short position created by over-allocations, the Stabilizing Manager or its affiliates may borrow from Rich Top Future up to 60,000,000 Shares, equivalent to the maximum number of Shares to be sold on a full exercise of the Over-allotment Option, under the Stock Borrowing Agreement expected to be entered into between the Stabilizing Manager and Rich Top Future on or about Wednesday, 7 October 2009. The loan of Shares by Rich Top Future pursuant to the Stock Borrowing Agreement shall not be subject to the restrictions under Rule 10.07(1)(a) of the Listing Rules which restricts the disposal of Shares by the Controlling Shareholder subsequent to the date of this prospectus, subject to compliance with the following requirements in accordance with the provisions of Rule 10.07(3) of the Listing Rules:

- (i) the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering;

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- (ii) the maximum number of Shares which may be borrowed from Rich Top Future must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;
- (iii) the same number of Shares so borrowed must be returned to Rich Top Future or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day for exercising the Over-allotment Option, and (b) the date on which the Over-allotment Option is exercised in full;
- (iv) the borrowing of Shares pursuant to the Stock Borrowing Arrangement will be effected in compliance with all applicable Listing Rules, laws and other regulatory requirements; and
- (v) no payments will be made to Rich Top Future by the Stabilizing Manager in relation to the stock borrowing agreement.

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, 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 any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, or any person acting for them, on behalf of the Underwriters, may over-allocate or effect any other transactions with a view to stabilizing or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the commencement of trading in our Shares on the Hong Kong Stock Exchange. Such market purchases of Offer Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for them to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571 of the Laws of Hong Kong) includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price; (ii) selling or agreeing to sell Offer Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price; (iii) subscribing, or agreeing to subscribe, for Shares pursuant to the Over-allotment Option in order to close out any position established under item (i) or (ii) above; (iv) purchasing, or agreeing to purchase, Offer Shares for the sole purpose of preventing or minimizing any reduction in the market price; (v) selling Offer Shares to liquidate a long position held as a result of those purchases; and (vi) offering or attempting to do anything described in item (ii), (iii), (iv) or (v) above. The number of Shares that may be over-allocated will not exceed the number of Shares that may be issued under the Over-allotment Option, namely 60,000,000 Shares, which is 15% of our Shares initially being offered in the Global Offering.

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As a result of effecting transactions to stabilize or maintain the market price of our Shares, the Stabilizing Manager, or any person acting for them, may maintain a long position in the Offer Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for them, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. Investors should be warned that, in the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Offer Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for them, is not permitted to support the price of our Shares for longer than the stabilizing period, which begins on the day on which trading of our Shares commences on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end no later than the 30th day after the last day for lodging applications under the Hong Kong Public Offering. As a result, demand for the Offer Shares, and their market price, may fall after the end of the stabilizing period.

Any stabilizing action taken by the Stabilizing Manager, or any person acting for them, may not necessarily result in the market price of the Offer Shares staying at or above the Offer Price either during or after the stabilizing period. Stabilizing bids for or market purchases of the Offer Shares by the Stabilizing Manager, or any person acting for them, may be made at or below the Offer Price and can therefore be made at or below the price paid for the Offer Shares by applicants for, or investors in, the Offer Shares.

In connection with the Global Offering, the Joint Bookrunners may over-allocate up to and not more than an aggregate of 60,000,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.