
STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE STRUCTURE OF THE SHARE OFFER

The Share Offer consists of the Public Offer and the Placing.

Quam Securities Company Limited and Convoy Investment Services Limited are the Joint Lead Managers.

An aggregate of 10,000,000 Shares have been initially allocated to the Public Offer for subscription, subject to re-allocation as mentioned below and under the Listing Rules. An aggregate of 90,000,000 Shares are initially offered under the Placing for subscription, subject to re-allocation as mentioned below and under the Listing Rules.

Investors are free to select to apply for the Public Offer Shares or the Placing Shares, but they may only receive Shares under the Public Offer **OR** the Placing but not both. Our Directors and the Joint Lead Managers will take all reasonable steps to identify any multiple applications under the Public Offer and the Placing which are not allowed and are bound to be rejected.

PRICE PAYABLE UPON APPLICATION FOR THE PUBLIC OFFER SHARES

Investors of the Public Offer Shares will be required to pay the maximum indicative Offer Price of HK\$1.20 plus 1% brokerage, 0.004% transaction levy imposed by the SFC and 0.005% Stock Exchange trading fee, amounting to a total of HK\$2,424.22 for each board lot of 2,000 Shares. If the final Offer Price is less than the maximum indicative Offer Price, arrangements will be made to refund any excess amount to the investors, **WITHOUT INTEREST**.

CONDITIONS OF THE SHARE OFFER

Acceptance of applications for the Public Offer Shares will be conditional upon:

- the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange, our Shares in issue, the Offer Shares and any Shares which may fall to be issued pursuant to any options that may be granted under the Share Option Scheme;
- the agreement on the Offer Price between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) being entered into on the Price Determination Date; and
- the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of a waiver of any condition(s)) and not being terminated in accordance with the terms and conditions of the Underwriting Agreement,

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

If any of the above conditions has not been fulfilled or waived prior to the time(s) and date(s) specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of lapse of the Share Offer will be caused to be published by our Company on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.convoy.com.hk the

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next day following such lapse. In such event, all application money will be refunded, **WITHOUT INTEREST**. The terms on which the application money will be refunded are set forth under “Refund of your application money” on the Application Forms. In the meantime, all application money received from the Public Offer will be held in a separate bank account (or separate bank accounts).

THE PUBLIC OFFER

Our Company is initially offering 10,000,000 Shares under the Public Offer, at the Offer Price, representing 10% of the Offer Shares, for subscription by way of a public offer in Hong Kong, subject to the re-allocation as mentioned below. The Public Offer is lead managed by the Joint Lead Managers and is fully underwritten by the Public Offer Underwriters (subject to our Company and the Joint Lead Managers agreeing to the final Offer Price). Applicants for the Public Offer Shares are required to pay on application the maximum indicative Offer Price of HK\$1.20 per Offer Share plus 1% brokerage, 0.004% transaction levy imposed by the SFC and 0.005% Stock Exchange trading fee.

The Public Offer is open to all members of the public in Hong Kong. An applicant for the Public Offer Shares will be required to give an undertaking and confirmation in the Application Form that he or she or it has not taken up and will not indicate an interest to take up any Placing Shares nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by the applicant is breached and/or is untrue (as the case may be), such applicant’s application under the Public Offer is bound to be rejected. The Public Offer will be subject to the conditions stated under the paragraph headed “Conditions of the Share Offer” above.

If the Public Offer is not fully subscribed for, the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) have the authority to re-allocate all or any of the unsubscribed Public Offer Shares originally included in the Public Offer to the Placing, in such number as it deems appropriate to satisfy demand under the Placing.

The total number of the Public Offer Shares to be allotted and issued may change as a result of the re-allocation as mentioned below.

Basis of allocation of the Public Offer Shares

For allocation purpose only, the number of the Public Offer Shares (after taking into account any re-allocation referred to below) will be divided equally into two pools: pool A and pool B. The Public Offer Shares available in pool A will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares in the aggregate value of HK\$5 million (excluding transaction levy imposed by the SFC, the Stock Exchange trading fee and the brokerage payable thereon) or less. The Public Offer Shares available in pool B will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares in the aggregate value of more than HK\$5 million (excluding transaction levy imposed by the SFC, the Stock Exchange trading fee and the brokerage payable thereon) and up to the total initial value of pool B.

Investors should be aware that allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pool, are likely to be different. Where one of the pools is under-subscribed, the unsubscribed Public Offer Shares will be transferred to satisfy the demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Public Offer Shares from any one pool but not from both pools. Any application made for more than 100% of Public Offer Shares initially available under pool A or pool B is bound to be rejected.

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THE PLACING

Our Company is initially offering 90,000,000 Shares at the final Offer Price, representing 90% of the Offer Shares, for subscription by way of the Placing, subject to re-allocation as mentioned below and under the Listing Rules.

Investors subscribing for the Placing Shares are also required to pay 1% brokerage, 0.004% transaction levy imposed by the SFC and 0.005% Stock Exchange trading fee.

All decisions concerning the allocation of the Placing Shares to prospective placees pursuant to the Placing will be made on the basis of, and by reference to, a number of factors including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not the relevant investor is expected or likely to buy further Shares, or hold or sell our Shares, after the Listing Date. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholders base for the benefit of our Company. In addition, our Company and the Joint Lead Managers will use their best endeavours to observe the minimum public float requirement under the Listing Rules when making allocations of the Placing Shares to investors who are anticipated to have a sizeable demand for such Shares.

The total number of the Placing Shares to be allotted and issued may change as a result of re-allocation mentioned below and any re-allocation of the unsubscribed Public Offer Shares to the Placing as mentioned under the paragraph headed "The Public Offer" in this section.

RE-ALLOCATION BETWEEN THE PLACING AND THE PUBLIC OFFER

The allocation of Offer Shares between the Public Offer and the Placing is subject to adjustment on the following basis:

- (i) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 30,000,000 Shares, representing 30% of the total number of the Offer Shares available under the Share Offer;
- (ii) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 40,000,000 Shares, representing 40% of total number of the Offer Shares available under the Share Offer; and
- (iii) if the number of Shares validly applied for under the Public Offer represents 100 times or more the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 50,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer.

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In each such case, the additional Shares re-allocated to the Public Offer will be allocated equally between pool A and pool B and the number of the Placing Shares will be correspondingly reduced.

Details of any re-allocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Share Offer, which is expected to be published on Monday, 12 July 2010.

LISTING DATE

Assuming that the Share Offer becomes unconditional, it is expected that dealings in our Shares on the Main Board will commence at 9:30 a.m. (Hong Kong time) on Tuesday, 13 July 2010.