
STRUCTURE OF THE SHARE OFFER

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer. The Share Offer comprises:

- (a) the Public Offer of initially 16,680,000 Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the sub-section headed “The Public Offer” below; and
- (b) the Placing of an aggregate of initially 150,120,000 Shares (subject to re-allocation and the Over-allotment Option as mentioned below).

Investors may apply for the Public Offer Shares under the Public Offer or apply for or indicate an interest, if qualified to do so, for the Placing Shares under the Placing, but may not do both. Reasonable steps will be taken to identify and reject applications in the Public Offer from investors that receive Placing Shares, and to identify and reject indications of interest in the Placing from investors that received Public Offer Shares. The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. The Placing will involve selective marketing of the Placing Shares to institutional and professional investors and other investors anticipated to have a sizable demand for the Placing Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Underwriters are soliciting from prospective investors indications of interest in acquiring the Placing Shares. Prospective investors will be required to specify the number of Placing Shares 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 the Price Determination Date.

The Offer Shares will represent approximately 25.0% of the enlarged issued share capital of the Company immediately after completion of the Share Offer, without taking into account the exercise of the Over-allotment Option and the options granted or to be granted under the Share Option Scheme. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the enlarged issued share capital immediately after completion of the Share Offer and the exercise of the Over-allotment Option, without taking into account the Shares which may be issued pursuant to the exercise of option granted or to be granted under the Share Option Scheme.

PRICING

The Offer Price is expected to be fixed by agreement between the Lead Manager (on behalf of the Underwriters) and the Company on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Tuesday, 17 August 2010 and, in any event, no later than Friday, 20 August 2010.

The Offer Price will be not more than HK\$1.62 per Offer Share and will be not less than HK\$1.35 per Offer Share. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date will not be lower than the indicative offer price range stated in this prospectus.

The Offer Price, if agreed upon with the Company and the Lead Manager, shall under no circumstances be set outside the Offer Price range as stated in this prospectus and the number of Offer Shares will under no circumstances be fewer than the number as stated in this prospectus.

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If for any reason, the Offer Price is not agreed by Friday, 20 August 2010 between the Lead Manager (on behalf of the Underwriters) and the Company, the Share Offer will not proceed and will lapse.

THE PUBLIC OFFER

Number of Offer Shares initially offered

16,680,000 Offer Shares are initially offered for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Share Offer (assuming the Over-allotment Option is not exercised).

The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. The total number of Offer Shares initially available under the Public Offer will represent approximately 2.5% of the Company's enlarged share capital immediately after completion of Share Offer assuming the Over-allotment Option and the options granted and to be granted under the Share Option Scheme are not exercised.

Completion of the Public Offer is subject to the conditions as set out in the sub-section headed "Conditions of the Share Offer" below.

Allocation

Allocation of the Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation 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 Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

The total number of Offer Shares initially available under the Public Offer is to be divided into 2 pools for allocation purposes: pool A and pool B. The Public Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, SFC transaction levy, and Stock Exchange trading fee payable) or less. The Public Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price (excluding the brokerage, SFC transaction levy and Stock Exchange trading fee payable) of more than HK\$5 million and up to the total value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Public Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Public 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 the Public 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 50% of the 16,680,000 Shares initially comprised in the Public Offer (that is 8,340,000 Public Offer Shares) are liable to be rejected.

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Reallocation

The allocation of the Offer Shares between (i) the Public Offer and (ii) the Placing is subject to adjustment. If the number of Offer Shares validly applied for under the Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more of the number of Offer Shares initially available under the Public Offer, then Offer Shares will be reallocated to the Public Offer from the Placing. As a result of such reallocation, the total number of the Public Offer Shares available under the Public Offer will be increased to 50,040,000 Shares (in the case of (i)), 66,720,000 Shares (in the case of (ii)) and 83,400,000 Shares (in the case of (iii)) representing approximately 30%, 40% and 50% of the total number of the Offer Shares initially available under the Share Offer, respectively (before any exercise of the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Public Offer will be allocated between pool A and pool B and the number of Offer Shares allocated to the Placing will be correspondingly reduced in such manner as the Lead Manager deem appropriate. In addition, the Lead Manager may allocate Offer Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer.

If the Public Offer is not fully subscribed for, the Lead Manager has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Lead Manager deem appropriate.

Applications

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Shares under the Placing.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Offer Price will be not more than HK\$1.62 and will be not less than HK\$1.35. Applicants under the Public Offer are required to pay, on application, the maximum Offer Price of HK\$1.62 per Share in addition to any brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share. Further details are set out below in the section headed "How to Apply for Public Offer Shares."

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Public Offer.

THE PLACING

Number of Offer Shares offered

Subject to reallocation as described above, the number of the Offer Shares to be initially offered for sale under the Placing will be 150,120,000 Shares, representing approximately 90% of the Offer Shares initially available under the Share Offer and approximately 22.5% of the enlarged issued share capital of the Company immediately after completion of the Share Offer, assuming the Over-allotment

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Option and the options granted or to be granted under the Share Option Scheme are not exercised. The Placing is subject to the same conditions as stated in the paragraph headed “Conditions of the Share Offer” below.

Allocation

The Placing will include selective marketing of the Placing Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for the Placing Shares.

Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of the Placing Shares pursuant to the Placing will be based on 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 it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and the Shareholders as a whole.

The Lead Manager (on behalf of the Underwriters) may require any investor who has been offered Placing Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to the Lead Manager so as to allow them to identify the relevant applications under the Public Offer and to ensure that it is excluded from any application of the Public Offer Shares under the Public Offer.

OVER-ALLOTMENT OPTION AND STABILISATION

The Over-allotment Option

In connection with the Share Offer, the Company intends to grant the Over-allotment Option to the Placing Underwriters, exercisable by the Lead Manager at its sole and absolute discretion on behalf of the Placing Underwriters. Under the Over-allotment Option, which will be exercisable in full or from time to time for up to 30 days after the last day for lodging applications under the Public Offer, the Company may be required to issue at the Offer Price and otherwise on the same terms and conditions as the Shares that are subject to the Share Offer up to an additional 25,020,000 Shares in aggregate, representing 15% of the total number of Shares initially available under the Share Offer. If the Over-allotment Option is exercised in full, the additional Shares made available under the Over-allotment Option will represent approximately 3.6% of the total Shares in issue immediately after completion of the Share Offer, assuming no exercise of the options granted or to be granted under the Share Option Scheme. In the event that the Over-allotment Option is exercised, an announcement will be published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese). In order to facilitate settlement of over-allocations in the Placing and for the purpose of stabilisation of the market price of the Shares (if any), New Charming may lend to the Lead Manager up to 25,020,000 Shares, equivalent to the maximum number of Shares to be issued on the exercise of the Over-allocation Option in full, pursuant to the Stock Borrowing Agreement.

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Stabilising Action

In connection with the Share Offer, the Stabilisation Manager, or any person acting for it, on behalf of the Placing Underwriters, may, but is not obliged to, over-allocate or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Such transactions, if commenced, may be discontinued at any time but any stabilising activity is required to be brought to an end no later than the 30th day after the last day for lodging Application Forms under the Public Offer. The Stabilisation Manager has been or will be appointed as stabilisation manager for the purposes of the Share Offer in accordance with the Securities and Futures (Price Stabilising) Rules made under the SFO and, should stabilising transactions be effected in connection with the Share Offer, this will be at the absolute discretion of the Stabilisation Manager.

Following any over-allocation of Shares in connection with the Placing, the Stabilisation Manager or any person acting for it may cover such over-allocation by (among other methods) making purchases in the secondary market, exercising the Over-allotment Option in full or in part, or by any combination of purchases and the exercise of the Over-allotment Option. Any such purchases will be made in compliance with all applicable laws and regulatory requirements including the Securities and Futures (Price Stabilising) Rules made under the SFO. The number of Shares which can be over-allocated will not exceed the number of Shares which are the subject of the Over-allotment Option, being 25,020,000 Shares representing not more than 15% of the Shares initially available under the Share Offer.

Stabilisation action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules, as amended, includes (i) over-allocating for the purpose of preventing or minimising any reduction in the market price of the Shares, (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimising any reduction in the market price of the Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in Shares should note that:

- The Stabilisation Manager may, in connection with the stabilising action, maintain a long position in the Shares;
- There is no certainty regarding the extent to which and the time period for which the Stabilisation Manager will maintain such a position;
- Liquidation of any such long position by the Stabilisation Manager may have an adverse impact on the market price of the Shares;

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- No stabilising action will be taken to support the price of the Shares for longer than the stabilising period which will begin on the Listing Date and is expected to expire at the end of 16 September 2010, being the 30th day after the last day for lodging Application Forms under the Public Offer. After this date, when no further action may be taken to support the price of the Shares, demand for the Shares, and therefore the price of the Shares, could fall;
- The price of any security (including the Shares) cannot be assured to stay at or above its Offer Price by the taking of any stabilising action; and
- Stabilising bids may be made or transactions effected in the course of the stabilising action at any price at or below the Offer Price, which means that stabilising bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Details of stabilisation action undertaken by Stabilisation Manager, its affiliates or any person acting for it will be announced in accordance with applicable laws and regulatory requirements in Hong Kong.

The Stabilisation Manager or its authorised agents may borrow up to 25,020,000 Shares from New Charming, equivalent to the maximum number of additional Shares to be offered upon full exercise of the Over-allotment Option, under the Stock Borrowing Agreement. The stock borrowing arrangement under the Stock Borrowing Agreement will comply with the requirements set out in Rule 10.07(3) of the Listing Rules such that it will not be subject to the restrictions of Rule 10.07(1) of the Listing Rules. Rule 10.07(3) of the Listing Rules requires that:

- the Stock Borrowing Agreement will only be effected by Stabilisation Manager or its authorised agents for settlement of over-allocations in the Placing and solely covering any short position prior to the exercise of the Over-allotment Option;
- the maximum number of Shares to be borrowed from New Charming will be limited to the maximum number of Shares which may be issued or sold upon exercise of the Over-allotment Option;
- the same number of Shares so borrowed must be returned to New Charming within the third business day, a day that is not a Saturday, Sunday or public holiday in Hong Kong, following the earlier of (i) the last day on the Over-allotment Option may be exercised, or (ii) the day on which the Over-allotment Option is exercised in full;
- borrowing of shares pursuant to the Stock Borrowing Agreement will be effected in compliance with all applicable Listing Rules, laws and other regulatory requirements; and
- no payments will be made to New Charming by the Stabilisation Manager in relation to the Stock Borrowing Agreement.

A public announcement, as required by the Securities and Futures (Price Stabilising) Rules made under the SFO, will be made within seven days of the expiration of the stabilising period.

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The Shares will be Eligible for CCASS

All necessary arrangements have been made to enable the Shares to be admitted into the CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company complies with the stock admission requirements of HKSCC, the 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 the 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

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on 25 August 2010, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:30 a.m. on 25 August 2010.

Conditions of the Share Offer

Acceptance of all applications for the Offer Shares pursuant to the Share Offer will be conditional on:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued under the Over-allotment Option) and any Shares which may be issued upon exercise of the options granted or to be granted under the Share Option Scheme; and
- (b) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining 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 the respective Underwriting Agreements (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 that is 30 days after the date of this prospectus.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If any of the above conditions is not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by the Company in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the next day following such lapse. Such announcement will also be available at the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.bsgroup.com.hk. In such eventuality, all application monies will be returned, without interest, on

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the terms set out in the section headed “How to Apply for Public Offer Shares.” In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banker or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Shares are expected to be issued on 24 August 2010 but will only become valid certificates of title at 8:00 a.m. on 25 August 2010 provided that (i) the Share Offer has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting — Grounds for termination” has not been exercised.

You will receive a share certificate for all the Offer Shares issued to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Form or by **Electronic Application Instructions** to HKSCC where share certificates will be deposited in CCASS).