
STRUCTURE OF THE GLOBAL OFFERING

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$3.00 and is expected to be not less than HK\$2.20. Applicants under the Hong Kong Offering should pay, on application, the maximum price of HK\$3.00 per Share plus the brokerage fee of 1.0 per cent., the SFC transaction levy of 0.003 per cent. and the Stock Exchange trading fee of 0.005 per cent. thereon, amounting to a total of HK\$3,030.24 per board lot of 1,000 Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK\$3.00, being the maximum price, the Company will refund the respective difference (including the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) to successful applicants, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

DETERMINING THE OFFER PRICE

The Offer Price is expected to be determined by agreement between the Joint Bookrunners, on behalf of the Underwriters, the Controlling Shareholders, and the Company on or before 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 Thursday, 7 October 2010 and in any event, no later than Tuesday, 12 October 2010.

The Offer Price will not be more than HK\$3.00 per Offer Share and is expected to be not less than HK\$2.20 per Offer Share. The Offer Price will fall within the indicative Offer Price range as stated in this prospectus unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Offering. 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.

The Joint Bookrunners, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional, corporate and other investors during the book-building process, and with the Company’s consent, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ircgroup.com.hk notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range. Upon issue of such a notice, the revised number of Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with us, will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the offer statistics as currently set out in the section headed “Summary” in this prospectus and any other financial information which may change materially as a result of such reduction.

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If applications for Hong Kong Offer Shares have been submitted, then even if the number of Offer Shares and/or the indicative Offer Price range is so reduced, such applications cannot be withdrawn subsequently.

In the absence of any notice being published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) of a reduction in the number of Offer Shares and/or the indicative Offer Price range stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Offering, the number of Offer Shares and/or the Offer Price, if agreed upon with us, will under no circumstances be fewer than the number of Offer Shares or be set outside the Offer Price range as stated in this prospectus.

If the Joint Bookrunners (on behalf of the Underwriters), the Controlling Shareholders and the Company are unable to reach agreement on the Offer Price, the Global Offering will not become unconditional and will lapse immediately.

The Group expect to publish an announcement of the Offer Price, together with the level of interest in the International Offering and the results of application in respect of the Hong Kong Offering and basis of allotment of the Hong Kong Offer Shares, on Wednesday, 13 October 2010.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Offering as part of the Global Offering. The Global Offering comprises the Hong Kong Offering and the International Offering. The Company and the Selling Shareholder intend to make available initially up to 1,325,000,000 Shares under the Global Offering, of which 1,192,500,000 Shares will initially be conditionally placed pursuant to the International Offering and the remaining 132,500,000 Shares will initially be offered to the public in Hong Kong at the Offer Price under the Hong Kong Offering (subject, in each case, to adjustment on the basis set out in the sub-section headed “The Hong Kong Offering” of this section in this prospectus). The Company will conditionally place the Shares in the International Offering with professional, institutional, corporate and other investors anticipated to have a sizeable demand for the Shares in Hong Kong and other jurisdictions outside the United States to non-U.S. Persons, in reliance on Regulation S, and in the United States with QIBs in reliance on Rule 144A or another applicable exemption from registration.

Investors may apply for Shares under the Hong Kong Offering or indicate an interest, if qualified to do so, for Shares under the International Offering, but may not do both. The Hong Kong Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve selective marketing of Shares to professional, institutional, corporate and other investors anticipated to have a sizeable demand for such 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. Prospective professional, institutional, corporate and other investors will be asked to specify the number of Shares under the International Offering 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.

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Allocation of 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. Such allocation is intended to result in a distribution of 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 Company's shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Offering will be based solely on the level of valid applications received under the Hong Kong Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants, although 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.

In connection with the Global Offering, the Company intends to grant the Over-allotment Option to the International Underwriters exercisable at the sole and absolute discretion of the Sole Global Coordinator (after consultation with the Joint Bookrunners) on behalf of the International Underwriters. Further details are set out in the section headed "The Over-allotment Option" in this prospectus.

The Hong Kong Offering is fully underwritten by the Hong Kong Underwriters and the International Offering is expected to be fully underwritten by the International Underwriters in each case on a several basis, subject to the conditions set out in the section headed "Conditions of the Hong Kong Offering" in this prospectus. The Company entered into the Hong Kong Underwriting Agreement on 29 September 2010, subject to an agreement on the Offer Price between the Company and the Joint Bookrunner (on behalf of the Underwriters), and expect to enter into the International Underwriting Agreement on 7 October 2010. The Hong Kong Underwriting Agreement and the International Underwriting Agreement are expected to be conditional upon each other.

THE HONG KONG OFFERING

The Hong Kong Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Hong Kong Underwriting Agreement) for the subscription in Hong Kong of, initially, 132,500,000 Shares at the Offer Price representing 10 per cent. of the total number of Shares initially available under the Global Offering. Subject to the adjustment of Shares between the International Offering and the Hong Kong Offering, the Hong Kong Offer Shares will represent 3.9 per cent. of the Company's enlarged issued share capital immediately after completion of the Global Offering assuming that the Over-allotment Option is not exercised.

The total number of Offer Shares available under the Hong Kong Offering (after taking account of any adjustment referred to below) is to be divided into two pools for allocation purposes (subject to adjustment of odd lot size): pool A (which initially consists of 66,250,000 Shares) and pool B (which initially consists of 66,250,000 Shares). The Hong Kong Offer

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Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5,000,000 (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5,000,000 and up to the total value of pool B (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable). Applicants should be aware that applications in pool A and in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. Applicants can only receive an allocation of the 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 50 per cent. of the Hong Kong Offer Shares initially included in the Hong Kong Offering will be rejected. Each applicant under the Hong Kong Offering 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 indicated an interest for or taken up and will not indicate an interest for or take up any Offer Shares under the International Offering, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

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

The allocation of Offer Shares between the Hong Kong Offering and the International Offering is subject to adjustment. If the number of Offer Shares validly applied for under the Hong Kong Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Offering, then Offer Shares will be reallocated to the Hong Kong Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Offering will be 397,500,000 Offer Shares, representing 30 per cent. of the Offer Shares initially available under the Global Offering. If the number of Offer Shares validly applied for under the Hong Kong Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Offering, then the number of Offer Shares to be reallocated to the Hong Kong Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Offering will be 530,000,000 Offer Shares, representing 40 per cent. of the Offer Shares initially available under the Global Offering. If the number of Offer Shares validly applied for under the Hong Kong Offering represents 100 times or more the number of the Offer Shares initially available for subscription under the Hong Kong Offering, then the number of Offer Shares to be reallocated to the Hong Kong Offering from the International Offering will be increased, so that the total number of Offer Shares available under the Hong Kong Offering will be 662,500,000 Offer Shares, representing 50 per cent. of the Offer Shares initially available under the Global Offering. In each such case, the additional Offer Shares reallocated to the Hong Kong Offering will be allocated equally (subject to adjustment of odd lot size) between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced.

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In addition, if the Hong Kong Offering is not fully subscribed, the Joint Bookrunners will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such proportion and amounts as they deem appropriate. Conversely, the Joint Bookrunners may at its discretion reallocate Offer Shares from the International Offering to the Hong Kong Offering to satisfy valid applications under the Hong Kong Offering.

References in this prospectus to applications, Application Forms, application or subscription monies or the procedure for application relate solely to the Hong Kong Offering.

There is no assured entitlement for existing shareholders of Petropavlovsk under the Global Offering.

CONDITIONS OF THE HONG KONG OFFERING

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

- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, Shares to be issued pursuant to the Global Offering, including the additional Shares which may be issued under the Over-allotment Option, and such listing and permission not subsequently having been revoked prior to the commencement of dealings in Shares on the Stock Exchange;
- the Offer Price having been duly agreed between the Company, the Controlling Shareholders and the Joint Bookrunners;
- 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 respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Lead Managers, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective Underwriting 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 30 days after the date of this prospectus.

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

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Company will notify the Stock Exchange immediately. The Company will publish or cause to be published a notice of the lapse of the Hong Kong Offering in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the business day immediately following such lapse.

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If the Hong Kong Offering lapses, the Company will return all application monies to the applicants, without interest and on the terms set out in the section headed “How to Apply for the Hong Kong Offer Shares” in this prospectus. In the meantime, the Company will hold all application monies in a separate bank account or separate bank accounts with the receiving banker(s) or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

THE INTERNATIONAL OFFERING

The number of Offer Shares to be initially offered for subscription or purchase under the International Offering will be 1,192,500,000 Offer Shares (comprising 937,500,000 New Shares and 255,000,000 Sale Shares) representing 90 per cent. of the Offer Shares initially available under the Global Offering. The International Offering is subject to the Hong Kong Offering being unconditional.

Pursuant to the International Offering, the International Offer Shares will be conditionally placed by the International Underwriters, or through selling agents appointed by them, with professional, institutional, corporate and other investors anticipated to have a sizeable demand for Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S and in the United States with QIBs in reliance on Rule 144A.

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

THE OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company intends to grant the Over-allotment Option to the International Underwriters exercisable at the sole and absolute discretion of the Sole Global Coordinator (after consultation with the Joint Bookrunners). The Over-allotment Option gives the Sole Global Coordinator the right, exercisable at any time from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Offering, expected to be 5 November 2010, to require the Company to allot and issue up to an aggregate of 198,750,000 additional Shares, representing in aggregate 15 per cent. of the initial size of the Global Offering at the Offer Price, to, among other things, cover over-allotment, if any, in the International Offering. The Sole Global Coordinator may also cover such over-allotment by purchasing Shares in the secondary market or by a combination of purchase in the secondary market and a partial exercise of the Over-allotment Option. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations. If the Sole Global Coordinator exercises the Over-allotment Option in full, the number of Shares being offered in the Global Offering will increase to 1,523,750,000 Shares, representing approximately 42.4 per cent. of the Company’s enlarged share capital following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made. If the Sole Global Coordinator does not

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exercise the Over-allotment Option, the number of Shares being offered in the Global Offering will represent approximately 39.1% per cent. of the Company's enlarged share capital following the completion of the Global Offering.

In order to facilitate the settlement of over-allotment in connection with the International Offering, the Sole Global Coordinator may choose to borrow Shares from the Selling Shareholder under the Stock Borrowing Agreement that may be entered into between the Sole Global Coordinator and the Selling Shareholder, or acquire Shares from other sources. The Stock Borrowing Agreement will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set out in Rule 10.07(3) are complied with. Furthermore, (i) Shares so borrowed will only be used for settlement of over-allotment in the International Offering prior to the exercise of the Over-allotment Option; (ii) the maximum number of Shares to be borrowed from the Selling Shareholder will be 198,750,000 Shares; (iii) the same number of Shares so borrowed must be returned to the Selling Shareholder on or before the third Business Day following the earlier of (a) the last date on which the Over-allotment Option may be exercised, and (b) the day on which the Over-allotment Option is exercised; and (iv) borrowing of stock pursuant to the Stock Borrowing Agreement will be effected in compliance with all applicable laws and regulatory requirements. No payment is being made to the Selling Shareholder by the Sole Global Coordinator with respect to these arrangements.

STABILISING ACTION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to minimise and, if possible, prevent a decline in the prices of the Company's Shares. In Hong Kong and certain other jurisdictions, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, Merrill Lynch Far East Limited, as the Stabilisation Manager, or any person acting for it, on behalf of the Underwriters, may over-allot or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period commencing on the Listing Date. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements including those of Hong Kong. However, there is no obligation on the Stabilisation Manager or any person acting for it to do this. Such stabilisation, if commenced, will be conducted at the absolute discretion of the Stabilisation Manager or any person acting for it and may be discontinued at any time, and must be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Offering, expected to be 5 November 2010. The number of Shares that may be over-allotted will not be greater than the number of Shares which may be sold upon exercise of the Over-allotment Option, being 198,750,000 Shares, which is 15 per cent. of the Shares initially available under the Global Offering.

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The Stabilisation Manager or any person acting for it may take all or any of the following stabilising actions in Hong Kong during the stabilisation period:

- purchase, or agree to purchase, any of the Shares or offer or attempt to do so for the sole purpose of preventing or minimising any reduction in the market price of the Shares; and/or
- in connection with any action described in the foregoing paragraph:
 - (A) (1) over-allot the Shares; or
 - (2) sell or agree to sell the Shares so as to establish a short position in them, for the sole purpose of preventing or minimising any reduction in the market price of the Shares;
 - (B) exercise the Over-allotment Option and purchase or subscribe for or agree to purchase or subscribe for the Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of the Shares acquired by it in the course of the stabilising action referred to in paragraph (i) above in order to liquidate any position that has been established by such action; and/or
 - (D) offer or attempt to do anything as described in paragraph (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Stabilisation Manager, or any person acting for it, may, in connection with the stabilising action, maintain a long position in Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilisation Manager or any person acting for it, which may include a decline in the market price of Shares.

Stabilisation cannot be used to support the price of the Group's Shares for longer than the stabilisation period, which begins on the day on which dealings in the Group's Shares commence on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Offering. The stabilisation period is expected to expire on the 30th day after the last day for the lodging of applications under the Hong Kong Offering, expected to be 5 November 2010. After this date, when no further stabilising action may be taken, demand for the Group's Shares, and therefore their market price, could fall. A public announcement will be made within seven days after the end of the stabilising period in accordance with the Securities and Futures (Price Stabilising) Rules of the Hong Kong Securities and Futures Ordinance.

Any stabilising action taken by the Stabilisation Manager, or any person acting for it, may not necessarily result in the market price of the Group's Shares staying at or above the Offer Price either during or after the stabilisation period. Stabilisation bids or market purchases effected in the course of the stabilising action may be made at any price at or below the Offer Price and can therefore be done at a price below the price investors have paid in acquiring the Group's Shares.

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DEALING

Assuming that the Hong Kong Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, 14 October 2010, it is expected that dealings in the Group's Shares on the Stock Exchange will commence at 9:30 a.m. on 14 October 2010. The Group's Shares will be traded on the Main Board in board lots size of 1,000 Shares each.