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OFFER PRICE AND PRICE PAYABLE ON APPLICATION

The Offer Price is HK\$1.60 per Share. Based on the Offer Price plus 1% brokerage fee, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee, one board lot of 2,000 Shares will amount to a total of HK\$3,232.26.

CONDITIONS

Acceptance of all applications for the Offer Shares in the Offering will be conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus (including Shares which may fall to be issued upon the exercise of the Over-allotment Option); and
- (ii) the execution and delivery of the Placing Underwriting Agreement by the parties thereto on or before 6 January 2012; and
- (iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming unconditional and the obligations under any of the Underwriting Agreements not being terminated in accordance with their terms or otherwise, prior to 8:00 a.m. on the day on which the Shares commence trading on the Main Board,

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent that the relevant deadline is extended or the relevant conditions, where applicable, are waived on or before such dates and times) and in any event not later than Saturday, 28 January 2012, being the 30th day after the date of this prospectus.

If, for any reason, the Placing Underwriting Agreement is not entered into, the Offering will not proceed.

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

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In the event that the Offering lapses, notice of the lapse will be published by the Company in South China Morning Post (in English) and Hong Kong Economic Journal (in Chinese) on the next day following such lapse. In such event, all application monies will be returned, without interest, on the terms set out in the section headed “How to apply for the Public Offer Shares” in this prospectus.

In the meantime, application monies will be held in a separate bank account with Horsford Nominees Limited or any other licensed bank(s) in Hong Kong.

OFFER MECHANISM — BASIS OF ALLOCATION OF SHARES

The Offering

The Offering consists of the Placing and the Public Offering. The 105,000,000 Shares initially offered will comprise 94,500,000 Shares being offered under the Placing (being 76,500,000 New Shares offered for subscription by our Company and 18,000,000 Sale Shares offered for sale by the Selling Shareholder) and 10,500,000 Shares being offered under the Public Offering. The 105,000,000 Shares being offered under the Offering will represent approximately 25.15% of the Company’s enlarged share capital immediately after the completion of the Offering (without taking into account exercise of the Over-allotment Option).

Subject to possible reallocation on the basis set forth below, 10,500,000 Shares, representing 10% of the total number of Shares initially being offered under the Offering, will be offered to the public in Hong Kong under the Public Offering. The Public Offering is open to all members of the public in Hong Kong as well as to institutional and professional investors.

Out of the total 105,000,000 Shares offered pursuant to the Offering, 94,500,000 Shares, representing 90% of the total number of Shares initially being offered under the Offering, will be offered under the Placing to professional, institutional and/or other investors in Hong Kong.

Investors may apply for Shares under the Public Offering or indicate an interest for Shares under the Placing, but may not do both. Reasonable steps will be taken to identify and reject applications in the Public Offering from investors that received Shares under the Placing, and to identify and reject indications of interest in the Placing from investors that received Public Offer Shares.

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The number of Shares to be offered under the Public Offering and the Placing are subject to reallocation and, in the case of the Placing only, subject to the Over-allotment Option, as described below.

If the Over-allotment Option is exercised in full, the Shares comprised in the Offering will represent approximately 27.87% of the enlarged issued share capital of the Company immediately after the completion of the Offering and the exercise of the Over-allotment Option.

The levels of indication of interest in the Placing and the basis of allocation and the level of applications under the Public Offering are expected to be published in South China Morning Post (in English) and in Hong Kong Economic Journal (in Chinese) on or before Wednesday, 11 January 2012.

The Placing

Under the Placing, the Company will initially be offering 76,500,000 New Shares for subscription and the Selling Shareholder will be offering 18,000,000 Sale Shares for sale, and such Shares together represent 90% of the total number of Shares initially available under the Offering (assuming the Over-allotment Option is not exercised). The Placing is fully underwritten by the Placing Underwriters, subject to the terms and conditions of the Placing Underwriting Agreement.

The Placing Underwriters (other than WAG Worldsec) will be soliciting from prospective professional and institutional and other investors indications of interest in acquiring the Placing Shares under the Placing. Professional and/or institutional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and/or other securities and corporate entities which regularly invest in shares and/or other securities. In Hong Kong, retail investors should apply for the Public Offer Shares under the Public Offering, as retail investors applying for the Placing Shares, including retail investors applying through banks and/or other institutions, are unlikely to be allocated any Placing Shares.

Allocation of the Placing Shares to investors pursuant to the Placing is based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to buy further and/or hold or sell its Shares after the Listing. Such allocation is generally intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a broad shareholder base to the benefit of the Company and its Shareholders taken as a whole.

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Professional and institutional investors may apply for Offer Shares under the Public Offering or receive Offer Shares under the Placing. However, such investor will only receive Offer Shares under either the Public Offering or the Placing, but not both.

The Placing is conditional on the same conditions as set out in the paragraph headed “Conditions” above. The total number of Placing Shares to be allotted and issued pursuant to the Placing may change as a result of the clawback arrangement referred to in the paragraph headed “Reallocation of the Offer Shares between the Public Offering and the Placing” below, the exercise of the Over-allotment Option and any reallocation of unsubscribed Shares originally included in the Public Offering.

The Public Offering

The Company is initially offering 10,500,000 Public Offer Shares, representing approximately 10% of the total number of Shares initially available under the Offering (assuming the Over-allotment Option is not exercised), for subscription to the public in Hong Kong at the Offer Price. The Public Offering is fully underwritten by the Public Offer Underwriters, subject to the terms and conditions of the Public Offer Underwriting Agreement.

Allocation of the Public Offer Shares to investors under the Public Offering will be based solely on the level of valid applications received. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by each applicant. This may involve balloting, which would mean that some applicants may be allotted more Shares than others who have applied for the same number of Public Offer Shares and that applicants who are not successful in the ballot may not receive any Public Offer Shares.

The total number of Shares available for subscription under the Public Offering (after taking into account any reallocation of Offer Shares between the Placing and the Public Offering referred to below) is to be divided into two pools for allocation purposes: pool A and pool B. The Public Offer Shares in pool A will be allocated on an equitable basis to successful applicants who have applied for Shares with an aggregate subscription price of HK\$5.0 million (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Public Offer Shares in pool B will be allocated on an equitable basis to successful applicants who have applied for Shares with an aggregate subscription price of more than HK\$5.0 million (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the value of pool B. Applicants should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Public Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

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Applicants can only receive an allocation of 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 100% of the Public Offer Shares in either pool A or pool B initially being offered for subscription pursuant to the Public Offering will be rejected at the discretion of the Sponsor and Luen Fat on behalf of the Company. Each applicant under the Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not indicated and will not indicate an interest for and have not received or been placed or allotted (including conditionally and/or provisionally) Shares under or otherwise participated in 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).

Reallocation of the Offer Shares between the Public Offering and the Placing

The allocation of the Offer Shares between the Public Offering and the Placing is subject to adjustment. If the number of Shares validly applied for under the Public Offering represents 15 times or more but less than 50 times of the number of Shares initially available for subscription under the Public Offering, then Shares will be reallocated to the Public Offering from the Placing so that the total number of Shares available for subscription under the Public Offering will increase to 31,500,000 Shares, representing 30% of the Shares initially available for subscription under the Offering. If the number of Shares validly applied for under the Public Offering represents 50 times or more but less than 100 times of the number of Shares initially available for subscription under the Public Offering, then the number of Shares to be reallocated to the Public Offering from the Placing will be increased so that the total number of Shares available for subscription under the Public Offering will be 42,000,000 Shares, representing 40% of the Shares initially available for subscription under the Offering. If the number of Shares validly applied for under the Public Offering represents 100 times or more of the number of Shares initially available for subscription under the Public Offering, then the number of Shares to be reallocated to the Public Offering from the Placing will be increased, so that the total number of Shares available for subscription under the Public Offering will increase to 52,500,000 Shares, representing 50% of the Shares initially available for subscription under the Offering. In each such case, the additional Shares reallocated to the Public Offering will be allocated equally between pool A and pool B.

The Placing Shares being offered in the Placing may be made available as additional Public Offer Shares at the discretion of Luen Fat (who, before exercising such discretion, shall have obtained the Sponsor's prior written consent in respect thereof) (on behalf of the Underwriters) to satisfy valid applications made pursuant to the Public Offering.

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In addition, if the Public Offering is not fully subscribed, Luen Fat (on behalf of the Underwriters) at its discretion (who, before exercising such discretion, shall have obtained the Sponsor's prior written consent in respect thereof) may reallocate all or any of the unsubscribed Public Offer Shares originally included in the Public Offering to the Placing as it deems appropriate.

The number of Placing Shares available under the Placing will be correspondingly reduced or increased (as the case may be) as a result of reallocation (if any) described above.

OVER-ALLOTMENT AND STABILISATION

Over-allotment Option

Pursuant to the Placing Underwriting Agreement, the Company is expected to grant the Placing Underwriters a right (but not an obligation) exercisable by Luen Fat to exercise the Over-allotment Option no later than 30 days from the last day for lodging applications under the Public Offering. Pursuant to the Over-allotment Option, the Company may be required to issue and allot at the Offer Price up to an aggregate of 15,750,000 additional Shares, representing 15% of the total number of Shares initially available under the Offering, in connection with over-allocations in the Placing, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares so issued will represent approximately 3.64% of the Company's enlarged issued share capital following the completion of the Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made in accordance with the requirements of the Listing Rules.

Stabilisation 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 retard and, if possible, prevent a decline in the initial public offer prices of the securities. In Hong Kong and certain other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilisation is effected is not permitted to exceed the Offer Price.

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In connection with the Offering, Luen Fat (or any person acting for it), as stabilising manager, may, but is not obliged to, over-allocate and/or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period. Such transactions, if commenced, may be discontinued at any time and is required to be brought to an end after a limited period. Luen Fat has been appointed as stabilising manager for the purpose of the Offering in accordance with the Securities and Futures (Price Stabilizing) Rules made under the SFO and, should stabilising action be effected in connection with the Offering, this will be at the sole and absolute discretion of Luen Fat and will be effected in accordance with the laws, rules and regulations in place in Hong Kong on stabilisation and may be discontinued at any time, and is required to be brought to an end on the 30th day after the last day for lodging applications under the Public Offering. The stabilisation period is expected to expire on 4 February 2012.

Following any over-allocation of Shares in connection with the Offering, Luen Fat or any person acting for it may cover such over-allocation by (among other methods) making purchases in the secondary market and/or exercising the Over-allotment Option. Any such purchases will be made in compliance with all applicable rules and regulatory requirements including the Securities and Futures (Price Stabilizing) Rules made under the SFO. The number of Shares which can be over-allocated will not exceed the number of Shares which may be issued upon exercise of the Over-allotment Option, being 15,750,000 Shares, representing 15% of the number of Shares initially available under the Offering.

In order to facilitate the over-allocations in connection with the Offering, Luen Fat may choose to borrow up to 15,750,000 Shares (being the maximum number of Shares which may be issued upon exercise of the Over-allotment Option) from the Selling Shareholder pursuant to the Stock Borrowing Agreement, or acquire Shares from other sources.

If the Stock Borrowing Agreement is entered into, the transactions contemplated thereunder will only be effected by Luen Fat or its agent for settlement of over-allocations in the Placing and such arrangement will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules which restricts the disposal of Shares by the Controlling Shareholders for a certain period of time subsequent to the date of this prospectus, provided that the following requirements of Rule 10.07(3) of the Listing Rules (which are also contained in the Stock Borrowing Agreement) are complied with:

- (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 Placing;

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- (ii) the maximum number of Shares which may be borrowed thereunder must not exceed the maximum number of Shares which may be issued upon full exercise of the Over-allotment Option;
- (iii) the same number of Shares so borrowed must be returned at or before 5:00 p.m. on the fifth business day following the earlier of (a) the last day on which the Over-allotment Option may be exercised, and (b) the date on which the Over-allotment Option is exercised in full, or such earlier time as may be agreed between Luen Fat and the Selling Shareholder;
- (iv) the 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
- (v) no payments will be made to the Selling Shareholder by Luen Fat or its affiliates or any person acting for it, in relation to such Stock Borrowing Agreement.

The possible stabilising action which may be taken by Luen Fat in connection with the Offering may involve (among other things) (i) over-allocation of Shares; (ii) purchases of Shares; (iii) establishing, hedging and liquidating positions in Shares; (iv) exercising the Over-allotment Option in whole or in part; and/or (v) offering or attempting to do any of the foregoing.

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

- Luen Fat or its affiliates or any person acting for it may, in connection with any stabilising action, maintain a long position in the Shares;
- there is no certainty regarding the extent to which and the time period for which any of the abovementioned persons will maintain such a position;
- liquidation of any such long position by any of the abovementioned persons may have an adverse impact on the market price of the Shares;
- no stabilising action can be taken to support the price of the Shares for longer than the stabilising period which will begin on the Listing Date following announcement of the Offer Price and will expire on the 30th day after the date expected to be the latest date for lodging applications under the Public Offering. Accordingly, the stabilisation period is expected to expire on 4 February 2012. 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;

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- the price of any securities of the Company (including the Shares) cannot be assured to stay at or above the 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.