
STRUCTURE AND CONDITIONS OF THE SHARE OFFER

PRICE PAYABLE ON APPLICATION

Based on the Offer Price of HK\$0.5 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy, one board lot of 4,000 Shares will amount to a total of HK\$2,020.16 payable on application.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon the satisfaction of all of the following conditions:

1. Listing

The Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Share Offer, the Capitalisation Issue and Shares which fall to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme (and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange).

2. Underwriting agreement

The obligations of the Underwriter under the Underwriting Agreement becoming unconditional. Details of the Underwriting Agreement and grounds for termination are set out in the section headed “Underwriting” in this prospectus. If these conditions are not fulfilled or waived on or before the times and dates specified in the Underwriting Agreement or such later date as the Sponsor and the Lead Manager (for themselves and on behalf of the Underwriter) jointly may in their absolute discretion determine provided that it shall not be later than 30 days after the date of this prospectus, the Share Offer will lapse and your application money will be refunded to you, without interest, and by post at your own risk. The terms on which your application money will be returned to you are set out under the paragraph headed “Refund of your money” in the relevant Application Forms.

In the meantime, your application money will be held in one or more separate bank accounts with the receiving banker or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of 104,000,000 Shares will initially be made available under the Share Offer, of which 93,600,000 Shares, representing 90% of the total number of Shares initially being offered under the Share Offer, will initially be offered for subscription under the Placing. The remaining 10,400,000 Shares, representing 10% of the total number of Shares initially being offered under the Share Offer, will initially be offered for subscription under the Public Offer. The number of Shares offered for subscription under the Placing and the Public Offer will be subject to re-allocation on the basis described below. No pre-emption right or right to subscribe for the Offer Shares has been granted.

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THE PLACING

The Company is initially offering, at the Offer Price, 93,600,000 Shares (subject to re-allocation as mentioned in the paragraph headed “Re-allocation of Offer Shares between the Public Offer and the Placing” below), representing 90% of the total number of Shares being initially offered under the Share Offer, for subscription by way of Placing. The Placing is managed and fully underwritten by the Lead Manager. Pursuant to the Placing, it is expected that the Placing Underwriter or any selling agents which it nominates will, on behalf of the Company, conditionally place the Placing Shares at the Offer Price plus 1% brokerage, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee with selected professional, institutional and other investors interested in subscribing for the Placing Shares in Hong Kong. Professional and institutional investors generally include brokers, dealers, companies and fund managers, whose ordinary businesses involve dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of the Placing Shares to professional, institutional and other investors interested in subscribing for the Placing Shares in Hong Kong pursuant to the Placing 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 investor is likely to purchase further Shares, or hold or sell the Shares placed, after Listing. Such allocation is intended to result in a distribution of the Placing Shares on the basis which would lead to the establishment of a solid broad shareholder base to the benefit of the Company and the Shareholders taken as a whole. Investors to whom Placing Shares are offered are required to undertake not to apply for the Public Offer Shares under the Public Offer. The level of indication of interests in the Placing are expected to be published in The Standard (in English) and Hong Kong Economic Journal (in Chinese) on Thursday, 27 October 2011. The Placing is subject to the conditions stated in the paragraph headed “Conditions of the Share Offer” above.

Based on the Offer Price of HK\$0.5 per Offer Share, the net proceeds of the Share Offer, after deducting related expenses, are estimated to be approximately HK\$39.7 million.

The Public Offer is open to the public as well as to institutional, professional and other investors interested in subscribing for the Public Offer Shares in Hong Kong. The Placing involves selective marketing of the Placing Shares by the Placing Underwriter to professional, institutional and other investors interested in subscribing for the Placing Shares in Hong Kong. Investors may either apply for the Shares under the Public Offer or indicate interests for the Shares under the Placing, and may only receive an allocation of Shares under the Public Offer or the Placing but not both. The Offer Shares are not available for subscription by the Directors, chief executive of the Company, existing beneficial owners of the Shares or their respective associates.

THE PUBLIC OFFER

The Company is initially offering, at the Offer Price, 10,400,000 Shares (subject to re-allocation as mentioned in the paragraph headed “Re-allocation of Offer Shares between the Public Offer and the Placing” below), representing 10% of the total number of Shares being initially offered under the Share Offer, for subscription under the Public Offer. The Public Offer is fully underwritten by the Public Offer

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Underwriter subject to the terms and conditions of the Underwriting Agreement. Applicants for the Public Offer Shares are required on application to pay the Offer Price plus 1% brokerage, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee.

The Public Offer is open to all members of the public in Hong Kong. An applicant for Public Offer Shares will be required to give an undertaking and confirmation in the Application Form submitted by him/her that he/she has not applied for nor taken up any Placing Shares nor 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 liable to be rejected.

Allocation of the Public 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 the Public Offer Shares validly applied for by each applicant. When there is over subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares. The level of applications under the Public Offer and basis of allotment of the Public Offer Shares are expected to be published in The Standard (in English) and Hong Kong Economic Journal (in Chinese) on Thursday, 27 October 2011.

Applications under the Public Offer from investors receiving the Placing Shares under the Placing will be identified and rejected and investors receiving the Public Offer Shares under the Public Offer will not be offered the Placing Shares under the Placing.

The Public Offer is subject to the conditions as stated in the paragraph headed "Conditions of the Share Offer" above.

RE-ALLOCATION OF OFFER SHARES BETWEEN THE PUBLIC OFFER AND THE PLACING

The allocation of Offer Shares between the Placing and the Public Offer is subject to re-allocation. If the number of Shares validly applied for under the Public Offer:

- (a) represents 15 times or more but less than 50 times of the number of Shares initially available for subscription under the Public Offer, then 20,800,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 31,200,000 Shares will be available for subscription under the Public Offer, representing 30% of the Offer Shares initially available under the Share Offer;
- (b) represents 50 times or more but less than 100 times of the number of Shares initially available for subscription under the Public Offer, then 31,200,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 41,600,000 Shares will be available for subscription under the Public Offer, representing 40% of the Offer Shares initially available under the Share Offer; and

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- (c) represents 100 times or more of the number of Shares initially available for subscription under the Public Offer, then 41,600,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 52,000,000 Shares will be available for subscription under the Public Offer, representing 50% of the Offer Shares initially available under the Share Offer.

If the Public Offer is not fully subscribed, the Sponsor and the Lead Manager jointly have the absolute discretion 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 the demand under the Placing. If the Placing is not fully subscribed, the Sponsor and the Lead Manager jointly, in their sole and absolute discretion, may voluntarily re-allocate all or any unsubscribed Placing Shares originally included in the Placing to the Public Offer, in such number as it deems appropriate provided that there is sufficient demand under the Public Offer to take up such unsubscribed Placing Shares. Details of any re-allocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement, which is expected to be made on Thursday, 27 October 2011.