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## STRUCTURE OF THE SHARE OFFER

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### OFFER PRICE AND PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$1.32 and is expected to be not less than HK\$0.93 per Offer Share. Based on the maximum Offer Price of HK\$1.32 per Offer Share, plus 1% brokerage fee, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee, one board lot of 4,000 Shares will amount to a total of HK\$5,333.22.

The Offer Price is expected to be determined by the Company and the Lead Manager (acting for itself and on behalf of the Underwriters) on Tuesday, 12 June 2012, or such later date as may be agreed by the Company and the Lead Manager (acting for itself and on behalf of the Underwriters) but in any event no later than 5:00 p.m. (Hong Kong time) Wednesday, 13 June 2012.

If, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, the Lead Manager (for itself and on behalf of the Underwriters, and with the consent of the Company) thinks it appropriate (for instance, if the level of interest is below the indicative Offer Price range), the indicative Offer Price range may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering.

In such 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 Public Offering, cause there to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notice of the reduction of the indicative Offer Price range. Such notice will also include any financial information which may change as a result of any such reduction. If, for any reason, the Offer Price is not agreed between the Company and the Lead Manager (on behalf of the Underwriters) on or before the Price Determination Date (or such later day as agreed), the Share Offer will not proceed and will lapse.

### CONDITIONS

Acceptance of all applications for the Share Offer will be conditional upon:

- (a) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Share Offer (including Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme);
- (b) the Offer Price having been duly determined and the execution and delivery of the Price Determination Agreement on or about the Price Determination Date; and
- (c) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Lead Manager for itself and on behalf of the Underwriters) and not being terminated in accordance with the terms of the respective Underwriting Agreements or otherwise,

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in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent that 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.

If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by us in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in “How to Apply for the Hong Kong Offer Shares” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving bankers or other licensed bank(s) in Hong Kong.

Share certificates for the Hong Kong Offer Shares are expected to be issued on Friday, 15 June 2012 but will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on the Listing Date, provided that (i) the Share Offer has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms.

### OFFER MECHANISM — BASIS OF ALLOCATION OF SHARES

#### The Share Offer

The Share Offer consists of the International Placing and the Hong Kong Public Offering. The 200,000,000 Shares initially offered will comprise 180,000,000 Shares being offered under the International Placing and 20,000,000 Shares being offered under the Hong Kong Public Offering. The 200,000,000 Shares being offered under the Share Offer will represent approximately 25% of the Company’s enlarged share capital immediately after completion of the Share Offer.

Subject to possible reallocation on the basis set forth below, 20,000,000 Shares, representing 10% of the total number of Shares initially being offered under the Share Offer, will be offered to the public in Hong Kong under the Hong Kong Public Offering. The Hong Kong 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 200,000,000 Shares offered pursuant to the Share Offer, 180,000,000 Shares, representing 90% of the total number of Shares initially being offered under the Share Offer, will be placed with professional and institutional investors in Hong Kong and other jurisdictions under the International Placing. The International Placing Shares will be offered in Hong Kong and other jurisdictions outside the United States in offshore transactions, as defined in, and in reliance on, Regulation S.

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The levels of indication of interest in the International Placing and the basis of allotment and the results of application under the Hong Kong Public Offering are expected to be published in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese) on or before Friday, 15 June 2012 and the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of our Company at [www.xiezhonginternational.hk](http://www.xiezhonginternational.hk) on or before Friday, 15 June 2012.

### **The International Placing**

The Company is initially offering 180,000,000 International Placing Shares, representing 90% of the total number of Shares initially being offered in the Share Offer, for subscription by way of the International Placing. The International Placing is fully underwritten by the International Underwriters, subject to the terms and conditions of the International Underwriting Agreement. The International Underwriters are soliciting from prospective professional and institutional investors indications of interest in acquiring International Placing Shares in the International Placing. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities and entities which regularly invest in shares and other securities. Prospective professional and institutional investors will be required to specify the number of International Placing Shares they would be prepared to acquire either at different prices or at a particular price. This process is known as “book building”. In Hong Kong, retail investors should apply for Offer Shares in the Hong Kong Public Offering, as retail investors applying for International Placing Shares, including retail investors applying through banks and other institutions, are unlikely to be allocated any International Placing Shares.

Allocation of the International Placing Shares pursuant to the International 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 International 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 as a whole.

If the Hong Kong Public Offering is not fully subscribed, the Lead Manager may reallocate all or any unsubscribed Shares originally included in the Hong Kong Public Offering to the International Placing.

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The International Underwriters or selling agents nominated by the International Underwriters shall, on behalf of the Company, conditionally place the International Placing Shares with professional and institutional investor in Hong Kong and other jurisdictions outside the United States in offshore transactions as defined in, and in reliance on, Regulation S. The International Placing of the International Placing Shares shall be subject to the Share Offer restrictions set out under the section “Information about this Prospectus and the Share Offer” in this prospectus.

The total number of International Placing Shares to be allotted and issued pursuant to the International Placing may change as a result of the clawback arrangement referred to in the paragraph headed “The Hong Kong Public Offering” below and any reallocation of unsubscribed Shares originally included in the Hong Kong Public Offering.

### **The Hong Kong Public Offering**

The Company is initially offering 20,000,000 Hong Kong Offer Shares, representing 10% of the total number of Shares initially being offered in the Share Offer, for subscription by way of a Hong Kong Public Offering in Hong Kong. The Hong Kong Offer Shares are being offered at the Offer Price. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters, subject to the terms and conditions of the Hong Kong Underwriting Agreement.

The total number of Shares available for subscription under the Hong Kong Public Offering (after taking into account any reallocation referred to below) is to be divided equally into two pools for allocation purposes: pool A and pool B. The Shares in pool A will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Shares in pool B will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Shares in one (but not both) of the pools are under-subscribed, the surplus 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 Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications within either pool or between pools and any application for more than the total number of Shares originally allocated to each pool (i.e. 10,000,000 Shares) are liable to be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application have not received any Shares under the International 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).

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The allocation of the Hong Kong Offer Shares between the International Placing and the Hong Kong Public Offering is subject to adjustment. If the number of Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Hong Kong Public Offering, then Shares will be reallocated to the Hong Kong Public Offering from the International Placing, so that the total number of Shares available for subscription under the Hong Kong Public Offering will increase to 60,000,000 Shares, representing 30% of the Shares initially available for subscription under the Share Offer. If the number of Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Shares initially available for subscription under the Hong Kong Public Offering, then the number of Shares to be reallocated to the Hong Kong Public Offering from the International Placing will be increased so that the total number of Shares available for subscription under the Hong Kong Public Offering will be 80,000,000 Shares, representing 40% of the Shares initially available for subscription under the Share Offer. If the number of Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Shares initially available for subscription under the Hong Kong Public Offering, then the number of Shares to be reallocated to the Hong Kong Public Offering from the International Placing will be increased, so that the total number of Shares available for subscription under the Hong Kong Public Offering will increase to 100,000,000 Shares, representing 50% of the Shares initially available for subscription under the Share Offer. In each such case, the additional Shares reallocated to the Hong Kong Public Offering will be allocated equally between pool A and pool B and the number of Shares allocated to the International Placing will be correspondingly reduced.

In addition, if the Hong Kong Public Offering is not fully subscribed, the Lead Manager (acting for itself and on behalf of the Underwriters) in its discretion may reallocate all or any unsubscribed Hong Kong Offer Shares originally included in the Hong Kong Public Offering to the International Placing. If the International Placing is not fully subscribed, the Lead Manager (acting for itself and on behalf of the Underwriters) in its discretion may reallocate all or any unsubscribed International Placing Shares originally included in the International Placing to the Hong Kong Public Offering.

Guotai Junan Securities is the Sole Global Coordinator, Bookrunner and Lead Manager of the Hong Kong Public Offering which is underwritten at the Offer Price by the Hong Kong Underwriters, on and subject to the terms and conditions of the Hong Kong Underwriting Agreement.

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

This could, where appropriate, consist of balloting which means 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.