
SHARE CAPITAL

AUTHORISED AND ISSUED SHARE CAPITAL

As at the Latest Practicable Date, the share capital of our Company was as follows:

US\$

Authorised share capital:

10,000,000,000 Shares of US\$0.018 each	<u><u>180,000,000</u></u>
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Issued and fully paid share capital:

1,058,829,308 Shares in issue	<u><u>19,058,928</u></u>
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Ranking

Our Shares are ordinary shares of our Company and rank equally with each other in all respects, including the right to participate fully in all dividends or other distributions declared, paid or made on the Shares after the date of this document.

GENERAL MANDATE GIVEN TO THE DIRECTORS TO ISSUE SHARES

At the annual general meeting held on 27 April 2011, the Members approved the resolution pursuant to which authority was given to its Directors to issue Shares whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into shares, and/or issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues notwithstanding that this mandate may have ceased to be in force at the time the Instruments are issued, and/or issue shares in pursuance of any Instrument made or granted by the Directors above, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding that the authority conferred by this resolution may have ceased to be in force), provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty (50) per cent. of the issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty (20) per cent. of the issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

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- (2) for the purpose of this Resolution, the percentage of issued shares shall be based on the Company's issued share capital excluding treasury shares at the time this Resolution is passed (after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards that are outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and (b) any subsequent bonus issue, consolidation or subdivision of shares); and
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company.

Pursuant to the Listing Rules, the Listing Manual and the New Bye-laws, the maximum aggregate number of Shares and convertible securities of the Company (other than on a pro rata basis to all Members) which may be issued other than on a pro rata basis under the general mandate before the next annual general meeting of the Company is 211,765,861 Shares, representing 20% of the issued share capital of the Company as at the date of grant of the General Mandate.

For further details of the General Mandate, please refer to the paragraph headed "Resolutions of the Members passed at the Company's annual general meeting held on 27 April 2011" in the section headed "Further information about the Company and its subsidiaries" in Appendix VI to this document.

GENERAL MANDATE GIVEN TO THE DIRECTORS TO REPURCHASE SHARES

At the special general meeting of the Company held on 1 June 2011, the Directors have been granted a general unconditional mandate (the "Share Repurchase Mandate") to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of market purchase(s) (each a "**Market Purchase**") on the **SGX-ST** or the Stock Exchange; and/or off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST or Stock Exchange in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual and The Codes on Takeovers and Mergers and Share Repurchases of Hong Kong, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Bermuda Companies Act, the Bye-laws, the Listing Manual, the Listing Rules and The Codes on Takeovers and Mergers and Share Repurchases of Hong Kong Provided That:—

- (i) the exercise by the Directors of the powers of the Company to make Market Purchases and Off-Market Purchases on the Stock Exchange shall be contingent upon and subject to the Listing;
- (ii) the exercise by the Directors of the powers of the Company to make Off-Market Purchases on the Stock Exchange shall be contingent upon and subject to the Company complying with all applicable conditions and requirements as required under The Codes on Takeovers and Mergers and Share Repurchases of Hong Kong.

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“Maximum Limit” means ten per cent. (10%) of the total issued ordinary shares of the Company as at the date of the last annual general meeting of the Company or the date of this special general meeting, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share repurchase) in accordance with the applicable provisions of the Bermuda Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as treasury shares by the Company from time to time);

“Relevant Period” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (ii) in the case of an Off-Market Purchase, twenty per cent. (20%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

The Share Repurchase Mandate will remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required to be held;
- (ii) the date on which the share repurchases are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Repurchase Mandate is varied or revoked;

For further details of the Share Repurchase Mandate, please refer to the paragraph headed “Resolutions of the Members passed at the Company’s special general meeting held on 1 June 2011” in Appendix VI to this document.

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RULE 9.09(b) OF THE LISTING RULES

According to Rule 9.09(b) of the Listing Rules, there must be no dealing in the securities for which listing is sought by any connected person of the issuer from the time of submission of the formal application for listing until the listing is granted. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Listing Rules which restricts such dealings in the Shares prior to Listing. Please refer to the paragraph headed “Dealings in the Shares prior to Listing” in the section headed “Waivers from strict compliance with the Listing Rules” in this document for details of the waiver.

RULES 10.07 AND 10.08 OF THE LISTING RULES

We have applied for, and the Stock Exchange has granted to our Company, a waiver from strict compliance with Rule 10.07(1) of the Listing Rules to allow China Lion to dispose of its interests in our Company during the First Six-Month Period where such disposal is made pursuant to the Stock Borrowing and Lending Agreement and the Sale and Repurchase Agreement. Please refer to the section headed “Waivers from strict compliance with the Listing Rules – share disposal restriction waiver” in this document for details of such waiver.

We have applied for, and the Stock Exchange has granted to our Company, a waiver from strict compliance with the restrictions on further issue of securities within the First Six-Month Period under Rule 10.08 of the Listing Rules and a consequential waiver from strict compliance with Rule 10.07(1)(a) of the Listing Rules in respect of the deemed disposal of Shares by the Controlling Shareholders upon the issue of securities by our Company within the First Six-Month Period. Please refer to the section headed “Waivers from strict compliance with the Listing Rules – share issue restriction waiver” in this document for details of such waiver.

The following table sets forth for the periods indicated the reported high, low, month end and monthly average of the closing trading prices on SGX-ST for our Shares from 1 January 2008 until the Latest Practicable Date. Historical Share prices may not be indicative of the prices at which our Shares will trade following completion of the Listing. Please refer to the paragraph headed “There are different characteristics between the Singapore stock market and the Hong Kong Stock Market” in the section headed “Risk Factors” in this document.

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	High (S\$)	Low (S\$)	Month End (S\$)	Monthly Average (S\$)
2008				
January	0.44	0.28	0.31	0.35
February	0.39	0.31	0.37	0.35
March	0.41	0.34	0.38	0.37
April	0.44	0.38	0.43	0.4
May	0.44	0.38	0.4	0.41
June	0.41	0.34	0.34	0.37
July	0.36	0.32	0.33	0.34
August	0.34	0.31	0.33	0.32
September	0.34	0.2	0.22	0.26
October	0.23	0.1	0.12	0.16
November	0.17	0.12	0.12	0.13
December	0.13	0.11	0.13	0.12
2009				
January	0.14	0.12	0.13	0.13
February	0.14	0.12	0.13	0.14
March	0.14	0.11	0.13	0.12
April	0.19	0.13	0.17	0.16
May	0.22	0.14	0.2	0.18
June	0.25	0.19	0.2	0.21
July	0.23	0.19	0.22	0.21
August	0.25	0.2	0.22	0.22
September	0.27	0.21	0.22	0.22
October	0.22	0.19	0.19	0.2
November	0.2	0.16	0.17	0.19
December	0.2	0.17	0.19	0.19
2010				
January	0.22	0.19	0.19	0.2
February	0.19	0.17	0.18	0.18
March	0.22	0.18	0.2	0.19
April	0.24	0.2	0.22	0.22
May	0.22	0.17	0.19	0.19
June	0.21	0.17	0.19	0.19
July	0.2	0.19	0.19	0.19
August	0.2	0.18	0.19	0.19
September	0.2	0.18	0.19	0.19
October	0.2	0.19	0.19	0.19
November	0.19	0.18	0.18	0.19
December	0.19	0.18	0.18	0.19
2011				
January	0.22	0.19	0.19	0.19
February	0.19	0.18	0.19	0.19
March	0.19	0.17	0.19	0.18
April	0.19	0.18	0.19	0.19
May	0.17	0.15	0.16	0.17
June (up to Latest Practicable Date)	0.16	0.15	0.15	0.15

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The following table set forth the average daily trading volume and turnover of each month of our Shares from 1 January 2008 until the Latest Practicable Date. Our Shares commenced trading on SGX-ST on 13 October 2005.

	Average Daily Volume (Shares)	Percentage of average daily total volume to number of Shares in issue (%)	Average Daily Turnover (S\$)
2008			
January	2,811,500	0.266	984,025
February	2,215,053	0.209	775,269
March	1,143,778	0.108	423,198
April	466,727	0.044	186,691
May	1,549,750	0.146	635,398
June	467,800	0.044	173,086
July	234,609	0.022	79,767
August	259,524	0.025	83,048
September	498,227	0.047	129,539
October	778,524	0.074	124,564
November	611,000	0.058	79,430
December	397,429	0.038	47,691
2009			
January	186,053	0.018	24,187
February	116,450	0.011	16,303
March	204,591	0.019	24,515
April	791,143	0.075	126,583
May	2,521,250	0.238	453,825
June	1,740,364	0.164	365,476
July	776,000	0.073	162,960
August	1,955,300	0.185	430,166
September	2,074,619	0.196	456,416
October	1,085,318	0.103	217,064
November	663,450	0.063	126,056
December	479,500	0.045	91,105
2010			
January	1,248,750	0.118	249,750
February	213,722	0.02	38,470
March	815,174	0.077	154,883
April	2,439,810	0.23	536,758
May	631,350	0.06	119,957
June	746,500	0.071	141,835
July	285,455	0.027	54,236
August	564,429	0.053	107,242
September	865,905	0.082	164,522
October	652,429	0.062	123,962
November	523,100	0.049	99,389
December	248,739	0.023	47,260
2011			
January	1,511,857	0.143	287,253
February	512,444	0.048	97,364
March	311,478	0.029	56,066
April	555,700	0.052	105,583
May	240,100	0.023	40,817
June (up to Latest Practicable Date)	136,667	0.013	20,690