This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are summarised in the section headed "Risk factors". You should read that section carefully before you decide to invest in the Shares.

Capitalised terms are defined in the section headed "Definitions". Please also refer to the section headed "Glossary and Technical Terms" for definition and explanation of various technical expressions.

OVERVIEW

The Group is engaged in the manufacture and sale of high speed steel (or HSS), HSS cutting tools and die steel. The Group has been the largest manufacturer of HSS in China by volume for six consecutive years since 2001 and was the largest exporter of HSS in China in 2005 and 2006. According to 中國特鋼企業協會 (Special Steel Enterprise Association of China), in 2006, the Group produced more than twice as much HSS than its nearest Chinese competitor. According to 中國機床工具工業協會 (China Machine Tool & Tool Builders' Association), in 2006, the Group was the largest HSS cutting tools manufacturer by revenue and one of the largest exporters of HSS cutting tools by revenue. Based upon the above, the Directors believe that the Group was the number one integrated HSS and HSS cutting tools manufacturer by volume in China in 2006.

HSS and die steel, the latter of which the Group began to manufacture commercially in November 2005, are types of "special steel". Special steel differs from regular steel in that it contains less than 0.04% sulphur and is made using different combinations of metals. It therefore typically has higher pressure and temperature tolerances than does regular steel and is more wear resistant. While regular steel is used widely in the construction of buildings and in infrastructure projects, special steel products are produced for more specific, commonly industrial, applications such as in automobile or machinery manufacturing. HSS is used, among other things, to produce "cutting tools", such as drill bits. While HSS and die steel are each still niche special steel products in China, the demand for, and volume of manufacture of, each in China has grown rapidly in recent years. The volume of HSS manufactured in China grew at a CAGR of 17% from 2001 to 2006, and the volume of die steel manufactured in China grew at a CAGR of 38% from 2002 to 2005, according to 中國特鋼企業協會 (Special Steel Enterprise Association of China).

For the three months ended 31 March 2007, the Group derived 48.2% of its total revenue from sales of HSS, 38.8% from sales of its HSS cutting tools and 13.0% from sales of die steel. In each year of the Track Record Period, the Group's HSS cutting tools business consumed over 30% of the HSS produced by the Group (by volume). This internal consumption also benefited its HSS business by allowing the Group to use the available capacity productively. In addition, certain of the scrap HSS and other waste materials generated by the Group's HSS cutting tools manufacturing process could be consumed as raw materials by its HSS business, and thereby lowering the Group's overall manufacturing costs. In this highly cost-competitive industry, the cost advantages derived from the complementary businesses have been critical to the Group's ability to manufacture and sell certain of its HSS cutting tools profitably.

In the highly cost-competitive HSS cutting tools industry, the Group's scale, along with the fact that it is also the largest manufacturer of HSS in China and that it has in recent years invested in equipment (including grinding and lathe machines imported from the United States) and adopted a recycling-grinding production technique that allows it to recycle scrap HSS and other raw materials more efficiently, enabled the Group to manage its costs increasingly effectively over the Track Record Period.

The Group sells its HSS and die steel primarily domestically (mainly to tools manufacturers and die molds manufacturers, respectively, who themselves use the HSS to make cutting tools and the die steel to manufacture high performance dies), though its export sales thereof have increased over the Track Record Period. The Group manufactures its HSS cutting tools primarily for export. In 2006, 86.7% of the Group's revenue from sales of HSS was derived from sales to more than 100 domestic tools manufacturers in 14 provinces and cities whereas 81.5% of the Group's revenue from sales of its HSS cutting tools were derived from exports to over 150 international tools manufacturers and retailers in over 30 countries around the world and 74.0% of the Group's revenue from sales of die steel were derived from sales to domestic die molds manufacturers. According to 鎮江海關駐丹陽辦事處 (Danyang Customs Office of the Zhenjiang Customs District), the Group's revenues from export of its twist drill bits in 2006 represented over 15% of the total annual revenues from sales of twist drill bits produced in China for export in that year.

In relation to its inventory management, the Group carries out physical stock-takes and performs inventory aging analyses each month to identify slow moving stocks and makes proper provision accordingly. In view of the importance and volatility of the principal raw material costs, the Group has also set up a special team to closely monitor changes in principal raw material costs. For further details in relation to the Group's inventory management, please refer to the paragraph headed "Inventory management" in the "Business" section to this prospectus.

STRENGTHS

The Directors are of the view that the Group has the following strengths:

- The large size of its operations gives the Group strong purchasing power and has allowed it to develop cost-saving know how, in particular its proprietary waste material recycling production know-how, and to invest in cost-saving, imported technology and equipment
- Vertical integration greatly benefits its HSS tools business by lowering its HSS costs and benefits its HSS business by allowing it to use capacity productively
- In China, the Group is the largest HSS manufacturer and is a leading HSS cutting tools manufacturer
- Long-term relationships with leading tool manufacturers, both foreign and domestic, driven by customer service
- Established relationships with research institutes
- Experienced management team

BUSINESS STRATEGIES

With a view to maintaining its leading position as a HSS cutting tools manufacturer and the number one HSS manufacturer in China, the Group will adopt the following strategies:

- Invest to upgrade existing production facilities to enable the Group to produce higher quality, higher margin products
- Increase the Group's international and domestic market share of HSS cutting tools
- Increase export sales of HSS and die steel
- Develop die steel and other, non-HSS high alloy steel products
- Further increase production capacity of HSS, HSS cutting tools and die steel, in anticipation of potential future growth in demand in China

TRADING RECORD

The following is a summary of the Group's combined results for the three years ended 31 December 2004, 2005, 2006 and the three months ended 31 March 2006 and 2007 extracted from the accountants' report set out in Appendix I to this prospectus. The results were prepared on the basis of the presentation as set out in the above mentioned accountants' report.

I. Summary Combined Income Statements

	Year ended 31 December			Three months ended 31 March	
	2004	2005	2006	2006	2007
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	841,913	1,094,711	1,303,987	248,880	384,035
Cost of sales	(689,728)	(900,321)	(1,054,147)	(197,772)	(309,377)
Gross profit	152,185	194,390	249,840	51,108	74,658
Other income	374	1,327	30,066	174	8,606
Distribution expenses	(21,843)	(26,749)	(30,940)	(4,768)	(8,739)
Administrative expenses	(25,061)	(29,614)	(42,652)	(8,276)	(14,168)
Other expenses	(3,716)	(6,176)	(8,496)	(2,723)	(682)
Result from operating activities	101,939	133,178	197,818	35,515	59,675
Finance income	2,675	3,551	5,717	1,445	563
Finance expenses	(27,932)	(39,748)	(56,424)	(12,532)	(14,864)
Net finance cost	(25,257)	(36,197)	(50,707)	(11,087)	(14,301)
Share of loss of an associate	(1,537)	(4,841)	—	—	—
Profit before income tax	75,145	92,140	147,111	24,428	45,374
Income tax expense	(25,449)	(33,255)	(50,507)	(9,614)	(584)
Profit for the year/period	49,696	58,885	96,604	14,814	44,790
Attributable to:					
Equity holders of the Company	40,861	47,940	91,729	12,326	44,495
Minority interests	8,835	10,945	4,875	2,488	295
Profit for the year/period	49,696	58,885	96,604	14,814	44,790
Dividends attributable to the year/period					
Dividend declared during the year/period	—	—	53,000	—	—
Earnings per share					
Basic earnings per share	0.14	0.16	0.31	0.04	0.15

II. Summary Combined Balance Sheets

	At 31 December			At 31 March
	2004 RMB'000	2005 RMB'000	2006 RMB'000	2007 RMB'000
Non-current assets				
Property, plant and equipment	189,654	387,392	443,819	477,807
Lease prepayments	—	21,265	56,121	66,228
Goodwill	—	—	—	21,959
Interests in an associate	47,604	—	—	—
Other investments	10,000	10,000	10,000	10,000
Deferred tax assets	1,503	2,351	3,428	2,886
	248,761	421,008	513,368	578,880
Current assets				
Inventories	274,336	491,524	646,153	691,166
Trade and other receivables	290,259	456,139	408,040	449,068
Pledged deposits	83,470	45,015	70,852	66,473
Other investments	17,003	16,301	—	—
Cash and cash equivalents	84,155	60,791	62,927	88,667
	749,223	1,069,770	1,187,972	1,295,374
Current liabilities				
Interest-bearing borrowings	405,850	643,450	581,909	587,170
Trade and other payables	324,866	334,999	344,378	410,121
Income tax payables	27,096	30,946	31,693	23,567
	757,812	1,009,395	957,980	1,020,858
Net current (liabilities)/assets	(8,589)	60,375	229,992	274,516
Total assets less current liabilities	240,172	481,383	743,360	853,396
Non-current liabilities				
Interest-bearing borrowings	10,000	—	130,000	280,000
Deferred income	—	—	7,900	9,000
Net assets	230,172	481,383	605,460	564,396
Equity attributable to equity holders of the Company	195,417	375,410	543,978	543,971
Minority interests	34,755	105,973	61,482	20,425
Total equity	230,172	481,383	605,460	564,396

For additional information on the combined results of the Group, please refer to the section headed "Financial Information — Management's Discussion and Analysis of Financial Condition and Results of Operations" and Appendix I to this prospectus.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2007

Forecast combined profit attributable to the equity holders of the Company (*Notes 1 and 2*)	not less than RMB162.0 million (approximately HK$166.3 million)
Unaudited pro forma forecast earnings per Share *(Note 3)*	not less than RMB0.405 (approximately HK$0.416)

Notes:

(1) The bases and assumptions on which the above profit forecast for the year ending 31 December 2007 have been prepared are summarised in Appendix III to this prospectus.

(2) The forecast combined profit attributable to the equity holders of the Company for the year ending 31 December 2007 prepared by the Directors is based on the audited combined results of the Group for the three months ended 31 March 2007, the Group's unaudited combined management accounts for the two months ended 31 May 2007 and a forecast of the combined results of the Group for the seven months ending 31 December 2007 on the basis that the current Group structure had been in existence throughout the whole financial year ending 31 December 2007. The forecast has been prepared on the basis of the accounting policies being consistent in all material aspects with those currently adopted by the Group as set out in Note 1 of section C of the Accountants' Report, contained in Appendix I to this prospectus.

(3) The unaudited pro forma forecast earnings per Share is calculated by dividing the forecast combined profit attributable to equity holders of the Company for the year ending 31 December 2007 and a total of 400,000,000 Shares in issue, assuming that the Global Offering has been completed on 1 January 2007 (without taking into account the Over-allotment Option).

(4) In preparing the profit forecast for the year ending 31 December 2007, the Directors have taken into account, among others, the historical trend of customers' orders, confirmed orders on hand, possibility of increases of principal raw materials costs, production cost, production capacity and the latest market conditions. Based on these factors and on the bases and assumptions as set out in Appendix III to this prospectus, the Directors consider that the profit forecast for the year ending 31 December 2007 has been prepared after due and careful consideration.

OFFERING STATISTICS

	Based on the minimum indicative Offer Price of HK$5.40 per Share	**Based on the maximum indicative Offer Price of HK$6.36 per Share**
Market capitalisation of the Shares *(Note 1)*	HK$2,160.0 million	HK$2,544.0 million
Forecast price/earnings multiple *(Note 2)*	approximately 13.0 times	approximately 15.3 times
Unaudited pro forma net tangible assets value per Share *(Note 3)*	approximately HK$2.55 (approximately RMB2.48)	approximately HK$2.78 (approximately RMB2.71)

Notes:

(1) The calculation of the market capitalisation of the Shares is based on 400,000,000 Shares in issue immediately after completion of the Global Offering and the Capitalisation Issue but does not take into account any Shares which may fall to be issued upon the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme.

(2) The calculation of forecast price/earnings multiple on a pro forma basis is based on the unaudited pro forma forecast earnings per Share for the year ending 31 December 2007 at the minimum and the maximum indicative Offer Price, and based on the assumption set forth in note (1) above. The forecast price/earnings multiple would be approximately 13.0 times and 15.3 times at the minimum and maximum indicative Offer Price, respectively.

(3) The unaudited pro forma net tangible assets value per Share has been arrived at after the adjustments referred to in the paragraph headed "Unaudited pro forma statement of adjusted net tangible assets" in the section headed "Financial information" in this prospectus and on the basis of 400,000,000 Shares in issue at the minimum and the maximum indicative Offer Price of HK$5.40 and HK$6.36 per Share respectively immediately following completion of the Global Offering and the Capitalisation Issue but without taking into account any Shares which may fall to be issued upon the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme.

If the Over-allotment Option is exercised in full, assuming an Offer Price of HK$5.88 per Share (being the mid-point of the stated range of the Offer Price of between HK$5.40 and HK$6.36 per Share), the unaudited pro forma net tangible assets value of the Group will increase and the unaudited pro forma forecast earnings per Share will decrease correspondingly.

DIVIDENDS

The Directors are of the view that the amount of any dividends to be declared in the future will depend on, among others, the Group's results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on the generally accepted accounting principles in Hong Kong, the applicable laws and regulations and all other relevant factors.

The Directors intend to declare and recommend dividends which would amount in total to not less than 30% of the net profit from ordinary activities attributable to Shareholders of the Company for full financial years subsequent to the Global Offering. Such intention does not amount to any guarantee or representation or indication that the Company must or will declare and pay dividend in such manner or declare and pay any dividend at all. Cash dividends on the Shares, if any, will be paid in Hong Kong dollars.

USE OF PROCEEDS

The Directors believe that the net proceeds of the Global Offering will finance the Group's capital expenditure and business expansion, strengthen the Group's capital base and improve its financial position.

The net proceeds of the Global Offering to be received by the Group (excluding proceeds from the sale of the Sale Shares offered by the Selling Shareholders) after the deduction of underwriting commission and estimated expenses payable by the Group, and assuming an Offer Price of HK$5.88 per Share (being the mid-point of the stated range of the Offer Price of between HK$5.40 per Share and HK$6.36 per Share) and that the Over-allotment Option is not exercised in whole or in part, are estimated to amount to approximately HK$528.6 million (approximately RMB515.1 million). To effect the Group's future plans (details of which are more particularly set out in the section headed "Future plans and use of proceeds" in this prospectus), the Group currently intends to apply the net proceeds as follows:

(1) approximately HK$350.0 million (approximately RMB341.0 million) for the purchase, installation and implementation of various production equipment to produce HSS, cutting tools and die steel products of larger specification and higher grade. This additional production equipment is intended to be housed on existing premises;

(2) approximately HK$150.0 million (approximately RMB146.2 million) for repayment of a portion of the Group's bank loans; and

(3) the remaining balance of approximately HK$28.6 million (approximately RMB27.9 million) as the Group's general working capital.

To the extent that the net proceeds of the Global Offering (excluding the International Placing in respect of the Sale Shares) are not immediately required for the above purposes and assuming that the Over-allotment Option is not exercised, the Directors intend to place such proceeds on short-term deposits with licensed banks or financial institutions in Hong Kong.

The net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering after deducting the related expenses, and assuming an Offer Price of HK$5.88 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK$5.40 and HK$6.36 per Offer Share) are estimated to amount to approximately HK$158.6 million (approximately RMB154.5 million). The Company will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering. All of the net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering will be for the account of the Selling Shareholders.

Further information in relation to the use of proceeds of the Global Offering is set out in the section headed “Future plans and use of proceeds” in this prospectus.

RISK FACTORS

The Directors believe that there are certain risks involved in the Group’s operations. They can be broadly categorised into (i) risks relating to the Group; (ii) risks relating to the industry; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering.

Risks relating to the Group

- Fluctuation in the prices of the metals tungsten, molybdenum, chromium, vanadium or, to a lesser extent, scrap steel could adversely affect the Group’s profitability, financial condition and results of operations.

- Slower inventory turnover and longer production cycles could adversely affect the Group’s profitability.

- The Group currently procures tungsten, molybdenum, chromium and vanadium, the principal raw materials used in its production, from a limited number of suppliers. If there is any interruption to or decline in the amount or quality of the supply of these, its production process and business could be materially and adversely affected.

- The Group may experience a decline in its overall gross profit margin as a result of changes in its product sales mix because gross profit margin on sales of its HSS have been significantly higher in each year of the Track Record Period than the gross profit margin on sales of its HSS cutting tools, and any new products introduced may have lower margins.

- The Group’s die steel manufacturing business was loss-making in 2005 and 2006.

- Any failure by the Group to maintain relationships with its large customers would have an adverse effect on the Group’s business.

- Certain of the Group’s competitors may in the future compete more effectively in the niche HSS manufacturing industry in China, or for export sales.

- The Group may need additional capital to fund its working capital and capital expenditure requirements and it may not be able to obtain such additional capital on acceptable terms or at all.

- The Group is exposed to payment delays and/or default by its customers.

- The Group's business is subject to seasonal fluctuation.
- The Group currently lacks a manufacturing execution system, or MES, and a logistics management system, and the Group's current management system may not be sufficient to handle its growing operations.
- The Group's research and development efforts and planned technology upgrades may be unsuccessful.
- Any failure to maintain an effective quality control system at the Group's manufacturing facilities could have a material adverse effect on its business and operations.
- The Group's substantial financial leverage may hamper its ability to expand, and any increase in interest rates may materially affect its results of operations.
- Certain of the Group's customers for its HSS are also potential competitors of its HSS cutting tools business.
- The Group's insurance coverage may not be sufficient to cover the risks related to its business operations.
- The Group's normal operations are largely dependent on the Chairman of the Company and other senior management.
- The Group may not be able to adequately protect its intellectual property, which could adversely affect business operations.
- The Group's PRC export tax rebates are declining.
- The Group's financial results may be adversely affected by the new PRC Income Tax Law.
- There is no assurance that the Group will continue to receive government grants in the future.

Risks relating to the industry

- Like other HSS cutting tools manufacturers, changes in the industries which use HSS cutting tools may reduce demand for HSS cutting tools in the future.
- Like other HSS manufacturers, changes in the industries which use HSS may reduce demand for HSS and HSS products in the future.
- Intensified competition among domestic and foreign special steel and cutting tools manufacturers may reduce the Group's profitability.
- If demand for HSS and die steel do not grow in the PRC as the Group expects, the Group's business prospects in HSS and die steel manufacturing may be directly affected.

- Interference by the PRC government in the development of China's steel industry may result in restrictions on or disruptions to the Group's business.

- The Group is subject to extensive environmental regulations, the compliance with which may be difficult and costly.

Risks relating to the PRC

- Changes in the economic and political environment in the PRC and policies adopted by the government to regulate its economy may adversely affect the business, operating results and financial condition of the Group.

- Government control of currency conversion and future movements in exchange rates may adversely affect the Group's business operations and its ability to remit dividends.

- The PRC legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to the Group.

- PRC regulations of investment and loans by offshore holding companies to PRC entities may delay or prevent the Company from using the proceeds of this offering to make additional capital contributions or loans to members of the Group.

- The Group's operating cost may increase due to the provision of social insurance as required by the PRC government.

- Electricity shortages could adversely affect the Group's business.

- It may be difficult to effect service of process upon the Group or the Directors or executive officers who reside in the PRC, or to enforce against the Group or them in the PRC any judgments obtained from non-PRC courts.

- The payment of dividends by TG Tools to the Company is subject to restrictions under PRC law.

- Fire, severe weather, flood or earthquake could cause significant damage to the Group's production plants in the PRC and disrupt its business operations.

- The spread of SARS, an outbreak of the H5N1 strain of bird flu (avian influenza) or any other similar illnesses or epidemic may have a negative impact on the Group's business and operating results.

Risks relating to the Global Offering

- Future sales of securities by the Company or its shareholders may decrease the value of an investment.

- There has been no prior market for the Shares and the Global Offering may not result in an active or liquid market for these securities, which may adversely affect the market price of the Shares.

- The Offer Price may not be indicative of prices that will prevail in the trading market and such market prices may be volatile.
- The trading price of the Shares may be volatile.
- The interest of the Shareholders may be diluted as a result of additional equity fund raising.
- The Company will continue to be controlled by Mr. Zhu, whose interests may differ from those of other Shareholders.
- Investors may face difficulties in protecting their interests because the Company is incorporated under Cayman Islands law, which law may provide less protection to minority shareholders than the laws of Hong Kong and other jurisdictions.
- The industry statistics from government or official sources contained in this prospectus are derived from various official sources and may not be reliable.
- There are risks associated with forward-looking statements.

SHARE OPTION SCHEME

The Board has conditionally approved the Share Option Scheme by a written resolution of the shareholders of the Company passed on 7 July 2007 and adopted by a resolution of the Board on 7 July 2007. The total number of Shares which may be issued upon exercise of all options granted and yet to be exercised under the Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time. Initially, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company shall not exceed 5% of the aggregate of the Shares in issue on the date on which trading of the Shares commences on the Stock Exchange and any Shares which may be allotted and issued by the Company under the Over-allotment Option. Such 5% limit represents 20,000,000 Shares, assuming that the Over-allotment Option is not exercised. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. For a detailed summary of the major terms, please refer to paragraph D1 of Appendix VI to this prospectus.

AIG PARTIES' INVESTMENT

The AIG Parties are international institutional investors. The reason for the AIG Parties' investment was that the Company is the leading integrated HSS and HSS cutting tools manufacturer in an industry in which PRC players possess cost competitive advantages. The Directors believe that the AIG Parties' investment in the Group has been perceived favourably by its customers and suppliers, and has further strengthened the Group's bargaining power when dealing with such customers and suppliers. In addition to this benefit, a portion of the proceeds from the AIG Parties' investment has been applied towards upgrading the Group's equipment, which has enabled the Group's operations to become less labour-intensive and to expand its production capacity. The Directors also believe that the expertise that the AIG Parties bring through their participation at the senior management level of the Group has also improved the overall management and internal control structure of the Group. In particular, after their investment, the AIG Parties made regular site visits to the Group and review the

Group's monthly financial reports to monitor the Group's financial results on a regular basis. Furthermore, the AIG Parties regularly discuss with the management about the Group's performance and operations and suggest improvements to further enhance the Group's overall corporate governance. Subsequent to the AIG Parties' investment, the Group has engaged an independent adviser to assess the Group's internal controls system. The Group is under the process of implementing the suggestions from the independent adviser and the AIG Parties.

On 14 June 2007, each of the AIG Parties served an irrevocable notice to THCL to exchange in aggregate, with immediate effect, the principal amount of the Redeemable Exchangeable Bonds of US$30 million for 15,000 shares of US$1.00 each, representing 30% of the issued share capital of the Company as at the date of exchange, at the initial exchange price of US$2,000 per share. Upon completion of the exchange on the same date, THCL and the AIG Parties held 70% and 30% of the issued share capital of the Company, respectively. The effective exchange price is equivalent to approximately US$0.33 or approximately HK$2.61 per Share. This represents a discount ranging from approximately 51.7% to 59.0% to the expected range of the Offer Price of between HK$5.40 and HK$6.36 per Share. The discount to the Offer Price reflects the fact that such interests were illiquid at the time of investment and the potential onshore and offshore regulatory hurdles in proceeding to an initial public offering. On 14 June 2007, THCL granted an option to the AIG Parties whereby in the event a Qualifying IPO does not occur for any reason on or before 8 September 2009, the AIG Parties shall have the right to transfer all the exchanged Shares they received from THCL pursuant to the exercise of the rights to exchange under the Redeemable Exchangeable Bonds to THCL on 14 June 2007 at a cash consideration which will be equal to the principal amount and interest and all other amounts which the AIG Parties would be entitled to under the terms and conditions of the Redeemable Exchange Bonds as if the Redeemable Exchangeable Bonds were not exchanged and were held until 8 September 2009. Such option will expire on the date of the issue of a prospectus in connection with a Qualifying IPO. Both the AIG Parties and THCL have acknowledged and confirmed that the proposed listing of the Shares of the Company on the Main Board of the Stock Exchange as set out in this prospectus is a Qualifying IPO within the meaning of the terms and conditions of the Redeemable Exchangeable Bonds. On such basis, the put option arrangement will automatically expire and terminate on the date of the issue of this prospectus. For further information in relation to AIG Parties' investment and the put option arrangement, please refer to the paragraph headed "Offshore investment" in the History and Development section and the section headed "Substantial Shareholders" of this prospectus.