

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

DETERMINING THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between the Lead Manager, for itself and on behalf of the Underwriters, and the Company on or around the Price Determination Date, which is currently scheduled on Friday, 11 December 2009 or by no later than Monday, 14 December 2009 at 6:00 p.m. (Hong Kong time). **If the Lead Manager (for itself and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price by 6:00 p.m. (Hong Kong time) on Monday, 14 December 2009, the Share Offer will not become unconditional and will lapse.**

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK\$3.85 per Offer Share and is expected to be not less than HK\$2.57 per Offer Share. The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer.

The Lead Manager, for itself and on behalf of the Underwriters, may, where considered appropriate, based on the level of interests expressed by prospective professional, institutional and other investors during a book-building process, and with the consent of the Company, reduce the indicative Offer Price range below that stated in this prospectus at any time no later than the morning of the last day for lodging applications under the Public Offer. In such a 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 day which is the last day for lodging applications under the Public Offer, cause to be published in The Standard (in English) and the Hong Kong Economic Times (in Chinese) notice of such a change. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company, will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. **If applications for the Public Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the Offer Price range is so reduced such applications cannot be subsequently withdrawn.** In the absence of any notice being published in The Standard (in English) and the Hong Kong Economic Times (in Chinese) of a reduction in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Public Offer, the Offer Price, if agreed upon with the Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

The Company expects to announce the final Offer Price, the level of indication of interests under the Placing and the basis of allotment of the Public Offer Shares under the Public Offer on or before Thursday, 17 December 2009 in The Standard (in English) and the Hong Kong Economic Times (in Chinese) and on the website of the Company at www.chinacornoil.com and the website of the Stock Exchange at www.hkexnews.hk.

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Results of allocation in the Public Offer, including the Hong Kong Identity Card/passport/Hong Kong Business Registration certificate numbers of successful applicants (where supplied) and the number of Offer Shares successfully applied for under **WHITE** or **YELLOW** application forms or by giving **electronic application instructions** to HKSCC via CCASS will be made available as described under the paragraph headed “Publication of results” under the section headed “How to apply for Public Offer Shares” in this prospectus.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$3.85 per Offer Share and is expected to be not less than HK\$2.57 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum price of HK\$3.85 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.004% SFC transaction levy, amounting to a total of HK\$3,888.84 per board lot of 1,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum price of HK\$3.85 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest. Further details are set out in the section headed “How to apply for Public Offer Shares” in this prospectus.

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 and Shares which fall to be allotted and issued upon the exercise of the Over-allotment Option and 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 Agreements

The entering into of the Placing Underwriting Agreement between, among others, the Company and the Placing Underwriters, and the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, among other things, the Offer Price be agreed by no later than the Price Determination Date and the Price Determination Agreement has been duly entered into, and if relevant, as a result of the waiver of any conditions given by the Lead Manager (for itself and on behalf of the Sponsor and the other Underwriters)), and not being terminated in accordance with its terms or otherwise. Details of the Public Offer Underwriting Agreement and grounds for termination are set out in the

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section headed “Underwriting” in this prospectus. If for any reason, the Placing Underwriting Agreement and the Price Determination Agreement are not entered into, the Share Offer will not proceed. If these conditions are not fulfilled on or before the time and date specified in the Underwriting Agreements or such later date as the Sponsor (for itself and on behalf of the Lead Manager and the other Underwriters) may in its absolute discretion determine, 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 Public Offer. A total of 175,000,000 Shares will initially be made available under the Share Offer, of which 157,500,000 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 17,500,000 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 Share Offer will be subject to re-allocation on the basis described below and the number of Shares offered for subscription under the Placing and Public Offer will be subject to the exercise of the Over-allotment Option below. No pre-emption right or right to subscribe for the Offer Shares has been granted.

THE PLACING

The Company is initially offering, at the Offer Price, 157,500,000 Shares (subject to reallocation 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 (before any exercise of the Over-allotment Option), for subscription by way of Placing. The Placing is managed by the Lead Manager and is expected to be fully underwritten by the Placing Underwriters. Pursuant to the Placing, it is expected that the Placing Underwriters or any selling agents which they nominate will, on behalf of the Company, conditionally place the Placing Shares at the Offer Price plus 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee with selected professional, institutional and private investors. 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 private investors 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 the Listing. Such allocation is intended to result in a distribution of the Placing Shares on the basis which would lead to

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the establishment of a solid broad shareholder base to the benefit of the Company and its 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 interest in the Placing are expected to be published in The Standard (in English) and the Hong Kong Economic Times (in Chinese) on 17 December 2009. The Placing is subject to the conditions stated in the paragraph headed “Conditions of the Share Offer” above.

OVER-ALLOTMENT OPTION

It is expected that under the Placing Underwriting Agreement, the Company will grant the Over-allotment Option to the Lead Manager, exercisable by the Lead Manager to require the Company at any time within a period commencing from the Listing Date until 30 days after the last date for lodging of applications under the Public Offer, to allot and issue up to an aggregate of 26,250,000 additional Shares, representing 15% of the Offer Shares initially being offered under the Share Offer, on the same terms as those applicable to the Share Offer, to cover over-allocations in the Placing. The additional Shares allotted and issued pursuant to the exercise of the Over-allotment Option will be allocated to the Placing and/or to satisfy the Lead Manager’s obligation to return Shares borrowed under the Stock Borrowing Agreement. The Lead Manager may also cover any over-allocations under the Placing through the purchase of Shares in the secondary market or otherwise as may be permitted under applicable laws. Any purchases of Shares in the market to cover the over-allocations will be made at prices not exceeding the Offer Price. The number of Shares that may be over-allocated may not be greater than the number of Shares that may be allotted and issued under the Over-allotment Option. Assuming the Over-allotment Option is not exercised, the Offer Shares will represent 35% of the Company’s enlarged issued share capital immediately after completion of the Share Offer. If the Over-allotment Option is exercised in full, the Offer Shares (including the Shares allotted and issued pursuant to the exercise of the Over-allotment Option) will represent approximately 38.2% of the enlarged issued share capital of the Company immediately after completion of the Share Offer and the exercise of the Over-allotment Option in full. In the event that the Over-allotment Option is exercised, an announcement will be made in English in The Standard and in Chinese in the Hong Kong Economic Times.

The Public Offer is open to the public as well as to institutional, professional and private investors in Hong Kong. The Placing involves selective marketing of the Placing Shares by the Placing Underwriters to professional, institutional and private investors. Investors may either apply for the Shares under the Public Offer or indicate an interest for the Shares under the Placing, and may only receive an allocation of Shares under the Public Offer or the Placing. 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.

DISCLOSURE MADE PURSUANT TO RULE 10.07(3)

In order to facilitate settlement of over-allocations (if any) in connection with the Placing, Corn Oil Luxembourg and Sanxing Trade, being our Controlling Shareholders and the Lead Manager will enter into the Stock Borrowing Agreement, whereby the Lead

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Manager may borrow subject to the terms of the Stock Borrowing Agreement, up to 26,250,000 Shares, in order to cover over-allocations in connection with the Placing, if any.

The Stock Borrowing Agreement is in compliance with Rule 10.07(3) of the Listing Rules. Its terms and conditions are as follows:

- (a) the securities lending arrangement will only be effected by the Lead Manager for the sole purpose of covering any short position, if any, prior to the exercise of the Over-allotment Option in connection with the Placing;
- (b) the maximum number of Shares to be borrowed from Corn Oil Luxembourg by the Lead Manager must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;
- (c) the same number of Shares borrowed must be returned to Corn Oil Luxembourg or its nominees, as the case may be, not later than three business days following the earlier of (i) the last day on which the Over-allotment Option may be exercised; and (ii) the day on which the Over-allotment Option is exercised in full;
- (d) the securities lending arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements; and
- (e) no payment or other benefit will be made to Corn Oil Luxembourg and/or its shareholders by the Lead Manager or any of the Underwriters under the securities lending arrangement.

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The Company is initially offering, at the Offer Price, 17,500,000 Shares (subject to reallocation 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 (before any exercise of the Over-allotment Option). The Public Offer is fully underwritten by the Public Offer Underwriters subject to the terms and conditions of the Public Offer Underwriting Agreement. Applicants for the Public Offer Shares are required on application to pay the Offer Price plus 1% brokerage, 0.004% 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 or taken up or received any Placing Shares or indicated an interest for the Placing Shares or otherwise 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.

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The total number of the Offer Shares available under the Public Offer is to be divided into two pools of 8,750,000 Public Offer Shares for each of pool A and pool B, respectively, for allocation purposes:

- Pool A: The Public Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) or less; and
- Pool B: The Public Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) and up to the value of pool B.

Investors should be aware that the allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pool, are likely to be different. Where one of the pools is undersubscribed, the surplus Public Offer Shares will be transferred to satisfy demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Public Offer Shares from any one pool but not from both pools and can only make applications to either pool A or pool B. Multiple applications or suspected multiple applications and any application made for more than 100% of the Public Offer Shares initially available under pool A or pool B will 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 results of the Public Offer and basis of allotment of the Public Offer Shares (with successful applicants' identification document numbers, where appropriate) are expected to be published in The Standard (in English) and the Hong Kong Economic Times (in Chinese) on Thursday, 17 December 2009.

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. Multiple applications or suspected multiple applications or applications for more than 50% of the Public Offer Shares being initially offered for public subscription under the Public Offer are liable to be rejected.

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

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STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, agree to purchase or actually purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, to prevent a decline in the initial public offer prices of the securities. In Hong Kong, the stabilisation price will not exceed the initial public offer price.

In connection with the Share Offer, the Lead Manager, as stabilising manager, or any person acting for it, (on behalf of the Underwriters and not as agent for the Company) may over-allocate Shares or effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation on the Lead Manager to conduct any such stabilisation action which, if commenced, may be discontinued at any time at the absolute discretion of the Lead Manager, its affiliates or any person acting for it, and must be brought to an end after a limited period. The number of Shares that may be over-allocated will not be greater than the maximum number of Shares which may be issued upon exercise of the Over-allotment Option, being 26,250,000 Shares, which is 15% of the Shares initially available under the Share Offer.

Stabilisation action cannot be taken to support the price of the Offer Shares for longer than the stabilising period which begins on the Listing Date and ends on the 30th day after the last day for the lodging of applications under the Public Offer ("Stabilisation Period"). The Stabilisation Period is expected to expire on Friday, 8 January 2010, and that after this date, when no further stabilising action may be taken, demand for the Shares, and therefore its price, could fall.

During the stabilisation period, the Lead Manager as stabilising manager or any person acting for it, may purchase or agree to purchase, or offer, the Shares for the sole purpose of preventing or minimising any reduction in the market price of the Shares, which will be effected in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules made under the SFO. In connection with any such stabilisation actions as described above, the Lead Manager as stabilising manager, or any person acting for it, may allocate a greater number of Shares than the number that is initially offered, or sell or agree to sell Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Shares. It may close out any such short position by exercising the Over-allotment Option, as described above. It may also agree to sell or sell any Shares acquired by it in the course of any stabilisation transactions in order to liquidate any position that has been established by such action.

The Lead Manager may, in connection with the stabilising action, maintain a long position in the Shares. The size of the long position, and the time period for which the Lead Manager will maintain such a position during the Stabilisation Period, are at the sole discretion of the Lead Manager and is uncertain. In the event that the Lead Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Investors should be aware that the price of the Shares cannot be assured to stay at or above its Offer Price by the taking of any stabilising action. Stabilisation bids may be made

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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 the investor has paid for the Offer Shares.

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

The allocation of Offer Shares between the Share Offer is subject to re-allocation. If the number of Shares validly applied for in 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 35,000,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 52,500,000 Shares will be available 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 52,500,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 70,000,000 Shares will be available under the Public Offer, representing 40% of the Offer Shares initially available under the Share Offer; and
- (c) represents 100 times or more of the number of Shares initially available for subscription under the Public Offer, then 70,000,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 87,500,000 Shares will be available under the Public Offer, representing 50% of the Offer Shares initially available under the Share Offer.

In each of the above cases, the number of Shares allocated to the Placing will be correspondingly reduced, subject to the exercise of the Over-allotment Option.

In all cases, the additional Shares re-allocated to the Public Offer will be allocated, if applicable, equally between pool A and pool B and the number of Offer Shares allocated to the Placing will be correspondingly reduced.

If the Public Offer is not fully subscribed, the Lead Manager (for itself and on behalf of the Underwriters) has 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 Lead Manager, for itself and on behalf of the Underwriters, has the authority to 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, 17 December 2009.