

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

On January 18, 2011, the SASAC granted the approval of the establishment of our Company as a joint stock limited company by SINOMACH and China United as promoters with an initial registered capital of RMB3.3 billion. Our Company was established in Beijing, PRC, on January 18, 2011.

Our Company has established a place of business in Hong Kong at Room 804, 8/F, Tower 1, South Sea Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, and obtained a Certificate of Registration of a non-Hong Kong Company under Part XI of the Hong Kong Companies Ordinance on May 31, 2012. Ms. TSANG Fung Chu, whose correspondence address is 10/F, Chiu Lung Building, 25 Chiu Lung Street, Central, Hong Kong, has been appointed as our Company's agent for the acceptance of service of process in Hong Kong. As our Company was established in the PRC, its corporate structure and the Articles of Association are subject to the relevant PRC laws and regulations. A summary of the Articles of Association and the relevant PRC laws and regulations are set out in Appendices III and V to this Prospectus, respectively.

2. Changes in share capital of our Company

At the date of incorporation of our Company, the initial registered capital of our Company was RMB3.3 billion divided into 3,300,000,000 Domestic Shares of a nominal value of RMB1.00 each.

Immediately after the Global Offering, without taking into account the exercise of the Over-allotment Option, the registered capital of our Company will be RMB4.018 billion, made up of 3,228,200,000 Domestic Shares and 789,800,000 H Shares.

Immediately after the Global Offering, and assuming that the Over-allotment Option is exercised in full, the registered capital of our Company will be RMB4.1257 billion made up of 3,217,430,000 Domestic Shares and 908,270,000 H Shares.

Save as disclosed in this Appendix, there has been no alteration in the share capital of our Company since its establishment.

3. Written resolutions of all our Shareholders passed on February 14, 2011

On February 14, 2011, written resolutions of all our Shareholders approving the following matters, among other things, were passed:

- (a) the Articles of Association were adopted and the Board was authorized to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (b) the issue of H Shares with a par value of RMB1.00 each (the number of the H Shares so issued shall not exceed 25% of the total share capital of our Company after the Global Offering) and granting of the Over-allotment Option in respect of no more than 15% of the number of H Shares issued as above-mentioned.

4. Written resolutions of all our Shareholdings passed on February 10, 2012.

On February 10, 2012, written resolutions of all our Shareholders approving the followings matters, among other things, were passed:

- (a) the Board was authorized to handle all matters relating to, among other things, the issue of H Shares and the listing of H Shares on the Stock Exchange; and
- (b) subject to the completion of the Global Offering, the Board has been granted a general mandate to allot and issue H Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of H Shares to be issued shall not exceed 20% of the number of our H Shares in issue as at the Listing Date.

5. Our Reorganization

In preparation for the Global Offering, we underwent the Reorganization, details of which are set out in the section headed “History and Reorganization” of this Prospectus. As confirmed by our legal advisors as to PRC laws, Jia Yuan Law Offices, our Reorganization complies with all applicable PRC laws and regulations, and all necessary approvals from relevant PRC regulatory authorities required for the implementation of the Reorganization have been obtained. These approvals include:

- 1) On December 22, 2008, the SASAC issued an approval document (Guo Zi Gai Ge [2008] No. 1408) approving the Reorganization of our Company;
- 2) China Enterprise Appraisals Co., Ltd. issued an appraisal report (Zhong Qi Hua Ping Bao Zi [2010] No. 569) on January 3, 2011 and the report was filed with the SASAC on 10 January 2011;
- 3) On January 13, 2011, the promoters convened an inaugural meeting of our Company, at which, among other things, the establishment of our Company and the adoption of our initial Articles of Association was approved;
- 4) On January 17, 2011, the SASAC issued an approval document (Guo Zi Chan Quan [2011] No. 24) approving the management of SINOMACH’s state-owned equity interests in our Company;
- 5) On January 18, 2011, the SASAC issued an approval document (Guo Zi Gai Ge [2011] No. 44) approving the establishment of our Company;
- 6) On January 18, 2011, a new business license was issued by the State Administration for Industry and Commerce, whereupon our Company was formally established as a joint stock limited company;

- 7) On April 11, 2011, the SASAC issued an approval (Guo Zi Gai Ge 2011 No. 263) for the conversion of our Company into an “overseas subscription company”;
- 8) On May 28, 2012, the CSRC issued an approval (Zheng Jian Xu Ke 2012 No. 710) with regard to the issue of H Shares and the listing of the H Shares on the Stock Exchange.

B. FURTHER INFORMATION ABOUT OUR SUBSIDIARIES

Our Company’s principal subsidiaries as at June 30, 2012 are set out in the accountant’s report, the text of which is set out in “Appendix I – Accountant’s Report” to this Prospectus.

No changes in the share capital of our principal subsidiaries have taken place within the two years preceding to the date of this Prospectus.

C. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this Prospectus and are or may be material:










- (a) the Reorganization Agreement;
- (b) the Non-competition Agreement, details of which are set out in the section headed “Relationship with Controlling Shareholder – Non-competition Agreement” in this Prospectus;
- (c) a cornerstone investment agreement dated November 23, 2012, entered into between Nanjing Turbine & Electric Machinery (Group) Co., Ltd, our Company and BOCI, pursuant to which Nanjing Turbine & Electric Machinery (Group) Co., Ltd agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of US dollars 30 million;
- (d) a cornerstone investment agreement dated November 29, 2012, entered into between China Overseas Finance Investment Limited, our Company and BOCI, pursuant to which China Overseas Finance Investment Limited agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of US dollars 15 million;
- (e) a cornerstone investment agreement dated November 30, 2012, entered into between Xi Lian International Co., Ltd., our Company and BOCI pursuant to which Xi Lian International Co., Ltd. agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of US dollars 20 million;
- (f) a cornerstone investment agreement dated November 30, 2012, entered into between CSR (Hong Kong) Company Limited, our Company and BOCI pursuant to which CSR (Hong Kong) Company Limited agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of US dollars 50 million;
- (g) a cornerstone investment agreement dated December 7, 2012, entered into between The People’s Insurance Company (Group) of China Limited, our Company and ABCI, pursuant to which The People’s Insurance Company (Group) of China Limited agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of US dollars 50 million;

- (h) an assignment agreement dated December 4, 2012 entered into between our Company and CMIC in relation to the assignment of a water supply contract; and
- (i) the Hong Kong Underwriting Agreement.


2. Our intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, our Company had registered the following trademarks which are material in relation to our business:










Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	PRC	7	From 2001-06-21 to 2021-06-20	1589766
	CMEC	PRC	3	From 1989-12-30 to 2019-12-29	508045
	CMEC	PRC	8	From 1989-12-30 to 2019-12-29	508511
	CMEC	PRC	16	From 1989-12-30 to 2019-12-29	508566
	CMEC	PRC	9	From 1990-01-10 to 2020-01-09	509263
	CMEC	PRC	14	From 1990-01-20 to 2020-01-19	510357
	CMEC	PRC	17	From 1990-01-20 to 2020-01-19	510397
	CMEC	PRC	6	From 1990-01-30 to 2020-01-29	510727
	CMEC	PRC	7	From 1990-06-10 to 2020-06-09	521222





Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	PRC	11	From 1990-07-10 to 2020-07-09	523567
	CMEC	PRC	7	From 1991-04-10 to 2021-04-09	548372
	CMEC	PRC	11	From 1991-04-10 to 2021-04-09	548386
	CMEC	PRC	7	From 1993-02-28 to 2013-02-27	631984
	CMEC	PRC	6	From 1993-12-21 to 2013-12-20	670602
	CMEC	PRC	6	From 1993-12-21 to 2013-12-20	670644
西麦克					
	CMEC	PRC	6	From 1993-12-21 to 2013-12-20	670646
西麦克					
	CMEC	PRC	7	From 1993-12-28 to 2013-12-27	671369
	CMEC	PRC	6	From 1994-04-07 to 2014-04-06	684561
西迈克					
	CMEC	PRC	6	From 1994-04-07 to 2014-04-06	684562
西迈克					
	CMEC	PRC	14	From 1994-04-21 to 2014-04-20	686851
西迈克					

Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	PRC	14	From 1994-04-21 to 2014-04-20	686852
	CMEC	PRC	35	From 1994-10-07 to 2014-10-06	769044
	CMEC	PRC	42	From 1994-10-07 to 2014-10-06	769423
	CMEC	PRC	14	From 1995-10-21 to 2015-10-20	785760
	CMEC	PRC	14	From 1995-10-21 to 2015-10-20	785761
	CMEC	PRC	42	From 1996-09-07 to 2016-09-06	870000
	CMEC	PRC	42	From 1996-09-14 to 2016-09-13	871953
	CMEC	PRC	42	From 1996-09-14 to 2016-09-13	871955
	CMEC	PRC	42	From 1996-09-14 to 2016-09-13	871957
	CMEC	PRC	35	From 1996-10-28 to 2016-10-27	891702

Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
 西迈克	CMEC	PRC	35	From 1996-10-28 to 2016-10-27	891703
 西麦克	CMEC	PRC	35	From 1996-10-28 to 2016-10-27	891704
	CMEC	PRC	37	From 1996-10-28 to 2016-10-27	891866
 西麦克	CMEC	PRC	37	From 1996-11-07 to 2016-11-06	895838
 西迈克	CMEC	PRC	37	From 1996-11-07 to 2016-11-06	895840
	CMEC	PRC	37	From 1996-11-07 to 2016-11-06	895842
	CMEC	PRC	23	From 1996-12-14 to 2016-12-13	913900
	CMEC	PRC	7	From 1996-12-21 to 2016-12-20	918709
	CMEC	PRC	35	From 1997-03-21 to 2017-03-20	967539

Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	PRC	11	From 1990-06-30 to 2020-10-29	523198
	CMEC	Hong Kong	7, 9	From 2009-07-07 to 2019-07-06	301379340
	CMEC	Hong Kong	35	From 2006-08-24 to 2016-08-23	300707382
	CMEC	Hong Kong	14	From 1989-02-28 to 2020-02-28	1991B2601
	CMEC	United Kingdom	6, 7, 9, 12, 17, 21	From 1993-08-20 to 2017-10-03	1444074
C-MEC	CMEC	Canada	(note 1)	From 1990-02-16 to 2020-02-16	TMA365401
	CMEC	Canada	(note 2)	From 1991-03-08 to 2021-03-08	TMA381194
C-MEC	CMEC	United States	7	From 1990-05-01 to 2020-01-29	1593813
	CMEC	Kingdom of Thailand	35	From 2008-10-17 to 2018-10-16	Bor48564
	CMEC	Republic of Yemen	35	From 2009-11-22 to 2019-07-05	38947
	CMEC	European Union	35	From 2004-06-25 to 2014-06-25	003902103

Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	Australia	7	From 1990-01-03 to 2017-01-03	526241
	CMEC	Australia	12	From 1990-01-03 to 2017-01-03	526242
	CMEC	France	3, 6, 7, 8, 9, 12	From 1990-02-19 to 2020-02-19	1650341
	CMEC	Germany	3, 6, 7, 8, 9, 12	From 1989-11-16 to 2019-11-16	1183918
	CMEC	Singapore	7	From 1990-05-23 to 2017-05-23	T9003709D
	CMEC	Malaysia	35	From 2004-08-06 to 2014-08-06	04011475
	CMEC	African Intellectual Property Organization	35	From 2006-09-22 to 2016-09-22	55254
	CMEC	Philippines	35	From 2007-09-03 to 2017-09-03	42006009804
	CMEC	Republic of the Union of Myanmar	35	From 2009-02-09 (note 3)	IV/1452/2009

Trademark	Owner	Place of Registration	Class	Valid Period	Registration Number
	CMEC	Laos	35	From 2008-12-10 to 2018-12-10	18525
	CMEC	Vietnam	35	From 2008-11-17 to 2018-11-17	147688
	CMEC	Cambodia	35	From 2009-12-25 to 2019-12-25	KH/34287/10
	CMEC	Turkey	35	From 2010-11-25 to 2020-11-25	201074096

Notes:

1. Canada does not use a classification system for trademarks. Please note that this trademark relates to the following types of wares/goods: oil field equipment and machinery for use in oil exploration; namely drilling equipment, oil well preparation equipment, antijetting apparatus, oil extraction equipment, well strengthening equipment, acidification and fracturing equipment, equipment for increasing production of oil and gas, equipment for separation and treatment of oil, gas and water, equipment for storage and transmission of oil and gas, equipment for underwater drilling and exploration, drill bits, drilling tools, choke manifold, wellhead assemblies, valves, beam pumping units, sucker rods, tricone bits, drilling rig components, slush pumps, slips, elevators, crank, walking beam, gear reducer, gate valves, rock bits, roller bushing and oil extraction tree.
2. Canada does not use a classification system for trademarks. Please note that this trademark relates to the following types of wares/goods: automotive spare parts, brake rotors, brake drums, trailer jacks, hub caps for trailers, filters, automobile regulator relays, brakes, abrasives, abrasive cloth, abrasive paper, flanges, various forgings and castings, standard fasteners, flange type loose-fit expansion connectors, stretching dies, extrusion dies, nonferrous metal extrusion dies, rare metal extrusion dies, ferrous metal extrusion dies, die steels, blocks and tackles, machine tools, lathes, milling machines, drill presses, grinding machines, drilling and milling machines, gear cutting tools, coated cutting tools, cutting tools, carbide tools, machine tool accessories, clamping kits, woodworking machine tools, bench grinders, pumps, drill bits, power tools, electric hoists, bearings, valves, motors, jacks, industrial chains, commutators, generators, planning machines, microscopes, water meters, watt-hour meters, electronic micrometers, micrometers, vernier calipers, gage blocks, projectors, televisions, batteries, grindings, grindstones, hand operated lifting jacks, chain blocks, lever blocks, scraping tools, hand tools, jewelry and wrapping paper.
3. The registration is valid indefinitely, subject to the registration and publication of the trademark caution every three years.

(b) Copyrights

As at the Latest Practicable Date, our Group was the legal and beneficial owner of the following copyrights:

Copyright	Owner	Place of Registration	Valid Period	Registration Number
內燃機拖動發電機組型試驗軟件 v1.0 Mechanical testing software for internal combustion (drag-base) generator v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2009-03-05 to 2059-12-31	2009SR057890
風力雙饋異步發電機型式試驗數據採集系統 v1.0 Data collection system for asynchronous double-fed wind farm v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2008-10-23 to 2058-12-31	2009SR057897
大型汽輪發電機型式試驗系統 v1.0 System testing software for large-scale steam turbine generator v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2008-05-08 to 2058-12-31	2009SR057893
風力雙饋異步發電機型式試驗數據分析系統 v1.0 Data analysis system for asynchronous double-fed wind farm v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2008-08-07 to 2058-12-31	2009SR057888
電機高壓耐壓測試台測控系統 v1.0 High voltage motor control system testbench v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2009-08-07 to 2059-12-31	2009SR057891
異步電動機型式試驗軟件 v1.0 Mechanical testing software for asynchronous generator v1.0	China Machinery International Engineering Design & Research Institute ⁽¹⁾	PRC	From 2009-05-01 to 2059-12-31	2009SR057895

Copyright	Owner	Place of Registration	Valid Period	Registration Number
中機國際船用交流無刷同步發電機型式試驗軟件 v1.0 China Machinery International mechanical testing software for marine brushless synchronous AC generator v1.0	China Machinery R&D	PRC	From 2010-04-20 to 2060-12-31	2012SR041260
中機國際直流電機型式試驗軟件 v1.0 China Machinery International direct current mechanical testing software v1.0	China Machinery R&D	PRC	From 2010-04-20 to 2060-12-31	2012SR041256
中機國際同步電機瞬態數據分析軟件 v1.0 China Machinery International transient data analysis software for synchronous motor v1.0	China Machinery R&D	PRC	From 2011-05-10 to 2061-12-31	2012SR041253
中機國際變頻器型式試驗軟件 v1.0 China Machinery International inverter testing software v1.0	China Machinery R&D	PRC	From 2010-04-20 to 2060-12-31	2012SR041248
中機國際永磁同步風力發電機型式試驗數據分析系統 v1.0 China Machinery International mechanical testing data analysis system for permanent magnetic synchronous wind generator v1.0	China Machinery R&D	PRC	From 2011-11-10 to 2061-12-31	2012SR041245

Copyright	Owner	Place of Registration	Valid Period	Registration Number
中機國際永磁同步風力發電機型式試驗數據採集系統 v1.0 China Machinery International mechanical testing data collection system for permanent magnetic synchronous wind generator v1.0	China Machinery R&D	PRC	From 2010-04-20 to 2060-12-31	2012SR041242
中機國際試驗站靜止變頻電源系統 v1.0 China Machinery International static frequency converter power supply system for test station v1.0	China Machinery R&D	PRC	From 2010-12-10 to 2060-12-31	2012SR041261

Note:

(1) The former name of China Machinery R&D before it was converted into a limited liability company.

(c) Domain names

As at the Latest Practicable Date, our Company had registered the following domain names:

Domain name	Registration Date	Expiration Date
www.e-cmic.jp	2006-10-13	2013-10-31
www.cmecjapan.com	2006-05-02	2013-05-02
www.cmec.com	2000-03-21	2014-03-21

D. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Particulars of Directors' and Supervisors' service agreements

Each of our Directors and Supervisors has entered into a service agreement with us on November 10, 2012. Each service agreement is for a term commencing on his/her being elected by the Shareholders' general meetings and ending on the expiration of the term of the first Board of Directors or the first Supervisory Board (as the case may be).

2. Directors' and Supervisors' remuneration

(a) Directors

The aggregate remuneration paid and benefits in kind granted to the Directors for the three years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012 were approximately RMB2.6 million, RMB2.6 million, RMB3.7 million and RMB2.1 million, respectively.

Under the existing arrangements currently in force, the aggregate remuneration payable and benefits in kind granted to the Directors for the year ending December 31, 2012 are estimated to be approximately RMB4.5 million.

No Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

(b) Supervisors

The aggregate remuneration paid and benefits in kind granted to the Supervisors for the three years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012 were approximately RMB265,000, RMB281,000, RMB506,000 and RMB212,000, respectively.

Under the existing arrangements currently in force, the aggregate remuneration payable and benefits in kind granted to the Supervisors for the year ending December 31, 2012 are estimated to be approximately RMB520,000.

No Supervisor has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Supervisor, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

3. Disclosure of interests

(a) Disclosure of the Directors' and Supervisors' interests in the registered capital of associated corporations of our Company

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, none of our Directors, Supervisors and chief executive of our Company has any interest and/or short position in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to us and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

(b) Interests and short positions of the substantial shareholders in the Shares and underlying Shares

Save as disclosed in the section headed "Substantial Shareholders" in this Prospectus, our Directors, Supervisors or chief executive are not aware of any other person, not being a Director, Supervisor, or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company which, once our Shares are listed, would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

4. Disclaimers

- (i) So far as our Directors are aware, none of our Directors, Supervisors or chief executive has any interest and/or short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to us and the Stock Exchange once our Shares are listed;
- (ii) none of our Directors and the experts referred to under the paragraph headed “Consents of experts” below has any direct or indirect interest in the promotion of any company within our Group, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to, any company within our Group, or are proposed to be acquired or disposed of by or leased to any company within our Group;
- (iii) none of our Directors and the experts referred to under the paragraph headed “Consents of experts” below is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business taken as a whole;
- (iv) none of our Directors has any existing or proposed service contracts with any company within our Group, excluding contracts which are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation); and
- (v) none of the experts referred to under the paragraph headed “Consents of experts” below has any shareholding in any member of our Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty under the PRC laws and regulations is likely to fall on any company within our Group.

2. Litigation

Except as disclosed in the section titled “Business – Legal Proceedings and Regulatory Compliance” in this Prospectus, as of the Latest Practicable Date, our Group was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this Prospectus.

4. Preliminary expenses

Our estimated preliminary expenses are approximately RMB650,000 and are payable by our Company.

5. Promoters

The promoters of our Company are SINOMACH and China United. Save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus, no cash, security or benefits has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this Prospectus.

6. Qualifications of experts

The following are the qualifications of the experts which have given their opinion or advice which are contained in, or referred to in, this Prospectus:

Expert	Qualification
BOCI Asia Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
KPMG	Certified public accountants
Jia Yuan Law Offices	Legal advisor on PRC law to our Company

7. Consents of experts

Each of BOCI Asia Limited, KPMG and Jia Yuan Law Offices has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its reports, letters, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

8. Compliance advisor

Our Company will appoint China Galaxy International Securities (Hong Kong) Co., Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

9. Binding effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance so far as applicable.

10. Exemption from the requirement of a property valuation report

No property valuation report in respect of our Group's property interests is required in reliance upon the exemption provided by section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Bilingual prospectus

The English language and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Miscellaneous

- (a) (i) Within the two years immediately preceding the date of this Prospectus, no company within our Group has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
 - (ii) within the two years immediately preceding the date of this Prospectus, no share or loan capital of any company in our Group is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) within the two years immediately preceding the date of this Prospectus, no commission, discount, brokerage or any other special terms has been paid or is payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of any company in our Group;
 - (iv) no founder, management or deferred shares of any company in our Group have been issued or agreed to be issued;
 - (v) our Directors confirm that since June 30, 2012 (being the date on which the latest audited consolidated financial statements of our Group was made up), there has been no material adverse change in our financial or trading position or prospects;
 - (vi) none of the equity and debt securities of our company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought. We currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the PRC Sino-Foreign Joint Venture Law;
 - (vii) our Directors confirm that there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this Prospectus; and
 - (viii) our Company has no outstanding convertible debt securities or debentures.
- (b) No company within our Group is presently listed on any stock exchange or traded on any trading system.
 - (c) All necessary arrangements have been made enabling our Shares to be admitted into CCASS for clearing and settlement.

13. Taxation of holders of H Shares

Hong Kong stamp duty will be payable by the purchaser on every purchase, and by the seller on every sale, and transfer of the H Shares. The duty is charged at the current rate of HK\$1.00 for every HK\$1,000.00 of the consideration or, if higher, the fair value of the H Shares being sold or transferred.