
RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Relationship with Controlling Shareholders

The immediate controlling shareholder of our Company is Easy Star, which is a company incorporated in BVI with limited liability. Easy Star is indirectly owned by The Pan Family Trust, in which Mr. Marcus Pan is the founder and settlor. Mr. Marcus Pan, through Easy Star, will immediately upon completion of the Global Offering and the Capitalization Issue be interested in 75% of our issued share capital, taking no account into Shares which may be sold pursuant to the exercise of the Over-allotment Option or Shares which may be issued upon the exercise of options granted under the Share Option Scheme, and Mr. Marcus Pan and Easy Star will be regarded as our Controlling Shareholders.

None of our Controlling Shareholders are interested in any business which is, whether directly or indirectly, in competition with our business.

Independence from our Controlling Shareholders

Our Directors consider that we will be able to operate independently from our Controlling Shareholders and their respective associates (other than our Group) upon Listing for the following reasons:

Management independence—Our Board comprises three executive Directors and three independent non-executive Directors. We consider that our Board will function independently from our Controlling Shareholders because:

- (a) as of the Latest Practicable Date, no executive Director had overlapping roles or responsibilities in any business operation other than our business;
- (b) our Controlling Shareholders do not operate any business other than our business;
- (c) as of the Latest Practicable Date, none of our Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our business;
- (d) each Director is aware of his/her fiduciary duties as a Director of our Company which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her interest;
- (e) our Articles of Association provide that, in the event that there is a potential conflict of interest arising out of any transaction or arrangement to be entered into between our Company or any member of our Group and any of our Directors or his/her respective associates, the interested Director(s) shall fully and fairly disclose his/her interest and shall abstain from voting at the relevant board meetings of our Company, nor shall such interested Directors be counted in the quorum present at such meeting in respect of such transactions or arrangement; and
- (f) our Board comprises six Directors and three of them are independent non-executive Directors, which represent more than one-third of the members of the Board. This is in line with current corporate governance practice in Hong Kong.

Operational independence—Our Company makes business decisions independently. Our Group holds all relevant licenses necessary to carry on our business, and has sufficient capital, equipment and employees to operate its business independently. As of the Latest Practicable Date, we had our own independent operation capabilities and independent access to customers and suppliers and, save as disclosed in the section entitled “Connected Transactions” beginning on page 155 of this prospectus, we had not entered into any connected transactions with any connected person of our

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Group. Details of the continuing connected transactions that will continue after Listing are set out in the section entitled “Connected Transactions” beginning on page 155 of this prospectus. Our Group’s continuing connected transactions have been entered into and will continue to be entered into on normal commercial terms and in our ordinary course of business.

Financial independence—We have sufficient capital and banking facilities to operate our business independently, and have adequate resources to support our daily operations. We are financially independent of our Controlling Shareholders and their associates. All loans, advances and balances due to and from our Controlling Shareholders and their respective associates have been fully settled and all guarantees provided by our Controlling Shareholders and their respective associates on our Group’s borrowing will be released upon Listing and will be replaced by a corporate guarantee. The amounts due from related companies as of September 30, 2012 have been fully released. In addition, our Group has an independent financial system and makes financial decisions according to its own business needs.

Our Directors are satisfied that we are capable of carrying on our business independently from any of our Controlling Shareholders and their respective associates (other than our Group) after our Company is listed on the Stock Exchange.

Non-competition Undertakings

In order to eliminate any existing or future competition with us, Mr. Marcus Pan, Easy Star, Ms. Kuang Shunyou, the mother of Mr. Marcus Pan, Ms. Shao and Mr. Pan Zhaolong and Ms. Pan Xiaoyu, son and daughter of Mr. Marcus Pan and Ms. Shao (the “Covenantors”) have undertaken to us in the Deed of Non-competition that it/he/she will not, and will procure its/his/her associates including any beneficiaries of The Pan Family Trust who reach the age of 18 and any beneficiaries that may be added to The Pan Family Trust from time to time (other than members of our Group) not to, engage in any aluminum production business including (without limitation) the following activities:

- acquiring, holding, developing, transferring, disposing or otherwise dealing in, whether directly or indirectly, aluminum production business or related investments;
- engaging, having a right or in any way having an economic interest, in the promotion or development of or investment in aluminum production business; or
- acquiring, holding, transferring, disposing or otherwise dealing in any option, right or interest over any of the matters set out in the two paragraphs above; except for acquiring, holding, transferring, disposing or otherwise dealing in, directly or indirectly, shares of any company, joint venture, corporation or entity of any nature, whether or not incorporated, with any interest in the matters set out in the three paragraphs above so long as their aggregate interest in any such entity is less than 5% of its equity interest.

The Deed of Non-competition will lapse automatically if our Controlling Shareholders and their associates cease to hold, whether directly or indirectly, any of our Shares.

The Deed of Non-competition also provides that:

- each of the parties has undertaken to us that it/he/she will, and will procure its/his/her associates to use its/his/her best endeavors to provide all information necessary for the annual review by the independent non-executive Directors of its/his/her compliance with the Deed of Non-Competition and the enforcement of the Deed of Non-competition or a negative confirmation, as appropriate;
- each of the parties will make an annual declaration in our annual report on compliance with his/her/its undertakings under the Deed of Non-competition in the annual reports of our Company as the independent non-executive Directors think fit and to ensure disclosure of

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details of their compliance with and the enforcement of the non-competition undertakings under the Deed of Non-Competition is consistent with the relevant requirements under the Listing Rules; and

- each of the parties has undertaken to procure our Company to disclose decisions on matters reviewed by our independent non-executive Directors, at least on an annual basis, relating to the compliance and enforcement of its/his/her non-competition undertakings under the Deed of Non-Competition, either through the annual report or by way of announcements to the public.