
CONNECTED TRANSACTIONS

Our Group has entered into a number of agreements with parties which will be regarded as a connected party to our Group upon the Listing to regulate the relevant transactions. More details about the agreements and the transactions are set out below.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transactions will constitute continuing connected transactions for our Company under Rule 14A.33(3) of the Listing Rules after the Listing Date and will be exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) Leasing of properties by Singyes Renewable Energy from Zhuhai Singyes

Pursuant to a lease agreement entered into between Singyes Renewable Energy and Zhuhai Singyes dated 1 January 2008, Zhuhai Singyes agreed to lease to Singyes Renewable Energy the property located at Room 201-204, 2nd Floor, No.8 Hongda Road Nanping Science and Technology Park, Zhuhai City, Guangdong Province, the PRC which is used as an office for a term commencing from 1 January 2008 and ending on 1 January 2010 at an annual rental of RMB5,376 ("Singyes Renewable Energy Lease Agreement"). Jones Lang LaSalle Sallmanns Limited, an independent property valuer, has carried out investigation to the real estate rental market in Zhuhai and is of the opinion that the rents payable under the Singyes Renewable Energy Lease Agreement are fair and reasonable and consistent with the prevailing market rent for similar premises in similar location.

(2) Trademark licence agreement between Zhuhai Singyes as licensor and our Company as licensee

Mr. Liu Hongwei holds 21.43% equity interest in Zhuhai Singyes. Mr. Liu Hongwei is an executive Director and therefore a connected person of our Company. As such, Zhuhai Singyes, being a non-wholly owned subsidiary of our Company where Mr. Liu Hongwei is entitled to exercise, or control the exercise of 10% or more of the voting power at any general meeting of Zhuhai Singyes, is a connected person of our Company.

Zhuhai Singyes is the registered owner of a trademark ("Trademark") in the PRC. For details of the Trademark, please refer to paragraph (a)(i) under the sub-section headed "Intellectual property" in Appendix VI to this prospectus. Pursuant to a trademark licence agreement dated 20 May 2008 (the "Trademark Licence Agreement"), Zhuhai Singyes has granted to our Company and its subsidiaries, a non-exclusive right to use the Trademark at a consideration of RMB 1 for a term of three years commencing from 23 May 2008.

(3) Patent licence agreements

(i) Patent licence agreement between Zhuhai Singyes as a licensor and our Company as a licensee

Zhuhai Singyes is the registered owner of the five licensed patents (the "Licensed Patents") in the PRC. For details of the Licensed Patents, please refer to items (1) to (5) of paragraph (b)(i) under the sub-section headed "Intellectual property" in Appendix VI to this prospectus.

CONNECTED TRANSACTIONS

On 23 May 2008, Zhuhai Singyes as a licensor and our Company as a licensee entered into a patent licence agreement pursuant to which Zhuhai Singyes agreed to grant to our Company and its subsidiaries a non-exclusive right to use the Licensed Patents at a consideration of RMB1 for a term of three years commencing from 23 May 2008.

(ii) Patent licence agreement between Zhuhai Singyes as a licensor and Innofast Investments as a licensee

On 23 May 2008, Zhuhai Singyes as a licensor and Innofast Investments as a licensee entered into a patent licence agreement pursuant to which Zhuhai Singyes agreed to grant to Innofast Investments and its subsidiaries a non-exclusive right to use the Licensed Patents at a consideration of RMB1 for a term of three years commencing from 23 May 2008.

(iii) Patent licence agreement between Zhuhai Singyes as a licensor and Singyes Renewable Energy as a licensee

On 23 May 2008, Zhuhai Singyes as a licensor and Singyes Renewable Energy as a licensee entered into a patent licence agreement pursuant to which Zhuhai Singyes agreed to grant to Singyes Renewable Energy and its subsidiaries a non-exclusive right to use the Licensed Patents at a consideration of RMB1 for a term of three years commencing from 23 May 2008.

In relation to each of the continuing connected transactions described under paragraphs (1), (2) and (3) above, (i) the terms are no less favourable to our Group than the terms available to Independent Third Parties; and (ii) each of the percentage ratios, where applicable, calculated by reference to Rule 14.07 of the Listing Rules, is on an annual basis less than 0.1%. Accordingly, these transactions are qualified under Rule 14A.33(3)(a) of the Listing Rules as de minimis transactions that are exempt from reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

Our Directors and the Sponsor are of the view that each of the continuing connected transactions described under paragraphs (1), (2) and (3) above has been entered into in the ordinary and usual course of business, on normal commercial terms, and is fair and reasonable to our Group and in the interests of our Shareholders as a whole.