

I. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of Our Company**

We were incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 12 April 2006. We were registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 28 December 2009, and our Company's principal place of business in Hong Kong is at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong. Mr. Wai Fung Ngai, whose office address is at 8/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong, has been appointed to accept service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, our corporate structure and our Memorandum and Articles of Association are subject to the laws of the Cayman Islands. A summary of certain provisions of our Memorandum and Articles of Association and certain aspects of the Companies Law is set forth in Appendix VI, "Summary of Memorandum and Articles of Association and Cayman Companies Law" to this Prospectus.

2. Changes in the Share Capital of Our Company

The following sets out the changes in our Company's issued share capital since the date of its incorporation:

- (a) As of the incorporation of the Company on 12 April 2006, its authorised share capital was US\$50,000 divided into 2,500 ordinary shares of US\$10.00 each and 2,500 preferred shares of US\$10.00 each.
- (b) On 16 May 2006, 910 ordinary shares, 63 ordinary shares, 13.5 ordinary shares and 13.5 ordinary shares of nominal value US\$10.00 each of the Company were allotted and issued to TJCC Holdings, Mr. Rubo Li, Mr. Emory Williams, and Williams Realty, respectively, at the purchase price of US\$1,000.00 each.
- (c) On 16 May 2006, 1,000 preferred shares of nominal value of US\$10.00 each were issued to TJCC Holdings at the purchase price of US\$64,000 each for an aggregate of US\$64 million.
- (d) On 12 December 2007, 601.5625 preferred shares of nominal value of US\$10.00 each were issued to TJCC Holdings at the purchase price of US\$64,000 each for an aggregate of US\$38.5 million.
- (e) On 17 December 2009, the Company repurchased 156.25 preferred shares of nominal value of US\$10.00 each from TJCC Holdings at the repurchase price of US\$10.0 million.
- (f) On 23 December 2009, the Company repurchased 522.234375 preferred shares of nominal value of US\$10.00 each from TJCC Holdings at the repurchase price of US\$33.4 million, with 923.078125 preferred shares remaining outstanding.
- (g) On 24 January 2010, the Company increased and revised its authorised share capital to HK\$500,000,000 divided into 5,000,000,000 Shares with a par value of HK\$0.10 each and 10,000 Shares were allotted and issued to the four holders of our ordinary shares in proportion to their existing shareholdings in exchange for the 1,000 issued ordinary shares with a nominal value of US\$10.00 each held by them and the authorised and unissued 1,500 ordinary shares with a nominal value of US\$10.00 each were cancelled.

Immediately following completion of the Global Offering and the Capitalisation Issue and assuming the Over-allotment Option is not exercised and no Shares have been issued and allotted pursuant to the Share Option Scheme, the authorised share capital of the Company will be HK\$500,000,000 divided into 5,000,000,000 Shares and US\$25,000 divided into 2,500 preferred shares, of which 1,300,000,000 Shares will be issued fully paid or credited as fully paid, and 3,700,000,000 Shares will remain unissued. The remaining 923.078125 preferred shares will be repurchased by the Company at the repurchase price of US\$59.1 million upon completion of the Global Offering, and upon completion of the repurchase, all of the preferred shares will have been repurchased and cancelled. Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed “Written Resolutions of Our Shareholders Passed on 24 January 2010” in this Appendix, we do not have any present intention to issue any of the authorised but unissued share capital of the Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed herein, there has been no alteration in our share capital since our incorporation.

3. Written Resolutions of Our Shareholders Passed on 24 January 2010

Pursuant to the written resolutions of all shareholders entitled to vote at general meetings of the Company, the following resolutions, among others, were passed on 24 January 2010:

- (a) the authorised share capital of the Company was increased from US\$50,000 divided into (i) 2,500 ordinary shares of a nominal or par value of US\$10.00 each and (ii) 2,500 preferred shares of a nominal or par value of US\$10.00 each, to (i) HK\$500,000,000 divided into 5,000,000,000 ordinary shares of a nominal or par value of HK\$0.10 each; and (ii) US\$50,000 divided into (A) 2,500 ordinary shares (1,000 ordinary shares having been issued and 1,500 ordinary shares authorised but unissued) and (B) 2,500 preferred shares (923.078125 preferred shares issued and outstanding and 1,576.921875 unauthorised but unissued preferred shares), by the creation of 5,000,000,000 ordinary shares;

- (b) immediately following the Company's repurchase of the 1,000 ordinary shares held by the existing four holders of ordinary shares at par value in consideration for the simultaneous issuance by the Company to them in proportion to their existing shareholdings as follows at par value, fully paid, of an aggregate of 10,000 Shares, to be authorised by the resolutions passed at a meeting of the Board of even date and effected thereafter in the register of members of the Company (such repurchase and issuance having been agreed to by the four holders of ordinary shares), the authorised share capital of the Company be reduced from (i) HK\$500,000,000 divided into 5,000,000,000 ordinary shares; and (ii) US\$50,000 divided into (A) 2,500 ordinary shares and (B) 2,500 preferred shares, to (i) HK\$500,000,000 divided into 5,000,000,000 ordinary shares and (ii) US\$25,000 divided into 2,500 preferred shares by the cancellation of the 2,500 ordinary shares;

Name of Shareholder	Number of ordinary shares to be repurchased by the Company	Number of Shares to be issued in exchange for the existing ordinary shares
TJCC Holdings	910	9,100
Rubo Li	63	630
Emory Williams	13.5	135
Williams Realty	13.5	135
Total:	<u>1,000</u>	<u>10,000</u>

- (c) conditional on the same conditions as stated in the section headed "Structure of the Global Offering" in this Prospectus:
- (i) the Global Offering, the Capitalisation Issue and the Over-allotment Option were approved and the Directors were authorised to allot and issue Offer Shares in connection with the Global Offering and the Shares which may fall to be issued if the Over-allotment Option is exercised, on and subject to the terms and conditions stated in this Prospectus and in the relevant Application Forms;
- (ii) conditional on the share premium account of the Company being credited as a result of the issue of the Offer Shares by the Company pursuant to the Global Offering, our Directors were authorised to capitalise HK\$77,999,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 779,990,000 Shares for allotment and issue to the holders of our ordinary shares whose names appear on our register of members at the close of business on 24 January 2010 (or as they may direct) in the following manner and such Shares to be allotted and issued shall rank *pari passu* in all respects with the existing issued Shares:

Name of Shareholder	Number of Shares to be allotted and issued pursuant to the Capitalisation Issue
TJCC Holdings	709,790,900
Rubo Li	49,139,370
Emory Williams	10,529,865
Williams Realty	10,529,865

- (iii) conditional upon the Company having received the proceeds of Global Offering, the Company was authorised to repurchase the 923.078125 preferred shares from TJCC Holdings for a purchase price of US\$59.1 million, the payments for which be paid out of the net proceeds to be received by the Company from the Global Offering, and such repurchase to be authorised by the resolutions passed at a meeting of the Board of even date and effected thereafter in the register of members of the Company and upon completion of the repurchase, the 923.078125 preferred shares repurchased by the Company be cancelled;
- (iv) subject to approval by the holders of the ordinary shares and preferred shares of the Company and conditional upon (A) the Global Offering having become effective and unconditional; and (B) the Company having received the proceeds of the Global Offering, the Contingent Dividend was approved and be payable to the holders of the ordinary shares of the Company registered in the Company's register of members as at 24 January 2010, such amount of dividend to be determined based on the Offer Price, and will be represent the difference of (A) 37.5% of the net proceeds from the Global Offering; and (B) a sum of US\$73.9 million in payments as set forth in item (i) in "Summary — Use of Proceeds" of this Prospectus, and provided that such Contingent Dividend will only be payable after completion of the annual audit for the financial year ended 31 December 2009, if there is sufficient distributable profits to pay the amount of Contingent Dividend as determined after completion of the annual audit of the Company for the financial year ended 31 December 2009 and that such Contingent Dividend be paid within five days of the publication of the 2009 annual results of the Company;
- (v) a general unconditional mandate was granted to our Directors to exercise all the powers of the Company to allot, issue and deal with Shares or securities convertible into shares and to make offer or agreement or grant an option which would or might require such shares to be allotted and issued, whether during the continuance of such mandate or thereafter (otherwise than by way of rights issue, scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association or pursuant to the exercise of any subscription or conversion rights attached to any warrants or securities which are convertible into shares of the Company or pursuant to the exercise of the options which may be granted under the Share Option Scheme or pursuant to a specific authority granted by our shareholders in general meeting, on behalf of our Company, or other similar arrangements) with an aggregate nominal amount not exceeding the sum of 20% of the aggregate nominal value of our share capital of our Company in issue and to be issued pursuant to the Global Offering and the Capitalisation Issue;
- (vi) a general unconditional mandate was granted to our Directors to exercise all powers of our Company to repurchase on the Hong Kong Stock Exchange, or any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Hong Kong Stock Exchange for this purpose, such number of Shares with an aggregate nominal amount of Shares as shall not exceed 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering and the Capitalisation Issue;
- (vii) the unconditional general mandate mentioned in paragraph (v) above was extended by the addition to the aggregate nominal value of the share capital of the Company which

may be allotted and agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to paragraph (vi) above;

Each of the general mandates referred to in paragraphs (v), (vi) and (vii) above will remain in effect until the earliest of (A) the conclusion of the next annual general meeting of our Company; (B) the expiration of the period within which the next annual meeting of our Company is required to be held by the Articles of Association or any applicable laws; or (C) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;

(viii) the rules of the Share Option Scheme were approved and adopted, and our Directors were authorised, at their sole discretion, to, among other things: (A) administer the Share Option Scheme; (B) modify/amend the Share Option Scheme from time to time as requested by the Hong Kong Stock Exchange; (C) grant options to subscribe for Shares under the Share Option Scheme up to the limits referred to in the Share Option Scheme; (D) allot, issue Shares pursuant to the exercise of any option which may be granted under the Share Option Scheme; and (E) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the Share Option Scheme;

(ix) the adoption of the amended Memorandum and Articles of Association;

4. Corporate Reorganisation

For information with regard to our corporate reorganisation, please refer to the section headed “Reorganisation” in this Prospectus.

5. Changes in the Share Capital of Our Subsidiaries

The subsidiaries of our Company as of the date of this Prospectus include all entities set out in the section headed “Accountants’ Report of International Mining Machinery Holdings Limited” as included in Appendix I to this Prospectus. There has been no alteration in the share capital of any of the subsidiaries of our Company within the two years preceding the date of this Prospectus.

6. Sino-foreign Joint Ventures

Information regarding the Sino-foreign equity joint ventures, cooperative or contractual joint ventures:

Huainan Longwall

Parties and equity interest:	IMM AFC 75%; and Huainan Benniu (淮南奔牛機械有限責任公司) 25%
Term of joint venture:	50 years
Date of establishment:	27 June 2007
Scope of business:	Design, production, sale, maintenance and repair, and after-sale services in respect of coal mining machinery, conveyor machinery, crushing machinery, gadding machinery and spare parts and accessories; installation and maintenance and repair of coal mining machinery
Nature:	Sino-foreign equity joint venture
Total investment amount:	RMB 220,000,000
Registered share capital:	RMB 100,000,000

In December 2009, IMM AFC entered into an equity transfer agreement with Huainan Benniu to acquire the remaining 25% equity interest in Huainan Longwall. Upon completion of the approval and registration procedures with the relevant PRC authorities on 19 January 2010, Huainan Longwall became a wholly-owned subsidiary of the Company.

7. Repurchase of Our Own Securities

This section includes information required by the Hong Kong Stock Exchange to be included in this Prospectus concerning the repurchase of our own securities.

(a) Shareholders' approval

All proposed repurchases of securities by a company with its primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to a resolution in writing passed by the Shareholders on 24 January 2010, the Repurchase Mandate was given to the Directors authorising any repurchase by the Company on the Hong Kong Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Hong Kong Stock Exchange for this purpose, Shares of up to 10% of the aggregate nominal value of the share capital of the Company in issue and to be issued immediately following the completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options which were granted or may be granted under the Share Option Scheme, such mandate to expire on the earlier of (a) the conclusion of our next annual general meeting; (b) the date by which our next annual general meeting is required by the Articles of Association or applicable Cayman Islands law to be held; or (c) when revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

(b) Source of funds

Repurchases must only be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the Companies Law. A listed company is prohibited from repurchasing its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time. Subject to the foregoing, any repurchase by the Company may be made out of funds legally permitted to be utilised in this connection, including profits of the Company or out of proceeds of a fresh issue of Shares made for that purpose or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a repurchase over the par value of the Shares to be purchased must be paid out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

(c) Shares to be repurchased

The Listing Rules provide that the Shares which are proposed to be repurchased by a company must be fully paid up.

(d) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(e) Funding of repurchases

In repurchasing securities, the Company may apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

(f) Trading restrictions

The total number of shares which a company is authorised to repurchase on the Hong Kong Stock Exchange is the number of shares representing up to a maximum of 10% of its issued share capital of the company as at the date of the ordinary resolution authorising such repurchase. A company may not issue or announce an issue of securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, all repurchases of securities on the Hong Kong Stock Exchange in any calendar month are limited to a maximum of 25% of the trading volume of such securities on the Hong Kong Stock Exchange in the immediately preceding calendar month. The Listing Rules also prohibit a company from repurchasing its securities on the Hong Kong Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage for that company required by the Hong Kong Stock Exchange. A company must procure that any broker appointed by it to effect the repurchase of securities discloses to the

Hong Kong Stock Exchange such information with respect to the repurchases as the Hong Kong Stock Exchange may request.

(g) Status of repurchased securities

All repurchased securities (whether on the Hong Kong Stock Exchange or otherwise) are automatically delisted and the relative certificates for those securities must be cancelled and destroyed.

(h) Suspension of repurchases

Securities repurchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In addition, the Hong Kong Stock Exchange reserves the right to prohibit repurchases of securities on the Hong Kong Stock Exchange if a company has breached the Listing Rules.

(i) Exercise of repurchase mandate

The exercise in full of the Repurchase Mandate, on the basis of 1,300,000,000 Shares in issue immediately after completion of the Global Offering (taking no account of any Shares which may be issued upon the exercise of the options granted under the Share Option Scheme and assuming that the Over-allotment Option will not be exercised) could accordingly result in up to 130,000,000 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force. If the Over-allotment Option is exercised in full, the exercise in full of the Repurchase Mandate on the basis of 1,378,000,000 Shares in issue immediately after the Global Offering could accordingly result in 137,800,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(j) Reporting requirements

Repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 9:30 a.m. (Hong Kong time) on the following business day. In addition, a company's annual report is required to disclose details regarding repurchases of securities made during the year, including the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(k) General

There might be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this Prospectus) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not proposed to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of the Directors may from time to time be appropriate for our Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company or its subsidiaries.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No Connected Person has notified our Company that he/she has a present intention to sell Shares to our Company, or has undertaken not to do so.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. The Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

II. 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 members of our Group within the two years immediately preceding the date of this Prospectus, which are or may be material:

- (a) An assignment contract dated 15 August 2008 entered into between Jiamusi Machinery and Zhengzhou Siwei, pursuant to which Zhengzhou Siwei agreed to assign and Jiamusi Machinery agreed to acquire Zhengzhou Siwei's rights and obligations to subscribe for RMB20,000,000 in Tianlong Machinery's registered capital together with all the rights and obligations related thereto at nil consideration;
- (b) An intangible asset sale and purchase contract dated 1 November 2008 entered into between Huainan Longwall and Huainan Benniu, pursuant to which Huainan Longwall agreed to purchase and Huainan Benniu agreed to sell 5 patents, 44 proprietary technologies and 41 other intangible assets for RMB25,000,000;
- (c) A plant lease contract dated 26 November 2008 as supplemented by a supplemental plant lease contract dated 31 December 2009, entered into between Huainan Longwall and Huainan Benniu, pursuant to which Huainan Benniu as lessor agreed to lease to Huainan Longwall as lessee a plant in an aggregate gross floor area of approximately 21,175.96 m² situated at Luohe Economic Development Zone, Huainan City, Anhui, the PRC at a consideration of RMB250,000 per month for a term commencing from 21 November 2007 to 30 June 2010;
- (d) An equity transfer agreement dated 3 December 2009 entered into between IMM AFC and Huainan Benniu, pursuant to which IMM AFC acquired 25% equity interest in Huainan Longwall from Huainan Benniu at a consideration of RMB51,400,000;
- (e) An amended consulting agreement dated 4 December 2009 entered into between the Company (formerly known as TJCC IMM Holdings Ltd.) and Mr. Rubo Li (a/k/a John Lee) whereby the Company agreed to retain Mr. Rubo Li as a consultant to provide advisory and consulting services to the Company for a compensation of US\$21,000 per month for a term commencing from 4 December 2009 to 1 May 2011;
- (f) An omnibus assignment and assumption agreement dated 31 December 2009 entered into between the Company (formerly known as TJCC IMM Holdings Ltd.) and TJCC Holdings,

pursuant to which the Company agreed to assign certain loans and interest receivables as identified in Schedule I thereto, payable by HK Siwei, Mr. Rubo Li, Mr. Emory Williams, Williams Realty and TJCC Services to TJCC Holdings and TJCC Holdings agreed to forgive and discharge the Company's obligations to make payment of interest and/or principal under the promissory notes as set forth in Schedule III thereto;

- (g) A letter agreement dated 4 December 2009 entered into among the Company (formerly known as TJCC IMM Holdings Ltd.), TJCC Holdings, TJCC Services, Mr. Rubo Li, Mr. Emory Williams and Williams Realty whereby, among other things (i) certain Consultant Subscription Agreements between the Company, Mr. Rubo Li, Mr. Emory Williams and Williams Realty respectively were amended; (ii) certain related parties loans were agreed to be set-off; (iii) the rights, title and interest in and to the name of "International Mining Machinery" were assigned by Mr. Rubo Li, Mr. Emory Williams and Williams Realty to the Company;
- (h) A non-competition undertaking dated 24 January 2010 entered into between the Company (formerly known as TJCC IMM Holdings Ltd.), The Resolute Fund, L.P., The Resolute Fund SIE, L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P., The Resolute Fund NQP, L.P. and TJCC Holdings, pursuant to which The Resolute Fund, L.P., The Resolute Fund SIE, L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P., The Resolute Fund NQP, L.P. and TJCC Holdings, agreed not to, and agreed to procure The Jordan Company, L.P. not to, compete with our main business, further details of which are set out in the section headed "Relationship with Our Controlling Shareholders — Non-Competition Undertaking"; and
- (i) Hong Kong Underwriting Agreement, further details of which are set out in "Underwriting — Underwriting Arrangements and Expenses".












2. Intellectual Property Rights

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks:

Trademark	Registered owner	Class	Place of registration	Validity period	Registration number
国际煤机	Company	7	PRC	7 August 2007 to 6 August 2017	4394989
IMM	Company	7	PRC	7 August 2007 to 6 August 2017	4394991
	Jixi Machinery	7	PRC	7 January 2006 to 6 January 2016	3822928
哈美龙	Jixi Machinery	9	PRC	28 May 2006 to 27 May 2016	4021395
	Jiamusi Machinery	7	PRC	14 January 2001 to 13 January 2011	1507495
	Jiamusi Machinery	7	PRC	5 July 2003 to 4 July 2013	182027
佳煤机械	Jiamusi Machinery	7	PRC	28 May 2009 to 27 May 2019	5438120
佳煤	Jiamusi Machinery	7	PRC	28 May 2009 to 27 May 2019	5438122
佳煤机	Jiamusi Machinery	7	PRC	28 May 2009 to 27 May 2019	5445308

As at the Latest Practicable Date, our Group had applied for registration of the following trademarks:

Trademark	Name of applicant	Class	Place of application	Application number	Application date
 INTERNATIONAL MINING MACHINERY	Company	7	PRC	6958375	17 September 2008
 INTERNATIONAL MINING MACHINERY	Company	9	PRC	6958376	17 September 2008
 INTERNATIONAL MINING MACHINERY	Company	11	PRC	6958427	17 September 2008
 INTERNATIONAL MINING MACHINERY	Company	35	PRC	6958428	17 September 2008
 INTERNATIONAL MINING MACHINERY	Company	37	PRC	6958429	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	7	PRC	6958370	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	9	PRC	6958371	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	11	PRC	6958372	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	35	PRC	6958373	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	37	PRC	6958374	17 September 2008
 国际煤机集团 INTERNATIONAL MINING MACHINERY	Company	7, 9, 11, 35, 37	Hong Kong	301477062	16 November 2009

(b) Patents

As at the Latest Practicable Date, our Group had registered the following patents:

Patent	Registered owner	Place of registration	Validity period	Registration number
Loading test bed for shearer loaders used on coal mining unit (採煤機截割機構載入試驗裝置)	Jixi Machinery	PRC	8 November 2004 to 7 November 2014	ZL 2004 2 0063726.1
Speed regulating device for haulage system used on coal mining unit (採煤機牽引系統的調速裝置)	Jixi Machinery	PRC	4 March 2005 to 3 March 2015	ZL 2005 2 0020346.4
Helical drum for cutting unit of roadheaders (掘進機截割頭螺旋滾筒)	Jiamusi Machinery	PRC	11 August 2005 to 10 August 2015	ZL 2005 2 0021418.7
Inside spray device for roadheaders (掘進機內噴霧裝置)	Jiamusi Machinery	PRC	11 August 2005 to 10 August 2015	ZL 2005 2 0021417.2
Bolting drill rig for roadheaders (掘進機錨杆鑽機裝置)	Jiamusi Machinery	PRC	11 August 2005 to 10 August 2015	ZL 2005 2 0021419.1
Finned plate oil cooler for roadheaders (掘進機板翅式油冷卻器)	Jiamusi Machinery	PRC	30 August 2005 to 29 August 2015	ZL 2005 2 0021537.2
Triple chain scraper for roadheaders (掘進機三鏈式刮板裝置)	Jiamusi Machinery	PRC	11 August 2005 to 10 August 2015	ZL 2005 2 0021416.8
Tensioner for oil tank (油缸張緊裝置)	Jiamusi Machinery	PRC	30 August 2005 to 29 August 2015	ZL 2005 2 0021538.7
Internal finned tube cooler for oil tanks of roadheaders (掘進機油箱內置式管翅冷卻器)	Jiamusi Machinery	PRC	24 September 2007 to 23 September 2017	ZL20072011 7092.7
Auxiliary thrust device for roadheaders (掘進機助推裝置)	Jiamusi Machinery	PRC	15 July 2007 to 14 July 2017	ZL20072011 6611.8
Water feeder for internal spray of roadheaders (掘進機內噴霧給水裝置)	Jiamusi Machinery	PRC	15 July 2007 to 14 July 2017	ZL20072011 6612.2

Patent	Registered owner	Place of registration	Validity period	Registration number
Locking device for explosion-proof compartment of roadheaders (掘進機隔爆殼體門閉鎖裝置)	Jiamusi Machinery	PRC	3 September 2007 to 2 September 2017	ZL20072011 6945.5
Oil temperature and oil volume monitoring device for roadheaders (掘進機油溫油位監控裝置)	Jiamusi Machinery	PRC	3 September 2007 to 2 September 2017	ZL20072011 6946.X
Narrow bolt drilling device (窄錨杆鑽車裝置)	Jiamusi Machinery	PRC	24 September 2008 to 23 September 2018	ZL20082009 0990.2
Rotary device for vacuum dust cleaner of roadheaders (掘進機負壓除塵回轉裝置)	Jiamusi Machinery	PRC	24 September 2008 to 23 September 2018	ZL20082009 0988.5
Blowing device for vacuum dust cleaner of roadheaders (掘進機負壓除塵風筒裝置)	Jiamusi Machinery	PRC	24 September 2008 to 23 September 2018	ZL20082009 0989.X
Roadheaders (掘進機)	Jiamusi Machinery	PRC	3 September 2007 to 2 September 2017	ZL20073013 0191.4
Open roof linepan with sliding side windows (擋板側抽拉式開天窗中部槽)	Huainan Longwall	PRC	26 July 2006 to 25 July 2016	ZL20062007 6071.0
Common sprocket (通用銷排)	Huainan Longwall	PRC	26 July 2006 to 25 July 2016	ZL20062007 6073.X
Multi-function linepan with open roof (多功能開天窗中部槽)	Huainan Longwall	PRC	26 July 2006 to 25 July 2016	ZL20062007 6074.4
Non-symmetric linking linepan for mining (礦用非對稱連接的中部槽)	Huainan Longwall	PRC	26 July 2006 to 25 July 2016	ZL20062007 6072.5
Mining scraper-type conveyor adapted for double chain usage (可適用於兩種鏈條的礦用輸送刮板機)	Huainan Longwall	PRC	26 July 2006 to 25 July 2016	ZL20062007 6067.4

As at the Latest Practicable Date, our Group had applied for registration of the following patents:

Patent	Name of applicant	Place of application	Application number	Application date
Sealed inside spray device for roadheaders (掘進機內噴霧密封裝置)	Jiamusi Machinery	PRC	200920100043.1	31 May 2009
Steam and water spray dust cleaning device for roadheaders (掘進機氣液噴射減塵裝置)	Jiamusi Machinery and Sichuan Jiayang Group Co., Ltd. (四川嘉陽集團有限責任公司) (Note)	PRC	200920100044.6	31 May 2009

Note: This application was made jointly by Jiamusi Machinery and Sichuan Jiayang Group Co., Ltd. (四川嘉陽集團有限責任公司), which was an independent third party of the Company.

(c) *Domain names*

As at the Latest Practicable Date, we have full legal rights over and have registered the following domain names:

Domain name	Registrant	Date of registration	Expiry date
immchina.com	Company	18 October 2006	18 October 2011

Save as aforesaid, there are no other trademarks, patents or other intellectual property rights which are material in relation to the Group's business.

III. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Particulars of Directors' Service Agreements and Letters of Appointment

Each of the executive Directors, except for Mr. Thomas H. Quinn, has entered into a service contract with our Company for an initial term of three years commencing from 24 January 2010. Each of these service contracts may be terminated by either party thereto giving to the other party not less than three months' prior notice in writing. The aggregate annual salary of our executive Directors is expected to be approximately US\$1,117,206.0 (equivalent to approximately HK\$8,659,240.0) for the year of 2010.

Each of the non-executive Directors (except for Mr. John W. Jordan II) and independent non-executive Directors, has entered into a letter of appointment with our Company. Except for the letter of appointment entered into with Mr. Rubo Li which has a term commencing from 4 December 2009 and ending on 1 May 2011, each letter of appointment for an initial term of three years commencing from 24 January 2010. The aggregate annual salary of our non-executive Directors and independent non-executive Directors is expected to be approximately US\$499,235.0 (equivalent to approximately HK\$3,869,473.0) for the year of 2010.

Save as disclosed in this Prospectus, none of our Directors has or is proposed to have a service contract with any member of our Company (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

We have not entered into any service contract with our Directors which is for a duration that may exceed three years or which is not determinable by us within one year without payment of compensation (other than statutory compensation).

2. Directors' Remuneration

Our Company's policies concerning remuneration of executive Directors are as follows:

- (i) the amount of remuneration payable to the executive Directors will be determined on a case by case basis depending on the Director's experience, responsibility, workload, time devoted and contribution to our Group;
- (ii) certain executive Directors are entitled to a discretionary bonus, the calculation of which is to be based on the performance targets of our Company; and
- (iii) the executive Directors may be granted, at the discretion of the Board and subject to the Listing Rules and the Share Option Scheme, share options under the Share Option Scheme of the Company.

The aggregate remuneration paid (including benefits in kind) to our Directors by our Company and members of the Group in respect of the three financial years ended 31 December 2008 and the seven months period ended 31 July 2009 were approximately RMB17.991 million, RMB14.145 million, RMB9.302 million and RMB7.731 million, respectively (equivalent to approximately HK\$20.4 million, HK\$16.1 million, HK\$10.6 million and HK\$8.8 million, respectively). Details of the Directors' remuneration are also set out in note 9 of the "Accountants' Report of International Mining Machinery Holdings Limited" in Appendix I to this Prospectus. In addition, each of Mr. Kee-Kwan Allen Chan and Mr. Youming Ye holds 40.0% equity interest in TJCC Services. During the track record period, we paid TJCC Services a management fee of US\$2.5 million (equivalent to approximately HK\$19.4 million) per year for the services it provided, pursuant to a management consulting agreement. Under their respective employment agreement with TJCC Services, besides their potential bonuses, Mr. Kee-Kwan Allen Chan was entitled to a compensation of US\$360,000 per year (equivalent to approximately HK\$2,790,288) and Mr. Youming Ye was entitled to a compensation of US\$400,000 per year (equivalent to approximately HK\$3,100,320). Upon the Global Offering and Reorganisation, the management consulting agreement will be terminated, and Mr. Kee-Kwan Allen Chan and Mr. Youming Ye, each as our executive Director, will receive compensation directly from our Company.

Save as disclosed in this Prospectus, no other emoluments have been paid or are payable by our Company or members of the Group to the Directors in respect of the three financial years ended 31 December 2008.

None of the Directors or any past directors of any member of our Group has been paid any sum of money for the three years ended 31 December 2008 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Under the current arrangements, our Company estimates that our Directors will be entitled to receive remuneration and benefits in kind (excluding discretionary bonus) from our Company or members of the Group for the financial year ending 31 December 2010 of approximately US\$1,616,440.0 (equivalent to approximately HK\$12,528,710.0) in aggregate.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended 31 December 2008 and the seven months ended 31 July 2009.

3. Disclosure of Interests in the Share Capital of Our Company

(a) Interests and/or short positions of the Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company and its associated corporations following the Global Offering

Immediately following completion of the Global Offering and the Capitalisation Issue (but taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme and exercise of the Over-allotment Option), the interests and short positions of the Directors and our chief executive in the Shares, underlying Shares or debentures of our Company and its associated corporations (within the meaning of Part XV of SFO), once the Shares are listed, (i) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO) or (ii) which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, or (iii) which will be required pursuant to section 352 of the SFO to be entered in the register of interests referred to therein (all of the aforesaid being “Discloseable Interests”, in each case once the Shares are listed on the Hong Kong Stock Exchange, will be as follows:

Interests and short position in the Shares, underlying Shares and debentures and our associated corporations:

Name of Director / Chief Executive	Name of Group member/associated corporation	Capacity/nature of interest	Number and classes of securities	Approximate percentage of interest in the Company
Rubo Li	Company	Beneficial owner	49,140,000 Shares (L) (Note 1)	3.78%
Thomas H. Quinn	Company	Beneficial owner	709,800,000 Shares (L) (Note 2)	54.6%
John W. Jordan II	Company	Beneficial owner	709,800,000 Shares (L) (Note 3)	54.6%

Notes: The letter “L” denotes the Directors’ long position in the Shares of our Company.

- These Shares will be directly held by Mr. Rubo Li.
- Mr. Thomas H. Quinn is a Director and at the same time one of the members, among others, of Resolute Fund Partners, LLC. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of the five parallel funds of The Resolute Fund, L.P., namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP,

L.P., The Resolute Fund, L.P., through the five parallel funds, is interested in the interests in shares held by its controlled corporation, TJCC Holdings, in the Company. Mr. Thomas H. Quinn will be deemed to be interested in the interests in shares held by The Resolute Fund, L.P. through the five parallel funds and TJCC Holdings in the Company, which will represent 709,800,000 Shares or approximately 54.6% interest in the total issued share capital of the Company upon completion of the Listing and before the exercise of the Over-allotment Option.

3. Mr. John W. Jordan II is a Director and at the same time one of the members, among others, of Resolute Fund Partners, LLC. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of the 5 parallel funds of The Resolute Fund, L.P., namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P. The Resolute Fund, L.P., through the five parallel funds, is interested in the interests in shares held by its controlled corporation, TJCC Holdings, in the Company. Mr. John W. Jordan II will be deemed to be interested in the interests in shares held by The Resolute Fund, L.P. through the five parallel funds and TJCC Holdings in the Company, which will represent 709,800,000 Shares or approximately 54.6% interest in the total issued share capital of the Company upon completion of the Listing and before the exercise of the Over-allotment Option.

(b) Interests and/or short positions of the Substantial Shareholders in the Shares and underlying Shares which are discloseable under Division 2 and 3 of Part XV of the SFO

So far as our Directors are aware, immediately following the completion of the Global Offering and the Capitalisation Issue (but taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme and which may be issued pursuant to exercise of the Over-allotment Option), the following persons (not being Directors or chief executive of our Company) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be (directly or indirectly) interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Interests and short positions in Shares and underlying Shares of any member in our Group:

Name of Substantial Shareholder	Name of member of our Group	Capacity/Nature of interest	Number of Shares/ Amount of equity interest	Approximate percentage of shareholding
Resolute Fund Partners, LLC	Company	Beneficial owner	709,800,000 Shares (L) (Note 1)	54.6%
The Resolute Fund, L.P.	Company	Interests of Controlled Corporations	709,800,000 Shares (L) (Note 2)	54.6%
The Resolute SIE, L.P.	Company	Interests of Controlled Corporations	709,800,000 Shares (L) (Note 3)	54.6%
TJCC Holdings	Company	Interests of Controlled Corporations	709,800,000 Shares (L) (Note 4)	54.6%

Notes: The letter “L” denotes the shareholders’ long position in the Shares of our Company.

1. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of its five parallel funds, namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P. Resolute Fund Partners, LLC will be deemed to be interested in these Shares through its controlled corporations, The Resolute Fund, L.P. (through its five parallel funds) and TJCC Holdings.
2. The Resolute Fund, L.P. (through the interests held by its five parallel funds, namely The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P.) will be deemed to be interested in these Shares through its controlled corporation, TJCC Holdings, which will hold 709,800,000 Shares, representing 54.6% interest in the total issued share capital of the Company.
3. The Resolute SIE, L.P. will be deemed to be interested in these Shares through its directly controlled corporation, TJCC Holdings, which will hold 709,800,000 Shares, representing 54.6% interest in the total issued share capital of our Company.
4. These Shares will be directly held by TJCC Holdings.

4. Disclaimers

Save as disclosed in this Prospectus:

- (a) none of our Directors or our chief executive has any interest or short position in the Shares, underlying Shares or any associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or is 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, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, will be required to be notified to the Company and the Hong Kong Stock Exchange once the Shares are listed on the Hong Kong Stock Exchange;
- (b) so far as is known to any of our Directors or our chief executive, no person (not being a Director or chief executive of our Company) who will, immediately after completion of the Global Offering (taking no account of the Over-allotment Option or any shares which may be issued pursuant to the exercise of option and granted under the Share Option Scheme), has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or 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 our general meetings;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (d) none of our Directors or any of the persons referred to in the paragraph headed “Qualifications of Experts” of this Appendix is interested, directly or indirectly, in the promotion of, 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 member of our Group, or are proposed to be so acquired, disposed of or leased to any member of our Group; and
- (e) none of the persons referred to in the paragraph headed “Qualifications of Experts” of this Appendix has any shareholding in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

IV. SHARE OPTION SCHEME

1. Summary of Terms

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by written resolutions of all the shareholders passed on 24 January 2010. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Hong Kong Listing Rules. For the purpose of this section, unless the context otherwise requires:

“Adoption Date” means 24 January 2010 (being the date on which the Share Option Scheme was conditionally adopted by written resolutions of the shareholders of the Company);

“Grant Date” means the date (being a Business day) on which the grant of an Option is made to (and subject to acceptance by) a Participant;

“Grantee” means any Participant who accepts the grant of Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled under the Share Option Scheme to exercise any such Option in consequence of the death of the original Grantee;

“Participant” means any individual being an employee, officer, agent, consultant or representative of the Company or any subsidiary, including any executive or non-executive director of the company or any subsidiary, who satisfies the criteria set out in the Share Option Scheme;

“Option(s)” means an option or options to subscribe for Shares granted (and subject to acceptance by) a Participant pursuant to the Share Option Scheme;

“Option Period” means the period of ten years commencing on the Adoption Date or the Grant Date, whichever is the earlier; and

“Subscription Price” the price per Share at which the Grantee may subscribe for Shares on the exercise of an Option, subject to adjustment in accordance with the Share Option Scheme.

(a) Purposes of the scheme

The purpose of the Share Option Scheme is to provide incentives to Participants to contribute to the Group by providing the Participants the opportunity to acquire proprietary interests in the Company and to encourage the Participants to work towards enhancing the value of the Company as well as to enable the Group to recruit high-caliber employees and/or attract human resources that are valuable to the Group.

(b) Who may join

The Board may at any time and from time to time during the Option Period to grant (subject to acceptance by the Grantee in accordance with the terms of the Share Option Scheme) to any Participant who, the Board may determine in its absolute discretion, is regarded as valuable human resources of the Group based on his work experience, knowledge in the industry and other relevant factors, and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price. No such grants shall be made except to such number of Participants and in such circumstances that (a) the Company will not be required under applicable securities laws and regulations to issue a Prospectus or other

offer document in respect of the grant of the Options; and (b) will not result in the breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

(c) Payment on acceptance of Option

HK\$1.00 is payable by the Grantee on acceptance of the grant of an Option.

(d) Subscription Price

The Subscription Price for the Shares under the Options to be granted under the Share Option Scheme shall be a price determined by the Board and notified to a Participant at the time the grant of the Option(s) (subject to adjustments made pursuant to the terms of the Share Option Scheme) is made to (and subject to acceptance by) the Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on the date of the grant (subject to acceptance) of the Option, which must be a Business Day; (b) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five Business Days immediately preceding Grant Date; and (c) the nominal value of the Shares.

(e) Maximum number of Shares subject to the Share Option Scheme

The limit on the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of any member of the Group must not exceed 30% of the number of issued Shares from time to time. No Option may be granted if such grant will result in the 30% limit being exceeded. Options lapsed or cancelled in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of any member of the Group, shall not be counted for the purpose of calculating the said 30% limit.

In addition, subject as provided below in this paragraph (e), the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme, together with all Options to be granted under any other share option schemes of any member of the Group, must not represent more than 10% of the total number of Shares in issue as at the Listing Date (but taking no account of any Shares which may be issued under the exercise of the Over-allotment Option) (*i.e.* 130,000,000 Shares). No Option may be granted if such grant will result in the 10% limit being exceeded. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of any member of the Group shall not be counted for the purpose of calculating the 10% limit.

The Company may refresh the 10% limit (or further refresh a refreshed 10% limit) at any time, subject to prior shareholders' approval given at a general meeting of the Company in accordance with the relevant procedural requirements of the Listing Rules, provided that the new refreshed 10% limit must not exceed 10% of the number of issued Shares as at the date of the approval of the new refreshed 10% limit. No Options may be granted to (and subject to acceptance by) a Participant on or after the date of the approval of the new refreshed 10% limit if such grant will result in the new refreshed 10% limited being exceeded unless the Company obtains separate approval from the shareholders in general meeting in accordance with the relevant procedural requirements of the Listing Rules for granting Options beyond the 10% limit (or new refreshed 10% limit) to such Participants, in respect of such number of Shares and on such terms as may be specified in such

approval. Any Options previously granted under the Share Option Scheme or any other share option scheme(s) of any member of the Group (including those outstanding, cancelled or lapsed or exercised Options) will not be counted for the purpose of calculating the new refreshed 10% limit.

No Participant shall be granted an Option which, if accepted and exercised in full, would result in the total number of Shares already issued and which may fall to be issued upon exercise of such Option proposed to be granted and all other Options already granted and to be granted to him/her under the Share Option Scheme and any other share option scheme(s) of any member of the Group, within the 12-month period up to and including the proposed Grant Date (including exercised, cancelled and outstanding Options), would represent in aggregate over 1% of the number of Shares in issue as at the proposed Grant Date. Any further grant of Options to a Participant in excess of 1% limit is subject to the prior approval of the shareholders of the Company in general meeting, in accordance with the relevant procedural requirements of the Listing Rules, at which meeting such Participant and his/her Associates shall abstain from voting on the relevant resolution, the Board may grant Options to such Participant in respect of such number of Shares and on such terms as may be specified in the shareholders' approval, notwithstanding that such grant of Options will result in the 1% limit being exceeded.

(f) Exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each Grantee, which must not be more than 10 years from the Grant Date.

The right to exercise an Option is not subject to or conditional upon the achievement of any performance target.

(g) Rights are personal to Grantee

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option, or any part of it, in favour of such Grantee.

(h) Rights on ceasing employment or other engagement

In the event of the Grantee ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of any member of the Group for any reason, other than his death, ill health, disability or insanity or the termination of his employment, office, agency, consultancy or representation on one or more of the grounds specified in the Share Option Scheme, then, if the Option Period has not at the date of such cessation commenced, the Option shall lapse; and if the Option Period has commenced, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one month (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment, office, agency, consultancy or representation with the relevant member of the Group whether payment in lieu of notice is made or not (if applicable);

For the purposes of this paragraph (h), a Grantee shall not be regarded as ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group if he ceases to hold a position of employment, office, agency, consultancy or representation with a particular member of the Group but at the same time takes up a different position of employment, office, agency, consultancy or representation with another member of the Group.

(i) Rights on death, ill health, disability or insanity

In the event of the Grantee ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the Company or any member of the Group by reason of death, ill health, disability or insanity and none of the events which would be a ground for termination of his employment, office, agency, consultancy or representation specified in the Share Option Scheme has occurred, the Grantee or the legal personal representative(s) of the Grantee shall be entitled after commencement of the Option Period until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 12 months from the date of cessation (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option;

(j) Rights on takeover

If a general offer to acquire Shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall, even if the Option Period has not yet commenced, be entitled to exercise the Option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 14 days after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse;

(k) Rights on winding up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith after it despatches such notice to each member of the Company give notice to all Grantees, and upon receipt of such notice, each Grantee (or his legal personal representative(s)) shall, even if the Option Period has not yet commenced, be entitled to exercise all or any of his Options at any time not later than five Business Days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the record date for ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;

(l) Rights on reconstruction of the Company

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving such a compromise or arrangement, the Company shall forthwith after it despatches such notice to each member of the Company give notice to all Grantees, and upon receipt of the notice, each Grantee (or his legal personal representative(s)) shall, even if the Option Period has not yet commenced, be entitled to exercise all or any of his Options at any time not later than five Business Days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company (after which the Option shall lapse) by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the record date for ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(m) Effects of alterations to capital

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, reclassification, reconstruction, sub-division or reduction of the share capital of the Company in accordance with legal requirements of the Hong Kong Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option,

provided that:

- (a) any such adjustments shall give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled; and
- (b) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Hong Kong Stock Exchange from time to time (including the supplemental guidance attached to the letter from the Hong Kong Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Schemes),

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, an independent financial adviser or our auditors must confirm to the Directors in writing that the adjustments are in their opinion fair and reasonable.

(n) Lapse of Options

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the other periods referred to in paragraphs relating to exercise of Options in (h), (i), (j) or (l) above;
- (iii) subject to the paragraphs relating to exercise of Option in (k) above, the date of the commencement of the winding-up of the Company;
- (iv) save as otherwise provided in the paragraphs relating to exercise of Options in (j) or (l) above, or by the Court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Law of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (v) the date on which the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group by reason of the termination of his employment, office, agency, consultancy or representation on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his employment, office, agency, consultancy or representation at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency, consultancy, or representation agreement or arrangement with the relevant member of the Group. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the employment, office, agency, consultancy or representation of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph has arisen in respect of the employment, office, agency, consultancy or representation of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (vi) the date on which the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group for any reason other than death, ill health, disability or insanity if the Option Period has not then commenced and for the purposes of this paragraph the date of cessation shall be the last actual day of employment, office, agency, consultancy or representation with the relevant member of the Group whether payment in lieu of notice is made or not (if applicable); and
- (vii) where the Grantee commits breach of paragraph (g) above, the date on which the Board shall exercise the Company's right to cancel the Option.

(o) Ranking and voting rights of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Memorandum and Articles of Association of the Company and will rank pari passu with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.

A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder of such Share.

(p) Cancellation of Options

The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, the grant of such new Options may only be made under the Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10%-limits as referred to in paragraph (e) above.

(q) Alteration to the Share Option Scheme

The terms of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants unless with the prior sanction of a resolution of the shareholders in general meeting.

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted must first be approved by the shareholders of the Company in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must first be approved by the shareholders of the Company in general meeting.

(r) Termination of the Share Option Scheme

The Company may at any time by resolution of its shareholders in general meeting or of the Board terminate the operation of the Share Option Scheme and in such event no further Options will be granted or accepted but the provisions of the Share Option Scheme shall remain in force in all other respects. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

(s) Period of the Share Option Scheme

Subject to termination as referred to in paragraph (r) above, the Share Option Scheme shall be valid and effective for: a period of ten years commencing on the Adoption Date or the Grant Date, whichever is the earlier (after which period no further Options will be granted or accepted); and thereafter for so long as there are outstanding any unexercised Options granted and accepted pursuant to the Share Option Scheme prior to the expiration of the said ten-year period and in order to give effect to the exercise of any such Options or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

(t) Conditions

The Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) subject to (ii) and (iii) below, the approval of all the shareholders of the Company by written resolutions to approve the adoption of the Share Option Scheme, (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in a maximum of 130,000,000 Shares to be allotted and issued pursuant to the exercise of Options under the Share Option Scheme, and (iii) the commencement of the listing of the Shares on the Main Board Hong Kong Stock Exchange on the Listing Date.

(u) Restrictions on the timing of grant of Option

A grant of Options may not be made after a price sensitive event in relation to the securities of the Company has occurred or has been the subject of a decision, until an announcement of such price sensitive information has been duly published. In particular, no Option may be granted within the period commencing 60 days immediately preceding the earlier of: (i) the date of the Board meeting for the approval of the Company's quarterly, interim, half-year or annual results; and (ii) the deadline for the Company to publish its quarterly, interim, half-year or annual results announcement, and ending on the date of such results announcement.

(v) Grant of Options to Connected Persons

Where any grant of Options is proposed to be made to a Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective Associates, such grant must (i) first be approved by all the independent non-executive directors of the Company excluding any independent non-executive director who is the proposed Grantee of the Options and (ii) shall be made in accordance with the procedures and requirements of applicable laws and applicable regulations.

V. OTHER INFORMATION**1. Taxation on Holders of Shares****(a) Hong Kong***Tax on dividends*

No Tax is payable in Hong Kong in respect of dividends paid by us.

Stamp duty

The sale, purchase and transfer of Shares registered with the Company's Hong Kong Share Registrar will be subject to Hong Kong stamp duty, the current rate charged on each of the

purchaser and seller is 0.1% of the consideration of or of the fair value of, the Shares being sold or transferred, whichever is higher. In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer.

Profits

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after 11 February 2006.

(b) Cayman Islands

Under the Cayman Islands law currently in force, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercising rights attaching to them. It is emphasised that none of the Company, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

2. Litigation

We may from time to time be involved in contract disputes or legal proceedings arising from the ordinary course of our business. As of the Latest Practicable Date, neither we nor any of our subsidiaries is a party to any material litigation, arbitration or claim that could have a material adverse effect on our financial condition, or results of operations, taken as a whole. So far as we are aware, as of the Latest Practicable Date, no such material litigation, arbitration or administrative proceedings are threatened.

3. Tax and Other Indemnity

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, Hong Kong and the PRC, being jurisdictions in which the companies comprising our Group are incorporated.

4. Sole Sponsor

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee for listing of, and permission to deal in, on the Main Board of the Hong Kong Stock Exchange the Shares in issue and to be issued in the Global Offering and any Shares to be issued pursuant to the exercise of the Over-allotment Option or the exercise of options which may be granted under the

Share Option Scheme. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The Sole Sponsor has declared pursuant to Rule 3A.08 of the Listing Rules that it is independent pursuant to 3A.07 of the Listing Rules.

5. Preliminary Expenses

No preliminary expenses have been incurred. The estimated amount of the expenses of the Global Offering is approximately HK\$197.5 million (assuming an Offer Price of HK\$5.63, being the mid-point of the stated range of the Offer Price between HK\$4.88 and HK\$6.38 per Share) in aggregate payable by the Company, as more fully detailed on page 215 of this Prospectus.

6. Promoter

Our Company has no promoter for the purposes of the Hong Kong Listing Rules.

7. Qualifications of experts

Name	Qualifications
UBS AG, Hong Kong Branch	An institution registered under the SFO, which can carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance), 7 (providing automated trading service) and 9 (asset management) regulated activities (as defined under the SFO)
Ernst & Young	Certified public accountants
Savills Valuation and Professional Services Limited	Chartered surveyors and valuers
King & Wood	Legal advisors on PRC law
Walkers	Legal advisors on Cayman Islands law

8. Consents of Experts

Each of UBS AG, Hong Kong Branch, Ernst & Young, Savills Valuation and Professional Services Limited, King & Wood and Walkers has given and has not withdrawn its respective written consents to the issue of this Prospectus with copies of their reports, valuation certificates, letters or opinions (as the case may be) and the references to their names or summaries of opinions included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in the Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of its subsidiaries.

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 the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

10. Waiver From Rule 4.04(1) Of The Listing Rules And Exemption from Paragraph 27 Of Part I And Paragraph 31 Of Part II Of The Third Schedule To The Companies Ordinance

Rule 4.04(1) of the Listing Rules stipulates that our Company is required to include in this Prospectus an accountants' report covering the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this Prospectus.

Paragraph 27 of Part I of the Third Schedule to the Companies Ordinance requires our Company to set out in this Prospectus a statement as to, *inter alia*, the gross trading income or sales turnover during the three years preceding the date of this Prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable break-down between the more important trading activities.

Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance requires our Company to include in this Prospectus a report by the auditors with respect to, *inter alia*, the profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this Prospectus.

The Accountants' Report of our Group for the period from 12 April 2006 (date of incorporation of the Company), to 31 December 2006, each of the two financial years ended 31 December 2007 and 2008 and the seven months ended 31 July 2009 has been prepared and is set forth in Appendix I to this Prospectus. However, strict compliance with Rule 4.04 of the Listing Rules and paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance would create undue burden on us, as there would not be sufficient time for us and the Reporting Accountants to finalise the audited financial statements for the full financial year ended 31 December 2009 for inclusion in this Prospectus.

In such circumstances, an application has been made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such a waiver has been granted by the Hong Kong Stock Exchange on condition that (i) the Listing Date will not be more than three months after the latest financial year-end, i.e. by 31 March 2010; and (ii) Rule 8.06 of the Listing Rules is to be complied with, in that the latest financial period reported on by the Reporting Accountants of our Company as set out in the Accountants' Report in Appendix I to this Prospectus shall not end more than six months before the date of this Prospectus.

An application has also been made to the SFC for a certificate of exemption from strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance in relation to the inclusion of the Accountants' Report for the full financial year ended 31 December 2009 in this Prospectus on the ground that it would be unduly burdensome for the Company to do so within a short period of time after 31 December 2009 and a certificate of exemption has been granted by the SFC under section 342(A) of the Companies Ordinance subject to the conditions that particulars of the exemption are set out in this Prospectus and this Prospectus is issued on or before 29 January 2010.

Our Directors have confirmed that they have performed sufficient due diligence on our Group to ensure that, up to the date of this Prospectus, there has been no material adverse change in the financial position or prospects of our Group since 31 July 2009 and that there is no event since

31 July 2009 which would adversely and materially affect the information shown in the Accountants' Report of our Group as set forth in Appendix I to this Prospectus. The Directors consider that all information that is reasonably necessary for our potential investors to make an informed assessment of our activities and financial position has been included in this Prospectus, and the granting of such exemption is unlikely to prejudice the interest of our potential investors. Any material event which has arisen since 31 July 2009 has been disclosed under the section headed "Subsequent Event" in section III of the Accountants' Report set out in Appendix I to this Prospectus.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 July 2009 (being the date on which our latest audited combined financial statements were made up).

12. Miscellaneous

12.1 Save as disclosed in this Prospectus:

- (a) within the two years immediately preceding the date of this Prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or a consideration other than cash;
- (b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) within the two years immediately preceding the date of this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;
- (d) no commission has been paid or is payable to any person (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in the Company;
- (e) we have not issued or agreed to issue any founder shares, management shares or deferred shares;
- (f) none of the equity and debt securities of the Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (g) the English text of this Prospectus shall prevail over the Chinese text.

12.2 All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

12.3 No company within our Group is presently listed on any stock exchange or traded on any trading system.

13. Bilingual Prospectus

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