

FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 30 January 2009.

Our Company was registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company on 30 August 2010 and its principal place of business in Hong Kong for the purpose of registration under Part XI of the Companies Ordinance is at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong. In compliance with the requirements of the Companies Ordinance, Mr. Yip Ngai Hang of Flat E, 16th Floor, Tower 10, Park Avenue, 18 Hoi Ting Road, Kowloon, Hong Kong has been appointed as the agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to Cayman Islands law. Its constitution comprises a memorandum of association and articles of association. A summary of certain relevant parts of its constitution and certain aspects of Companies Law is set out in Appendix VI to this prospectus.

2. Changes in share capital of our Company**(A) Increase in and cancellation of authorised share capital**

- (1) As at the date of incorporation of our Company on 30 January 2009, the authorised share capital of our Company was US\$50,000 divided into 50,000 shares having a par value of US\$1 each.
- (2) On 28 September 2009, the authorised share capital of our Company was increased to US\$150,000 by creation of further 100,000 shares pursuant to a resolution passed by the then sole Shareholder.
- (3) On 24 August 2010, written resolutions of our Shareholders were passed to approve (i) an increase in the authorised share capital in the amount of HK\$500,000,000 by the creation of 5,000,000,000 Shares, (ii) the issue of 136,470 Shares to the then Shareholders in proportion of one Share for each share of US\$1.00 held, (iii) the repurchase of the existing 136,470 shares of US\$1.00 each at par and (iv) the diminution of the authorised but unissued share capital of our Company by the cancellation of 150,000 authorised but unissued shares of US\$1.00 each.
- (4) 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 exercise of the options which may be granted under the Share Option Scheme and upon the exercise of the Over-allotment Option, the authorised share capital of our Company will be HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,009,303,000 Shares will be issued fully paid or credited as fully paid, and 3,990,697,000 Shares will remain unissued.

Other than pursuant to the exercise of the Over-allotment Option and the exercise of any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in paragraphs headed “Resolutions in writing of our Shareholders passed on 24 August 2010” and “Group reorganisation” of this appendix, there has been no alteration in the share capital of our Company since its incorporation.

(B) Founder shares

Our Company has no founder shares, management shares or deferred shares.

3. Resolutions in writing of our Shareholders passed on 24 August 2010

Written resolutions were passed by our Shareholders on 24 August 2010 pursuant to which, among other matters:

- (A) our Company approved and adopted the Articles of Association;
- (B) our Company approved:
 - (1) an increase in the authorised share capital in the amount of HK\$500,000,000 by the creation of 5,000,000,000 Shares;
 - (2) the issue of 136,470 Shares to the then Shareholders in proportion of one Share for each share of US\$1.00 held;
 - (3) the repurchase of the existing 136,470 shares of US\$1.00 each at par; and
 - (4) the diminution of the authorised but unissued share capital of our Company by the cancellation of 150,000 authorised but unissued shares of US\$1.00 each;
- (C) conditional on (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus; and (b) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
 - (1) the Global Offering and the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;

- (2) the rules of the Share Option Scheme were approved and adopted and our Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;
- (3) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise HK\$75,674,853.0 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 756,748,530 Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company immediately after (i) completion of the redemption of Preference Shares by Sure Capital and the issue and allotment of new Shares to the Preference Shares Investors; and (ii) the transfer of 1,080 Shares to the Ordinary Shares Investors by Sure Capital in accordance with the anti-dilution provisions contained in the agreement for subscription of ordinary shares in our Company; but immediately before the issue and allotment of new Shares to subscribers pursuant to the Global Offering (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;
- (4) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles of Association, or pursuant to the exercise of any options which may be granted under the Share Option Scheme, or under the Global Offering or the Capitalisation Issue or upon the exercise of the Over-allotment Option, Shares with an aggregate nominal amount of not exceeding the sum of (a) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following 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 (b) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (6) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

- (5) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following 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 until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first; and
 - (6) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (5) above; and
- (D) the form and substance of each of the service agreements made between our executive Directors and our Company, and the form and substance of each of the appointment letters made between each of our independent non-executive Directors with our Company were approved.

4. Group reorganisation

The companies comprising our Group underwent a reorganisation to rationalise our Group’s structure in preparation for the listing of the Shares on the Stock Exchange which involved the following:

- (A) On 30 January 2009, our Company was incorporated in the Cayman Islands, with one Old Share of US\$1.00 subscribed by an Independent Third Party. On 4 August 2009, such subscriber Old Share was transferred to Sure Capital at par. On the same day, our Company allotted and issued 9,999 Old Shares of US\$1.00 each to Sure Capital at par;
- (B) On 1 September 2009, Capitol International allotted and issued an aggregate of 990,000 shares of HK\$1 each in Capitol International to our Company at par;
- (C) On 28 September 2009, our Company acquired an aggregate of 10,000 shares of HK\$1 each in Capitol International from Mr. Guan and Ms. Han in consideration of and in exchange for which our Company allotted and issued 114,080 Old Shares to Sure Capital at the direction of Mr. Guan and Ms. Han;
- (D) Pursuant to a share transfer agreement dated 16 November 2009 and entered into between Capitol International as purchaser and Hangzhou Haoming as vendor, Capitol International acquired 41.81% shareholding interest in Sanjiang Chemical from Hangzhou Haoming for a consideration of RMB94,120,258.39. Such consideration was determined with reference to the amount of Hangzhou Haoming’s total investment in Sanjiang Chemical in the sum of RMB94,120,258.39 (which is for 41.81% shareholding interest in Sanjiang Chemical). The filings of such change in equity-holder in Sanjiang Chemical with the relevant administration of industry and commerce were effected on 27 November 2009;

- (E) Pursuant to a share transfer agreement dated 17 November 2009 and entered into between Capitol International as purchaser and Tengfei Gongmao as vendor, Capitol International acquired 4.44% shareholding interest in Sanjiang Chemical from Tengfei Gongmao for a consideration of RMB9,995,071.69. Such consideration was determined with reference to the pro rata amount of Hangzhou Haoming's total investment in Sanjiang Chemical in the sum of RMB94,120,258.39 (which is for 41.81% shareholding interest in Sanjiang Chemical) as proportionate to Tengfei Gongmao's 4.44% shareholding interest in Sanjiang Chemical. The filings of such change in equity-holder in Sanjiang Chemical with the relevant administration of industry and commerce were effected on 27 November 2009;
- (F) On 8 December 2009, pursuant to an ordinary shares subscription agreement dated 24 November 2009 and entered into between Sure Capital, 北京博馬凱睿投資有限公司 (Beijing Boma Carret Investment Co., Ltd.*) and Galaxy Century International Investment Limited (銀河世紀國際投資有限公司) and a deed of confirmation dated 7 December 2009 and executed by and among Sure Capital, our Company (under its previous name of Full Wealth Limited (滿裕有限公司)), Capitol International, 北京博馬凱睿投資有限公司 (Beijing Boma Carret Investment Co., Ltd.*) and Mr. Guan in favour of the Ordinary Shares Investors, our Company allotted and issued an aggregate of 7,920 Old Shares to the Ordinary Shares Investors for an aggregate consideration of US\$10 million, as to (1) 924 Old Shares to CITIC International Assets Management Limited (中信國際資產管理有限公司); (2) 2,376 Old Shares to Creation One International Limited (創一國際有限公司); (3) 1,821 Old Shares to Chemwin Limited; (4) 528 Shares to Rich Honour Holdings Limited (諾信控股有限公司); and (5) 2,271 Old Shares to BOCOM Holdings;
- (G) Pursuant to a share transfer agreement dated 13 December 2009 and entered into between Jianghao Investment as purchaser and Sanjiang Chemical as vendor, Sanjiang Chemical disposed of its entire 100% shareholding interest in Jianghao Property to Jianghao Investment for a consideration of RMB50 million. Such consideration was determined with reference to the registered capital of Jianghao Property. The filings of such change in equity-holder in Jianghao Property with the relevant administration of industry and commerce were effected on 24 December 2009;
- (H) On 8 January 2010, pursuant to certain agreement between Sure Capital and Boma Carret China Investment Company Limited (博馬凱睿中國投資有限公司), as confirmed by a confirmatory deed dated 5 May 2010 and executed by and between our Company and Boma Carret China Investment Company Limited (as authorised by each of Global Fortune Muster Investment Ltd. (祥聚投資有限公司), Hanbest Investment Limited (凱佳投資有限公司), Strength High Group Limited, Million Wisdom International Limited (萬聰國際有限公司) and Ever Raise International Limited (常展國際有限公司)), Sure Capital transferred an aggregate of 17,820 Old Shares to Global Fortune Muster Investment Ltd., Hanbest Investment Limited, Strength High Group Limited, Million Wisdom International Limited and Ever Raise International Limited as designated by Boma Carret China Investment Company Limited for an aggregate consideration of US\$22.5 million (based on a consideration of US\$1,262.626 per Old Share, which was determined with reference to the consideration per Old Share payable by the Ordinary Shares Investors for their Old Shares of approximately US\$1,262.626 per Old Share), as to (1) 1,320 Old Shares to Global Fortune Muster Investment Ltd.; (2) 1,320 Old Shares to Hanbest Investment Limited; (3) 3,960 Old Shares to Strength High Group Limited; (4) 4,884 Old Shares to Million Wisdom International Limited; and (5) 6,336 Old Shares to Ever Raise International Limited;

- (I) On 8 January 2010, pursuant to certain agreement between Sure Capital and Gold Dynamic Asia Limited (金動力亞洲有限公司), as confirmed by a confirmatory deed dated 5 May 2010 and executed by and between our Company and Gold Dynamic Asia Limited, Sure Capital transferred 6,072 Old Shares to Gold Dynamic Asia Limited for a total consideration of US\$7,666,666.67 (based on a consideration of US\$1,262.626 per Old Share, which was determined with reference to the consideration per Old Share payable by the Ordinary Shares Investors for their Old Shares of approximately US\$1,262.626 per Old Share);
- (J) On 8 January 2010, pursuant to certain agreement between Sure Capital and Supra Grade Holdings Limited (越級控股有限公司), as confirmed by a confirmatory deed dated 5 May 2010 and executed by and between our Company and Supra Grade Holdings Limited, Sure Capital transferred 5,940 Old Shares to Supra Grade Holdings Limited for a total consideration of US\$7,500,000.00 (based on a consideration of US\$1,262.626 per Old Share, which was determined with reference to the consideration per Old Share payable by the Ordinary Shares Investors for their Old Shares of approximately US\$1,262.626 per Old Share);
- (K) Pursuant to a share transfer agreement dated 23 December 2009 and entered into between Sanjiang Chemical as purchaser and Hangzhou Haoming as vendor, Sanjiang Chemical acquired in aggregate 3.51% shareholding interest in Yongming Petrochemical from Hangzhou Haoming for a consideration of RMB11,518,262. Such consideration was determined with reference to the net asset value of Yongming Petrochemical as at 30 November 2009. The filings of such change in equity-holder in Yongming Petrochemical with the relevant administration of industry and commerce were effected on 13 January 2010;
- (L) Pursuant to a share transfer agreement dated 21 December 2009, and entered into between Yongming Petrochemical as purchaser and Hangzhou Haoming as vendor, Yongming Petrochemical acquired the entire 100% shareholding interest in Sanjiang Trading from Hangzhou Haoming for a consideration of RMB5,000,000. Such consideration was determined with reference to the total registered capital of Sanjiang Trading. The filings of such change in equity-holder in Sanjiang Trading with the relevant administration of industry and commerce were effected on 15 January 2010;
- (M) On 1 April 2010, Hangzhou Sanjiang was established to engage in the surfactant manufacture and sale business and ethylene oxide trading business acquired from Hangzhou Haoming;
- (N) Pursuant to an asset purchase agreement dated 1 April 2010 and entered into between Hangzhou Sanjiang as purchaser and Hangzhou Haoming as vendor, Hangzhou Sanjiang acquired the inventories and equipment for operating the surfactant manufacturing, and sale business and ethylene oxide trading business from Hangzhou Haoming for a consideration of RMB6,369,852.08. Such consideration was determined with reference to the net book value of such inventory and equipment as at 31 March 2010;

- (O) Pursuant to a debts and receivables assignment dated 1 April 2010 and entered into between Hangzhou Haoming as assignor and Hangzhou Sanjiang as assignee, Hangzhou Haoming has assigned all its rights and liabilities for its trade debts and receivables (being a net liability of RMB874,458.80) in relation to its surfactant manufacturing and trading business and ethylene oxide trading business as at 31 March 2010 to Hangzhou Sanjiang for a consideration of RMB874,458.80 payable by Hangzhou Haoming to Hangzhou Sanjiang. Such consideration was determined with reference to the net book value of such trade debts and receivables as at 31 March 2010;
- (P) Pursuant to a share subscription agreement dated 6 May 2010 and entered into between Sure Capital and our Company, Sure Capital subscribed for an aggregate of 4,470 Old Shares of a par value of US\$1 each at par;
- (Q) Pursuant to a share transfer agreement dated 6 May 2010 and entered into between Sure Capital as vendor and Pasicue as purchaser, Sure Capital transferred an aggregate of 3,888 Old Shares to Pasicue for a consideration of US\$1,464,301.94 (based on a consideration of US\$376.62 per Old Share, which was determined after arm's length commercial negotiation between Sure Capital and Pasicue);
- (R) On 16 May 2010, pursuant to a convertible preference shares subscription and shareholders' agreement dated 8 September 2009 and entered into by and among Sure Capital, BOCOM Holdings, our Company, Capitol International and Mr. Guan, as supplemented and amended by (1) a supplemental agreement dated 27 November 2009 and entered into by and among the same parties; (2) a consent letter dated 27 November 2009 and entered into by and among the same parties; and (3) a supplemental agreement dated 8 April 2010 and entered into by and among the same parties, the Preference Shares Investors subscribed for an aggregate of 2,000 preference shares of US\$10,000 each in Sure Capital, which are convertible into Shares at the ratio of 2,000 preference shares in Sure Capital to 18,000 Shares (representing approximately 11.65% of the issued share capital of our Company immediately prior to the completion of the Global Offering and the Capitalisation Issue), for an aggregate consideration of US\$20 million as to (1) 714 preference shares to BOCOM Holdings; (2) 460 preference shares to Chemwin Limited; (3) 400 preference shares to UVM Venture Investments Limited; (4) 233 preference shares to CITIC International Assets Management Limited (中信國際資產管理有限公司); (5) 133 preference shares to Rich Honour Holdings Limited (諾信控股有限公司); and (6) 60 preference shares to Central Harvest Holdings Company Limited (滙盛控股有限公司). All such preference shares in Sure Capital will be converted into ordinary Shares prior to Listing;
- (S) Immediately prior to completion of the Global Offering and the Capitalisation Issue, the 2,000 preference shares of US\$10,000 each in Sure Capital as held by the Preference Shares Investors will be redeemed and subsequently cancelled (if not already redeemed and cancelled before then), in consideration of and in exchange for which Sure Capital will procure our Company to allot and issue to the Preference Shares Investors in aggregate 18,000 Shares, as to (1) 6,419 Shares to BOCOM Holdings; (2) 4,141 Shares to Chemwin Limited; (3) 3,600 Shares to UVM Venture Investments Limited; (4) 2,100 Shares to CITIC International Assets Management Limited (中信國際資產管理有限公司); (5) 1,200 Shares to Rich Honour Holdings Limited (諾信控股有限公司); and (6) 540 Shares to Central Harvest Holdings Company Limited (滙盛控股有限公司); and

- (T) In accordance with the anti-dilution provisions in favour of the Ordinary Shares Investors set out in the ordinary shares subscription agreement referred to under paragraph (F) above, Sure Capital will upon completion of the issue and allotment of Shares set out in paragraph (S) above transfer in aggregate 1,080 Shares to the Ordinary Shares Investors, as to (1) 310 Shares to BOCOM Holdings; (2) 324 Shares to Creation One International Limited (創一國際有限公司); (3) 248 Shares to Chemwin Limited; (4) 126 Shares to CITIC International Assets Management Limited (中信國際資產管理有限公司); and (5) 72 Shares to Rich Honour Holdings Limited (諾信控股有限公司).

Upon completion of the Reorganisation, our Company became the holding company of our Group.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the accountants' report set out in Appendix I to this prospectus.

(A) *Capitol International*

On 1 September 2009, the issued share capital of Capitol International was increased from HK\$10,000 divided into 10,000 shares of HK\$1 each to HK\$1 million divided into 1 million shares of HK\$1 each.

(B) *Yongming Petrochemical*

On 10 July 2009, the registered capital of Yongming Petrochemical was increased from US\$10.8 million to US\$22.8 million and the total investment amount in Yongming Petrochemical was increased from US\$27 million to US\$55 million.

Save as disclosed above and in paragraph 4 of this Appendix, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Further information about our Group's PRC establishment

Our Group has interest in the registered capital of (A) Sanjiang Chemical; (B) Yongming Petrochemical; (C) Sanjiang Trading; (D) Guanlang; (E) Hangzhou Sanjiang; and (F) Sanjiang Honam. A summary of the corporate information of each of these companies as of the Latest Practicable Date is set out as follows:

(A) *Sanjiang Chemical*

- (i) Name of the enterprise : 三江化工有限公司 (Sanjiang Chemical Co., Ltd.)
- (ii) Date of establishment : 9 December 2003

- (iii) Registered address : 嘉興市乍浦開發區平海路西側 (The west side of Pinghai Road, Zhapu Development Zone, Jiaying City)
- (iv) Economic nature : Wholly-foreign owned company
- (v) Registered owner : Capitol International
- (vi) Total investment amount : US\$49,950,000
- (vii) Registered capital : US\$22,225,000 which has been fully paid
- (viii) Attributable interest to our Group : 100%
- (ix) Term of operation : 9 December 2003 to 8 December 2053
- (x) Scope of business : Production and sale of ethylene oxide, ethylene glycol, liquefied nitrogen, liquefied oxygen, liquefied argon, liquefied carbon dioxide (produced and dealt in pursuant to the Certificate of Approval for Production and Storage of Dangerous Chemicals), surfactants, (except dangerous chemicals)

(B) *Yongming Petrochemical*

- (i) Name of the enterprise : 嘉興永明石化有限公司 (Jiaying Yongming Petrochemical Co., Ltd.)
- (ii) Date of establishment : 9 December 2003
- (iii) Registered address : 嘉興市乍浦開發區平海路西側 (The west side of Pinghai Road, Zhapu Development Zone, Jiaying City)
- (iv) Economic nature : Sino-foreign joint venture company
- (v) Registered owner : Capitol International (as to 43.86% of the registered capital)
Sanjiang Chemical (as to 56.14% of the registered capital)
- (vi) Total investment amount : US\$55,000,000

- (vii) Registered capital : US\$22,800,000 which has been fully paid
- (viii) Attributable interest to our Group : 100%
- (ix) Term of operation : 9 December 2003 to 8 December 2053
- (x) Scope of business : Production and sale of ethylene oxide, ethylene glycol, liquefied nitrogen, liquefied oxygen, liquefied argon, auxiliary agents for textile and chemical fibre drawnwork, oil agents and dyes (except dangerous chemicals)

(C) Sanjiang Trading

- (i) Name of the enterprise : 嘉興市三江化工貿易有限公司 (Jiaxing City Sanjiang Chemical Trading Co., Ltd.)
- (ii) Date of establishment : 29 October 2004
- (iii) Registered address : 嘉興港區乍浦開發區平海路西側 (嘉興三江化工有限公司內) (The west side of Pinghai Road, Zhapu Development Zone, Port District, Jiaxing (inside Sanjiang Chemical Co., Ltd.))
- (iv) Economic nature : Limited liability company
- (v) Registered owner : Yongming Petrochemical
- (vi) Registered capital : RMB5,000,000 which has been fully paid
- (vii) Attributable interest to our Group : 100%
- (viii) Term of operation : 29 October 2004 to 28 October 2024
- (ix) Scope of business : Items operated with permission: Wholesale (direct sale) of ethylene oxide, ethylene (Dangerous Chemical Operation Licence valid until 17 October 2010); Ordinary items: sale of chemical products (such business scope shall not include those items which are prohibited by law, or restricted from operation by law or required by law to obtain permits before operation).

(D) Guanlang

- (i) Name of the enterprise : 嘉興市港區工業管廊有限公司 (Jiaxing Port Area Industrial Guanlang Co., Ltd.)
- (ii) Date of establishment : 29 September 2005
- (iii) Registered address : 嘉興港區乍浦開發區平海路西側 (The west side of Pinghai Road, Zhapu Development Zone, Port District, Jiaxing)
- (iv) Economic nature : Limited liability company
- (v) Registered owner : Sanjiang Chemical (as to approximately 83.85% of the registered capital)
Zhapu Construction (as to approximately 16.15% of the registered capital)
- (vi) Registered capital : RMB13,000,000 which has been fully paid
- (vii) Attributable interest to our Group : 83.85%
- (viii) Term of operation : 29 September 2005 to 28 September 2025
- (ix) Scope of business : Items operated with permission: nil; ordinary items: Construction, management and operation of pipeline structural steel truss and investment in, development of and operation of municipal construction projects in the chemical industry park of the Port District of Jiaxing (such business scope shall not include those items which are prohibited by law, or restricted from operation by law, or required by law to obtain permits before operation)

(E) Hangzhou Sanjiang:

- (i) Name of the enterprise : 杭州三江印染助劑有限公司 (Hangzhou Sanjiang Textile Auxiliaries Co., Ltd.)
- (ii) Date of establishment : 1 April 2010
- (iii) Registered address : 蕭山區新街鎮山末址村 (Shanmozhi Village, Xinjie Town, Xiaoshan District, Hangzhou)

- (iv) Economic nature : Limited liability company
- (v) Registered owner : Sanjiang Chemical
- (vi) Registered capital : RMB5,000,000 which has been fully paid
- (vii) Attributable interest to our Group : 100%
- (viii) Term of operation : 1 April 2010 to 31 March 2060
- (ix) Scope of business : Items operated with permission: nil; Ordinary items: Manufacturing of AEO (Sodium Alcohol Ether Sulphate), Peregol O (Sodium Alcohol Ether Sulphate), NP (Sodium Nonylphenol Polyoxyethylene Ether Sulphate) (such business scope shall not include those items which are prohibited by law, or restricted from operation by law or required by law to obtain permits before operation).

(F) Sanjiang Honam:

- (i) Name of the enterprise : Sanjiang Honam Chemical Co., Ltd. (三江湖石化有限公司)
- (ii) Date of establishment : 11 May 2010
- (iii) Registered address : 嘉興市乍浦開發區平海路西側 (the west side of Pinghai Road, Zhapu Development Zone, Jiaying City)
- (iv) Economic nature : Sino-foreign joint venture company
- (v) Registered owner : Sanjiang Chemical (as to 50% of the registered capital)
Honam Petrochemical Corp. (湖南石油化學株式會社) (as to 50% of the registered capital)
- (vi) Registered capital : US\$12,000,000 of which US\$2,399,858.30 has been paid
- (vii) Attributable interest to our Group : 50%
- (viii) Term of operation : 11 May 2010 to 10 May 2060
- (ix) Scope of business : Manufacture of ethylene oxide

7. Repurchase by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(A) *Shareholders' approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to a resolution in writing passed by our Shareholders on 24 August 2010, the Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following 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 any options which may be granted under the Share Option Scheme, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(B) *Source of funds*

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association and the Cayman Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any repurchases by our Company may be made out of profits of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

(C) *Reasons for repurchases*

Our Directors believe that it is in the best interest of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable our 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 asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(D) Funding of repurchases

In repurchasing securities, our Company may only 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.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose 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 Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 1,009,303,000 Shares in issue upon the Listing, excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, would result in up to 100,930,300 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(E) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company or its subsidiaries.

Our Directors have undertaken to the 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.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, 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 could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY**8. Summary of material contracts**

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

- (A) two sets of the instrument of transfer and bought and sold notes, all dated 28 September 2009, and both entered into by our Company (under its previous name of Full Wealth Limited (滿裕有限公司)) as transferee, and by Mr. Guan and Ms. Han respectively as transferor, pursuant to which our Company acquired an aggregate of 10,000 shares in Capitol International from Mr. Guan and Ms. Han in consideration of and in exchange for our Company's allotment and issue of in aggregate 114,080 Old Shares;
- (B) a convertible preference shares subscription and shareholders' agreement dated 8 September 2009 and entered into by and among Sure Capital, BOCOM Holdings, our Company (under its previous name of Full Wealth Limited (滿裕有限公司)), Capitol International and Mr. Guan, as supplemented and amended by (1) a supplemental agreement dated 27 November 2009 and entered into by and among the same parties (as for our Company, under its previous name of Full Wealth Limited (滿裕有限公司)); (2) a consent letter dated 27 November 2009 and entered into by and among the same parties (as for our Company, under its previous name of Full Wealth Limited (滿裕有限公司)); and (3) a supplemental agreement dated 8 April 2010 and entered into by and among the same parties, pursuant to which Sure Capital agreed to allot and issue, and BOCOM Holdings agreed to subscribe for (by itself, or by designating and procuring such other party(ies) to subscribe for, or by itself in conjunction with such other party(ies) as designated and procured by it), an aggregate of 2,000 preference shares of US\$10,000 each in the issued share capital of Sure Capital, which are convertible into Shares at the ratio of 2,000 preference shares in Sure Capital to 18,000 Shares;
- (C) a share transfer agreement dated 16 November 2009 and entered into between Capitol International as purchaser and Hangzhou Haoming (under its previous name of 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjiang Fine Chemicals Co., Ltd.*)) as vendor, pursuant to which Capitol International acquired 41.81% shareholding interest in Sanjiang Chemical from Hangzhou Haoming for a consideration of RMB94,120,258.39;
- (D) a share transfer agreement dated 16 November 2009 and entered into between Capitol International as purchaser and Tengfei Gongmao as vendor, pursuant to which Capitol International acquired 4.44% shareholding interest in Sanjiang Chemical from Tengfei Gongmao for a consideration of RMB9,995,071.69;
- (E) a deed of charge dated 27 November 2009 and executed by our Company (under its previous name of Full Wealth Limited (滿裕有限公司)) in favour of BOCOM Holdings, pursuant to which our Company, by way of a first fixed charge, charged its 49% shareholding interests in Capitol International in favour of BOCOM Holdings;



- (F) a deed of undertaking dated 27 November 2009 and executed by Capitol International and Mr. Guan, Ms. Han and Mr. Han Jianping (in their respective capacity as directors of Sanjiang Chemical) in favour of BOCOM Holdings in relation to the shareholding interest in Sanjiang Chemical legally and beneficially held by Capitol International;
- (G) a deed of undertaking dated 27 November 2009 and executed by Capitol International and Mr. Guan, Ms. Han and Mr. Han Jianping (in their respective capacity as directors of Yongming Petrochemical) in favour of BOCOM Holdings in relation to the shareholding interest in Yongming Petrochemical legally and beneficially held by Capitol International;
- (H) a deed of confirmation dated 7 December 2009 and executed by and among Sure Capital, our Company (under its previous name of Full Wealth Limited (滿裕有限公司)), Capitol International, 北京博馬凱睿投資有限公司 (Beijing Boma Carret Investment Co., Ltd.*) and Mr. Guan in favour of the Ordinary Shares Investors, pursuant to which each of Sure Capital, our Company, Capitol International, 北京博馬凱睿投資有限公司 (Beijing Boma Carret Investment Co., Ltd.*) and Mr. Guan agrees and undertakes to each of the Ordinary Shares Investors that each of the Ordinary Shares Investors shall be entitled to subscribe for Old Shares and enjoy such rights in respect of such shares pursuant to the terms and conditions of the ordinary shares subscription agreement dated 24 November 2009 and entered into between Sure Capital, Galaxy Century International Investment Limited (銀河世紀國際投資有限公司) and 北京博馬凱睿投資有限公司 (Beijing Boma Carret Investment Co., Ltd.*);
- (I) a share transfer agreement dated 13 December 2009 and entered into between Jianghao Investment as purchaser and Sanjiang Chemical as vendor, pursuant to which Jianghao Investment acquired the entire 100% shareholding interest in Jianghao Property from Sanjiang Chemical for a consideration of RMB50 million;
- (J) a share transfer agreement dated 21 December 2009 and entered into between Yongming Petrochemical as purchaser and Hangzhou Haoming (under its previous name of 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjian Fine Chemicals Co., Ltd.*) as vendor, pursuant to which Yongming Petrochemical acquired the entire 100% shareholding interest in Sanjiang Trading from Hangzhou Haoming for a consideration of RMB5,000,000;
- (K) a share transfer agreement dated 23 December 2009 and entered into between Sanjiang Chemical as purchaser and Hangzhou Haoming (under its previous name of 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjian Fine Chemicals Co., Ltd.*) as vendor, pursuant to which Sanjiang Chemical acquired 3.51% shareholding interest in Yongming Petrochemical from Hangzhou Haoming for a consideration of RMB11,518,262;
- (L) an asset purchase agreement dated 1 April 2010 and entered into between Hangzhou Sanjiang as purchaser and Hangzhou Haoming (under its previous name of 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjiang Fine Chemicals Co., Ltd*)) as vendor, pursuant to which Hangzhou Sanjiang acquired from Hangzhou Haoming the inventories, machineries and equipment for operating, the surfactant manufacturing and sale business and ethylene oxide trading business for a consideration of RMB6,369,852.08;





- (M) a debts and receivables assignment agreement dated 1 April 2010 and entered in between Hangzhou Haoming (under its previous name of 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjiang Fine Chemicals Co., Ltd.*)) as assignor and Hangzhou Sanjiang as assignee, pursuant to which Hangzhou Haoming assigned all its rights and liabilities for its trade debts (being RMB1,933,245.19 payable by Hangzhou Haoming) and receivables (being RMB1,058,786.39 receivable by Hangzhou Haoming) (as the trade debts payable is greater than receivables, there was a net liability of RMB874,458.80) as at 31 March 2010 to Hangzhou Sanjiang for a consideration of RMB874,458.80 payable by Hangzhou Haoming to Hangzhou Sanjiang (as the consideration for disposal of net liability by Hangzhou Haoming to Hangzhou Sanjiang);
- (N) a share subscription agreement dated 6 May 2010 and entered into between Sure Capital and our Company, pursuant to which Sure Capital subscribed for an aggregate of 4,470 Old Shares of a par value of US\$1 each at par;
- (O) a sino-foreign joint venture agreement dated 4 May 2010 and entered into between Sanjiang Chemical and Honam Petrochemical Corp. (湖南石油化學株式會社), as supplemented and amended by a supplemental agreement dated 4 May 2010 and entered into by and among the same parties, pursuant to which both parties agreed to set up Sanjiang Honam;
- (P) a deed of indemnity dated 2 September 2010 and executed by Mr. Guan and Sure Capital in favour of our Company (for itself and as trustee for its subsidiaries stated therein) containing the indemnities more particularly referred to in paragraph 14 of this appendix;
- (Q) a non-competition undertaking dated 24 August 2010 and executed by Mr. Guan and Sure Capital in favour of our Company (for itself and as trustee for its subsidiaries), details of which are set out under the section headed “Relationship with controlling shareholders” of this prospectus; and
- (R) the Hong Kong Underwriting Agreement.

9. Intellectual property rights of our Group

(a) Registered trademarks

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

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Duration of validity
1.		Sanjiang Chemical	PRC	39 ^(Note 1)	6194635	7 June 2010 to 6 June 2020
2.		Sanjiang Chemical	PRC	1 ^(Note 2)	6194636	21 March 2010 to 20 March 2020


No.	Trademark	Registered owner	Place of registration	Class	Registration number	Duration of validity
3.		Sanjiang Chemical	PRC	1 ^(Note 3)	6194637	28 May 2010 to 27 May 2020
4.		Sanjiang Chemical	PRC	1 ^(Note 4)	6194638	21 March 2010 to 20 March 2020
5.		Sanjiang Chemical	Hong Kong	1 ^(Note 5)	301499130	15 December 2009 to 14 December 2019
6.		Sanjiang Chemical	PRC	1 ^(Note 6)	6194640	7 August 2010 to 6 August 2020

Note:

- The specific services under class 39 in respect of which the trademark was registered are storage; goods storage; leasing of storage containers; leasing of warehouse; transport; freight transport; leasing of vehicles; energy distribution; delivery (mail and merchandise); pipeline transport.
- The specific goods under class 1 in respect of which the trademark was registered are ethylene oxide; fire retardants; hardening agent; welding agent; chemical substances for preserving food; chemical substances for treating leather surface; paper pulp; surface-active chemical agents; plasticiser.
- The specific goods under class 1 in respect of which the trademark was registered are oxygen; acids; test chemicals (not for medical or veterinary use); liquid nitrogen; liquid argon; ethylene glycol; C12-14 alkyl alcohol; glycerol ether 18.
- The specific goods under class 1 in respect of which the trademark was registered are ethylene oxide; ethylene glycol; liquid oxygen; liquid argon; liquid nitrogen; surface-active chemical agents; C12-14 alkyl alcohol; glycerol ether; industrial chemicals; test chemicals (not for medical or veterinary use).
- The specific goods under class 1 in respect of which the trademark was registered are ethylene oxide; fire retardants; hardening agent; welding agent; chemical substances for preserving food; chemical substances for treating leather surface; paper pulp; surface-active chemical agents; plasticiser; oxygen; acids; agricultural chemicals, except germicides, insecticides and parasiticides; test chemicals (not for medical or veterinary use); industrial chemicals; liquid nitrogen; liquid argon; ethylene glycol; C12-14 alkyl alcohol; glycerol ether; auxiliary agents for polyoxyethylene ether; polyester winding oil (polyester DTY oil); polyester FDY oil; polyester POY oil; polyester UDY oil; polyether.
- The specific goods under class 1 in respect of which the trademark was registered are oxygen; acids; liquid nitrogen; liquid argon; ethylene glycol; C12-14 alkyl alcohol; glycerol ether 18.

(b) Applications for trademark application

As at the Latest Practicable Date, the following application had been made by our Group for the registration of the following trademark:

Trademark	Applicant	Place of registration	Class	Application number	Application date
	Sanjiang Chemical	PRC	1 ^(Note)	6194639	31 July 2007

Note:

The specific goods under class 1 in respect of which the trademark was applied for registration are ethylene oxide; fire retardants; hardening agent; welding agent; chemical substances for preserving food; chemical substances for treating leather surface; paper pulp; surface-active chemical agents; plasticiser. Pursuant to the notice of rejection dated 27 January 2010 and issued by the Trademark Office, State Administration for Industry & Commerce of the PRC (國家工商行政管理總局商標局) to Sanjiang Chemical, the trademark application number 6194639 of Sanjiang Chemical in respect of the application for registration of a trademark under class 1 have been partly rejected in respect of the following specific goods due to similarity of the subject trademark with existing registered trademarks: fire retardants; welding agent; chemical substances for preserving food; paper pulp; and surface-active chemical agents. Our Group has filed an application for appeal in relation to this trademark application for surface-active chemical agents.

(c) Domain Name

As of the Latest Practicable Date, our Group had registered the following domain name:

Domain name	Registration date	Expiry date
jxsjchem.com	13 April 2004	13 April 2011

FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS**10. Directors****(A) Disclosure of interests of our Directors**

- (1) Mr. Guan and Ms. Han are interested in the Reorganisation and the transactions as contemplated under the material contracts as set out in paragraph 8 to this appendix.
- (2) Save as disclosed in this prospectus, none of our Directors or their associates were engaged in any dealings with our Group during the two years preceding the date of this prospectus.

(B) Particulars of Directors' service contracts*Executive Directors*

Each of Mr. Guan, Ms. Han, Mr. Niu Yingshan and Mr. Han Jianping, being all the executive Directors, has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for a fixed term of three years with effect from 1 September 2010.

Each of these executive Directors is entitled to the respective basic salary set out below (subject to an annual increment after 1 January 2012 at the discretion of our Directors).

In addition, each of the executive Directors is also entitled to a discretionary management bonus provided the aggregate amount of bonuses payable to all the executive Directors for any financial year of our Company shall not exceed 5% of the audited consolidated or combined net profit attributable to the shareholders of our Group (after taxation and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of our Company. An executive Director may not vote on any resolution of our Directors regarding the amount of management bonus payable to him/her.

The current basic annual salaries of the executive Directors payable under their service contracts are as follows:

Name	Annual salary (RMB)
Mr. Guan	500,000
Ms. Han	500,000
Mr. Niu Yingshan	400,000
Mr. Han Jianping	400,000

Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for term of two years commencing from 1 September 2010. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK\$120,000 per annum. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

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

(C) Directors' remuneration

- (1) The aggregate emoluments (including discretionary bonuses) paid and benefits in kind granted by our Group to our Directors in respect of the financial year ended 31 December 2009 were about RMB1,376,000.
- (2) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including the independent non-executive Directors in their respective capacity as Directors) for the year ending 31 December 2010 are expected to be about RMB1,690,000.

- (3) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 31 December 2009 (a) as an inducement to join or upon joining our Company or (b) 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.
- (4) 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 2009.

(D) Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and its associated corporations

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed, will be as follows:

Name of Director	Name of Group member/ associated corporation	Capacity/ nature of interest	Number and class of securities ^(Note 1)	Approximate percentage of shareholding
Mr. Guan	Company	Interest of controlled corporation	459,375,000 (L) ^(Note 2)	45.51%
	Sure Capital	Beneficial owner	8,473 ordinary shares (L)	84.71% ^(Note 3)
Ms. Han	Sure Capital	Beneficial owner	1,529 ordinary shares (L)	15.29% ^(Note 3)

Notes:

- (1) The letter "L" denotes our Directors' long position in the shares of our Company or the relevant associated corporation.

- (2) These Shares are held by Sure Capital, the entire issued ordinary shares of which are owned as to approximately 84.71% by Mr. Guan and 15.29% by Ms. Han, the spouse of Mr. Guan. As at the Latest Practicable Date, the entire issued preference shares in Sure Capital, which were held by the Preference Shares Investors, represented approximately 16.67% of the total issued share capital in Sure Capital. All such preference shares will be redeemed and cancelled by Sure Capital latest by 8 a.m. on the Listing Date pursuant to the terms and conditions of the preference shares subscription and shareholders' agreement being the material contract (B) set out in paragraph 8 above. By virtue of the SFO, Mr. Guan is deemed to be interested in the Shares held by Sure Capital.
- (3) The entire issued ordinary shares of Sure Capital are held as to approximately 84.71% by Mr. Guan and 15.29% by Ms. Han. Ms. Han is the spouse of Mr. Guan.

11. Interest discloseable under the SFO and substantial shareholders

So far as is known to our Directors, immediately following completion of the Global Offering and the Capitalisation Issue (but without taking account of any Shares which may be taken up or acquired under the Global Offering and any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme), other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed "Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and its associated corporations" above, the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

Name of shareholder	Company/ Name of Group member	Capacity/nature of interest	Number and class of securities/ registered capital held ^(Note 1)	Approximate percentage of shareholding
Sure Capital	Company	Beneficial owner	459,375,000 Shares (L)	45.51%
Zhapu Construction	Guanlang	Beneficial owner	RMB2,100,000 (L) ^(Note 2)	16.15%

Notes:

- The letter "L" denotes the person's long position in the shares of our Company or the relevant Group member.
- As of the Latest Practicable Date, the total registered capital of Guanlang was RMB13 million, which has been fully paid up. Zhapu Construction, an Independent Third Party, holds approximately 16.15% of the shareholding interest in Guanlang.

12. Disclaimers

Save as disclosed in this prospectus:

- (A) and taking no account of any Shares which may be taken up or acquired under the Global Offering or upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, our Directors are not aware of any person (not being a Director or chief executive of our Company) who immediately following the completion of the Global Offering and the Capitalisation Issue will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (B) none of our Directors has any interest or short position in any of the shares, underlying shares or debentures of our Company or its associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them 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 will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;
- (C) none of our Directors nor any of the parties listed in the paragraph 20 below has been interested in the promotion of, or has any direct or indirect interest 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 acquired or disposed of by or leased to any member of our Group nor will any Director apply for the Offer Shares either in his own name or in the name of a nominee;
- (D) none of our Directors nor any of the parties listed in the paragraph 20 below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of our Group; and
- (E) save in connection with the Underwriting Agreements, none of the parties listed in the paragraph 20 below:
 - (1) has any shareholding in any member of our Group; or
 - (2) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

OTHER INFORMATION

13. Share Option Scheme

(A) Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution in writing passed by the then Shareholders on 24 August 2010:

(1) Purposes of the scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(2) Who may join

Our Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which any member of our Group holds an shareholding interest (“**Eligible Employee**”);
- (b) any non-executive directors (including independent non-executive directors) of our Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of our Group or any Invested Entity;
- (d) any customer of any member of our Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; or
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group;

and, for the purposes of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants. For avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to an offer for the grant of any option shall be determined by our Directors from time to time on the basis of our Directors' opinion as to his contribution to the development and growth of our Group.

(3) *Maximum number of Shares*

- (a) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by our Group must not in aggregate exceed 30% of the share capital of our Company in issue from time to time.
- (b) The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 100,930,300 Shares, representing 10% of the Shares in issue on the Listing Date ("**General Scheme Limit**").
- (c) Subject to (a) above but without prejudice to (d) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to our Shareholders shall contain, among

other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (d) Subject to (a) above and without prejudice to (c) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(4) *Maximum entitlement of each participant*

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by our Shareholders in general meeting of our Company with such grantee and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.

(5) *Grant of options to our Directors, chief executive or substantial shareholders of our Company or their respective associates*

- (a) Any grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associates is the proposed grantee of the options).
- (b) Where any grant of options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and

- (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million;

such further grant of options must be approved by Shareholders in general meeting. Our Company must send a circular to our Shareholders. All connected persons of our Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by our Shareholders in general meeting.

(6) *Time of acceptance and exercise of option*

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(7) *Performance targets*

Unless our Directors otherwise determined and stated in the offer for the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(8) *Subscription price for the Shares and consideration for the option*

The subscription price for the Shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (b) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (c) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(9) *Ranking of the Shares*

- (a) The Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the articles of association of our Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been entered on the register of members of our Company as the holder thereof.
- (b) Unless the context otherwise requires, references to “**Shares**” in this paragraph include references to shares in the ordinary shareholding share capital of our Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or re-construction of the share capital of our Company from time to time.

(10) *Restrictions on the time of the offer for the grant of options*

No offer for grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no offer for the grant of options may be made.

Our Directors may not make any offer for the grant of option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(11) *Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(12) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in sub-paragraph (14) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and shall not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was actually at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not.

(13) Rights on death, ill-health or retirement

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as our Directors may determine.

(14) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any 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 (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

(15) Rights on breach of contract

If our Directors shall at their absolute discretion determine that (a) (i) the grantee of any option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and our Group or any Invested Entity on the other part; or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (b) the option granted to the grantee under the Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (i), (ii) or (iii) above, his option will lapse automatically on the date on which our Directors have so determined.

(16) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed or the relevant date for entitlements under such scheme of arrangement, as the case may be.

(17) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolutions to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation pari passu with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

(18) Grantee being a company wholly owned by eligible participants

If the grantee is a company wholly owned by one or more eligible participants:

- (a) sub-paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the options to such grantee, mutatis mutandis, as if such options had been granted to the relevant eligible participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant eligible participant; and

- (b) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant eligible participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(19) Adjustments to the subscription price

In the event of a capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of share capital of our Company whilst an option remains exercisable or the Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares and/or the subscription price of the option concerned and/or the number of Shares comprised in an option which remains in an option, provided that (a) any adjustments shall give a grantee the same proportion of the issued share capital to which he would have been entitled to subscribe had he exercised all the options held by him immediately prior to such alteration; (b) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; (c) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (d) any adjustment must be made in compliance with the Listing Rules and such rules, codes, guidance notes and/or interpretation of the Listing Rules promulgated by the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(20) Cancellation of options

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of our Directors.

When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by our Shareholders pursuant sub-paragraphs (3) (c) and (d) above.

(21) Termination of the Share Option Scheme

Our Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the

Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(22) *Rights are personal to the grantee*

An option is personal to the grantee and shall not be transferable or assignable.

(23) *Lapse of option*

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

- (a) the expiry of the option period in respect of such option;
- (b) the expiry of the periods or dates referred to in paragraph (12), (13), (14), (15), (16), (17) and (18); and
- (c) the date on which our Directors exercise our Company's right to cancel the option by reason of a breach of paragraph (22) above by the grantee.

(24) *Miscellaneous*

- (a) The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (b) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of our Shareholders in general meeting.
- (c) 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 to any grantee who is a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (d) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the shareholders of our Company in general meeting.

(B) *Present status of the Share Option Scheme*

(1) *Approval of the Listing Committee required*

The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(2) *Application for approval*

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(3) *Grant of option*

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

(4) *Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as of the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

14. Estate duty and tax indemnity

Mr. Guan and Sure Capital (the “**Indemnifiers**”) have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (P) referred to in paragraph 8 above) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (A) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing whether alone or in conjunction with any other circumstances whenever occurring and whether or not the tax liabilities are chargeable against or attributable to any other person, firm, company or corporation;

- (B) tax liabilities (including all reasonable fines, penalties, costs, charges, expenses and interest relation to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date;
- (C) any payment obligations, fines or penalties imposed by any relevant PRC regulatory authorities which might be incurred as a result of the advances to Independent Third Parties made by any member of our Group during the Track Record Period;
- (D) any damages, losses or liabilities as a result of the lack of building ownership certificates for the 5 buildings with a total gross floor area of approximately 600 square metres, representing approximately 1.85% of the properties we own and occupy in the PRC; and
- (E) all claims, damages, losses, costs, expenses, actions and proceedings (if any) arising out of or in connection with any non-compliance or alleged non-compliance by any member of our Group with any applicable PRC rules, regulations and laws in relation to employee welfare contributions on or before the Listing Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands and the PRC.

The Indemnifiers are under no liability under the deed of indemnity in respect of any taxation:

- (A) to the extent that provision or reserve has been made for such taxation audited accounts of any member of our Group for any accounting period up to 30 April 2010;
- (B) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 May 2010, unless liability for such taxation would not have arisen but for some act or omission of, or transaction voluntarily entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, otherwise than any such act, omission or transaction:
 - (1) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before 30 April 2010; and
 - (2) carried out, made or entered into pursuant to a legally binding commitment created on or before 30 April 2010 or pursuant to any statement of intention made in the prospectus; or

- (C) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the deed of indemnity with retrospective effect; or
- (D) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 30 April 2010 which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

15. Litigation

As of the Latest Practicable Date, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on the results of operations or financial condition of our Group.

16. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$21,224 and are payable by our Company.

17. Promoters

- (A) The promoter of our Company is Mr. Guan.
- (B) Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to the promoter named in sub-paragraph (A) above in connection with the Global Offering or the related transactions described in this prospectus.

18. Agency fees or commissions received

Except as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

19. Application for listing of Shares

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares which may be issued upon the exercise of the Over-allotment Option and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

20. Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this prospectus are as follows:

Name	Qualification
BOCOM Asia	Licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Daiwa	Licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified public accountants
Conyers Dill & Pearman	Cayman Islands barristers and attorneys
AllBright Law Offices	Qualified PRC lawyers
DTZ Debenham Tie Leung Limited	Professional property surveyors and valuers

21. Consents of experts

Each of BOCOM Asia, Daiwa, Ernst & Young, Conyers Dill & Pearman, AllBright Law Offices and DTZ Debenham Tie Leung Limited has given and has not withdrawn its written consent to the issue of this prospectus with copies of its reports, valuation, letters or opinions (as the case may be) and the references to its names or summaries of opinions included herein in the form and context in which they respectively appear.

Except as disclosed in the section headed “Underwriting – Sponsors and Underwriters’ interest in our Company” in this prospectus, none of experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for securities in any member of our Group.

22. Binding effect

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

23. Taxation of holders of Shares**(A) Hong Kong**

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

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

(B) The Cayman Islands

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty.

(C) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our 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 exercising any rights attaching to them.

24. Miscellaneous**(A) Save as disclosed herein:**

(1) within two years preceding the date of this prospectus:

- (a) no share or loan capital of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and
- (bb) 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 our Company or any of its subsidiaries; and

- (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of its subsidiaries; and
 - (2) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
- (B) Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 April 2010 (being the date to which the latest audited combined financial statements of our Group were made up).

25. 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 from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).