

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

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law on 12 February 2010.

Our Company has been registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company and our principal place of business in Hong Kong is at Unit 1805,18/F, Vicwood Plaza,199 Des Voeux Road Central, Hong Kong. In compliance with the requirements of the Companies Ordinance, Ms. Jia Lingxia (an executive Director and the chief operating officer of our Company) and Mr. To Kwong Yeung (the company secretary and the chief financial officer of our Company) of No. 99, Qian Road, Qian Xiang Village, Luoshe Town, Huishan District, Jiangsu Province, PRC and Flat B, 31/F, Block 4, Phase 3 Belvedere Garden, Tsuen Wan, Hong Kong respectively have been appointed as our agents for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulation of the Cayman Islands and our Company's constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in Appendix V of this prospectus.

**2. Changes in share capital of our Company**

As at the date of incorporation of our Company, its authorised share capital was HK\$390,000 divided into 3,900,000 shares with a par value of HK\$0.1 each;

On 12 February 2010, one ordinary share was issued and allotted to Reid Services Limited as the initial subscriber, which was subsequently transferred by Reid Services Limited to King Able at a consideration of HK\$0.1 and 999 ordinary shares were issued and allotted to King Able.

On 30 September 2010, our Company acquired the entire share capital of Cheer Success from its then shareholders, King Able and Silver Crest. In consideration of the aforesaid acquisition, our Company issued and allotted a total of 9,000 new Shares to the then shareholders of Cheer Success.

Pursuant to the resolutions in writing of the sole Shareholder of our Company passed on 30 September 2010 below, the authorised share capital of our Company was increased from HK\$390,000 to HK\$200,000,000 by the creation of an additional 1,996,100,000 Shares.

Save for the aforesaid and as mentioned in the section headed "Resolutions in writing of the sole Shareholder passed on 30 September 2010" below, there has been no alteration in the share capital of our Company since its incorporation.

**3. Resolutions in writing of the sole Shareholder passed on 30 September 2010**

Pursuant to the resolutions in writing passed by the sole Shareholder on 30 September 2010:

- (a) conditional on (i) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue (including the Offer Shares) and to be issued as mentioned herein (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme); (ii) the agreement on the Offer Price having been entered into between the Company and the Joint Global Coordinators; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Global Coordinators acting for themselves and on behalf of the Underwriters) and not being terminated in accordance with the terms of such agreements or otherwise, in each case prior to

8:00 a.m. (Hong Kong time) on the day on which dealings in the Shares commence on the Stock Exchange (which is expected to be on or around 20 October 2010) (or such later time and/or date as may be agreed in writing):

- (i) the International Offering and the Hong Kong Public Offering were approved and the Directors were authorised to effect the same and to allot and issue the new Shares in the International Offering and the Hong Kong Public Offering;
- (ii) the Over-allotment Option was approved, and the Directors were authorised to effect the same and to allot and issue the Shares upon the exercise of the Over-allotment Option;
- (iii) the rules of the Share Option Scheme (the principal terms of which are set out in the section headed “Other Information – Share Option Scheme” below) were approved and adopted and the Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with the Shares pursuant thereto and to take all such steps as they consider necessary and/or desirable to implement or give effect to the Share Option Scheme; and
- (iv) the share premium account of our Company was approved to be credited as a result of the issue of the Offer Shares pursuant to the Global Offering, and conditional on the share premium account of our Company being credited as a result of the issue of Offer Shares pursuant to the Global Offering, an amount of HK\$56,249,000 (then standing to the credit of the share premium account of our Company) be capitalised and applied to pay up in full at par value of a total number of 562,490,000 Shares for allotment and issue to the following Shareholders of our Company in the following manner:

<b>Shareholder</b>	<b>No. of Shares to be allotted and Issued</b>
King Able	517,490,800
Silver Crest	44,999,200
Total	<u>562,490,000</u>

- (b) the authorised share capital of our Company was increased from HK\$390,000 to HK\$200,000,000 by the creation of additional 1,996,100,000 Shares;
- (c) a general unconditional mandate was given to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to, or in consequence of, the Global Offering, the Capitalisation Issue, a rights issue, the exercise of any subscription rights granted or to be granted under the Share Option Schemes, any scrip dividend scheme or similar arrangement, any adjustment of rights to subscribe for Shares under options or warrants or a special authority granted by the shareholders of the Company, with an aggregate nominal value of not more 20% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering and the Capitalisation Issue (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options granted or to be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of our Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable law or the Articles of Association of the Company; or
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (d) a general unconditional mandate was given to the Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares with a total nominal value 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 (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of our Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable law or the Articles of Association of the Company; or
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above provided that such extended amount shall not exceed 10% of the total nominal value of Shares in issue immediately following the completion of the Global Offering and Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme) such mandate to remain in effect until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable law or the Articles of Association of the Company; or
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (f) the share swap agreement to be entered into between King Able, Silver Crest, Mr. Qian Yixiang and Ms. Jia Lingxia and the Company was approved and the Directors were authorised to effect the same and to allot and issue new Shares to King Able and Silver Crest pursuant to such share swap agreement; and
- (g) our Company approved and adopted the Articles.

**4. Reorganisation**

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparation for the Listing, pursuant to which our Company became the ultimate holding company within our Group. The Reorganisation involved the following procedures:

- (a) King Able was incorporated in the BVI on 5 January 2010 and it was wholly owned by Mr. Qian Yixiang and Ms. Jia Lingxia. Cheer Success was incorporated in the BVI on 18 January 2010 and it was wholly owned by our Company;
- (b) pursuant to an equity transfer agreement dated 8 January 2010, Yixing Boai transferred 20% equity interest in Boer Yixing to Boer Hong Kong at a consideration of US\$250,000;
- (c) pursuant to an equity transfer agreement dated 12 January 2010, Wuxi Boer transferred 15% equity interest in Boer Wuxi to Boer Hong Kong at a consideration of US\$1.95 million;
- (d) on 29 January 2010, Cheer Success subscribed for and Boer Hong Kong issued and allotted to it 90,000 new shares in Boer Hong Kong at a subscription price of HK\$90,000;
- (e) Cheer Success acquired an aggregate of 10,000 shares held by Mr. Qian Yixiang and Ms. Jia Lingxia in Boer Hong Kong at a total consideration of HK\$10,000 on 31 January 2010;
- (f) on 2 March 2010, Silver Crest purchased from King Able 80 ordinary shares of US\$1.00 each in Cheer Success at a consideration of US\$15 million;
- (g) pursuant to an equity transfer agreement dated 20 May 2010, Mr. Jia Minghao transferred 75% equity interest in Yixing Boai (which had been held by Mr. Jia Minghao on trust for Boer Hong Kong since 5 March 2007) to Boer Hong Kong at a consideration of US\$100. Our Group had submitted the application for transfer of the 75% equity interest in Yixing Boai to Boer Hong Kong to the Foreign Trade and Economic Cooperation Department of Jiangsu Province for approval and the application was still being processed as at the Latest Practicable Date;
- (i) on 30 September 2010, our Company acquired Cheer Success by entering into a share swap agreement with King Able and Silver Crest, pursuant to which our Company acquired from King Able and Silver Crest 1,000 ordinary shares of US\$1.00 each in Cheer Success representing the entire issued and paid up share capital of Cheer Success. The consideration for the acquisition was satisfied by the allotment and issue of 8,200 and 800 new Shares of HK\$0.10 each in the share capital of our Company, credited as fully paid, to King Able and Silver Crest, respectively.

**5. Changes in share capital of subsidiaries**

Our Company's subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. The following sets out the changes to the share capital made by the subsidiaries of our Company during the two years preceding the date of this prospectus:

- (a) *Cheer Success*
  - (i) On 18 January 2010, Cheer Success was incorporated in the BVI with an authorised share capital of US\$50,000.
  - (ii) On 29 January 2010, King Able subscribed for 100 ordinary shares of US\$1.00 each in the share capital of Cheer Success at the consideration of US\$100.00. After such subscription, the issued share capital of Cheer Success was US\$100, made up of 100 ordinary shares of US\$1.00 each.

- (iii) On 1 March 2010, King Able subscribed for 900 ordinary shares of US\$1.00 each in the share capital of Cheer Success at the consideration of US\$900. After such subscription, the issued share capital of Cheer Success was increased to US\$1,000, made up of 1,000 ordinary shares of US\$1.00 each.
  - (iv) On 2 March 2010, King Able transferred 80 shares in Cheer Success to Silver Crest. After such transfer, Cheer Success was owned as to 92% by King Able and 8% by Silver Crest.
  - (v) On 30 September 2010, our Company acquired the entire share capital of Cheer Success from its then shareholders, King Able and Silver Crest. In consideration of such acquisition, our Company issued and allotted a total of 9,000 new Shares to the then shareholders of Cheer Success.
- (b) *Boer Hong Kong*
- (i) On 30 March 2005, Boer Hong Kong was incorporated in Hong Kong with authorised share capital of HK\$10,000.00 divided into 10,000 ordinary shares of HK\$1.00 each. 5,000 ordinary shares were issued and allotted to each of Mr. Qian Yixiang and Ms. Jia Lingxia as fully paid.
  - (ii) On 29 January 2010, the authorised share capital of Boer Hong Kong was increased to HK\$100,000, divided into 100,000 shares of HK\$1.00 each, by the creation of 90,000 shares of HK\$1.00 each. On the same day, Cheer Success subscribed for 90,000 ordinary shares of HK\$1.00 each in the share capital of Boer Hong Kong. After such subscription, 90,000 shares were owned by Cheer Success (representing 90% of its then issued share capital), 5,000 shares were owned by Mr. Qian Yixiang (representing 5% of its then issued share capital) and 5,000 shares were owned by Ms. Jia Lingxia (representing 5% of its then issued share capital).
  - (iii) On 31 January 2010, Mr. Qian Yixiang transferred 5,000 shares in Boer Hong Kong to Cheer Success and Ms. Jia Lingxia transferred 5,000 shares in Boer Hong Kong to Cheer Success. Since then, Cheer Success has owned all the 100,000 shares in Boer Hong Kong.
- (c) *Boer Wuxi*
- (i) On 11 July 2005, Boer Wuxi was established in the PRC as a sino-foreign equity joint venture with a registered share capital of US\$1 million. On incorporation, it was owned as to 70% by Wuxi Boer and 30% by Boer Hong Kong.
  - (ii) On 1 August 2007, it was approved that the registered capital of Boer Wuxi be increased from US\$1.0 million to US\$13.0 million and the increased registered capital was fully settled on 13 November 2009. As a result, the registered capital of US\$13.0 million of Boer Wuxi was contributed as to 15% by Wuxi Boer and 85% by Boer Hong Kong.
  - (iii) On 1 February 2010, Boer Hong Kong acquired from Wuxi Boer 15% of the equity interest in Boer Wuxi, upon which Boer Hong Kong owned the entire equity interest in Boer Wuxi and Boer Wuxi was converted from a sino-foreign equity joint venture to a wholly foreign-owned enterprise.
- (d) *Boer Yixing*
- (i) On 7 November 2005, Boer Wuxi was established in the PRC as a sino-foreign equity joint venture with a registered share capital of US\$1.25 million. On incorporation, it was owned as to 20% by Yixing Boai and 80% by Boer Hong Kong.

- (ii) On 2 February 2010, Boer Hong Kong acquired from Yixing Boai 20% of the equity interest in Boer Yixing, upon which, Boer Hong Kong owned the entire equity interest in Boer Yixing and Boer Yixing was converted from a sino-foreign equity joint venture to a wholly foreign-owned enterprise.
- (e) *Yixing Boai*
- (i) Yixing Boai was incorporated as a PRC domestic limited liability company on 15 January 2004 with a registered capital of RMB10 million. The registered capital was fully settled in cash on 6 January 2004 and since then the entire equity interest in Yixing Boai was owned as to 50% by Mr. Qian Yixiang, 20% by Mr. Zha Saibin, 5% by Ms. Jia Lingxia, 5% by Mr. Yao Yunliang (姚雲良), 5% by Ms. Ding Huifang (丁惠芳), 5% by Mr. Huang Jian (黃健), 5% by Mr. Wu Chang (吳昶) and 5% by Mr. Shen Weizu (沈偉祖).
- (ii) On 8 March 2007, Mr. Qian Yixiang, Mr. Yao Yunliang, Ms. Jia Lingxia, Ms. Ding Huifang, Mr. Huang Jian and Mr. Wu Chang transferred an aggregate of 75% of the equity interest in Yixing Boai to Mr. Jia Minghao, while Mr. Zha Saibin and Mr. Shen Weizu transferred an aggregate of 25% of the equity interest in Yixing Boai to Wuxi Weiqi. Upon such transfer, Yixing Boai was converted into a sino-foreign equity joint venture, which was held as to 25% by Wuxi Weiqi and 75% by Mr. Jia Minghao on trust for Boer Hong Kong.
- (iii) On 20 May 2010, Mr. Jia Minghao entered into an equity transfer agreement with Boer Hong Kong, pursuant to which it would transfer 75% equity interest in Yixing Boai (which had been held by Mr. Jia Minghao on trust for Boer Hong Kong since 5 March 2007) to Boer Hong Kong at a consideration of US\$100. The application for such transfer had been submitted to the Foreign Trade and Economic Cooperation Department of Jiangsu Province for approval and the application was still being processed as at the Latest Practicable Date.

Save for the subsidiaries mentioned in Appendix I to this prospectus, our Company has no other subsidiaries.

Save as set out above, 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 subsidiaries

Our Group has interests in a number of major PRC subsidiaries. Set out below is a summary of the corporate information of these PRC subsidiaries:

(1) *Boer Wuxi*

Date of Establishment:	11 July 2005 (as a sino-foreign joint venture at its incorporation)
Place of Establishment:	Jiangsu, the PRC
Nature:	Wholly-owned foreign enterprise
Registered Capital:	US\$13 million
Shareholder:	Boer Hong Kong

(2) *Boer Yixing*

Date of Establishment: 7 November 2005 (as a sino-foreign joint venture at its incorporation)

Place of Establishment: Jiangsu, the PRC

Nature: Wholly-owned foreign enterprise

Registered Capital: US\$1.25 million

Shareholder: Boer Hong Kong

(3) *Boer Services Co*

Date of Establishment: 4 November 2008

Place of Establishment: Jiangsu, the PRC

Nature: Limited liability company

Registered Capital: RMB5 million

Shareholder: Boer Wuxi

(4) *Yixing Boai (Note 1)*

Date of Establishment: 15 January 2004

Place of Establishment: Jiangsu, the PRC

Nature: Sino-foreign joint venture

Registered Capital: RMB10 million

Shareholders: Boer Hong Kong (75%)

Wuxi Weiqi (25%)

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*Note 1:* On 20 May 2010, Boer Hong Kong and Mr. Jia Minghao entered into a termination agreement, pursuant to which both parties agreed to transfer the legal title of the 75% equity interest in Yixing Boai from Mr. Jia Minghao to Boer Hong Kong at nominal consideration and terminate the trust arrangement in respect of the 75% equity interest in Yixing Boai upon the completion of such transfer. Our Group had submitted to the Foreign Trade and Economic Cooperation Department of Jiangsu Province the application for transfer of the 75% equity interest in Yixing Boai to Boer Hong Kong for approval and the application was still being processed as at the Latest Practicable Date.

## 7. Repurchase by our Company of its own securities

This section includes information relating to the repurchase of the Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(A) *Relevant legal and regulatory requirements in Hong Kong*

The Listing Rules permit shareholders to grant a general mandate to the Directors of a company to repurchase shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by shareholders in general meeting.

(a) Shareholders' approval

All the proposed repurchases of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of the Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by the sole Shareholder on 30 September 2010, a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorising any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which our Company's securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of not more than 10% of the aggregate nominal value of our Company's share capital in issue immediately following the completion of the Global Offering (excluding the Shares which may be issued under the Over-allotment Option).

(b) Source of funds

Repurchases by our Company must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. 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.

(c) Trading Restrictions

The total number of Shares which our Company may repurchase is up to 10% of the total number of the Shares in issue immediately after the completion of the Global Offering (excluding the Shares which may be issued under the Over-allotment Option). Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares, without the prior approval of the Stock Exchange. Our Company is also prohibited from repurchasing Shares on the Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by it to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require. Our Company also shall not purchase its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

(d) Status of repurchased shares

All repurchased Shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those Shares must be cancelled and destroyed. Under Cayman Islands law, a company's repurchased shares shall be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate par value of the repurchased shares accordingly although the authorised share capital of the company will not be reduced.



(e) Suspension of repurchase

Pursuant to the Listing Rules, our Company may not make any repurchase of Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, under the requirements of the Listing Rules in force as at the date hereof, during the period of one month immediately preceding the earlier of: (i) 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 (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a repurchase of the Shares on the Stock Exchange if our Company has breached the Listing Rules.

(f) Procedural and reporting requirements

As required by the Listing Rules, repurchases of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares, reporting the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly analysis of the number of Shares repurchased, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid.

(g) Connected parties

Our Company is prohibited from knowingly repurchasing Shares on the Stock Exchange from a "connected person" (as defined in the Listing Rules) and a connected person shall not knowingly sell his securities to our Company on the Stock Exchange.

*(B) Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the 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 where our Directors believe that such repurchases will benefit our Company and Shareholders.

*(C) 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 and regulations of the Cayman Islands.

On the basis of our Company's current financial position as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our Company's working capital and/or the gearing position 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 our Company's working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

The exercise in full of the Repurchase Mandate, on the basis of 750,000,000 Shares in issue immediately after the Global Offering (assuming that the Over-allotment Option is not exercised), could accordingly result in up to 75,000,000 Shares being repurchased by our Company during the period prior to (1) the conclusion of the next annual general meeting of our Company; (2) the expiration of the period within which the next annual general meeting of our Company is required by Cayman Islands law or the Articles of Association to be held; or (3) the revocation or variation of the purchase mandate by ordinary resolution of Shareholders in a general meeting, whichever occurs first (the "Relevant Period"). If the Over-allotment Option is exercised in full, the exercise in full of the Repurchase Mandate on the basis of 778,125,000 Shares in issue immediately after the Global Offering could result in up to 77,812,500 Shares being repurchased by our Company during the Relevant Period.

*(D) General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to our Group.

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 and regulations of the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Group is increased, such increase will be treated as an acquisition for the purposes of 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.

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

## FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

### 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) a trust agreement dated 5 March 2007 between Mr. Jia Minghao and Boer Hong Kong relating to the trust arrangement for the 75% equity interest in Yixing Boai (which was supplemented by a supplemental trust agreement between Mr. Jia Minghao and Boer Hong Kong dated 19 January 2010 and described in item (H) below);

- (B) an agreement dated 6 September 2008 between Fuyang Industry and Boer Yixing relating to an acquisition of 48.9% equity interest in an independent third party company (“**the Independent Company**”) and provision of a loan of RMB6 million by Boer Yixing to Fuyang Industry (the “**Loan**”);
- (C) a loan agreement dated 6 September 2008 between Boer Yixing, Fuyang Industry and Fuyang Electrical relating to certain arrangements for repayment of the Loans;
- (D) a contracted operation and management agreement dated 8 March 2009 between Boer Yixing and Fuyang Industry (the “**Contracted Operation and Management Agreement**”) relating to the operation and management arrangements in respect of the Independent Company;
- (E) an equity transfer agreement dated 8 March 2009 between Boer Yixing and Fuyang Electrical (the “**Equity Transfer Agreement**”) relating to the acquisition of 48.9% equity interest in the Independent Company by Boer Yixing;
- (F) an equity transfer agreement dated 8 January 2010 between Boer Hong Kong and Yixing Boai relating to the acquisition of 20% equity interest in Boer Yixing by Boer Hong Kong;
- (G) an equity transfer agreement dated 12 January 2010 between Boer Hong Kong and Wuxi Boer relating to the acquisition of 15% equity interest in Boer Wuxi by Boer Hong Kong;
- (H) a supplemental trust agreement dated 19 January 2010 between Boer Hong Kong and Mr. Jia Minghao relating to the trust arrangement for the 75% equity interest in Yixing Boai (together with the original trust agreement dated 5 March 2007 and entered into between Mr. Jia Minghao and Boer Hong Kong described in item (A) above);
- (I) a supplemental agreement dated 20 January 2010 between Boer Yixing, Fuyang Electrical and Fuyang Industry relating to, inter alia:
- (i) the postponement of the performance of Boer Yixing’s obligations under the Contracted Operation and Management Agreement;
  - (ii) the transfer of the benefit of the Loan from Fuyang Electrical to Boer Yixing and the determining of the term of the Loan to one year from the date on which the Loan was provided to the Independent Company by Fuyang Electrical; and
  - (iii) the postponement of the performance of Boer Yixing’s obligations under the Equity Transfer Agreement and the granting of an option to Boer Yixing to elect whether to proceed with the acquisition of 48.9% equity in the Independent Company;
- (J) an investment agreement dated 1 March 2010 between Cheer Success, King Able, Mr. Qian Yixiang, Ms. Jia Lingxia and Silver Crest relating to, inter alia, transfer of certain shares representing 8% of the then issued share capital of Cheer Success from King Able to Silver Crest;
- (K) the Master Agreement dated 15 March 2010 between Boer Yixing and Shanghai Boer relating to the sale and purchase of electrical components and parts between Boer Yixing and Shanghai Boer, details of which are set out in the paragraph headed “Non-exempt Continuing Connected Transactions” in the section headed “Connected Transactions” of this prospectus;

- (L) a termination and equity transfer agreement dated 20 May 2010 between Boer Hong Kong and Mr. Jia Minghao relating to the termination of the trust arrangement for the 75% equity interest in Yixing Boai;
- (M) an equity transfer agreement dated 20 May 2010 between Boer Hong Kong and Mr. Jia Minghao relating to the transfer of 75% equity interest in Yixing Boai to Boer Hong Kong;
- (N) a cornerstone investment agreement dated 28 September 2010 between the Company, Oceanbase and the Joint Global Coordinators;
- (O) a cornerstone investment agreement dated 4 October 2010 between the Company, VP and the Joint Global Coordinators;
- (P) a share swap agreement dated 30 September 2010 between King Able, Silver Crest, Mr. Qian Yixiang, Ms. Jia Lingxia and our Company relating to the transfer of the entire issued share capital in Cheer Success by King Able and Silver Crest to our Company in exchange for an issue of 8,200 and 800 Shares in our Company to King Able and Silver Crest, respectively;
- (Q) Deed of indemnity dated 6 October 2010 entered into between King Able, Mr. Qian Yixiang, Ms. Jia Lingxia and our Company whereby our Controlling Shareholders have provided certain indemnities in favour of our Company, details of the taxation and estate duty related indemnities are set out in the paragraph headed “Estate duty and tax indemnity” below;
- (R) Deed of non-competition dated 6 October 2010 entered into between our Controlling Shareholders and our Company, details of which are set out in the section headed “Relationship with our Controlling Shareholders” of this prospectus; and
- (S) Hong Kong Underwriting Agreement dated 6 October 2010, details of which are set out in the section headed “Underwriting” in this prospectus.

## 9. Intellectual property rights of our Group

## (a) Trademarks

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

Trademark	Registered owner	Class	Registration number	Validity period
	Boer Wuxi	9	5677835	14 February 2010 to 13 February 2020
博耳	Boer Wuxi	9	5677836	28 August 2009 to 27 August 2019
	Boer Wuxi	9	5678334	14 March 2010 to 13 March 2020
	Boer Wuxi	9	5733108	14 September 2009 to 13 September 2019
	Boer Wuxi	9	6058781	21 January 2010 to 20 January 2020
博耳	Boer Wuxi	30	6254943	14 February 2010 to 13 February 2020
博耳	Boer Wuxi	29	6254944	21 September 2009 to 20 September 2019
博耳	Boer Wuxi	28	6254945	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	27	6254946	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	26	6254947	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	25	6254948	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	24	6254949	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	23	6254950	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	22	6254951	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	21	6254952	21 February 2010 to 20 February 2020


<u>Trademark</u>	<u>Registered owner</u>	<u>Class</u>	<u>Registration number</u>	<u>Validity period</u>
博耳	Boer Wuxi	20	6254953	14 February 2010 to 13 February 2020
博耳	Boer Wuxi	19	6254954	28 February 2010 to 27 February 2020
博耳	Boer Wuxi	18	6254955	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	17	6254956	28 February 2010 to 27 February 2020
博耳	Boer Wuxi	16	6254957	28 February 2010 to 27 February 2020
博耳	Boer Wuxi	15	6254958	28 January 2010 to 27 January 2020
博耳	Boer Wuxi	14	6254959	14 February 2010 to 13 February 2020
博耳	Boer Wuxi	13	6254960	7 March 2010 to 6 March 2020
博耳	Boer Wuxi	12	6254961	7 February 2010 to 6 February 2020
博耳	Boer Wuxi	11	6254962	21 March 2010 to 20 March 2020
博耳	Boer Wuxi	10	6254963	21 January 2010 to 20 January 2020
博耳	Boer Wuxi	9	6254964	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	8	6254965	14 March 2010 to 13 March 2020
博耳	Boer Wuxi	7	6254966	7 February 2010 to 6 February 2020
博耳	Boer Wuxi	6	6254967	7 February 2010 to 6 February 2020
博耳	Boer Wuxi	5	6254968	14 March 2010 to 13 March 2020
博耳	Boer Wuxi	4	6254969	14 March 2010 to 13 March 2020
博耳	Boer Wuxi	3	6254970	28 February 2010 to 27 February 2020

<u>Trademark</u>	<u>Registered owner</u>	<u>Class</u>	<u>Registration number</u>	<u>Validity period</u>
博耳	Boer Wuxi	2	6254971	21 March 2010 to 20 March 2020
博耳	Boer Wuxi	1	6254972	21 March 2010 to 20 March 2020
POZER	Boer Wuxi	10	6254973	14 March 2010 to 13 March 2020
POZER	Boer Wuxi	9	6254974	28 March 2010 to 27 March 2020
POZER	Boer Wuxi	8	6254975	14 March 2010 to 13 March 2020
POZER	Boer Wuxi	7	6254976	28 May 2010 to 27 May 2020
POZER	Boer Wuxi	6	6254977	21 February 2010 to 20 February 2020
POZER	Boer Wuxi	4	6254979	28 June 2010 to 27 June 2020
POZER	Boer Wuxi	2	6254981	21 August 2010 to 20 August 2020
POZER	Boer Wuxi	1	6254982	21 March 2010 to 20 March 2020
POZER	Boer Wuxi	20	6254993	28 June 2010 to 27 June 2020
POZER	Boer Wuxi	19	6254994	14 April 2010 to 13 April 2020
POZER	Boer Wuxi	17	6254996	28 February 2010 to 27 February 2020
POZER	Boer Wuxi	15	6254998	14 February 2010 to 13 February 2020
POZER	Boer Wuxi	14	6254999	21 February 2010 to 20 February 2020
POZER	Boer Wuxi	13	6255000	7 March 2010 to 6 March 2020
POZER	Boer Wuxi	12	6255001	7 February 2010 to 6 February 2020
POZER	Boer Wuxi	11	6255002	28 March 2010 to 27 March 2020



<u>Trademark</u>	<u>Registered owner</u>	<u>Class</u>	<u>Registration number</u>	<u>Validity period</u>
POZET	Boer Wuxi	30	6255003	7 February 2010 to 6 February 2020
POZET	Boer Wuxi	29	6255004	21 September 2009 to 20 September 2019
POZET	Boer Wuxi	28	6255005	28 June 2010 to 27 June 2020
POZET	Boer Wuxi	27	6255006	28 March 2010 to 27 March 2020
POZET	Boer Wuxi	26	6255007	28 March 2010 to 27 March 2020
POZET	Boer Wuxi	24	6255009	28 June 2010 to 27 June 2020
POZET	Boer Wuxi	23	6255010	28 March 2010 to 27 March 2020
POZET	Boer Wuxi	22	6255011	28 June 2010 to 27 June 2020
POZET	Boer Wuxi	21	6255012	7 May 2010 to 6 May 2020
博耳	Boer Wuxi	45	6255013	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	44	6255014	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	43	6255015	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	42	6255016	14 June 2010 to 13 June 2020
博耳	Boer Wuxi	41	6255017	14 June 2010 to 13 June 2020
POZET	Boer Wuxi	45	6255018	7 June 2010 to 6 June 2020
POZET	Boer Wuxi	44	6255019	28 March 2010 to 27 March 2020
POZET	Boer Wuxi	43	6255020	7 June 2010 to 6 June 2020
POZET	Boer Wuxi	42	6255021	14 June 2010 to 13 June 2020







<u>Trademark</u>	<u>Registered owner</u>	<u>Class</u>	<u>Registration number</u>	<u>Validity period</u>
POZER	Boer Wuxi	41	6255022	14 June 2010 to 13 June 2020
POZER	Boer Wuxi	40	6255023	28 March 2010 to 27 March 2020
POZER	Boer Wuxi	39	6255024	14 June 2010 to 13 June 2020
POZER	Boer Wuxi	38	6255025	28 March 2010 to 27 March 2020
POZER	Boer Wuxi	37	6255026	28 March 2010 to 27 March 2020
POZER	Boer Wuxi	36	6255027	28 March 2010 to 27 March 2020
POZER	Boer Wuxi	35	6255028	14 June 2010 to 13 June 2020
POZER	Boer Wuxi	34	6255029	21 September 2009 to 20 September 2019
POZER	Boer Wuxi	33	6255030	21 January 2010 to 20 January 2020
POZER	Boer Wuxi	32	6255031	28 January 2010 to 27 January 2020
POZER	Boer Wuxi	31	6255032	21 September 2009 to 20 September 2019
博耳	Boer Wuxi	40	6255033	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	39	6255034	14 June 2010 to 13 June 2020
博耳	Boer Wuxi	38	6255035	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	37	6255036	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	36	6255037	28 March 2010 to 27 March 2020
博耳	Boer Wuxi	35	6255038	14 June 2010 to 13 June 2020
博耳	Boer Wuxi	34	6255039	21 September 2009 to 20 September 2019

<u>Trademark</u>	<u>Registered owner</u>	<u>Class</u>	<u>Registration number</u>	<u>Validity period</u>
博耳	Boer Wuxi	33	6255040	21 January 2010 to 20 January 2020
博耳	Boer Wuxi	32	6255041	28 January 2010 to 27 January 2020
博耳	Boer Wuxi	31	6255042	21 September 2009 to 20 September 2019
	Boer Wuxi	37	6607193	7 April 2010 to 6 April 2020

As at the Latest Practicable Date, our Group had applied for registration of the following trademarks in the PRC, the registration of which have not been granted:

<u>Trademark</u>	<u>Applicant</u>	<u>Class</u>	<u>Application number</u>	<u>Application date</u>
	Boer Wuxi	5	6254978	3 September 2007
	Boer Wuxi	25	6255008	3 September 2007

As at the Latest Practicable Date, our Group had applied for registration of the following trademarks in Hong Kong, the registration of which have not been granted:

<u>Trademark</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>	<u>Application Date</u>
博耳	Boer Wuxi	9, 35, 37, 41, 42	301567738	19 March 2010
	Boer Wuxi	9, 37	301567747	19 March 2010
				
	Boer Wuxi	9, 35, 37, 41, 42	301568584	22 March 2010
				

*(b) Patents*

All the patents appearing in this paragraph (b) are patents owned by our Group and are not part of the deemed distribution from Wuxi Boer.

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

<u>Patent</u>	<u>Registered owner</u>	<u>Type</u>	<u>Certificate number</u>	<u>Validity period</u>
Multi Circuit Monitoring device (多回路多功能電力綜合通訊儀錶)	Boer Wuxi	Invention	ZL200710021450.9	13 April 2007 to 12 April 2027
Multi Circuit Monitoring device (多回路多功能電力綜合通訊儀錶)	Boer Wuxi	Utility model	ZL200720036149.0	13 April 2007 to 12 April 2017
Low consumption digital meter case (低功耗電池供電儀錶外殼結構)	Boer Wuxi	Utility model	ZL200820040945.6	26 June 2008 to 25 June 2018
Power monitoring meter (綜合電力測控儀)	Boer Wuxi	Utility model	ZL200820116416.X	8 May 2008 to 7 May 2018
Visible cut-off safety isolation switch box (斷點式可視安全隔離開關箱)	Boer Wuxi	Utility model	ZL200820037232.4	4 June 2008 to 3 June 2018
Three phase current meter (低功耗電池供電三相電流表)	Boer Yixing	Utility model	ZL200820040944.1	26 June 2008 to 25 June 2018
Movable lifting truck (可移動專用開關小車)	Boer Yixing	Utility model	ZL200820038462.2	20 June 2008 to 19 June 2018
Automation meter case (自動化儀錶盒外殼結構)	Boer Yixing	Utility model	ZL200820040943.7	26 June 2008 to 25 June 2018

<u>Patent</u>	<u>Registered owner</u>	<u>Type</u>	<u>Certificate number</u>	<u>Validity period</u>
Power monitoring meter (綜合電力測控儀) (PMW2000)	Boer Wuxi	Design	ZL200830030116.5	15 May 2008 to 14 May 2018
Power monitoring device 電力測控儀 (PMW300)	Boer Wuxi	Design	ZL200830030117.X	15 May 2008 to 14 May 2018
Digital meter for frequency transducer 數顯頻率變送 智能儀錶 (M300H)	Boer Yixing	Design	ZL200830030119.9	16 May 2008 to 15 May 2018
Mutli circuit monitoring device 多回路綜合通訊儀錶 (PMW1000)	Boer Yixing	Design	ZL200830030120.1	16 May 2008 to 15 May 2018
Current meter 電流錶 (IM100)	Boer Yixing	Design	ZL200830030118.4	16 May 2008 to 15 May 2018
Circuit structure for MV electrical distribution system (輸變電系統中中壓開關櫃的電路結構)	Boer Wuxi	Utility model	ZL200920045263.9	12 May 2009 to 11 May 2019
Intelligent electrical control switchgear (智能型電力控制櫃)	Boer Wuxi	Utility model	ZL200920234082.0	6 August 2009 to 5 August 2019

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

<u>Title</u>	<u>Applicant</u>	<u>Type</u>	<u>Application number</u>	<u>Application date</u>
Power monitoring device used in operating theatre (潔淨手術室專用的測量監控指示器)	Boer Yixing	Invention	201010158159.8	28 April 2010
Power monitoring service used in operating theatre (潔淨手術室專用的測量監控指示器)	Boer Yixing	Utility model	201020172961.8	28 April 2010
Intelligent electrical controlgear for shield digging machine (智能型盾構機電力控制裝置)	Boer Wuxi	Utility model	201020223062.6	4 June 2010
Intelligent Power Monitoring System for Substation (變電站智能監控系統)	Boer Yixing	Utility model	201020256792.6	13 July 2010
Field Bus Power Monitoring System for LV Switchgear (總綫型低壓控制系統)	Boer Wuxi	Utility Model	201020271033.7	21 July 2010
Motorised operational mechanism molded case circuit breaker (塑殼斷路器電動操作顯示裝置)	Boer Yixing	Utility model	201020268779.2	23 July 2010
Ring main unit mechanical interlock (環網櫃機械連鎖機構)	Boer Wuxi	Utility model	201020299916.9	17 August 2010
Ring main unit mechanical interlock (環網櫃機械連鎖機構)	Boer Wuxi	Invention	201010258609.0	17 August 2010

*(c) Domain*

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

<u>Domain name</u>	<u>Registered owner</u>	<u>Expiry date</u>
Wuxi-power.com	Boer Wuxi	14 April 2011
Yixing-boer.com	Boer Yixing	25 December 2011
Yixing-boai.com	Yixing Boai	9 April 2011

**FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF AND EXPERTS****10. Directors***(a) Disclosure of interest – interests and short positions of the Directors and the chief executives of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations*

Immediately following completion of the Capitalisation Issue and the Global Offering and assuming that the Over-allotment Option is not exercised, the interest or short position of Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions seven and eight of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Model Code for Securities Transactions by Directors of Listed Companies, once the Shares are listed are as follows:

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares directly or indirectly held immediately following completion of the Global Offering</u>	<u>Approximate percentage of issued Share immediately following completion of the Global Offering</u>
Mr. Qian Yixiang <sup>1</sup>	Interest of a controlled corporation	517,500,000	69%
Ms. Jia Lingxia <sup>2</sup>	Interest of a controlled corporation	517,500,000	69%

*Notes:*

- Mr. Qian Yixiang is the beneficial owner of 50% of the entire issued share capital in King Able and a director of King Able. Mr. Qian Yixiang is deemed to be interested in the Shares held by King Able by virtue of the SFO as King Able is controlled by Mr. Qian Yixiang. Mr. Qian Yixiang, the spouse of Ms. Jia Lingxia, is deemed to be interested in Ms. Jia Lingxia's interests in the Company by virtue of the SFO.
- Ms. Jia Lingxia is the beneficial owner of 50% of the entire issued share capital in King Able and a director of King Able. Ms. Jia Lingxia is deemed to be interested in the Shares held by King Able by virtue of the SFO as King Able is controlled by Ms. Jia Lingxia. Ms. Jia Lingxia, the spouse of Mr. Qian Yixiang, is deemed to be interested in Mr. Yan's interests in the Company by virtue of the SFO.

*(b) Long positions in the shares of associated corporations*

<u>Name of Director</u>	<u>Name of associated corporations</u>	<u>Capacity</u>	<u>Number of shares</u>	<u>Percentage of shareholding interest</u>
Mr. Qian Yixiang	King Able	Beneficial owner	50	50%
Ms. Jia Lingxia	King Able	Beneficial owner	50	50%

*(c) Particulars of Directors' service contracts and remuneration*

Each of the executive Directors has entered into a service contract with our Company for a term of three years commencing from the date of listing, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the Executive Directors is entitled to a director's fee. Each Executive Director shall be paid a remuneration on the basis of twelve months in a year. The current annual director's fees and remuneration of the executive Directors are as follows:

<u>Name</u>	<u>Annual Amount</u>
	<i>(HK\$)</i>
Mr. Qian Yixiang	1,200,000
Ms. Jia Lingxia	960,000
Mr. Zha Saibin	960,000
Mr. Qian Zhongming	960,000

The independent non-executive Directors have been appointed for a term of three years. Our Company intends to pay a director's fee of HK\$120,000 per annum for each of Mr. Zhao Jianfeng and Mr. Tang Jianrong, and HK\$180,000 per annum to Mr. Yeung Chi Tat.

Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to the Directors for the year ending 31 December 2010 will be approximately HK\$1,125,000.

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 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

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.

**11. Interest discloseable under the SFO and substantial Shareholders**

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

**12. Disclaimers**

Save as disclosed herein:

- (a) none of the Directors or chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions seven and eight of Part XV 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 Companies once the Shares are listed;
- (b) none of the Directors or experts referred to under the paragraph headed “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been 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;
- (c) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of the Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be taken up under the Global Offering, none of the Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions two and three of Part XV of SFO or be interested, directly or indirectly, 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 member of our Group;
- (f) none of the experts referred to under the paragraph headed “Consents of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (g) so far as is known to the Directors, none of the Directors, their respective associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.



## OTHER INFORMATION

## 13. Share Option Scheme

For the purpose of this section only, unless the context otherwise requires, the following words shall have the following meanings:

“Adoption Date”	30 September 2010, the date on which the Share Option Scheme was conditionally adopted by written resolutions of all the Shareholders;
“Board”	the Board of Directors for the time being or a duly authorised committee thereof;
“Business Day”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to make an Offer, or the grant of an Option to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Option Scheme;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the personal representative of such person;
“Group”	the Company and its Subsidiaries;
“Offer”	the offer of the grant of an Option;
“Option”	an option to subscribe for Shares pursuant to the Share Option Scheme and for the time being subsisting;
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant;
“Participants”	directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of our Group who the Board considers, in its sole discretion, have contributed or will contribute to our Group;
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of our Company, the shares forming part of the ordinary equity share capital of our Company or such nominal amount as shall result from any such sub-division reduction, consideration, reclassification or reconstruction;

“Shareholder(s)”	holder(s) of the Shares;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph (iv) below; and
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) of our Company, whether incorporated in Hong Kong or elsewhere.

**(a) Summary of terms**

The Share Option Scheme contains the following terms:

*(i) Purpose*

The purpose of the Share Option Scheme is to reward Participants who have contributed to our Group and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and its Shareholders as a whole.

*(ii) Who may join*

The Directors may, at their discretion, invite Participants to take up Options at a price calculated in accordance with paragraph (iv) below. An Offer shall remain open for acceptance by the Participant concerned for a period of 28 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme is terminated or after the Participant has ceased to be a Participant.

An Offer is deemed to be accepted when our Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted, and a remittance to our Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.

The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of the Board, include, among other things, (aa) the minimum period for which an Option must be held before it can be exercised; and/or (bb) a performance target that must be reached before the Option can be exercised in whole or in part; and (cc) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

The Directors may or may not set performance targets that must be achieved before the options can be exercised, but no such performance targets are presently prescribed under the Share Option Scheme.

The rules of the Share Option Scheme enable the Directors to determine the terms and conditions of any option based in each case on relevant factors as they consider appropriate. The Directors believe that the authority given to them under the Share Option Scheme to set any minimum holding period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price as well as the selection criteria prescribed by the rules of the Share Option Scheme will serve to protect the value of our Company and any of its subsidiaries as well as to achieve the purpose of the Share Option Scheme.

(iii) *Grant of Options to connected persons or any of their associates*

Any grant of Options to any Director, chief executive or substantial shareholder (as such term is defined in the Listing Rules) of our Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of our Company or any of its Subsidiaries shall be subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who are the proposed Grantees of the Options in question). 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 or outstanding) to such person in the 12 month period up to and including the date of such grant:

- (aa) representing in aggregate over 0.1 per cent. of the Shares in issue on the date of such grant; and
- (bb) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll). Our Company shall send a circular to the Shareholders in accordance with the Listing Rules and all connected persons of our Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders.

(iv) *Subscription Price*

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (aa) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (bb) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (cc) the nominal value of the Shares.

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the exercise price, exercise period, any lock up period, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the options as the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

(v) *Maximum number of Shares*

- (aa) The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 75,000,000 Shares, representing 10% in nominal amount of the aggregate of Shares in issue on the Listing Date (not taking into account any Shares which may be allotted and issued under the Over-allotment Option) (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of our Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

Our Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of the Shareholders' approval of the renewed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as renewed.

- (bb) Notwithstanding the foregoing, our Company may grant Options beyond the Scheme Mandate Limit to Participants if:
- (1) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by our Company before such Shareholders' approval is sought; and
  - (2) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.
- (cc) Subject to paragraph (dd) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of our Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being (the "Individual Limit").
- (dd) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. Our Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the Listing Rules.

- (ee) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 30% of the Shares in issue from time to time.

(vi) *Time of exercise of option*

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the Option Period.

(vii) *Rights are personal to grantees*

An Option is personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.

(viii) (aa) *Rights on termination of employment by dismissal*

- (1) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or, has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically and not be exercisable (to the extent not already exercised) on or after the date of termination of his employment.
- (2) If the Grantee who is an employee or a Director of our Company or another member of our Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (viii)(aa)(1) above, the Option shall lapse (to the extent not already exercised) on the date of cessation or termination of his employment (which date shall be the Grantee's last actual working day with our Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable; and shall on that day cease to be exercisable.

(bb) *Rights on death*

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as described in paragraph (viii)(aa)(1) above have arisen, his personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of twelve months following the date of his death provided that where any of the events set out in paragraphs (x), (xi), (xii) and (xiii) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph (xi) which would have entitled our Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not

already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and our Company shall return to him the amount of the Subscription Price for the Shares received by our Company in respect of the purported exercise of such Option;

(ix) *Effect of alterations to share capital*

In the event of an alteration in the capital structure of our Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding adjustments (if any) shall be made to:

- (aa) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (bb) the Subscription Price,

or any combination thereof, provided that:

- (1) any such adjustments give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled; and
- (2) notwithstanding paragraph (ix)(aa) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the Supplemental Guidance on Listing Rule 17.03 issued by the Stock Exchange on 5 September 2005;

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

(x) *Rights on a general offer by way of takeover*

In the event of a general offer by way of takeover (other than by way of scheme of arrangement) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, our Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by our Company at any time within such period as shall be notified by our Company.

*(xi) Rights on a general offer by way of scheme of arrangement*

In the event of a general offer by way of scheme of arrangement being made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter, (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company.

*(xii) Rights on winding up*

In the event a notice is given by our Company to the Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind up our Company, our Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise.

*(xiii) Rights on a compromise or arrangement*

In the event a compromise or arrangement (other than a scheme of arrangement) between our Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice to all the Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a compromise or arrangement, and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

*(xiv) Ranking of Shares*

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Memorandum of Association and Articles of Association of our Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which these Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividend or other distributions paid or made after the date on which the Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

*(xv) Period of the Share Option Scheme*

The Share Option Scheme was adopted for a period of ten years commencing from the Adoption Date. Our Company may, by ordinary resolution in a general meeting or, such date as the board of Directors determines, terminate the Share Option Scheme at any time without prejudice to the exercise of Options granted prior to such termination.

*(xvi) Alterations to the Share Option Scheme*

Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

*(xvii) Conditions of the Share Option Scheme*

The Share Option Scheme shall take effect subject to:

- (aa) the passing of the resolution by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options;
- (bb) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval of the listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the Listing Date (being 75,000,000 Shares)); and
- (cc) the commencement of trading of the Shares on the Main Board of the Stock Exchange.

*(xviii) Lapse of Option*

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

- (aa) the expiry of the Option Period;
- (bb) the expiry of the periods referred to in paragraphs (viii)(aa), (viii)(bb), (x), (xi), (xii), (xiii) above respectively;
- (cc) the expiry of the period referred to in paragraph (x) above, subject to any court of competent jurisdiction not making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (dd) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (xi) above;
- (ee) the date of commencement of the winding-up of our Company;
- (ff) the date on which the Grantee ceases to be a Participant as referred to in paragraph (viii)(aa)(1) above;



- (gg) the date on which the Grantee commits a breach by selling, transferring, charging, mortgaging, encumbering or creating any interest in favour of any third party over or in relation to any Option; and
- (hh) subject to paragraph (viii)(aa)(2), the date the Grantee ceases to be a Participant for any other reason.

*(xix) Termination of the Share Option Scheme*

Our Company by ordinary resolution in general meeting or the Board may at anytime terminate the Share Option Scheme and in such event no further Options may be granted but in all other respects the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the Share Option Scheme.

*(xx) Restriction on Grant of Option*

In addition, a grant of Options may not 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 the newspapers or in such other manner as prescribed by the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (aa) the date of the board meeting of our Company (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
- (bb) the deadline for our Company to publish an announcement of its results for any year or 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 Option may be granted.

*(xxi) Cancellation*

Any Options granted but not exercised may be cancelled if the Participant so agrees and new Options may be granted to the Grantee provided that such new Options fall within the limits prescribed by paragraph (v), excluding the cancelled Options, and are otherwise granted in accordance with the terms of the Share Option Scheme.

**(b) Present Status of the Share Option Scheme**

As at the date of this prospectus, no Option has been granted or agreed to be granted pursuant to the Share Option Scheme.

**14. Indemnities**

Our Controlling Shareholders have given indemnities pursuant to the Deed of Indemnity as referred to in this section of this prospectus headed "Summary of our material contracts" in connection with, inter alia, any losses, costs and/or expenses that our Group may suffer directly or indirectly in connection with the failure of the landlord of the office premises leased by us in Hong Kong to obtain consent from its bank regarding such lease, and taxation liabilities of our Group (if any) relating to events or matters occurred on or before the Listing Date.

The taxation indemnities in the Deed of Indemnity shall not apply in, among others, the following circumstances:

- (a) to the extent that provision has been made for such taxation in the audited accounts of our Group for the Track Record Period; or
- (b) to the extent that liability for such taxation would not have arisen but for some act or omission of, or transaction entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected without the prior written consent or agreement of our Controlling Shareholders otherwise than in the course of normal day to day operations or carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date;
- (c) to the extent that any provisions or reserve made for taxation in the audited accounts of our Group up to 30 June 2010 is finally established to be an over-provision or an excessive reserve; or
- (d) to the extent that such taxation claim arises or is incurred as a consequence of any change in the law having retrospective effect and coming into force after the date thereof or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the Listing Date with retrospective effect.

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.

#### **15. Litigation**

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 any member of our Group that would have a material adverse effect on our Group's results of operations or financial condition.

#### **16. Sponsor**

The Sole Sponsor has made an application for and 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 on the Main Board.

#### **17. Preliminary expenses**

The estimated preliminary expenses of our Company are approximately HK\$156,000 and are payable by our Company.

#### **18. Promoter**

Our company has no promoter for the purposes of the Listing Rules. Within two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

**19. Qualification of experts**

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

<u>Name</u>	<u>Qualification</u>
CCB International Capital Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified public accountants
Stephenson Harwood	Legal advisers to our Company as to Hong Kong law
Grandall Legal Group (Shenzhen)	Legal advisers to our Company as to PRC law
Appleby	Cayman Islands attorneys-at-law
Jones Lang LaSalle Sallmanns Limited	Independent professional surveyors and valuers
Roland Berger	Independent strategy consultant

**20. Roland Berger**

In connection with the Global Offering, we commissioned Roland Berger to conduct a detailed analysis of the electrical distribution equipment and automation market in the PRC. Certain information set forth in this prospectus has been extracted from the Roland Berger Report.

Roland Berger, founded in 1967, is one of the world's leading strategy consultancies. With 36 offices in 25 countries, the company has successful operations in all major international markets. In 2008, it generated EUR 670 million in revenues with 2,100 employees. The strategy consultancy is an independent partnership exclusively owned by about 180 partners.

**21. Consents of experts**

Each of CCB International Capital Limited, KPMG, Stephenson Harwood, Grandall Legal Group (Shenzhen), Appleby, Jones Lang LaSalle Sallmanns Limited and Roland Berger has given and has not withdrawn its written consents to the issue of this prospectus with copies of their reports, letters, valuation, opinions or summaries of 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.

**22. Binding effects**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than 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.

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

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.

*(b) Cayman Islands*

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

*(c) Consultation with professional advisors*

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, the Selling Shareholders, 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 of, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

**24. Bilingual Prospectus**

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

**25. Miscellaneous***(a) Save as disclosed herein:**(i) within two years immediately preceding the date of this prospectus:*

- 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;
- 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;
- no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Share in our Company or any of its subsidiaries; and
- no amount or benefit has been paid or given or intended to be paid or given to the promoter of our Company;

- (ii) neither our Company nor any of our subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures;
  - (iii) 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;
  - (iv) there has been no material adverse change in the financial position or prospects of our Group since 30 June 2010 and there is no event since 30 June 2010 which would materially affect the information shown in the accountants' report set out in Appendix I to this prospectus; and
  - (v) there has not been any interruption in the business of our Group which may have or has had a material adverse effect on the financial position of our Group.
- (b) Subject to the provisions of the Companies Law, the principal register of members of our Company will be maintained in the Cayman Islands by Appleby Trust (Cayman) Ltd. and a Hong Kong branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by, our Company's Hong Kong Share Registrar in Hong Kong and may not be lodged in the Cayman Islands.
- (c) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.