

1. FURTHER INFORMATION ABOUT THE COMPANY**A. Incorporation**

Our Company was established in the PRC as an enterprise owned by the whole people (全民所有制企業) in August 1988 under the name of Shanghai Haitong Securities Company* (上海海通證券公司) with a registered share capital of RMB10 million and the sole shareholder being Bank of Communications, Shanghai Branch. On September 27, 1994, our Company was converted into a limited liability company, and was renamed as Haitong Securities Company Limited* (“海通證券有限公司”). On January 28, 2002, upon the approval from CSRC and the Shanghai government, Haitong Securities Company Limited was converted into a joint stock limited liability company, and was renamed as Haitong Securities Co., Ltd.* (海通證券股份有限公司).

Our Company has established a place of business in Hong Kong at 21st Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Central, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part XI of the Hong Kong Companies Ordinance on November 22, 2011. Ms. Mok Mingwai has been appointed as our agent for the acceptance of service of process in Hong Kong whose correspondence address is 8th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong. As we are incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix VII. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix VI.

B. Changes in Share Capital

At our establishment, our initial registered capital was RMB10,000,000, all of which were fully paid up.

On November 8, 1991, upon the approval from PBOC, the registered share capital of our Company was increased from RMB10,000,000 to RMB35,000,000.

On September 27, 1994, the Company conducted a restructuring and the registered capital of the Company was enlarged from RMB35,000,000 to RMB1,000,000,000.

On December 29, 2000, upon the approval from CSRC, the registered share capital of our Company was increased from RMB1,000,000,000 to RMB3,746,928,000.

On January 28, 2002, upon the approval from CSRC, the registered share capital of our Company was increased from RMB3,746,928,000 to RMB4,006,093,000.

On December 6, 2002, upon the approval from CSRC, the registered share capital of our Company was increased from RMB4,006,093,000 to RMB8,734,438,870.

On July 6, 2007, the registered share capital of our Company was changed from RMB8,734,438,870 to RMB3,389,272,910 as a result of the reverse takeover of SUABC.

On November 21, 2007, the registered share capital of our Company was increased from RMB3,389,272,910 to RMB4,113,910,590 as a result of issuance of 724,637,680 shares by non-public offering.

On June 12, 2008, upon the approval by our 2007 shareholders' meeting, we distributed a cash dividend of RMB411,391,059 together with a total of 1,234,173,177 bonus shares, and a total of 2,879,737,413 A Shares by converting a portion of our capital reserve into share capital. As a result, our total share capital was increased from RMB4,113,910,590 to RMB8,227,821,180.

Save as aforesaid, up to the Latest Practicable Date, there has been no alterations in our share capital since our establishment.

C. The Company's General Meetings held on May 16, 2011

At the general meeting of the Company held on May 16, 2011, the following resolutions, among other things, were passed by our Shareholders:

- (a) the conversion of the Company into an "overseas subscription company" was approved;
- (b) the issue by our Company of the H Shares with a par value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange. The number of H Shares to be issued shall not exceed 13% of the total issued share capital as enlarged by the issue of H Shares assuming the Over-allotment Option is not exercised. The Over-allotment Option to issue not more than 15% of the H Shares initially available under the Global Offering if fully exercised was also granted;
- (c) subject to the completion of the Global Offering, the adoption of the Articles of Association and the authorization to the Board to amend such Articles of Association in accordance with the requirements of the relevant laws and regulations and the Hong Kong Listing Rules; and
- (d) authorization of the Board to handle all matters relating to, among other things, the Global Offering and the issue of H Shares and the listing of H Shares on the Hong Kong Stock Exchange.

2. OUR SUBSIDIARIES AND INTERESTS IN OTHER COMPANIES

Our principal subsidiaries and associates (for the purpose of the Listing Rules) as of June 30, 2011 are set out in Note 21 and Note 22 under the financial information in the Accountants' Report as included in Appendix I to this prospectus.

The following alterations in the registered capital of our principal subsidiaries have taken place within the two years preceding the date of this prospectus:

On December 17, 2009, the registered capital of Haitong Futures was increased from RMB200,000,000 to RMB500,000,000;

On August 15, 2011, the registered capital of Haitong Capital Investment was increased from RMB3,000,000,000 to RMB4,000,000,000;

On July 9, 2010, the registered capital of Haitong International Holdings was increased from HK\$2,000,000,000 to HK\$3,000,000,000. On December 30, 2010, registered capital of Haitong International Holdings was increased from HK\$3,000,000,000 to HK\$4,000,000,000;

On January 30, 2011, the registered capital of Jilin Province Modern Agricultural and Emerging Markets Investment Fund Limited was increased from RMB600,000,000 to RMB800,000,000;

On July 20, 2011, the registered capital of Haitong International Futures Limited was increased from HK\$50,000,000 to HK\$100,000,000;

On October 6, 2010, the registered capital of Haitong International Securities Company Limited was increased from HK\$600,000,000 to HK\$1,100,000,000. On January 10, 2011, the registered capital of Haitong International Securities Company Limited was increased from HK\$1,100,000,000 to HK\$1,500,000,000.

Haitong International Securities is a company listed on the Hong Kong Stock Exchange. Please refer to the announcements of Haitong International Securities on the HKEx website for all the changes of its issued share capital. Within the two years preceding the date of this prospectus, it has allotted and issued ordinary shares from time to time pursuant to the exercise of share options under the share option scheme adopted on August 23, 2002. It has also allotted and issued ordinary shares on August 16, 2011 pursuant to a loan capitalization agreement entered into between Haitong International Holdings and Haitong International Securities on June 23, 2011 and it has allotted ordinary shares in the form of scrip dividend on January 15, 2010 and November 10, 2010 for 18 months ended June 30, 2009 and 12 months ended June 30, 2010 respectively.

Save as disclosed above, there has been no alterations in the share capital of our principal subsidiaries within the two years preceding the date of this prospectus.

3. SINO-FOREIGN JOINT VENTURE

Information regarding the Sino-foreign equity joint venture in which we are interested is set out below.

(1) HFT Investment Management

Parties and equity interest:	Our Company	51%
	BNPP IP BE Holding	49%
Terms of joint venture:	N/A	
Place of incorporation:	PRC	
Date of establishment:	April 18, 2003	
Scope of business:	Fund raising, fund sales, asset management and other services permitted by CSRC	
Nature:	Sino-foreign joint venture	
Paid-up share capital:	RMB150,000,000	
Registered share capital:	RMB150,000,000	

Any equity transfer of HFT Investment Management shall be subject to pre-emptive rights of the joint venture partners as set out in the joint venture contract and articles of association of HFT Investment Management. Equity of HFT Investment Management shall only be transferred to non-joint venture partners upon the written approval from the other joint venture partner and the approval from competent authority. The entitlements of the joint venture partners in profits, dividends and other distributions are in proportion to their capital contribution ratios. The board of directors of HFT Investment Management consists of nine members, of which three directors were appointed by our Company, two directors were appointed by BNPP IP BE Holding and four directors are independent directors. Chairman will be nominated by joint venture partners and appointed by the board of directors.

Upon dissolution of the joint venture, the joint venture parties shall be entitled to the remaining assets after paying off all debts of the company, based on their respective capital contribution ratios.

(2) Haitong-Fortis PE Management

Parties and equity interest:	Our Company	67%
	BNPP IP BE Holding	33%
Terms of joint venture:	30 years	
Place of incorporation:	PRC	
Date of establishment:	October 18, 2004	
Scope of business:	Management of industry fund, investment consulting and establishing industry fund	
Nature:	Sino-foreign joint venture	
Paid-up share capital:	RMB20,000,000	
Registered share capital:	RMB20,000,000	

Any equity transfer of Haitong-Fortis PE Management shall be subject to pre-emptive rights of the joint venture partners as set out in the joint venture contract and articles of association of Haitong-Fortis PE Management. The entitlements of the joint venture partners in profits, dividends and other distributions are in proportion to their capital contribution ratios. The board of directors of Haitong-Fortis PE Management consists of five members, of which two directors (including the chairman) were appointed by our Company, one director (the vice chairman) was appointed by BNPP IP BE Holding and two directors are independent directors.

Upon the expiry of the term of the joint venture contract, the joint venture parties shall be entitled to the remaining assets after paying off all debts of the company, based on their respective capital contribution ratios.

(3) Fullgoal Fund Management

Parties and equity interest:	Our Company	27.775%
	Bank of Montreal	27.775%
	Shenyin & Wanguo Securities Co., Ltd.	27.775%
	Shandong International Trust Corporation	16.675%
Terms of joint venture:	N/A	
Place of Incorporation:	PRC	
Date of establishment:	April 13, 1999	
Scope of business:	Fund raising, fund sales, asset management and other services permitted by CSRC	
Nature:	Sino-foreign joint venture	
Paid-up share capital:	RMB180,000,000	
Registered share capital:	RMB180,000,000	

Any transfer of equity interest of Fullgoal Fund Management shall be subject to pre-emptive rights of the joint venture partners as set out in the joint venture contract and articles of association of Fullgoal Fund Management. If more than one joint venture partner are interested in acquiring the equity interest to be transferred, the equity interest will be transferred in proportion to their capital contribution ratios or other percentages agreed in written. If none of the joint venture partners exercise the pre-emptive rights, the equity interest can only be transferred to non-joint venture partners upon written approval from the joint venture partners holding at least three-fourths of the total equity interest of Fullgoal Fund Management. The entitlements of the joint venture partners in profits, dividends and other distributions are in proportion to their capital contribution ratios. The board of directors of Fullgoal Fund Management consists of 11 members, of which seven directors were appointed by the joint venture partners and four directors are independent directors. Chairman will be nominated by the joint venture partners and appointed by the board of directors.

Upon dissolution of the joint venture, the joint venture parties shall be entitled to the remaining assets after paying off all debts of the company, based on their respective capital contribution ratios.

4. FURTHER INFORMATION ABOUT OUR BUSINESS



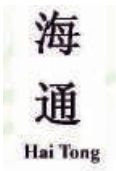




A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in our ordinary course of business) within the two years preceding the date of this prospectus, which are or may be material:







- (a) a Hong Kong underwriting agreement dated December 2, 2011 entered into between our Company, Haitong International Capital Limited, Haitong International Securities Company Limited, J.P. Morgan Securities (Asia Pacific) Limited, Credit Suisse (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch, Citigroup Global Markets Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Securities (Hong Kong) Limited, UBS AG, Hong Kong Branch, Nomura International (Hong Kong) Limited and the other Hong Kong Underwriters, further details of which are set out in the section headed “Underwriting”;
- (b) a cornerstone placing agreement dated November 30, 2011 entered into between our Company, The Chuo Mitsui Trust and Banking Co., Ltd., Haitong International Securities Company Limited, J.P. Morgan Securities (Asia Pacific) Limited, Credit Suisse (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch and Citigroup Global Markets Asia Limited, pursuant to which The Chuo Mitsui Trust and Banking Co., Ltd. agreed to subscribe for our H Shares in the amount of USD12,000,000;
- (c) a cornerstone placing agreement dated November 30, 2011 entered into between our Company, Barleyland Investment Ltd, Haitong International Securities Company Limited, J.P. Morgan Securities (Asia Pacific) Limited, Credit Suisse (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch and Citigroup Global Markets Asia Limited, pursuant to which Barleyland Investment Ltd agreed to subscribe for our H Shares in the amount of USD210,000,000.

B. Our Intellectual Property Rights**(i) Trademarks****(a) Registered trademarks**


As of the Latest Practicable Date, we have registered the following trademarks in the PRC which we consider to be or may be material to our business:

No.	Registrant	Registration No.	Trademark	Class	Duration
1.	Haitong Securities Co., Ltd.	1385986		36	2010.04.14-2020.04.13
2.	Haitong Securities Co., Ltd.	4371095		36	2008.09.14-2018.09.13
3.	Haitong Securities Co., Ltd.	4034053		36	2007.04.21-2017.04.20
4.	HFT Investment Management Co., Ltd.	4004620		36	2010.09.14-2020.09.13
5.	HFT Investment Management Co., Ltd.	6056371		36	2010.03.07-2020.03.06
6.	Taifook Securities Group Limited	4846760		36	2010.02.28-2020.02.27
7.	Taifook Securities Group Limited	4846759		36	2010.02.28-2020.02.27

As of the Latest Practicable Date, we have registered the following trademarks in Hong Kong which we consider to be or may be material to our business:

No.	Registrant	Registration No.	Trademark	Class	Duration
1.	Haitong Securities Co., Ltd.	300689833		36	2006.07.28- 2016.07.27
2.	Haitong Securities Co., Ltd.	300689851		36	2006.07.28- 2016.07.27
3.	Haitong Securities Co., Ltd.	300689824		36	2006.07.28- 2016.07.27
4.	Haitong Securities Co., Ltd.	300689842		36	2006.07.28- 2016.07.27
5.	Taifook Securities Group Limited	300433386		36	2005.06.06- 2015.06.05
6.	Taifook Securities Group Limited	300433395		36	2005.06.06- 2015.06.05
7.	Taifook Securities Group Limited	300433377		36	2005.06.06- 2015.06.05

As of the Latest Practicable Date, we have registered the following trademarks in Macau which we consider to be or may be material to our business:

No.	Registrant	Registration No.	Trademark	Class	Duration
1.	Haitong International Holdings Limited	N/052594 N/052595		36	2011.02.22- 2018.02.22
2.	Haitong International Holdings Limited	N/052596		36	2011.02.22- 2018.02.22

(b) Trademarks under application

As of the Latest Practicable Date, we have applied for the registration of the following trademarks:

No.	Registrant	Application No.	Place of Registration	Trademark	Class	Application Date
1.	Haitong Securities Co., Ltd.	8252844	PRC		36	2010.04.28
2.	HFT Investment Management Co., Ltd.	8338792	PRC	海富通	36	2010.05.27
3.	Haitong Securities Co., Ltd.	302040146	Hong Kong		36	2011.09.23
4.	Haitong Securities Co., Ltd.	302040137	Hong Kong		36	2011.09.23

No.	Registrant	Application No.	Place of Registration	Trademark	Class	Application Date
5.	Haitong International Holdings Limited	301746496	Hong Kong		36	2010.10.27

(ii) Software copyright

As of the Latest Practicable Date, we have applied for the registration of the following copyright:

No.	Copyright	Owner	Registration No.	Registration Date
1.	Information Isolation Wall System	Haitong Securities Co., Ltd.	2010SR003176	2010.01.20
2.	Common Payment Server	iT Technology (Shenzhen) Co., Ltd	2010SR014259	2010.03.30
3.	Web Futures RTQ	iT Technology (Shenzhen) Co., Ltd	2010SR005019	2010.01.27
4.	Wifi Mobile Trading	iT Technology (Shenzhen) Co., Ltd	2010SR005003	2010.01.27
5.	DTS-I	iT Technology (Shenzhen) Co., Ltd	2010SR005000	2010.01.27
6.	Futures Competition System	iT Technology (Shenzhen) Co., Ltd	2010SR005022	2010.01.27
7.	Web Futures	iT Technology (Shenzhen) Co., Ltd	2010SR005020	2010.01.27

(iii) Domain name

As of the Latest Practicable Date, we have registered the following internet domain names:

No.	Registrant	Domain Name	Registration Date
1.	Haitong Securities Co., Ltd.	htsec.com.cn	2000.03.16
2.	Haitong Securities Co., Ltd.	htsec.com	1998.09.16
3.	Haitong International Holdings Limited	htsec.com.hk	2007.12.05
4.	Haitong International Holdings Limited	htseci.com.hk	2010.09.21
5.	Haitong International Holdings Limited	haitongintl.com.hk	2010.09.21
6.	Haitong International Holdings Limited	haitongintlsec.com.hk	2010.09.21
7.	Haitong International Holdings Limited	htseci.com	2010.09.21
8.	Haitong International Holdings Limited	haitongintlsec.com	2010.09.21
9.	Haitong International Holdings Limited	haitongintl.com	2010.09.21
10.	Taifook On-line Limited	htisec.cn	2010.10.25
11.	Taifook On-line Limited	taifook.com	1997.04.22
12.	Taifook On-line Services Limited	taifook.com.cn	2000.12.29
13.	Taifook On-line Services Limited	taifook.net	2001.12.15
14.	Taifook On-line Services Limited	taifookwealthclub.com	2009.02.03
15.	Taifook On-line Services Limited	haitonginternational.com	2010.07.30
16.	Taifook On-line Services Limited	htisec.hk	2010.12.03
17.	Taifook On-line Services Limited	htisec.com.hk	2010.12.03
18.	Taifook On-line Services Limited	海通國際.com	2010.07.30
19.	Taifook On-line Services Limited	海通證券.com	2010.07.30
20.	Taifook On-line Services Limited	海通國際證券.com	2010.07.30
21.	Taifook On-line Services Limited	海通證券國際.com	2010.07.30
22.	Taifook On-line Services Limited	海通國際集團.com	2010.07.30
23.	Taifook On-line Services Limited	海通國際金融.com	2010.07.30
24.	Taifook On-line Services Limited	海通國際投資.com	2010.07.30
25.	Taifook On-line Services Limited	海通證券香港.com	2010.07.30
26.	Taifook On-line Services Limited	海通香港.com	2010.07.30
27.	Taifook On-line Services Limited	海通國際.公司	2010.12.06
28.	Taifook On-line Services Limited	海通國際証券.公司	2010.12.29
29.	Taifook On-line Services Limited	海通國際證券集團公司	2010.12.29
30.	Haitong International On-line Services Limited	htisec.com	2010.07.13
31.	Haitong International On-line Services Limited	htisec.com.cn	2010.10.22
32.	Haitong International On-line Services Limited	htisec.net	2010.10.21
33.	I.T. Technology (Shenzhen) Company Limited	itsz.cn	2003.08.21

5. DISCLOSURE OF INTERESTS**A. Substantial Shareholders**

As of the Latest Practical Date, the following persons directly or indirectly control, or are entitled to exercise, or control the exercise of, 5 % or more of our A shares:

Name of Shareholder	No. of Domestic Shares directly or indirectly held	Approximate percentage of share capital (%)
Bright Food (Group) Co., Ltd. (光明食品(集團)有限公司)	482,686,582	5.87%
Shanghai Tobacco (Group) Co., Ltd. (上海煙草集團有限責任公司)	416,420,568	5.06%

The Directors are not aware of any person who will, immediately following the Global Offering, have an interest or short position in Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, 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 our Company.

We are not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

B. Disclosure of the Directors' and Supervisors' interests in the issued share capital of the Company or our associated corporations

Immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, none of our Directors or Supervisors has any interest and/or short positions in the Shares, underlying shares and debentures of the Company or our associated corporation (within the meaning of Part XV of the SFO), which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is 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 will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to us and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

C. Particulars of Service Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, we have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration. Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors/Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

D. Directors' and Supervisors' Remuneration

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" of this prospectus and under Note 50 to the financial information in the Accountants' Report set out in Appendix I to this prospectus, no Director or Supervisor received other remuneration or benefits in kind from the Company in respect of the three financial years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2011.

Under the current arrangements, it is expected that our Directors would receive compensation (including remuneration, benefits in kind and bonuses) from our Group for the year ending December 31, 2011 in the aggregate amount of approximately RMB20,180,000.

Under the current arrangements, it is expected that our Supervisors would receive compensation (including remuneration, benefits in kind and bonuses) from our Group for the year ending December 31, 2011 in the aggregate amount of approximately RMB12,399,000.

E. Personal Guarantees

The Directors and Supervisors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to us.

F. Agency Fees or Commissions Paid or Payable

Save 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 share or loan capital of our Company or any of our subsidiaries within the two years ended on the date of this prospectus.

G. Related Party Transactions

During the two years preceding the date of this prospectus, we have engaged in the material related party transactions as described in Note 54 to the financial information in the Accountants' Report set out in Appendix I to this prospectus.

H. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors, Supervisors and any of the parties listed in the paragraph headed “Qualification of experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to the Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in the paragraph headed “Qualification of experts”:
 - (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our Shares or any of our securities;
- (c) none of our Directors or Supervisors or their associates or any shareholders of the Company who to the knowledge of the Directors owns more than 5% of our issued share capital has any interest in our top five business customers;
- (d) none of our Directors or Supervisors is a director or employee of a company which has an interest in the share capital of the Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

6. OTHER INFORMATION**A. Estate Duty**

We have real properties located in the PRC and Hong Kong.

We have been advised that currently there is no PRC law imposing liability on estate duty, thus no material liability for estate duty under PRC law is likely to be imposed on us.

We have also been advised that the Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of H shares whose deaths occur on or after February 11, 2006.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this prospectus, the Company is not involved in any litigation, arbitration or administrative proceedings of material importance which could have a material adverse effect on our financial condition or results of operations, and, so far as we are aware, no litigation, arbitration or administrative proceedings of material importance is pending or threatened against us.

C. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Apart from Haitong International Capital Limited, the other Joint Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3.07 of the Listing Rules.

Haitong International Capital Limited is one of our Company's subsidiaries. It is not an independent sponsor according to the independence criteria applicable to sponsors set out in Rule 3.07 of the Listing Rules.

D. Preliminary Expenses

The estimated preliminary expenses incurred or proposed to be incurred are approximately HK\$650,000 and are payable by our Company.

E. Qualification of Experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

Name	Qualification
Haitong International Capital Limited	Licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities under the SFO
J.P. Morgan Securities (Asia Pacific) Limited	Licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified public accountants
Grandall Legal Firm (Shanghai)	PRC legal advisors

F. Joint Compliance Advisors

We will appoint Haitong International Capital Limited and BOCOM International (Asia) Limited as our joint compliance advisors upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

G. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

H. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position or prospect since June 30, 2011.

I. Binding Effect

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

J. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years preceding the date of this prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash, and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of the Company.
- (b) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (c) We have not issued nor agreed to issue any founder shares, management shares or deferred shares.
- (d) There are no arrangements under which future dividends are waived or agreed to be waived.
- (e) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights.
- (f) There are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business.

- (g) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.
- (h) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.
- (i) Save for our A Shares which are listed on the Shanghai Stock Exchange, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.
- (j) We have no outstanding debenture or other debt securities.
- (k) We currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the Sino-foreign Joint Venture Law of the PRC.

K. Consents

Each of the experts as referred to in the paragraph headed “Qualification of experts” in this Appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

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

Haitong International Capital Limited is one of our Company’s subsidiaries.

L. 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).

M. Promoters

The promoters of the Company are as follows:

1. SIIC Shanghai (Holding) Co., Ltd. (上海上實(集團)有限公司)
2. Shanghai Electric (Group) Corporation (上海電氣(集團)總公司)

3. Shenergy Group Company Limited (申能(集團)有限公司)
4. Jiangsu Sunshine Group (江蘇陽光集團公司)
5. Shanghai Lansheng Co., Ltd. (上海蘭生股份有限公司)
6. Liaoning Energy Investment (Group) Co., Ltd. (遼寧能源總公司)
7. China Energy Conservation and Environmental Protection Group (CECEP) (中國節能投資公司)
8. Century Industry Investment Co., Ltd. (世紀興業投資有限公司)
9. Shanghai Hua Lian Corporation Ltd. (上海華聯商廈股份有限公司)
10. Shenergy Company Limited (申能股份有限公司)
11. Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)
12. Shanghai Mandarin Star Holding Limited* (上海中星(集團)有限公司)
13. Orient International Enterprise Ltd. (東方國際創業股份有限公司)
14. Datang Huayin Electric Power Co., Ltd (DHEP) (湖南華銀電力股份有限公司)
15. Shanghai Shimao Co., Ltd (上海世茂股份有限公司)
16. Shandong provincial Wendeng Tannery Farm* (山東省文登市制革廠)
17. Shanghai Waigaoqiao Free Trade Zone Development Co., Ltd. (上海市外高橋保稅區開發股份有限公司)
18. Shanghai Jiushi Corporation (上海久事公司)
19. Shanghai Municipal Electric Power Company (上海市電力公司)
20. South Huiton Co., Ltd. (南方匯通股份有限公司)
21. Zhejiang AMP Incorporation (浙江農資集團有限公司)
22. Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區開發股份有限公司)
23. Sinopec Shanghai Petrochemical Company Limited (上海石油化工股份有限公司)

24. China First Pencil Co., Ltd. (中國第一鉛筆股份有限公司)
25. Shanghai Aerospace Industrial Co., Ltd.* (上海航天實業有限公司)
26. Zhejiang Sun & Moon Jewellery (Group) Co Ltd. (浙江日月首飾集團有限公司)
27. Ningbo Hualian Group Co., Ltd. (寧波華聯集團股份有限公司)
28. Fudan University (復旦大學)
29. Yangtze River Economy United Development (Group) Co., Ltd. (長江經濟聯合發展(集團)股份有限公司)
30. Shanghai Food (Group) Corp. (上海市食品(集團)公司)
31. Double Coin Holdings Ltd. (上海輪胎橡膠(集團)股份有限公司)
32. Dazhong Transportation Group Co., Ltd. (大眾交通(集團)股份有限公司)
33. Chengdu Measuring & Cutting Tools Co., Ltd. (成都量具刃具股份有限公司)
34. Beiman Special Steel Co., Ltd. (北滿特殊鋼股份有限公司)
35. Shanghai Chlor-Alkali Chemical Co., Ltd. (上海氯鹼化工股份有限公司)
36. Taiyuan Tap Water Co. (太原市自來水公司)
37. Xi'an Aerospace Technology and Industry Company* (西安航天科技工業公司)
38. Shanghai ErFangJi Co., Ltd. (上海二紡機股份有限公司)
39. Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (上海金橋出口加工區發展有限公司)
40. Shanghai Ocean Shipping Company Ltd. (上海遠洋運輸公司)
41. Shanghai Housing Industry Co., Ltd. (上海市房屋實業有限公司)
42. Shao Xing Real Estate Development Company* (紹興市房地產開發公司)
43. Sinotrans Eastern Company Limited Jinling Branch (中國外運金陵公司)
44. Zhejiang Machinery & Equipment Import & Export Co., Ltd. (ZMEC) (浙江省機械設備進出口公司)

45. Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司)

Save as disclosed in the prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities, amount or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the Promoters named above in connection with the Global Offering or the related transactions described in this prospectus.