

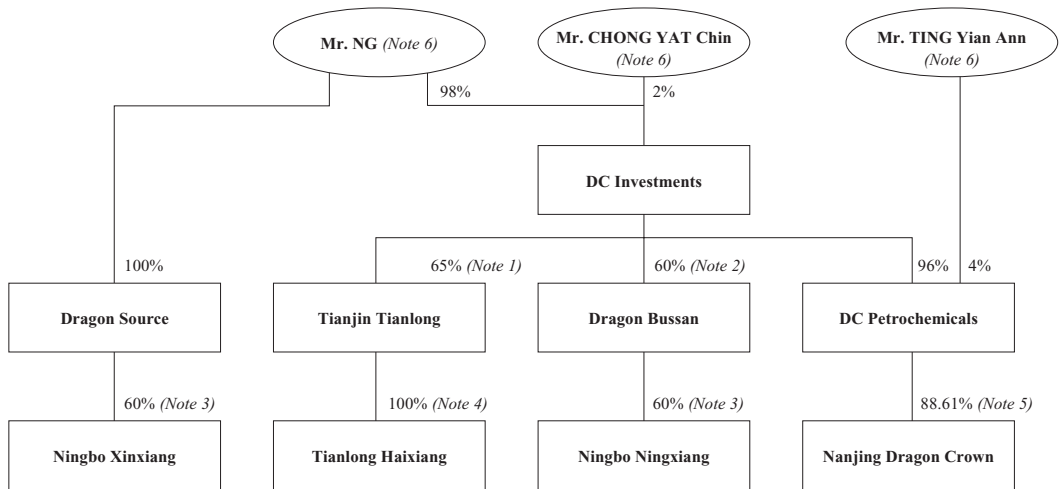
## REORGANISATION

### INTRODUCTION

In contemplation of the Listing, members of our Group have undergone certain restructuring steps whereby a coherent corporate structure of our Group has been established which is suitable for Listing on the Main Board. The Reorganisation involved the following principal steps:-

- establishment of our Company, Lirun, Silver Coin, Ansen, Sure Port, Ocean Ahead, Sinolake, Quick Response, Sea Triumph, Ideal Huge and Ocean Access;
- acquisition of 65% equity interests in Tianjin Tianlong from DC Investments;
- acquisition of 40% shareholding interests in Dragon Bussan from Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited; and
- subscriptions for new shares and/or conversions of certain shares into non-voting deferred shares in Dragon Bussan, DC Petrochemicals and Dragon Source.

The following diagram illustrates our shareholding and corporate structure prior to the Reorganisation:-



*Notes:*

1. Tianjin Tianlong is our Associated Entity. The remaining equity interests in Tianjin Tianlong were held as to 22.5%, 7.5% and 5% by Tianjin Changlu, Dagu Investments and Tianjin Waizong, respectively. Except for their respective equity interests and nominated directors in Tianjin Tianlong, each of Tianjin Changlu, Dagu Investments and Tianjin Waizong was an Independent Third Party. The principal businesses of Tianjin Changlu, Dagu Investments and Tianjin Waizong are set forth in “History and development – Our corporate history” in this prospectus.
2. Before the Dragon Bussan Reorganisation, Dragon Bussan was our Associated Entity. The remaining shareholding interests in Dragon Bussan were held as to 24% and 16% by Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited, respectively. Except for their respective shareholding interests and nominated directors in Dragon Bussan, each of Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited was an Independent Third Party.

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3. Ningbo Xinxiang is our Jointly-controlled Entity and Ningbo Ningxiang was our Associated Entity (before the Dragon Bussan Reorganisation) and is our Jointly-controlled Entity (upon completion of the Dragon Bussan Reorganisation). The remaining 40% equity interests in Ningbo Xinxiang and Ningbo Ningxiang were held by Ningbo Port. Except for its equity interests and nominated directors in Ningbo Xinxiang and Ningbo Ningxiang, Ningbo Port was an Independent Third Party. The principal business of Ningbo Port is set forth in “History and development – Our corporate history” in this prospectus.
4. Tianlong Haixiang is our Associated Entity.
5. The remaining 11.39% shareholding interests in Nanjing Dragon Crown were held by Nanjing CIPC. Except for its shareholding interests and nominated directors in Nanjing Dragon Crown, Nanjing CIPC was an Independent Third Party. The principal business of Nanjing CIPC is set forth in “History and development – Our corporate history” in this prospectus.
6. Mr. NG, Mr. TING Yian Ann and Mr. CHONG Yat Chin are our executive Directors.

### DETAILED PROCEDURES

For the purpose of the Listing, the following Reorganisation steps have been implemented:–

#### **Establishment of our Company, Lirun, Ansen, Silver Coin, Sure Port, Ocean Ahead, Sinolake, Quick Response, Sea Triumph, Ideal Huge and Ocean Access**

##### *Establishment of Lirun, Ansen, Silver Coin and Sure Port*

On 9 June 2010, Lirun was incorporated and was wholly-owned by Mr. NG. Lirun was incorporated as the holding company for the interests of Mr. NG in our Group.

On 9 June 2010, Ansen was incorporated and was wholly-owned by Mr. TING Yian Ann. Ansen was incorporated as the holding company for the interests of Mr. TING Yian Ann in our Group.

On 11 June 2010, Silver Coin was incorporated and was wholly-owned by Mr. CHONG Yat Chin. Silver Coin was incorporated as the holding company for the interests of Mr. CHONG Yat Chin in our Group.

On 16 July 2010, Sure Port was incorporated and was wholly-owned by Mr. NG. Sure Port was incorporated as a holding company for the interests of Mr. NG in our Group with his intent to distribute such interests to his designated management members in the future. As of the Latest Practicable Date, the allocation of interests of our Group held by Sure Port was yet to be determined.

##### *Establishment of our Company, Ocean Ahead, Sinolake, Quick Response, Sea Triumph, Ideal Huge and Ocean Access*

On 16 July 2010, our Company was incorporated in the Cayman Islands to act as the holding company of our Group. The initial authorised share capital of our Company was HK\$380,000 divided into 3,800,000 Shares of HK\$0.1 each. On 16 July 2010, one

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subscriber Share, which was nil paid, was transferred to Lirun. On 4 August 2010, 97 Shares were allotted and issued to Lirun nil paid and two Shares were allotted and issued to Silver Coin nil paid.

On 15 June 2010, Ocean Ahead was incorporated to be the intermediate holding company of all of our Group's interest. On 26 July 2010, 100 shares of par value of US\$1 each in the share capital of Ocean Ahead were allotted and issued to our Company. Thereafter, Ocean Ahead became a wholly-owned subsidiary of our Company.

On 11 June 2010, Sinolake was incorporated to be an intermediate holding company of all of our Group's interest in Ocean Access and Tianjin Tianlong. On 26 July 2010, 10 shares of par value of US\$1 each in the share capital of Sinolake were allotted and issued to Ocean Ahead. Thereafter, Sinolake became an indirect wholly-owned subsidiary of our Company.

On 20 April 2010, Quick Response was incorporated to be an intermediate holding company of all of our Group's interest in Dragon Bussan and Ningbo Ningxiang. On 26 July 2010, 10 shares of par value of US\$1 each in the share capital of Quick Response were allotted and issued to Ocean Ahead. Thereafter, Quick Response became an indirect wholly-owned subsidiary of our Company.

On 3 June 2010, Sea Triumph was incorporated to be an intermediate holding company of all of our Group's interest in DC Petrochemicals and Nanjing Dragon Crown. On 26 July 2010, 10 shares of par value of US\$1 each in the share capital of Sea Triumph were allotted and issued to Ocean Ahead. Thereafter, Sea Triumph became an indirect wholly-owned subsidiary of our Company.

On 11 June 2010, Ideal Huge was incorporated to be an intermediate holding company of all of our Group's interest in Dragon Source and Ningbo Xinxiang. On 26 July 2010, 10 shares of par value of US\$1 each in the share capital of Ideal Huge were allotted and issued to Ocean Ahead. Thereafter, Ideal Huge became an indirect wholly-owned subsidiary of our Company.

On 18 June 2010, Ocean Access was incorporated to be an intermediate holding company of our Group's interests in Tianjin Tianlong. On 5 August 2010, the one subscriber share in the share capital of Ocean Access was transferred to Sinolake. Thereafter, Ocean Access became an indirect wholly-owned subsidiary of our Company.

### **Acquisition of 65% equity interests in Tianjin Tianlong from DC Investments**

On 26 October 2010, Ocean Access and DC Investments entered into an acquisition agreement pursuant to which DC Investments transferred its 65% equity interests in Tianjin Tianlong to Ocean Access at a cash consideration of US\$3,043,200, which was determined with reference to the value of Tianjin Tianlong as determined by a professional valuer, which was an Independent Third Party. The acquisition was approved by Committee of Commerce of Tianjin Binhai New District (天津濱海新區商務委員會) and the new business licence of Tianjin Tianlong to indicate Ocean Access as the registered owner was issued on 17 November 2010. Thereafter, Tianjin Tianlong became an Associated Entity of our Company.

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### **Acquisition of 40% shareholding interests in Dragon Bussan from Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited**

On 27 September 2010, Quick Response, Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited entered into an acquisition agreement pursuant to which Mitsui & Co., Ltd. and Mitsui & Company (Hong Kong) Limited transferred their 24% and 16% shareholding interests in Dragon Bussan to Quick Response for cash considerations of US\$874,560 and US\$583,040, respectively, which were determined with reference to the fair market value of Dragon Bussan. Following completions of these transfers on 29 November 2010, DC Investments and Quick Response owned 60% and 40% shareholdings interests in Dragon Bussan, respectively.

The cash considerations in relation to the acquisition of 40% shareholding interests in Dragon Bussan were financed by advances provided by Lirun and Silver Coin. On 29 November 2010, Lirun, Silver Coin and Quick Response novated the advances to our Company. On 29 November 2010, resolutions were passed by our Company to capitalise the advances by (i) issuing 112,602 Shares, credited as fully paid, to Lirun and crediting the 98 nil paid Shares held by Lirun; and (ii) issuing 2,298 Shares, credited as fully paid, to Silver Coin and crediting the two nil paid Shares held by Silver Coin.

### **Subscriptions for new shares and/or conversions of certain shares into non-voting deferred shares in Dragon Bussan, DC Petrochemicals and Dragon Source**

#### *Dragon Bussan*

In order to segregate the income, return of assets and voting rights from DC Investments on 29 November 2010, in consideration of DC Investments agreeing to convert its 900,000 ordinary shares in Dragon Bussan, being all its shareholding interests in Dragon Bussan, into non-voting deferred shares, 10 shares in each of Lirun and Silver Coin were allotted and issued to Mr. NG and Mr. CHONG Yat Chin, respectively, under the directions of DC Investments. The segregation of the income, return of assets and voting rights from DC Investments can be achieved by amending the articles of association of Dragon Bussan, pursuant to which rights and restrictions of non-voting deferred shares in Dragon Bussan are as follows:–

- (a) *as regards income.* The profits which Dragon Bussan may determine to distribute in respect of any financial year shall be distributed among the holders of ordinary shares according to the amounts paid up on the ordinary shares held by them respectively and no part of the profits shall be distributed among the holders of the non-voting deferred shares;
- (b) *as regards capital.* On a return of assets on winding up or otherwise, the assets of Dragon Bussan to be returned shall be distributed as regards the first HK\$100,000,000,000 thereof among the holders of ordinary shares in proportion to the nominal amounts of ordinary shares held by them respectively and one half of the balance of such assets shall belong to and be distributed

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among the holders of non-voting deferred shares and the other half thereof to and among the holders of the ordinary shares in each case in proportion to the nominal amounts of the shares held by them respectively; and

- (c) *as regards voting.* On a show of hands, every holder of ordinary shares (being an individual) present in person or by proxy or (being a corporation) is represented by its duly authorised representative shall have one vote, and on a poll every holder of ordinary shares present in person or by proxy or in the case of a corporation, by its authorised representative, shall have one vote for every ordinary shares held by him but the non-voting deferred shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting.

Following the conversion, Quick Response owned all ordinary shares of Dragon Bussan and Dragon Bussan became an indirect wholly-owned subsidiary of our Company.

### *DC Petrochemicals*

On 29 November 2010, resolutions were passed, and the relevant memorandum and articles of associations were amended, to increase the authorised share capital of DC Petrochemicals from US\$1,000,000 divided into 1,000,000 shares of US\$1 each to US\$30,000,000 divided into 30,000,000 shares of US\$1 each. On 29 November 2010, Sea Triumph subscribed for 26,600,000 shares in DC Petrochemicals for a consideration of US\$26,600,000. Following completion of the subscription, Sea Triumph, DC Investments and Mr. TING Yian Ann owned approximately 98.1%, 1.8% and 0.1% shareholding interests in DC Petrochemicals, respectively.

The subscription sum of US\$26,600,000 in relation to the subscription of 26,600,000 shares in DC Petrochemicals was financed by advances provided by Lirun, Ansen and Silver Coin. On 29 November 2010, Lirun, Ansen, Silver Coin and Sea Triumph novated the advances to our Company. On 29 November 2010, resolutions were passed by our Company to capitalise the advances by (i) issuing 635,500 Shares, credited as fully paid, to Lirun; (ii) under the direction of Lirun, 16,500 Shares, credited as fully paid, to Sure Port; (iii) issuing 33,000 Shares, credited as fully paid, to Ansen; and (iv) issuing 13,650 Shares, credited as fully paid, to Silver Coin.

In order to segregate the income, return of assets and voting rights from DC Investments on 29 November 2010, in consideration of DC Investments and Mr. TING Yian Ann agreeing to convert their respective 480,000 and 20,000 ordinary shares in DC Petrochemicals, being all their shareholding interests in DC Petrochemicals, into non-voting deferred shares, (i) 10 shares in each of Lirun and Silver Coin were allotted and issued to Mr. NG and Mr. CHONG Yat Chin, respectively, under the directions of DC Investments; and (ii) 10 shares in Ansen were allotted and issued to Mr. TING Yian Ann. The segregation of the income, return of assets and voting rights from DC Investments can be achieved by amending the articles of association of DC Petrochemicals, pursuant to which rights and restrictions of non-voting deferred shares in DC Petrochemicals are as follows:–

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- (a) *as regards income.* The profits which DC Petrochemicals may determine to distribute in respect of any financial year shall be distributed among the holders of ordinary shares according to the amounts paid up on the ordinary shares held by them respectively and no part of the profits shall be distributed among the holders of the non-voting deferred shares;
- (b) *as regards capital.* On a return of assets on winding up or otherwise, the assets of DC Petrochemicals to be returned shall be distributed as regards the first HK\$100,000,000,000,000 thereof among the holders of ordinary shares in proportion to the nominal amounts of ordinary shares held by them respectively and one half of the balance of such assets shall belong to and be distributed among the holders of non-voting deferred shares and the other half thereof to and among the holders of the ordinary shares in each case in proportion to the nominal amounts of the shares held by them respectively; and
- (c) *as regards voting.* On a show of hands, every holder of ordinary shares (being an individual) present in person or by proxy or (being a corporation) is represented by its duly authorised representative shall have one vote, and on a poll every holder of ordinary shares present in person or by proxy or in the case of a corporation, by its authorised representative, shall have one vote for every ordinary share held by him but the non-voting deferred shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting.

Following the conversion, Sea Triumph owned all ordinary shares of DC Petrochemicals and DC Petrochemicals became an indirect wholly-owned subsidiary of our Company.

### *Dragon Source*

On 29 November 2010, resolutions were passed, and the relevant memorandum and articles of associations were amended, to increase the authorised share capital of Dragon Source from HK\$2,000,000 divided into 2,000,000 shares of HK\$1 each to HK\$30,000,000 divided into 30,000,000 shares of HK\$1 each. On 29 November 2010, Ideal Huge subscribed for 26,000,000 shares in Dragon Source for a consideration of HK\$26,000,000. Following completion of the subscription, Ideal Huge and Mr. NG owned approximately 92.9% and 7.1% shareholdings interests in Dragon Source, respectively.

The subscription sum of HK\$26,000,000 in relation to the subscription of 26,000,000 shares in Dragon Source was financed by an advance provided by Lirun. On 29 November 2010, Lirun and Ideal Huge novated the advances to our Company. On 29 November 2010, resolutions were passed by our Company to capitalise the advance by issuing 11,350 Shares, credited as fully paid, to Lirun.

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In order to segregate the income, return of assets and voting rights from DC Investments on 29 November 2010, in consideration of Mr. NG agreeing to convert his 2,000,000 ordinary shares in Dragon Source, being all his shareholding interests in Dragon Source, into non-voting deferred shares, 10 shares in Lirun were allotted and issued to Mr. NG. The segregation of the income, return of assets and voting rights from DC Investments can be achieved by amending the articles of association of Dragon Source, pursuant to which rights and restrictions of non-voting deferred shares in Dragon Source are as follows:-

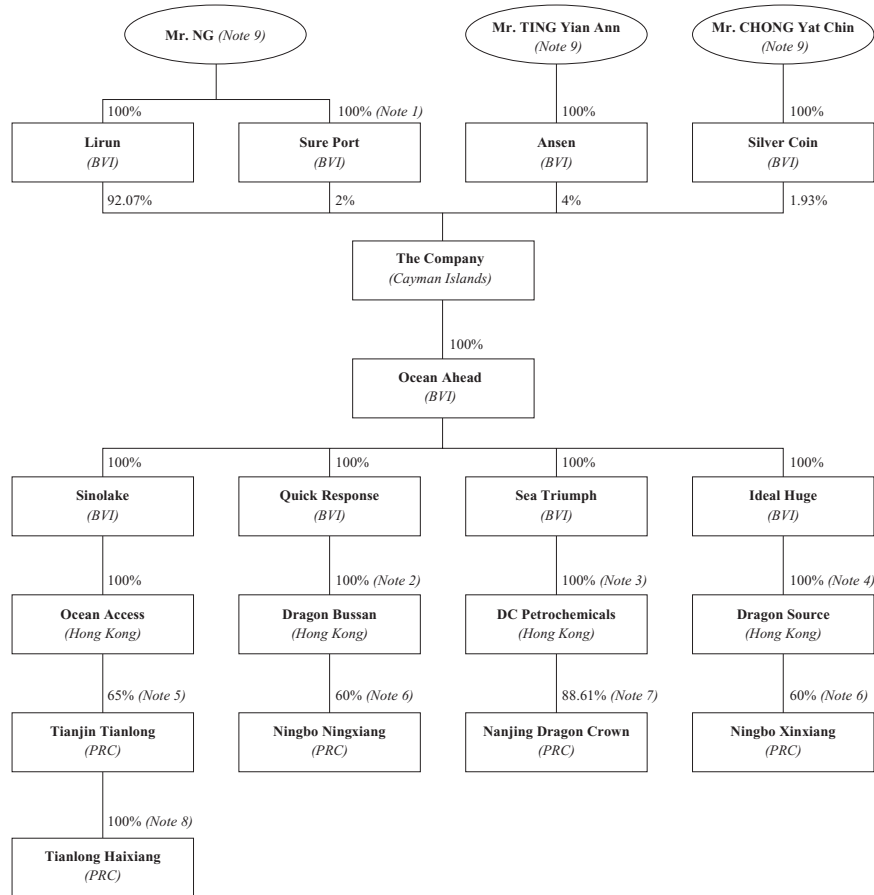
- (a) *as regards income.* The profits which Dragon Source may determine to distribute in respect of any financial year shall be distributed among the holders of ordinary shares according to the amounts paid up on the ordinary shares held by them respectively and no part of the profits shall be distributed among the holders of the non-voting deferred shares;
  
- (b) *as regards capital.* On a return of assets on winding up or otherwise, the assets of Dragon Source to be returned shall be distributed as regards the first HK\$100,000,000,000 thereof among the holders of ordinary shares in proportion to the nominal amounts of ordinary shares held by them respectively and one half of the balance of such assets shall belong to and be distributed among the holders of non-voting deferred shares and the other half thereof to and among the holders of the ordinary shares in each case in proportion to the nominal amounts of the shares held by them respectively; and
  
- (c) *as regards voting.* On a show of hands, every holder of ordinary shares (being an individual) present in person or by proxy or (being a corporation) is represented by its duly authorised representative shall have one vote, and on a poll every holder of ordinary shares present in person or by proxy or in the case of a corporation, by its authorised representative, shall have one vote for every ordinary share held by him but the non-voting deferred shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting.

Following the conversion, Ideal Huge owned all ordinary shares of Dragon Source and Dragon Source became an indirect wholly-owned subsidiary of our Company.

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### OUR SHAREHOLDING AND CORPORATE STRUCTURE AS OF THE LATEST PRACTICABLE DATE AND IMMEDIATELY AFTER COMPLETION OF THE GLOBAL OFFERING

The diagram below illustrates our shareholding and corporate structure as of the Latest Practicable Date:–



*Notes:*

1. Sure Port holds the interests in our Group for Mr. NG with his intent to distribute such interests to his designated management members in the future. As of the Latest Practicable Date, the allocation of interests of our Group held by Sure Port was yet to be determined.
2. In addition to all ordinary shares in Dragon Bussan being held by Quick Response, 900,000 non-voting deferred shares of Dragon Bussan are held by DC Investments. The percentage expressed here represents voting rights enjoyed.
3. In addition to all ordinary shares in DC Petrochemicals being held by Sea Triumph, 480,000 and 20,000 non-voting deferred shares of DC Petrochemicals are held by DC Investments and Mr. TING Yian Ann, respectively. The percentage expressed here represents voting rights enjoyed.
4. In addition to all ordinary shares in Dragon Source being held by Ideal Huge, 2,000,000 non-voting deferred shares of Dragon Source are held by Mr. NG. The percentage expressed here represents voting rights enjoyed.



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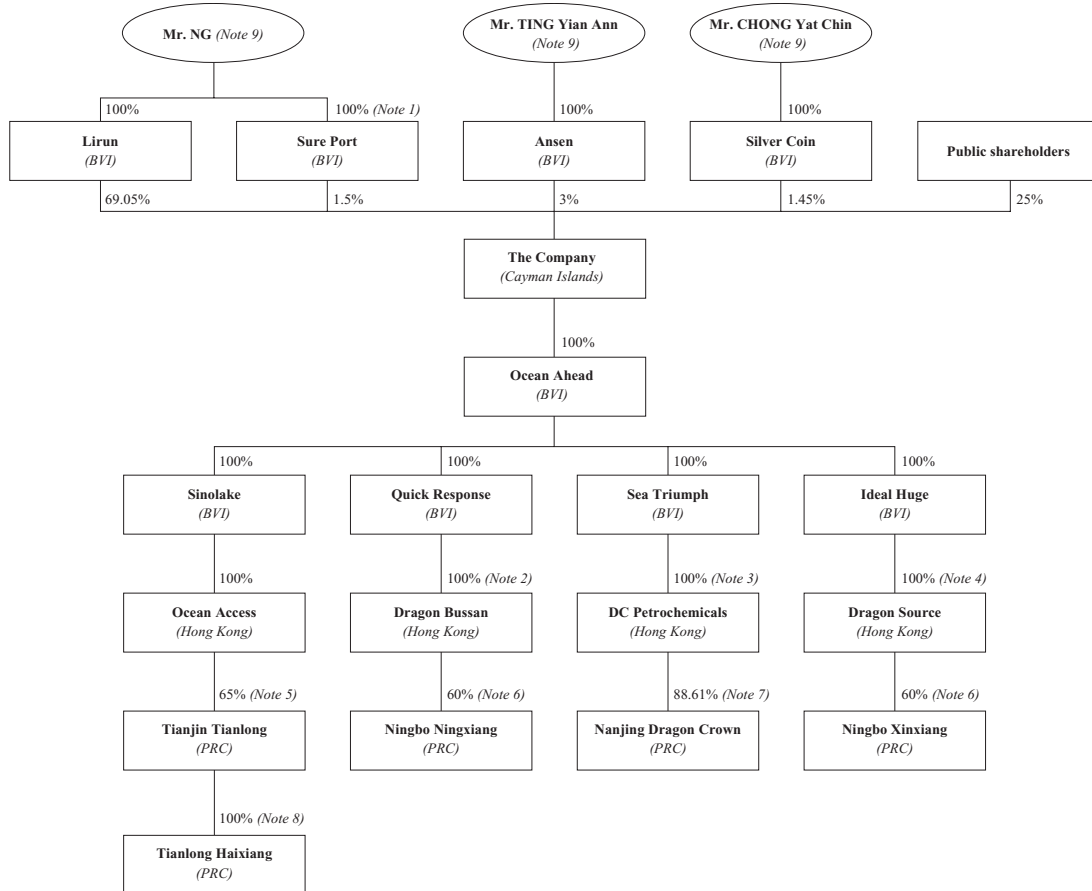
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5. Tianjin Tianlong is our Associated Entity. The remaining equity interests in Tianjin Tianlong are held as to 22.5%, 7.5% and 5% by Tianjin Changlu, Dagu Investments and Tianjin Waizong, respectively. Except for their respective equity interests and nominated directors in Tianjin Tianlong, each of Tianjin Changlu, Dagu Investments and Tianjin Waizong is an Independent Third Party. The principal businesses of Tianjin Changlu, Dagu Investments and Tianjin Waizong are set forth in “History and development – Our corporate history” in this prospectus.
6. Ningbo Xinxiang and Ningbo Ningxiang are our Jointly-controlled Entities. The remaining 40% equity interests in Ningbo Ningxiang and Ningbo Xinxiang are held by Ningbo Port. Except for its equity interests and nominated directors in Ningbo Ningxiang, Ningbo Port is an Independent Third Party. The principal business of Ningbo Port is set forth in “History and development – Our corporate history” in this prospectus.
7. The remaining 11.39% shareholding interests in Nanjing Dragon Crown are held by Nanjing CIPC. Except for its equity interests and nominated directors in Nanjing Dragon Crown, Nanjing CIPC is an Independent Third Party. The principal business of Nanjing CIPC is set forth in “History and development – Our corporate history” in this prospectus.
8. Tianlong Haixiang is our Associated Entity.
9. Mr. NG, Mr. TING Yian Ann and Mr. CHONG Yat Chin are our executive Directors.

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The diagram below illustrates our shareholding and corporate structure following completion of the Capitalisation Issue and the Global Offering, assuming that the Over-allotment Option is not exercised and that no Shares have been issued pursuant to the exercise of any option which may be granted under the Share Option Scheme:-



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*Notes:*

1. Sure Port holds the interests in our Group for Mr. NG with his intent to distribute such interests to his designated management members in the future. As of the Latest Practicable Date, the allocation of interests of our Group held by Sure Port was yet to be determined.
2. In addition to all ordinary shares in Dragon Bussan being held by Quick Response, 900,000 non-voting deferred shares of Dragon Bussan are held by DC Investments. The percentage expressed here represents voting rights enjoyed.
3. In addition to all ordinary shares in DC Petrochemicals being held by Sea Triumph, 480,000 and 20,000 non-voting deferred shares of DC Petrochemicals are held by DC Investments and Mr. TING Yian Ann, respectively. The percentage expressed here represents voting rights enjoyed.
4. In addition to all ordinary shares in Dragon Source being held by Ideal Huge, 2,000,000 non-voting deferred shares of Dragon Source are held by Mr. NG. The percentage expressed here represents voting rights enjoyed.
5. Tianjin Tianlong is our Associated Entity. The remaining equity interests in Tianjin Tianlong are held as to 22.5%, 7.5% and 5% by Tianjin Changlu, Dagu Investments and Tianjin Waizong, respectively. Except for their respective equity interests and nominated directors in Tianjin Tianlong, Tianjin Changlu, each of Dagu Investments and Tianjin Waizong is an Independent Third Party. The principal businesses of Tianjin Changlu, Dagu Investments and Tianjin Waizong are set forth in “History and development – Our corporate history” in this prospectus.
6. Ningbo Xinxiang and Ningbo Ningxiang are our Jointly-controlled Entities. The remaining 40% equity interests in Ningbo Ningxiang and Ningbo Xinxiang are held by Ningbo Port. Except for its equity interests and nominated directors in Ningbo Ningxiang, Ningbo Port is an Independent Third Party. The principal business of Ningbo Port is set forth in “History and development – Our corporate history” in this prospectus.
7. The remaining 11.39% shareholding interests in Nanjing Dragon Crown are held by Nanjing CIPC. Except for its equity interests and nominated directors in Nanjing Dragon Crown, Nanjing CIPC is an Independent Third Party. The principal business of Nanjing CIPC is set forth in “History and development – Our corporate history” in this prospectus.
8. Tianlong Haixiang is our Associated Entity.
9. Mr. NG, Mr. TING Yian Ann and Mr. CHONG Yat Chin are our executive Directors.

If the Over-allotment Option is exercised in full, the shareholding percentage of our public Shareholders will increase to approximately 27.7% and shareholding percentage of Lirun, Sure Port, Ansen and Silver Coin will decrease to approximately 72.3%.