

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

The Company was incorporated in the Cayman Islands as an exempted company under the Companies Law on 25 September 2009. The Company has established a place of business in Hong Kong at Rooms 1502-5, 15th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong. The Company was registered with the Companies Registry as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 13 April 2010. Ho Siu Mei of Rooms 1502-5, 15th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong has been appointed as the authorized representative of the Company for acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, it operates subject to the Companies Law and to its constitutional documents comprising the Memorandum and the Articles. A summary of various provisions of its constitutional documents and relevant aspects of the Companies Law is set out in Appendix VII to this Prospectus.

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

The Company was incorporated on 25 September 2009 with an authorized share capital of HK\$350,000 divided into 3,500,000 Shares of HK\$0.10 each, one of which was allotted and issued for cash at par value of HK\$0.10 to Start Well. Pursuant to a written resolution of the then existing Shareholder passed on 16 December 2009, the authorized share capital of the Company was increased to HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each.

On 6 January 2010, Start Well transferred its one share in the Company to Mr. Zhao for US\$1. On 15 January 2010, Mr. Zhao transferred his one share in the Company to Faithful Boom for a nominal consideration of US\$1 satisfied by the issuance of one share in Faithful Boom to Mr. Zhao. On 15 January 2010, Faithful Boom transferred to the Company its 100.0% interests in Venca to the Company at a consideration of US\$11,027,000 (determined after negotiations at arm's length based on the Group's consolidated net asset value and the amounts due to shareholders as of 13 November 2009) which was satisfied by the issuance of 1,000 shares by the Company to Faithful Boom. Upon completion, the Company became a wholly-owned subsidiary of Faithful Boom which holds a total of 1,001 shares of the Company.

Assuming that the Global Offering becomes unconditional, the Capitalization Issue is completed and the Offer Shares are issued but not taking into account any Shares which may be issued upon the exercise of the options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme, the issued share capital of the Company will be HK\$400,000,000 divided into 4,000,000,000 Shares fully paid or credited as fully paid, with 6,000,000,000 Shares remaining unissued.

Save as disclosed in this Appendix, there has been no alteration in the share capital of the Company since its incorporation.

**3. *Written resolutions of the Shareholders passed on 9 April 2010, 25 January 2011, 8 June 2011 and 10 June 2011***

On 9 April 2010, written resolutions of the then existing Shareholder were passed to approve and adopt, among other things, the following:

- (a) the Company conditionally approved and adopted the Articles, the provisions of which are summarized in Appendix VII to this Prospectus;
- (b) the rules of the Share Option Scheme and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot and issue Shares pursuant thereto and to take all such steps and attend all such matters as they consider necessary, desirable or expedient to implement the Share Option Scheme, including without limitation:
  - (1) administering the Share Option Scheme;
  - (2) modifying and/or amending the Share Option Scheme from time to time provided that such modification and/or amendment was effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
  - (3) granting options under the Share Option Scheme and allotting and issuing from time to time any Shares pursuant to the exercise of the options that may be granted under the Share Option Scheme with an aggregate number not exceeding 10% of the total nominal value of Shares in issue as at the Listing Date, immediately following the completion of the Global Offering and the Capitalization Issue; and
  - (4) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme.

On 25 January 2011, written resolutions of the then existing Shareholder were passed to approve and adopt, among other things, the rules of the Pre-IPO Share Option Scheme, the principal terms of which are set out in the paragraph headed “Pre-IPO Share Option Scheme” in this Appendix and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme.

On 8 June 2011 and 10 June 2011, written resolutions of the then existing Shareholder were passed on, among other things, the following:

- (a) conditional on the conditions as stated in the section headed “Structure of the Global Offering – Conditions of the Global Offering” in this Prospectus being fulfilled or waived:
  - (i) the Global Offering was approved and the Directors were authorized to allot and issue up to 800,000,000 additional Shares for subscription; and
  - (ii) the share premium account of the 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 the Company being credited as a result of the issue of Offer Shares pursuant to the Global Offering, an amount of HK\$319,999,899.9 (then standing to the credit of the share premium account of the Company) be capitalized and applied in full at par value of a total of 3,199,998,999 Shares for allotment and issue to holders of Shares whose names appear on the register of members of the Company at close of business on the Latest Practicable Date (or as they may direct in writing) in the following manner;

- (b) a general unconditional mandate (the “**Issue Mandate**”) was given to Directors to allot, issue and deal with (including the power to grant any offers, agreements or option which would or might require shares to be issued, allotted or disposed of, whether during continuance of such mandate or thereafter) Shares other than pursuant to the Global Offering, issued as a result of rights issue, scrip dividend or similar arrangement pursuant to the Articles from time to time, upon the exercise of rights of subscription or conversion attached to any warrants of the Company or upon the exercise of rights of subscription attached to any options which may be granted pursuant to the Share Option Scheme or the Pre-IPO Share Option Scheme or similar arrangement or a specific authority granted by the shareholders of the Company, with an aggregate nominal value not exceeding (i) 20% of the aggregate nominal value of the share capital of the Company in issue and to be issued immediately following completion of the Global Offering and the Capitalization Issue and (ii) the aggregate nominal value of Shares repurchased under the authority granted to the Directors as referred to in paragraph (d) below, until:
- (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 by the Articles or any applicable law of the Cayman Islands to be held; or
  - (iii) the revocation or variation by an ordinary resolution of the members in a general meeting, whichever is the earliest; and
- (c) a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors authorizing them to exercise all powers of the Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirements of the Listing Rules or equivalent rules or regulations of such other stock exchange, with an aggregate nominal value of not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue and to be issued immediately following completion of the Global Offering and the Capitalization Issue, until:
- (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 by the Articles or any applicable law of the Cayman Islands to be held; or
  - (iii) the revocation or variation by an ordinary resolution of the members in a general meeting, whichever is the earliest.

#### **4. Reorganization**

In preparation for the listing of the Shares on the Stock Exchange, the Group underwent the Reorganization. A diagram showing the corporate structure of the Group immediately after the Reorganization is set out in the section headed “History, Reorganization and Corporate Structure” in this Prospectus.

Details of the Reorganization undertaken are as follows:

1. On 25 September 2009, the Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with an authorized share capital of HK\$350,000 divided into 3,500,000 Shares of HK\$0.10 each.
2. On 25 September 2009, one subscriber Share was allotted and issued to Start Well at par value and on 16 December 2009 the authorized share capital of the Company was increased to HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each.

3. On 10 September 2009, Mr. Liu acquired Liu SPV while on 28 September 2009, Mr. Zhao and Mr. Chen acquired Zhao SPV and Chen SPV, respectively.
4. On 14 November 2009, Standlink transferred 2.0% interest in Faithful Boom to Start Well, for a consideration of US\$220,540, (determined after negotiations at arm's length and based on the consolidated net asset value of the Group and the amounts due to shareholders as of 13 November 2009 and payable on demand).
5. On 14 November 2009, Mr. Chen transferred 1.0% interest in Faithful Boom to Start Well for a consideration of US\$110,270 (determined after negotiations at arm's length and based on the consolidated net asset value of the Group and the amounts due to shareholders as of 13 November 2009 and payable on demand).
6. On 14 November 2009, Mr. Chen transferred 11.0% interest in Faithful Boom to Mr. Liu for a consideration of US\$1,212,970 (determined after negotiations at arm's length based on the consolidated net asset value of the Group and the amounts due to shareholders as of 13 November 2009 and payable on demand).
7. On 9 November 2009, Mr. Sin acquired Aleman and on 14 November 2009 directed the transfer of the 7.0% equity interest in Faithful Boom held by Start Well to Aleman for a consideration of US\$771,890 (determined after negotiations at arm's length and based on the consolidated net asset value of the Group and the amounts due to shareholders as of 13 November 2009 and payable on demand).
8. On 12 November 2009, Xingye Mining transferred of its shares in Guomu Nangou Mining Ltd. amounting to 99.0% interest in Guomu Nangou Mining Ltd. to Wang Zhixiong who is a third party independent from the Company for a consideration of RMB1 and the assumption of debts of Guomu Nangou Mining Ltd. amounting to RMB13,200,000 owing to Mr. Zhao, Mr. Chen and Mr. Liu.
9. On 6 January 2010, Start Well transferred its one share in the Company to Mr. Zhao for US\$1. On 15 January 2010, Mr. Zhao transferred his one share in the Company to Faithful Boom for a nominal consideration of US\$1 satisfied by the issuance of one share in Faithful Boom to Mr. Zhao. On 15 January 2010, Faithful Boom transferred to the Company its 100% interests in Venca to the Company at a consideration of US\$11,027,000 (determined after negotiations at arm's length based on the Group's consolidated net asset value and the amounts due to shareholders as of 13 November 2009) which was satisfied by the issuance of 1,000 Shares by the Company to Faithful Boom. Upon completion, the Company became a wholly-owned subsidiary of Faithful Boom.
10. On 8 March 2010, Mr. Zhao, Mr. Chen and Mr. Liu transferred their respective shares in Faithful Boom to Perfect Move at an aggregate consideration of US\$9,814,030 (determined after negotiations at arm's length based on the Group's consolidated net asset value and the amounts due to shareholders as at 13 November 2009) which was satisfied by the issuance of 572, 146 and 281 shares by Perfect Move to Zhao SPV, Chen SPV and Liu SPV respectively. Upon completion, Zhao SPV, Chen SPV and Liu SPV owned 57.3%, 14.6% and 28.1%, respectively, of the issued share capital in Perfect Move. Through Perfect Move, Mr. Zhao, Mr. Chen and Mr. Liu indirectly owned 51.0%, 13.0% and 25.0%, respectively, in the issued share capital of Faithful Boom while Mr. Yip (through Standlink) and Mr. Sin (through Aleman) indirectly own 4.0% and 7.0%, respectively, of the issued share capital of Faithful Boom.
11. On 8 March 2010, Venca acquired the entire interest in Jet Bright. On 9 March 2010, Venca entered into an agreement with Jet Bright to transfer its 99.0% equity interest in Xingye Mining to Jet Bright. Jet Bright became the holding company of Xingye Mining.

12. The Company was registered with the Companies Registry as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 13 April 2010.
13. On 28 January 2011, Modern Global and Fast Fortune acquired all the interests held by Standlink and Aleman in Faithful Boom at the consideration of US\$11,322,000 and US\$19,814,000 respectively, so that Faithful Boom was then held as to 89% by Perfect Move, 6.6% by Modern Global and 4.4% by Fast Fortune.
14. On 2 March, 2011, Li Yuan transferred 1% interest in Xingye Mining to Tianjin Chuangji for a consideration of US\$300,000.
15. On 28 January 2011 and 18 February 2011, Modern Global and Fast Fortune acquired the interests held by Chen SPV and Liu SPV in Perfect Move at an aggregate consideration of approximately US\$36.8 million paid to Chen SPV and approximately US\$70.8 million paid to Liu SPV, so that all the issued shares of Perfect Move are held as to 60% by Modern Global and as to 40% by Fast Fortune.
16. On 15 June 2011, VMS, NWS Mining, Modern Global, Fast Fortune, Perfect Move, Pioneer Vast, Star Valiant and Faithful Boom entered into a reorganisation agreement pursuant to which:
  - (a) Fast Fortune agreed to transfer 40% of shares of Perfect Move to Modern Global. After completion of the transfer, Perfect Move is wholly-owned by Modern Global;
  - (b) Modern Global agreed to transfer 6.6% of shares of Faithful Boom to Perfect Move and Fast Fortune agreed to transfer 4.4% of shares of Faithful Boom to Perfect Move. After completion of the transfer, Faithful Boom is wholly-owned by Perfect Move;
  - (c) each of Pioneer Vast and Star Valiant and Faithful Boom agreed that upon completion of (a) and (b) above, all the rights and obligations of the parties under the Exchangeable Bonds and related documents shall terminate, including without limitation, the outstanding EOD Redemption Amount owing by Faithful Boom to Pioneer Vast and Star Valiant. It was also agreed that any breaches (if any) under the Exchangeable Bonds shall be waived without any further obligations or liabilities on the part of Faithful Boom;
  - (d) all loans provided to Faithful Boom by Fast Fortune shall be waived upon completion of (a) and (b) above;
  - (e) Faithful Boom agreed to transfer 40% of the Shares to Fast Fortune upon completion of (a) and (b) above. After completion of the transfer, the Company is 40% owned by Fast Fortune and 60% owned by Faithful Boom; and
  - (f) Faithful Boom undertook to waive, upon completion of (a) and (e) above and the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions thereof), and such obligations not being terminated in accordance with the terms of the Underwriting Agreements, all outstanding loans owing by our Company to Faithful Boom save and except for an amount that is equal to 10% of the net proceeds to be received by us from the Global Offering, which amount is expected to be used by our Company to repay the unwaived portion of the loans from Faithful Boom upon Listing.
17. Conditional on the share premium account being credited as a result of the Global Offering, our Directors will be authorized to capitalize the amount of HK\$319,999,899.9 from such account and applying such sum in paying up in full at par a total of 3,199,998,999 Shares for allotment and issue to our then shareholders.

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

Our Company's subsidiaries are listed in the accountants' report, the text of which is set out in Appendix I to this Prospectus.

The following alterations in the share capital of the Company's principal subsidiary took place within the two years immediately preceding the date of this Prospectus:

#### **Xingye Mining**

1. On 17 August 2009, the registered capital of Xingye Mining was approved to increase from US\$2 million to US\$12 million, which had been fully paid up on 10 February 2010.
2. On 21 February 2010, the Company received approval to increase the registered capital of Xingye Mining from US\$12 million to US\$20 million, which had been fully paid up on 7 July 2010.
3. On 30 July 2010, the Company received approval to further increase the registered capital of Xingye Mining from US\$20 million to US\$30 million, which had been fully paid up on 7 January 2011.

Save as disclosed in this Prospectus and except for as referred to in the paragraph headed "Reorganization" above in this Appendix, there has been no change in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this Prospectus.

### 6. *Salient features of the Company's subsidiary established in the PRC*

The salient features of the Company's subsidiary established in the PRC are as follows:

**臨城興業礦產資源有限公司 (Lincheng Xingye Mineral Resources Co., Ltd.)**

Date of establishment:	10 May 2006
Registered capital:	US\$30 million
Term of operation:	10 May 2006 to 9 May 2056
Scope of business:	Deep processing of copper, aluminum, zinc, basalt, diabase dykes and quartzite; mining and deep processing of iron ore; sale of the products of the Company
Group's attributable percentage interest:	99.0%
Owner of the registered capital:	99.0% by Jet Bright 1.0% by Tianjin Chuangji

## 7. *Repurchase by the Company of its own securities*

This section sets out information required by the Stock Exchange to be included in this Prospectus concerning the repurchase by the Company of its own securities.

### (a) **Provisions of the Listing Rules**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

#### (i) *Shareholders' Approval*

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

On 8 June 2011, our Directors were granted a general unconditional mandate to repurchase the Shares as referred to in the paragraph headed "A. Further Information about Our Company – 3. Written resolutions of the Shareholders passed on 9 April 2010, 25 January 2011, 8 June 2011 and 10 June 2011" above in this Appendix on the Stock Exchange or other stock exchange on which Shares may be listed and recognized by the SFC and the Stock Exchange for this purpose (the "**Repurchase Mandate**"). The Repurchase Mandate will be exercisable upon Listing and will expire at the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the Companies Law or any other applicable laws to be held, or when revoked or varied by ordinary resolution of the Shareholders, whichever shall first occur (the "**Relevant Period**").

#### (ii) *Source of Funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Listing Rules, the Memorandum and the Articles and the applicable laws of the Cayman Islands. The 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. Subject to the foregoing, any repurchases by the Company may be made out of the Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of the Company's share premium account.

#### (iii) *Trading Restrictions*

The total number of Shares which the Company may repurchase on the Stock Exchange is the number of Shares representing up to a maximum of 10.0% of the aggregate number of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering. The Company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, the Company is prohibited from repurchasing its Shares on the Stock Exchange if the purchase price is 5.0%

or more than the average closing market price for the five preceding trading days on which its Shares were traded on the Stock Exchange. The Listing Rules also prohibit the Company from repurchasing its securities which will result in Shares held by the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. The Company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

*(iv) Status of Repurchased Shares*

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

*(v) Suspension of Repurchase*

The Company may not make any repurchase of securities 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, during the period of one month immediately preceding the earlier of: (aa) 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 the 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 publication of an announcement of the Company's 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), the Company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if the Company has breached the Listing Rules.

*(vi) Reporting Requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, the Company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

*(vii) Connected Persons*

Our Company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his securities to the Company.

**(b) Reasons for Repurchases**

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



**(c) Funding of Repurchases**

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

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

**(d) General**

Exercise in full of the Repurchase Mandate, on the basis of 4,000,000,000 Shares in issue immediately after the Listing, could accordingly result in up to 400,000,000 Shares being repurchased by the Company during the Relevant Period.

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 Shares to the Company or its subsidiaries.

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

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

No purchase of Shares has been made by the Company within six months prior to the date of this Prospectus.

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

**B. FURTHER INFORMATION ABOUT THE BUSINESS****1. Summary of material contracts**

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

- (a) an amendment agreement dated 26 June 2009 entered into between Lincheng County Li Yuan Mining Co. Ltd. (臨城縣利源礦業有限公司) and Venca Investments Limited to amend the articles of association and the agreement dated 28 November 2007 of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司);
- (b) an amendment agreement dated 17 August 2009 entered into between Lincheng County Li Yuan Mining Co. Ltd. (臨城縣利源礦業有限公司) and Venca Investments Limited to amend the articles of association and the agreement dated 28 November 2007 of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) to increase the total investment and registered capital of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) from US\$2,800,000 to US\$30,000,000 and from US\$2,000,000 to US\$12,000,000, respectively;
- (c) an equity transfer agreement dated 9 November 2009 entered into between Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) (as vendor), Wang Zhixiong (王志雄) (as purchaser) and Wang Jiangping (王江平) (as the other joint venture party) in respect of the transfer of 99% interest in Lincheng County Guomu Nangou Mining Ltd. (臨城縣果木南溝鐵礦有限公司) at a consideration of RMB1 and an undertaking by Wang Zhixiong (王志雄) to repay the shareholders' loan of Lincheng County Guomu Nangou Mining Ltd. (臨城縣果木南溝鐵礦有限公司) of RMB13.2 million in aggregate;
- (d) a share purchase agreement dated 15 January 2010 entered into by Faithful Boom Investments Limited (as seller) and our Company (as purchaser) in respect of the transfer of 1,000 shares in Venca Investments Limited by Faithful Boom Investments Limited to the Company at a consideration of US\$11,027,000 and the allotment and issue of 1,000 Shares to Faithful Boom Investments Limited by our Company;
- (e) a security agency agreement dated 22 January 2010 entered into by Zhao Hao Fu, Chen Zhiqing, Liu Hui, Faithful Boom Investments Limited, our Company and Venca Investments Limited (as obligors) with 8W APO Holdings, Ltd., Long Tree Investment Limited and China Gate Worldwide Limited (as secured creditors) and Citicorp International Limited (as security agent), in connection with the respective rights and priorities of 8W APO Holdings, Ltd., Long Tree Investment Limited and China Gate Worldwide Limited with respect to certain personal property of Zhao Hao Fu, Chen Zhiqing, Liu Hui, Faithful Boom Investments Limited, our Company and Venca Investments Limited and all proceeds thereof;
- (f) a deed of security dated 22 January 2010 entered into by our Company (as chargor) and Citicorp International Limited (as security agent) in respect of the charge of all present and future assets of our Company that are the subject of the security created thereunder in favour of Citicorp International Limited;
- (g) a deed of security and account charge dated 22 January 2010 entered into by Venca Investments Limited (as chargor) and Citicorp International Limited (as security agent) in

respect of the charge of all present and future assets and certain bank account of Venca Investments Limited that are the subject of the security created thereunder in favour of Citicorp International Limited;

- (h) a share mortgage dated 22 January 2010 entered into by our Company (as mortgagor) and Citicorp International Limited (as security agent) in respect of the mortgage of all the shares and related rights held by the Company in Venca Investments Limited in favour of Citicorp International Limited;
- (i) an equity pledge agreement dated 22 January 2010 entered into by Venca Investments Limited (as pledgor), Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) (as company) and Citicorp International Limited (as security agent) in respect of the pledge of the equity interests held by Venca Investments Limited in Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) to Citicorp International Limited;
- (j) an amendment agreement dated 20 February 2010 entered into between Lincheng County Li Yuan Mining Co. Ltd. (臨城縣利源礦業有限公司) and Venca Investments Limited to amend the articles of association of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) to increase the registered capital of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) from US\$12,000,000 to US\$20,000,000;
- (k) an instrument of transfer and bought and sold notes dated 8 March 2010 entered into by Easytime Development Limited (as transferor) and Venca Investments Limited (as transferee) in respect of the transfer of 1 share in Jet Bright Limited at a consideration of HK\$1;
- (l) an equity transfer agreement dated 9 March 2010 entered into between Venca Investments Limited (as vendor), Lincheng County Li Yuan Mining Co. Ltd. (臨城縣利源礦業有限公司) (as the other joint venture party) and Jet Bright Limited (as purchaser) in respect of the transfer of 99.0% interest in Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) from Venca Investments Limited to Jet Bright Limited at a consideration of US\$1;
- (m) an obligor counterpart security agency agreement dated 1 May 2010 executed by Jet Bright Limited under which Jet Bright Limited became an “obligor” under the security agency agreement dated 22 January 2010 (as described in paragraph (e) above);
- (n) a deed of security dated 1 May 2010 entered into by Jet Bright Limited (as chargor) and Citicorp International Limited (as security agent) in respect of the charge of all present and future assets of Jet Bright Limited that are the subject of the security created thereunder in favour of Citicorp International Limited;
- (o) a share mortgage dated 1 May 2010 entered into by Venca Investments Limited (as mortgagor) and Citicorp International Limited (as security agent) in respect of the mortgage of all the shares and related rights held by Venca Investments Limited in Jet Bright Limited in favour of Citicorp International Limited;
- (p) an equity pledge agreement dated 18 May 2010 entered into by Jet Bright Limited (as pledgor), Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) (as company) and Citicorp International Limited (as security agent) in respect of the pledge of the equity interests held by Jet Bright Limited in Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) to Citicorp International Limited;
- (q) an amendment agreement dated 20 July 2010 entered into between Lincheng County Li Yuan Mining Co. Ltd. (臨城縣利源礦業有限公司) and Jet Bright Limited to amend the articles of association and the agreement dated 28 November 2007 of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) to increase the registered capital of Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) from US\$20,000,000, to US\$30,000,000;


- (r) a cornerstone investment agreement dated 30 May 2011 entered into among Citigroup Global Markets Asia Limited, Macquarie Capital Securities Limited, Plus All Holdings Limited and our Company in relation to the subscription by Plus All Holdings Limited for the maximum number of Shares (rounded down to the nearest board lot) as may be purchased with an amount of HK\$200 million at the Offer Price as part of the International Placing;
- (s) a deed of release dated 15 June 2011 entered into between Citicorp International Limited and our Company, pursuant to which all the security interests created by our Company under the deed of security dated 22 January 2010 as described in paragraph (f) above were released and discharged;
- (t) a deed of release dated 15 June 2011 entered into between Citicorp International Limited and Venca Investments Limited, pursuant to which all the security interests created by Venca Investments Limited under the deed of security and account charge dated 22 January 2010 as described in paragraph (g) above were released and discharged;
- (u) a deed of release dated 15 June 2011 entered into between Citicorp International Limited and our Company, pursuant to which all the security interests created by our Company under the share mortgage dated 22 January 2010 as described in paragraph (h) above were released and discharged;
- (v) a release of pledge dated 15 June 2011 entered into among Venca Investments Limited, Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) and Citicorp International Limited, pursuant to which the pledge of all the equity interests created under the equity pledge agreement dated 22 January 2010 as described in paragraph (i) above was released and discharged;
- (w) a deed of release dated 15 June 2011 entered into between Citicorp International Limited and Jet Bright Limited, pursuant to which all the security interests created by Jet Bright Limited under the deed of security dated 1 May 2010 as described in paragraph (n) above were released and discharged;
- (x) a deed of release dated 15 June 2011 entered into between Citicorp International Limited and Venca Investments Limited, pursuant to which all the security interests created by Venca Investments Limited under the share mortgage dated 1 May 2010 as described in paragraph (o) above were released and discharged;
- (y) a release of pledge dated 15 June 2011 entered into among Jet Bright Limited, Lincheng Xingye Mineral Resources Co., Ltd (臨城興業礦產資源有限公司) and Citicorp International Limited, pursuant to which the pledge of all the equity interests created under the equity pledge agreement dated 18 May 2010 as described in paragraph (p) above was released and discharged;
- (z) a cornerstone investment agreement dated 16 June 2011 entered into among Citigroup Global Markets Asia Limited, Macquarie Capital Securities Limited, Plus All Holdings Limited, Shougang Holding (Hong Kong) Limited and our Company in relation to the subscription by Shougang Holding (Hong Kong) Limited for the maximum number of Shares (rounded down to the nearest board lot) as may be purchased with an amount of HK\$400 million at the Offer Price as part of the International Placing and termination of the cornerstone investment agreement dated 30 May 2011 as described in paragraph (r) above, further details of which are set out in the section headed “Cornerstone Investor” in this Prospectus; and
- (aa) the Hong Kong Underwriting Agreement.

## 2. Intellectual property rights

The following intellectual property rights are or may be material in relation to the Group's business:

### (a) Trademarks








As at the Latest Practicable Date, the Group has registered the following trademark:





Trademark	Registered Owner	Place of Registration	Expiry Date	Class	Registration Number
 CHINA TIAN YUAN MINING LTD 中國天遠礦業有限公司	The Company	Hong Kong	8 November 2019	37	301469971

\*Note:

Products or services covered under Class 37: mining extraction, mining services

As of the Latest Practicable Date, we have filed the following trademark applications in respect of our logo:

Trademark	Classes	Place of Application	Application Number	Date of Application/Filing
 NEWTON RESOURCES LTD	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818838	24 January 2011
 NEWTON RESOURCES LTD				
 新礦資源有限公司 NEWTON RESOURCES LTD	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818865	24 January 2011
 新礦資源有限公司 NEWTON RESOURCES LTD				
 新礦資源 NEWTON RESOURCES	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818883	24 January 2011
 新礦資源 NEWTON RESOURCES				
 新礦資源有限公司	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818829	24 January 2011

Trademark	Classes	Place of Application	Application Number	Date of Application/Filing
 新礦資源有限公司				
 NEWTON RESOURCES	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818856	24 January 2011
 NEWTON RESOURCES				
 新礦資源 NEWTON RESOURCES	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818892	24 January 2011
 新礦資源 NEWTON RESOURCES				
 新礦資源有限公司 NEWTON RESOURCES LTD	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818847	24 January 2011
 新礦資源有限公司 NEWTON RESOURCES LTD				
 新礦資源	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818874	24 January 2011
 新礦資源				
 新礦資源	4, 6, 7, 35, 37, 39, 40, 42	Hong Kong	301818900	24 January 2011
				







*Notes:*
























Class 4: Industrial oils and greases; fuels; fuel gas; vaporized fuel mixtures; fuel oil; fuel with an alcoholic base; crude oil; natural gas; anthracite; combustible briquettes; coal; coal briquettes; coal dust (fuel); coal naphtha; coal tar oil; combustible oil; diesel oil; electrical energy; gas for lighting; gas oil; producer gas; solidified gas (fuel); gasoline; kerosene; lighting fuel; lignite; ligroin; oil for the preservation of masonry; mineral fuel; all included in Class 4

Class 6: Common metals and their alloys; alloys including iron alloys; iron ores; mineral ores; iron slabs; iron strip; ores of metal; iron, unwrought or semi-wrought; metallic powders; iron sheet, tubes and extrusions; ferrous and non ferrous matters and ores; ores; chrome ores; galena (ore); metals in powder form; chrome iron; molybdenum iron; silicon iron; nozzles of metal; all included in Class 6












- Class 7: Coalcutting machines; apparatus for dressing; extractors for mines; haulage apparatus (mining); mine borers; mining and drilling machines; machine tools and apparatus for geoexploration; mining and dressing; floatation engines; mine washing machines; mine windlass; mine drainage pumps; sound controlled spray devices; hauling apparatus (minery); mineworking machines; sifting machines; drill bits (parts of machines); drill chucks (parts of machines); drill chisels; drill buttons; drilling rigs; grinding machines; sharpening machines; grindstones (parts of machines); feeders (parts of machines); belt conveyors (parts of machines); pneumatic transporters; conveyors (machines); pulleys; hammers (parts of machines); pneumatic hammers; pneumatic controls for machines; motors and engines; pneumatic vibrators (machines) for industrial use; cutting machines; blades (parts of machines); blade holders (parts of machines); handling apparatus for loading and unloading; diggers (machines); excavators; loading machines; all included in Class 7
- Class 35: Retailing and wholesaling of common metals and their alloys; retailing and wholesaling of metals, titanium, iron, iron ore, ores of metal, metal powders, steel, rutile, zircon, sillimanite, aluminium and magnesium; promotion of environmental responsibility; marketing and business services such as sales services in the mining industry, including iron ore, base metals and common metals; price comparing services; import-export services; marketing analysis; public relations; marketing research; professional business consultancy; sales promotion (for others); all included in Class 35
- Class 37: Mining extraction services; mining services; information consultancy and advisory services relating to mining and mining extraction; construction and construction engineering services; quarrying services; drilling of wells; installation, maintenance and repair of machinery and equipment; furnace and smelter installation and repair; installation and repair of freezing equipment; rental of automotive machinery for use in mining; all included in Class 37
- Class 39: Transport; packaging and storage of goods; electricity distribution; distribution of energy; all included in Class 39
- Class 40: Treatment and processing of metals, minerals, iron and ores; generation of gas and liquefied gas; processing of fuels and of other sources of energy; gas processing services; refining services in relation to minerals, iron and ores; chemical and metal extraction and processing; metals casting, refining, recycling services; production of energy; metal plating; decontamination of hazardous materials; all included in Class 40
- Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; mineral and chemical analysis of iron ores and mineral ores; engineering services for exploration, mining, and treatment of iron ores and mineral ores; consultancy in the field of energy-saving; research in the field of environmental protection; surveying; technical research; material testing; quality control; geological surveys; ore and metals prospecting and mine exploitation; geophysical exploration for the mining industry; technological advisory services relating to mining machines; data mining services; all included in Class 42

As of the Latest Practicable Date, we have filed the following trademark applications in respect of our logo:

Trademark	Class	Place of Application	Application Number	Date of Application/Filing
	4	PRC	9112054	1 February 2011
	6	PRC	9112055	1 February 2011
	7	PRC	9111085	1 February 2011
	35	PRC	9111086	1 February 2011
	37	PRC	9111087	1 February 2011
	39	PRC	9111088	1 February 2011













Trademark	Class	Place of Application	Application Number	Date of Application/Filing
	40	PRC	9111089	1 February 2011
	42	PRC	9111090	1 February 2011
	4	PRC	9111091	1 February 2011
	6	PRC	9111092	1 February 2011
	6	PRC	9111092	1 February 2011
	7	PRC	9111093	1 February 2011
	7	PRC	9111093	1 February 2011
	35	PRC	9111094	1 February 2011
	35	PRC	9111094	1 February 2011
	37	PRC	9111075	1 February 2011
	37	PRC	9111075	1 February 2011
	39	PRC	9111076	1 February 2011
	39	PRC	9111076	1 February 2011
	40	PRC	9111077	1 February 2011
	40	PRC	9111077	1 February 2011
	42	PRC	9111078	1 February 2011
	42	PRC	9111078	1 February 2011
	4	PRC	9111079	1 February 2011
	4	PRC	9111079	1 February 2011
	6	PRC	9111080	1 February 2011
	6	PRC	9111080	1 February 2011
	7	PRC	9111081	1 February 2011
	7	PRC	9111081	1 February 2011










Trademark	Class	Place of Application	Application Number	Date of Application/Filing
 新礦資源 NEWTON RESOURCES	35	PRC	9111082	1 February 2011
 新礦資源 NEWTON RESOURCES	37	PRC	9111083	1 February 2011
 新礦資源 NEWTON RESOURCES	39	PRC	9111084	1 February 2011
 新礦資源 NEWTON RESOURCES	40	PRC	9111065	1 February 2011
 新礦資源 NEWTON RESOURCES	42	PRC	9111066	1 February 2011
 新礦資源	4	PRC	9111067	1 February 2011
 新礦資源	6	PRC	9111068	1 February 2011
 新礦資源	7	PRC	9111069	1 February 2011
 新礦資源	35	PRC	9111070	1 February 2011
 新礦資源	37	PRC	9111071	1 February 2011
 新礦資源	39	PRC	9111072	1 February 2011

Trademark	Class	Place of Application	Application Number	Date of Application/Filing
 新礦資源	40	PRC	9111073	1 February 2011
 新礦資源	42	PRC	9111074	1 February 2011
 NEWTON RESOURCES	4	PRC	9111055	1 February 2011
 NEWTON RESOURCES	6	PRC	9111056	1 February 2011
 NEWTON RESOURCES	7	PRC	9111057	1 February 2011
 NEWTON RESOURCES	35	PRC	9111058	1 February 2011
 NEWTON RESOURCES	37	PRC	9111059	1 February 2011
 NEWTON RESOURCES	39	PRC	9111060	1 February 2011
 NEWTON RESOURCES	40	PRC	9111061	1 February 2011
 NEWTON RESOURCES	42	PRC	9111062	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	4	PRC	9111063	1 February 2011

Trademark	Class	Place of Application	Application Number	Date of Application/Filing
 新礦資源有限公司 NEWTON RESOURCES LTD	6	PRC	9111064	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	7	PRC	9111175	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	35	PRC	9111176	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	37	PRC	9111177	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	39	PRC	9111178	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	40	PRC	9111179	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	42	PRC	9111180	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	4	PRC	9111181	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	6	PRC	9111182	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	7	PRC	9111183	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	35	PRC	9111184	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	37	PRC	9111165	1 February 2011

Trademark	Class	Place of Application	Application Number	Date of Application/Filing
 新礦資源有限公司 NEWTON RESOURCES LTD	39	PRC	9111166	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	40	PRC	9111167	1 February 2011
 新礦資源有限公司 NEWTON RESOURCES LTD	42	PRC	9111168	1 February 2011
 新礦資源有限公司	4	PRC	9111169	1 February 2011
 新礦資源有限公司	6	PRC	9111170	1 February 2011
 新礦資源有限公司	7	PRC	9111171	1 February 2011
 新礦資源有限公司	35	PRC	9111172	1 February 2011
 新礦資源有限公司	37	PRC	9111173	1 February 2011
 新礦資源有限公司	39	PRC	9111174	1 February 2011
 新礦資源有限公司	40	PRC	9111155	1 February 2011
 新礦資源有限公司	42	PRC	9111156	1 February 2011
 NEWTON RESOURCES LTD	4	PRC	9111157	1 February 2011

Trademark	Class	Place of Application	Application Number	Date of Application/Filing
 NEWTON RESOURCES LTD	6	PRC	9111158	1 February 2011
 NEWTON RESOURCES LTD	7	PRC	9111159	1 February 2011
 NEWTON RESOURCES LTD	35	PRC	9111160	1 February 2011
 NEWTON RESOURCES LTD	37	PRC	9111161	1 February 2011
 NEWTON RESOURCES LTD	39	PRC	9111162	1 February 2011
 NEWTON RESOURCES LTD	40	PRC	9111163	1 February 2011
 NEWTON RESOURCES LTD	42	PRC	9111164	1 February 2011

*Notes:*

- Class 4: Industrial oils and greases; fuels; vaporized fuel mixtures; crude oil; fuel gas; coal; electrical energy; gas oil; mineral fuel.
- Class 6: Steel, unwrought or semi-wrought; iron, unwrought or semi-wrought; cast iron, unwrought or semi-unwrought; ingots of common metal; common metals, unwrought or semi-unwrought; iron grit; laths of metal; sheets and plates of metal; chrome ores; iron ores; galena (ore); limonite; ores of metal.
- Class 7: Coalcutting machines; apparatus for dressing; extractors for mines; mining and drilling machines; machine tools and apparatus for geoexploration; floatation engines; mine washing machines; sound controlled spray devices; mineworking machines; sifting machines.
- Class 35: Commercial information agencies; professional business consultancy; business information; outsourcing service (business assistance); import-export agencies; procurement service for others (purchasing goods and services for other businesses).
- Class 37: Mining extraction; quarrying services; drilling of wells.
- Class 39: Transport; packaging and storage of goods; electricity distribution; distribution of energy.
- Class 40: Metal plating; blacksmithing; millworking; metal treating; metal tempering; laser scribing; refining services; metal casting.
- Class 42: Geological surveys; geological prospecting; geological research; underwater exploration.

**(b) Domain Names**

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

<b>Domain name</b>	<b>Registered Owner</b>	<b>Expiry Date</b>
www.ctymining.com	The Company	21 October 2016
www.newton-resources.com	The Company	1 February 2012
www.newton-resources.com.hk	The Company	7 February 2016
www.newton-resources.hk	The Company	7 February 2016
www.newtonresources.com.hk	The Company	7 February 2016
www.newtonresources.hk	The Company	7 February 2016

**(c) Mining rights**

Details of the Group's mining rights are set out in the section headed "Business – Our mining rights" in this Prospectus.

**C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF****1. Directors****Disclosure of interests – interests and short positions of our Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations**

Immediately following the completion of the Global Offering and the Capitalization Issue, the interests or short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she 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 recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules are as follows:

***Interest in Our Company***

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of Shares</u>	<u>Number of Shares subject to Pre-IPO Share Option Scheme (Note)</u>	<u>Approximate percentage of shareholding held upon the exercise of the Options (Note)</u>
<b>Directors</b>				
<i>Yao Zanzun</i> .....	Beneficial	–	8,000,000	0.2000%
<i>Yu Shuxian</i> .....	Beneficial	–	4,000,000	0.1000%
<i>Li Yuelin</i> .....	Beneficial	–	6,400,000	0.1600%
<i>Jing Zhiqing</i> .....	Beneficial	–	4,000,000	0.1000%
<i>Lin Zeshun</i> .....	Beneficial	–	4,000,000	0.1000%
<i>Liu Yongxin</i> .....	Beneficial	–	4,000,000	0.1000%
<i>Tsui King Fai</i> .....	Beneficial	–	800,000	0.0200%
<i>Lee Kwan Hung</i> .....	Beneficial	–	800,000	0.0200%
<i>Wu Wai Leung, Danny</i> ....	Beneficial	–	800,000	0.0200%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of the options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

**2. Substantial shareholders**

Information on persons, not being Directors or chief executive of the Company, who will have, immediately following the Global Offering, an interest or short position in the Shares or underlying

Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO is set out in the section “Substantial Shareholders and Selling Shareholder” in this Prospectus.

### 3. *Particulars of Directors’ service contracts*

Save for Mr. Li Yuelin, Mr. Lin Zeshun and Mr. Liu Yongxin who have entered into a service contract with the Company for a term of three years commencing from 9 April 2010 (subject to termination in certain circumstances as stipulated in the relevant agreement), each of the remaining two executive Directors namely, Mr. Yao Zanzun and Mr. Jing Zhiqing has entered into a service contract with the Company on 13 December 2010 for a term of three years commencing from 13 December 2010. Ms. Yu Shuxian, who has been redesignated as an executive Director of the Group, entered into a letter of appointment with the Company on 1 March 2011. Our non-executive Directors, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick and Mr. Cheng Chi Ming, Brian have each entered into a letter of appointment with the Company on 20 May 2011 for a term of three years commencing from the Listing Date. Our independent non-executive Directors Mr. Tsui King Fai and Mr. Lee Kwan Hung have each entered into a letter of appointment with the Company on 15 December 2010 for a term of three years commencing from the Listing Date. Mr. Wu Wai Leung, Danny, an independent non-executive Director, has entered into a letter of appointment with the Company on 25 January 2011 for a term of three years commencing from the Listing Date. Principal particulars of these contracts are summarized below:

- (a) Each service contract is for an initial term of three years. Under each agreement, either party may terminate the agreement at any time by giving the other not less than three months’ prior written notice
- (b) Under the current arrangements, the aggregate remuneration payable to the Directors shall be approved by shareholders’ meeting from time to time.
- (c) Each of the executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of annual salary or management bonus payable to him.

Under the current arrangement, the Directors are entitled to their respective fees set out below:

#### **Executive Directors**

Yao Zanzun .....	RMB180,000 per month
Yu Shuxian .....	RMB68,000 per month
Li Yuelin .....	RMB38,000 per month
Jing Zhiqing .....	RMB30,000 per month
Lin Zeshun .....	RMB20,000 per month
Liu Yongxin .....	RMB20,000 per month

#### **Non-Executive Directors**

Tsang Yam Pui .....	HK\$250,000 annually
Lam Wai Hon, Patrick .....	HK\$200,000 annually
Cheng Chi Ming, Brian .....	HK\$200,000 annually

#### **Independent non-executive Directors**

Tsui King Fai .....	HK\$200,000 annually
Lee Kwan Hung .....	HK\$200,000 annually
Wu Wai Leung, Danny .....	HK\$200,000 annually

### 4. *Directors’ remuneration*

The Company’s principal policies concerning remuneration of executive Directors are to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives. A director is not allowed to approve his own remuneration. The principal elements of the Group’s executive remuneration package include basic salary, discretionary bonus without capping and share option to be granted upon the Listing.



For each of the two years ended 31 December 2009:

- (i) no emoluments in any form including fees, salaries, and allowances, benefits in-kind and contribution to the pension scheme was paid to the Directors;
- (ii) none of the Directors waived any emoluments; and
- (iii) no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

For the year ended 31 December 2010:

- (i) aggregate remuneration in the sum of RMB1,021,000 was paid to the Directors;
- (ii) none of the Directors waived any emoluments; and
- (iii) no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Under the current arrangements, our Directors will be entitled to receive remuneration which, for the financial year ending 31 December 2011, is expected to amount to approximately RMB5,244,400, excluding the discretionary bonuses payable to our Directors.

The non-executive Directors and independent non-executive Directors have been appointed for an initial term of three years subject to early termination as stipulated in the Articles, including retirement by way of rotation at each annual general meeting. Save for director's fees and their eligibility to participate in the Pre-IPO Share Option Scheme and the Share Option Scheme, none of the non-executive Directors and independent non-executive Directors is expected to receive any other remuneration for holding their office as non-executive Directors and independent non-executive Directors.

The aggregate annual director's remuneration for executive Directors, the then non-executive Director and independent non-executive Directors for the year ended 31 December 2010 was approximately RMB1,021,000, nil and nil, respectively.

#### **5. Agency fees or commissions**

Save as disclosed in this Prospectus, within the two years preceding the date of this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.

#### **6. Disclaimers**

Save as disclosed in this Prospectus,

- (a) none of our Directors and/or chief executive of the Company has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer in the Listing Rules, will be required to be notified to the Company and the Stock Exchange, in each case once the Shares are listed;

- (b) so far as is known to any of our Directors and/or chief executive of the Company, no person has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10.0% 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 the Group;
- (c) none of our Directors or the experts named in the paragraph headed “F. Other Information – 7. Consents of experts” below in this Appendix is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting as at the date of this Prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group taken as a whole;
- (e) save in connection with the Underwriting Agreements, none of the experts named in the paragraph headed “F. Other Information – 7. Consents of experts” below in this Appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (f) save in connection with the Underwriting Agreements, none of the experts named in the paragraph headed “F. Other Information – 7. Consents of experts” below in this Appendix is materially interested in any contract or arrangement subsisting as at the date of this Prospectus which is significant in relation to the business of the Group taken as a whole;
- (g) no cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this Prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned in this Prospectus;
- (h) so far as is known to our Directors, none of our Directors or their associates, or the Shareholders who are expected to be interested in 5.0% or more of the issued shares capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group; and
- (i) none of our Directors are interested in any business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the business of the Group.

**D. PRE-IPO SHARE OPTION SCHEME**

The purpose of the Pre-IPO Share Option Scheme is to recognize the contribution of certain employees, executives or officers of the Group made or may have made to the growth of the Group and/or the listing of Shares on the Stock Exchange. The principal terms of the Pre-IPO Share Option Scheme were approved by resolutions in writing of all the Shareholders passed on 25 January 2011.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme.

***Outstanding options***

As at the date of this Prospectus, options to subscribe for an aggregate of 133,300,000 Shares, representing approximately 3.3% of the issued share capital upon completion of the Global Offering and the Capitalization Issue taking no account of any Shares which may be issued upon exercise of any options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme, at an exercise price equivalent to the Offer Price have been granted by the Company under the Pre-IPO Share Option Scheme. A total of 50 eligible participants have been granted options under the Pre-IPO Share Option Scheme.

Below is a list of grantees under the Pre-IPO Share Option Scheme:

<u>Name of Grantees</u>	<u>Address</u>	<u>Number of Shares under the Options Granted (Note)</u>	<u>Percentage of shareholding held upon the exercise of the Options (Note)</u>
<b>Directors</b>			
Yao Zanzun .....	Room 5, 14/F, No. 51A, Xiaoguan Street Chaoyang District Beijing China	8,000,000	0.2000%
Yu Shuxian .....	Room 401, Unit 6, Block 22 Shenggubeili Chaoyang District Beijing China	4,000,000	0.1000%
Li Yuelin .....	Room 10, Unit 1, Block 66 No.18 Qianjin Street Fuxing District Handan City Hebei Province China	6,400,000	0.1600%
Jing Zhiqing .....	Room 502, Unit 1, Block 22 Kuangyuan Lane Harbour District Qinhuangdao City Hebei Province China	4,000,000	0.1000%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Lin Zeshun .....	Room 509, Unit 1, Block 12 Jiangxiang Lane Huanghe Sub-district Qiaoxi District Xingtai City Hebei Province China	4,000,000	0.1000%
Liu Yongxin .....	No. 102, Row 2 Qi Village Mining Area Residential District Qiaoxi District Xingtai City Hebei Province China	4,000,000	0.1000%
Tsui King Fai .....	6B, 21 Braemar Hill Road North Point Hong Kong	800,000	0.0200%
Lee Kwan Hung .....	Flat D, 26th Floor, Block 2 Ronsdale Garden 25 Tai Hang Drive Jardine's Lookout Hong Kong	800,000	0.0200%
Wu Wai Leung, Danny ...	Suite 11A, William Mansion 16-18 MacDonnell Road Mid-Levels Hong Kong	800,000	0.0200%
<b>Senior Management of our Group</b>			
Jiao Ying .....	No. 901, Bldg. 3 No. 19, Shidaihuayuan Nanlu Shijingshan District Beijing China	4,000,000	0.1000%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Ho Siu Mei .....	Flat A, 7/F, Tower 6 Parc Royale 8 Hin Tai Street Tai Wai, Shatin Hong Kong	3,000,000	0.0750%
Wang Jiangping .....	No. 1 Jiaohuachang Residential District Lincheng Town Lincheng County Xingtai City Hebei Province China	2,800,000	0.0700%
Ren Jianzhu .....	No. 203, Unit 1 Xiaowang Credit Union Guoshoujingda South Street Qiaoxi District Xingtai City Hebei Province China	2,800,000	0.0700%
Wang Xiaoxing .....	Room 9, Unit 1, Block 3 No. 20 Guoshoujingda Street Qiaoxi District Xingtai City Hebei Province China	4,000,000	0.1000%
Zhang Mingliang .....	No. 301, Gate 1, Block 5 Fengshun Apartments Dingziguwuai Road Hongqiao District Tianjin China	3,000,000	0.0750%
<b>Other grantees who are connected persons of the Company</b>			
Szeto Yat Kong .....	Flat 31C, Block 23 Park Island Ma Wan New Territories Hong Kong	5,200,000	0.1300%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Lam Tak Ming .....	Flat D, 16th Floor Block T32 Ko On Mansion 9 Tai Yue Ave. Tai Koo Shing Hong Kong	3,000,000	0.0750%
Gu Yanqing .....	Pingfang No. 1 No. 108 Xin Xi Street Qiao Dong District Xingtai City Hebei Province China	2,800,000	0.0700%
Wang Zhiyong .....	No. 24 San Zhong Yuan Shi Zhuan Street Qiao Dong District Xingtai City Hebei Province China	2,800,000	0.0700%
Wu Qiong .....	Flat A, 4th Floor Yee Shun Mansion 58-66 Second Street Sai Ying Pun Hong Kong	1,500,000	0.0375%
	Sub-Total:	<u>67,700,000</u>	<u>1.6925%</u>
<b>Others</b>			
Ng Tik Hong .....	Flat 8C, Tower A Hollywood Terrace 268 Queen's Road Central Hong Kong	5,200,000	0.1300%
Gu Xuewen .....	No. 7 Rochester Institute 15-4-8 Handan City, Hanshan District Hebei Province China	4,000,000	0.1000%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Li Yanling .....	3-6 West Households Yuangong Yu Apartment No. 128 Changjiang Middle Road District 27, Zhengzhou City China	4,000,000	0.1000%
An Jiankui .....	No. 46 Xinhua West Road Lunan District, Tangshan City Hebei Province China	2,800,000	0.0700%
Chen Zhimin .....	Room 1, Unit 6, Block 3 Jikang Hospital Family Residence Dahuoquan Road, Qiaoxi District, Xingtai City Hebei Province China	2,800,000	0.0700%
Guo Yujiang .....	No. 1, Shuini Factory Living Area District Lincheng Town Lincheng County, Xingtai City Hebei Province China	2,800,000	0.0700%
Hao Lujun .....	No. 203 Dongjie Village Lincheng Town Lincheng County, Xingtai City Hebei Province China	2,800,000	0.0700%
Liu Qingshu .....	No. 84 Old Town Street Metro Village, Xincheng Town Shahe City Hebei Province China	2,800,000	0.0700%
Pan Fengbiao .....	5-18 Xinggangnan Living Area District No. 223 Gangtiansan Road Qiaoxi District, Xingtai City Hebei Province China	2,800,000	0.0700%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Wang Hongbin .....	No. 415 Yanjiazhuang Village Haozhuang Town Lincheng County, Xingtai City Hebei Province China	2,800,000	0.0700%
Wang Pengkun .....	No. 26 Shiwo Pu Cun Village Haozhuang Town Lincheng County Xingtai City Hebei Province China	2,800,000	0.0700%
Wang Yanbin .....	No. 4 Yanjiazhuang Village Haozhuang Town Lincheng County Xingtai City Hebei Province China	2,800,000	0.0700%
Wang Zhenlin .....	No. 1, Shuini Factory Living Area District Lincheng Zhen Lincheng County, Xingtai City Hebei Province China	2,800,000	0.0700%
Wei Heping .....	No. 175 Baigejing Village Heicheng Village South Lincheng County, Xingtai City Hebei Province China	2,800,000	0.0700%
Xu Xihui .....	4-2-301 No. 137 Shengli East Road Gaocheng City Hebei Province China	2,800,000	0.0700%
Zhang Juncai .....	Unit 203, Block 1, Unit 1 Jinshu Huishou Company Family Residence Xinxing East Da Street, Xingtai City Hebei Province China	2,800,000	0.0700%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.



Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Feng Lei .....	No. 74, Gangtou Village Lincheng Zhen Lincheng County, Xingtai City Hebei Province China	2,000,000	0.0500%
Liu Huilin .....	No. 54 Xinhua East Road Lunan District, Tangshan City Hebei Province China	2,000,000	0.0500%
Zhao Guohua .....	No. 96, Beiguan Street Lincheng Town Lincheng County, Xingtai City Hebei Province China	2,000,000	0.0500%
Chow Tak Wing .....	Flat C, 15/F Skyview Cliff 49 Conduit Road Hong Kong	1,500,000	0.0375%
Chiu Wing See .....	4D, 4/F, Block 4 Richland Gardens Kowloon Bay Hong Kong	1,500,000	0.0375%
Lau Ho Fung .....	Flat G, 23F, Block 3 Kwai Fong Terrace Kwai Chung New Territories Hong Kong	1,500,000	0.0375%
Chan But Ping .....	Room 523, Tin Ming House Tin Ping Estate, Sheung Shui New Territories Hong Kong	1,000,000	0.0250%
Wong Chun Yin .....	Flat B, 22/F, Block 8 Belvedere Garden Ph.2 Tsuen Wan New Territories Hong Kong	1,000,000	0.0250%

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

Name of Grantees	Address	Number of Shares under the Options Granted (Note)	Percentage of shareholding held upon the exercise of the Options (Note)
Chung Cila .....	15C Caravan Court 141 Caine Road Central Hong Kong	800,000	0.0200%
Kwong Tin Chi .....	Room 2130, Leung Shui House Leung King Estate, Tuen Mun New Territories Hong Kong	600,000	0.0150%
Pang Kee Chau .....	Flat C, 18/F, Block 7 Laguna City Kwun Tong Kowloon Hong Kong	600,000	0.0150%
Chan Kar Yin Gary .....	Flat B1, 34/F, Block B Beverly Hill 6 Broadwood Road Happy Valley Hong Kong	500,000	0.0125%
Li Yuen Ming .....	Flat D, 1/F., Fook Yee Garden 278 Prince Edward Road West Kowloon Tong Hong Kong	500,000	0.0125%
William Keith Jacobsen ..	Flat G, 33rd Floor Tower 2, Robinson Place 70 Robinson Road Hong Kong	500,000	0.0125%
		<u>65,600,000</u>	<u>1.6400%</u>
	Total:	<u><u>133,300,000</u></u>	<u><u>3.3325%</u></u>

Save and except as set out above, no options have been granted or agreed to be granted by the Company to any connected persons, and no other options have been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme.

*Note:* Based on the share capital of the Company immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme.

The shareholding structure of the Company before and after the full exercise of all the options granted under the Pre-IPO Share Option Scheme will be as follows:

Shareholders	Shareholding structure immediately after completion of the Global Offering and the Capitalization Issue (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised)		Shareholding structure immediately after completion of the Global Offering and the Capitalization Issue (assuming the options granted under the Pre-IPO Share Option Scheme are exercised and assuming the Over-allotment Option is not exercised)	
	Shares	%	Shares	%
Faithful Boom .....	1,920,000,000	48.0	1,920,000,000	46.5
Fast Fortune .....	1,080,000,000	27.0	1,080,000,000	26.1
Grantees under the Pre-IPO Share Option Scheme (including the grantees who are not the connected persons) .....	–	–	133,300,000	3.2
Public shareholders .....	1,000,000,000	25.0	1,000,000,000	24.2
	<u>4,000,000,000</u>	<u>100.00</u>	<u>4,133,300,000</u>	<u>100.00</u>

The executive Directors have undertaken with the Company not to exercise any share options granted under the Pre-IPO Share Option Scheme to the extent that the Company's public float will be less than the minimum requirements under Rule 8.08 of the Listing Rules.

#### *Effect on the earnings per share as a result of the Pre-IPO Share Options*

Our shareholding immediately following completion of the Global Offering and Capitalization Issue would be diluted by 3.2% upon the exercise in full of the options granted under the Pre-IPO Share Options Scheme. Assuming that (i) the Company had been listed on the Stock Exchange since 1 January 2011, (ii) a total of 4,000,000,000 Shares had been in issue during the financial year ending 31 December 2011 and (iii) all the options granted under the Pre-IPO Share Option Scheme were exercised in full on 1 January 2011, without taking into account of any Shares which may be allotted and issued upon the exercise of any option which may be granted under the Share Option Scheme, the earnings per Share on a pro forma fully diluted basis would decrease from RMB0.0024 (equivalent to HK\$0.0029) to RMB0.0023 (equivalent to HK\$0.0028) for the six months ending 30 June 2011.

#### *Summary of the major terms of the Pre-IPO Share Option Scheme*

##### **(a) Purpose**

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions that the Eligible Participants (as set out in paragraph (b) below) have or may have made to the Group. The Pre-IPO Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

- (i) recognize the contribution made by the Eligible Participants;
- (ii) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; or
- (iii) attract and retain or otherwise maintain relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

**(b) Who may join**

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price set out in paragraph (d) below to:

- (1) any full-time or part-time employees or potential employees, executives or officers of our Company or any Affiliates;
- (2) any directors (including non-executive Directors and independent non-executive Directors) of our Company or any Affiliates; or
- (3) any one who, in the sole opinion of the Board, have contributed or will contribute to our Company and/or any Affiliates.

“**Affiliate**” means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, our Company and includes any company which is (a) the holding company of our Company; or (b) a subsidiary of the holding company of our Company; or (c) a subsidiary of our Company; or (d) a fellow subsidiary of our Company; or (e) the controlling shareholder of our Company; or (f) a company controlled by the controlling shareholder of our Company; or (g) a company controlled by our Company; or (h) an associated company of the holding company of our Company; or (i) an associated company of our Company; or (j) an associated company of controlling shareholder of our Company.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant.

**(c) Maximum number of Shares**

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall not exceed 400,000,000 Shares, representing approximately 10% of the issued share capital upon completion of the Global Offering and the Capitalization Issue (taking no account of any Shares which may be issued upon exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme).

**(d) Price of Shares**

The subscription price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be the equivalent of the Offer Price.

**(e) Rights are personal to grantee**

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do.

**(f) Time of exercise of option and duration of the Pre-IPO Share Option Scheme**

The grantees to whom an Option has been granted under this Scheme shall be entitled to exercise his/her option in the following manner:

- (i) Option for 40% of the Shares that are subject to the option so granted under the Pre-IPO Share Option Scheme shall vest on the date of the first anniversary of the Listing Date (if such anniversary date is not a Business Day, then on the Business Day immediately prior to such anniversary date) (“**First Vesting Date**”). The grantees may exercise all or part of such vested option at any time from the First Vesting Date until the Expiry Date (as defined below);

- (ii) Option for 30% of the Shares that are subject to the option so granted under the Pre-IPO Share Option Scheme shall vest on the date of the second anniversary of the Listing Date (if such anniversary date is not a Business Day, then on the Business Day immediately prior to such anniversary date) (“**Second Vesting Date**”). The grantees may exercise all or part of such vested option at any time from the Second Vesting Date until the Expiry Date (as defined below); and
- (iii) Option for 30% of the Shares that are subject to the option so granted under the Pre-IPO Share Option Scheme shall vest on date of the third anniversary of the Listing Date (if such anniversary date is not a Business Day, then on the Business Day immediately prior to such anniversary date) (“**Third Vesting Date**”). The grantees may exercise all or part of such vested option at any time from the Third Vesting Date until the Expiry Date (as defined below).

“**Expiry Date**” means, in respect of an option under the Pre-IPO Share Option Scheme, the date of the expiry of the option as may be determined by the Board which shall not be later than the first Business Day after the fourth anniversary of the Listing Date.

**(g) Ranking of Shares**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

**(h) Effect of alterations to capital**

In the event of capitalization issue, rights issue, open offer, consolidation, subdivision or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option and/or the method of exercise of the option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to pre-IPO share option schemes (the “**Supplemental Guidance**”). Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplemental Guidance) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value.

The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

**(i) Expiry of option**

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

- (i) the end of the six-month period from the date of adoption of the pre-IPO Share Option Scheme if the Shares are not listed on the Main Board by that date;
- (ii) the date of expiry of the option as may be determined by the Board;
- (iii) the date of commencement of the winding-up of the Company in accordance with the Companies Law; or
- (iv) the date on which the grantee ceases to be an Eligible Participant for any reason. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive.

**(j) Alteration of the Pre-IPO Share Option Scheme**

The Pre-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that any material alteration to the terms and conditions of the Pre-IPO Share Option Scheme or any change to the terms of options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Pre-IPO Share Option Scheme.

**(k) Cancellation of Options**

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options.

**(l) Termination of the Pre-IPO Share Option Scheme**

We may by resolution in general meeting or the Board at any time terminate the Pre-IPO Share Option Scheme and in such event no further option shall be offered but the provisions of the Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

**(m) Administration of the Board**

The Pre-IPO Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Pre-IPO Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

**E. SHARE OPTION SCHEME**

The terms of the Share Option Scheme conditionally approved by the Company on 9 April 2010, subject to certain conditions as referred to in paragraph (n) in this section, are as follows:

**(a) Purpose**

The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Company's businesses; to provide additional incentives to the Qualifying Grantees

(as defined below); and to promote the long term financial success of the Company by aligning the interests of Option Holders (as defined below) to Shareholders.

*(b) Who may join*

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an option to any Qualifying Grantee as the Board may in its absolute discretion select. “**Qualifying Grantee**” means:

- (i) (1) any employee (whether full-time or part-time employee) of any member of the Group or any Affiliates and any person who is an officer of the Group or any Affiliates, provided that an Option Holder shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company or the relevant Affiliate; or (b) transfers between the Company and any Affiliates or any successor (“**Employee**”);
- (2) any person who is seconded to work for any member of the Group or any Affiliates (“**Seconded**”);
- (3) any consultant, agent, representative, advisor, customer, contractor of the Group or any Affiliates; or
- (4) any business partner/ ally/ alliance, joint venture partner, supplier of goods or services to the Group or any Affiliates or any employee thereof

(collectively the “**Eligible Person**”); and

- (ii) any trust for the benefit of an Eligible Person or his immediate family members or any company controlled by an Eligible Person or his immediate family members (“**Related Trust and Company**”).

“**Affiliate**” means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of the holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an Associated Company of the holding company of the Company; or (i) an Associated Company of the Company; or (j) an Associated Company of controlling shareholder of the Company;

“**Associated Company**” means a company in the equity share capital of which a company, directly or indirectly, has 20.0% or greater beneficial interest but excluding the subsidiaries of that company;

“**immediate family members**” means spouse or person co-habiting as the spouse of an Eligible person, and any child or step-child, parent or step-parent, brother, sister, step-brother, step-sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of an Eligible Person;

“**officer**” means company secretary or director (whether executive or non-executive); and

“**Option Holder**” means any Qualifying Grantee who accepts an offer of the grant of an option in accordance with the terms of the Share Option Scheme or (where the context so requires) the legal personal representatives of such Qualifying Grantee;

“**subsidiary**” has the meaning ascribed to it under the Listing Rules.

(c) *Administration*

The Share Option Scheme shall be subject to the administration of the Board. Subject to the provisions of the Listing Rules and applicable law and other regulations from time to time in force, the Board's administrative powers include the authority, in its discretion:

- (i) to select Qualifying Grantees to whom options may be granted under the Share Option Scheme;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of options;
- (iii) to determine the number of Shares to be covered by each option granted under the Share Option Scheme;
- (iv) to approve forms of option agreements;
- (v) to determine the terms and conditions of any option. Such terms and conditions may include:
  - the subscription price;
  - the option period, which shall be not greater than the period (if any) prescribed by the Listing Rules from time to time (which is, at the date of adoption of the Share Option Scheme), not be more than 10 years from the date of grant;
  - the minimum period, if any, for which an option must be held before it vests or becomes exercisable in whole or in part (the Share Option Scheme itself does not specify any minimum holding period);
  - the performance targets, if any, that must be achieved before the option can be exercised (the Share Option Scheme itself does not specify any performance targets);
  - the amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and
  - the period, if any, during which Shares allotted and issued upon exercise of option shall be subject to restrictions on dealings, and the terms of such restrictions;
- (vi) to construe and interpret the terms of the Share Option Scheme and options granted pursuant to the Share Option Scheme;
- (vii) to prescribe, amend and rescind rules and regulations relating to the Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Qualifying Grantees; and
- (viii) subject to the provisions relating to grant to substantial shareholders and independent non-executive directors and their respective associates in the Share Option Scheme, to vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the Share Option Scheme).

(d) *Grant of options*

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the Listing Date to make an offer for the grant of an option to any Qualifying Grantee as the Board may in its absolute discretion select.



***(e) Restriction on time of grant of option***

An offer of the grant of an option may not be made after a price sensitive event or a price sensitive matter in respect of the Group has been the subject of a decision, until such price sensitive information has been publicly disseminated in accordance with the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require, no option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange) for the approval of the Company's interim or annual results; and (ii) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of the results announcement.

An offer of the grant of an option shall be deemed to have been made on the date such offer is approved by the Board, notwithstanding that the letter or any other document containing the offer is sent to and received by the Qualifying Grantee on a later date.

***(f) Acceptance and payment on acceptance of option offer***

An offer of the grant of an option shall remain open for acceptance by the Qualifying Grantee concerned for a period of 28 days from the date of the offer (or such longer period as the Board may specify in writing).

HK\$1 is payable by the grantee to the Company on acceptance of the option offer.

***(g) Subscription price***

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

For the purpose of determining the subscription price, if the Shares have been listed for less than five business days immediately preceding the date of grant, the new issue price per Share under the public offering in connection with such listing (excluding brokerage fee, trading fee and transaction levy payable thereon) shall be deemed to be the closing price for any business day falling within the period before such listing.

***(h) Option period***

The period as the Board may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), save that such period must not exceed 10 years from the date of grant of the relevant option.

***(i) Rights are personal to grantee***

An option shall be personal to the Option Holder and shall not be assignable or transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option, or enter into any agreement to do so.

**(j) *Rights attaching to Shares allotted***

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

**(k) *Rights on retirement, death or total permanent physical or mental disability***

If an Option Holder (or, in the case of an Option Holder which is a Related Trust and Company, the relevant Eligible Person) ceases to be a Qualifying Grantee attributable to the fact that he dies or becomes permanently physically or mentally disabled or in the case of an Option Holder being an Employee (or, in the case of an Option Holder which is a Related Trust and Company of an Employee, the relevant Employee), retires, unless otherwise provided in the option agreement, the option may be exercised within such period of time as is specified in the option agreement (but in no event later than the expiration of the term of such option as set forth in the option agreement).

In the absence of a specified time in the option agreement, the option shall remain exercisable for 12 months (or such longer period as the Board shall decide) following the relevant Option Holder's or Qualifying Grantee's or Employee's (as the case may be) retirement, death or permanent physical or mental disability. The option may be exercised within that period by the personal representatives of the Option Holder.

If the option is not so exercised within the time specified, the option shall lapse.

**(l) *Termination for misconduct***

If an Option Holder being an Employee (or, in the event of an Option Holder which is a Related Trust and Company of the Employee, the relevant Employee) ceases to be an Employee for his misconduct based on which the relevant employer can terminate his contract of employment without notice or payment in lieu, or having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

**(m) *Termination for cause***

If an Option Holder (or, in the event of an Option Holder which is a Related Trust and Company of an Eligible Person, the relevant Eligible Person) ceases to be a Qualifying Grantee for having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, the option shall immediately lapse.

***(n) Rights on termination other than for retirement, death, permanent disability, termination resulting from misconduct or cause***

If an Option Holder (or, in the case of an Option Holder which is a Related Trust and Company of an Eligible Person the relevant Eligible Person) ceases to be a Qualifying Grantee other than in any of the circumstances described in paragraphs (k), (l) or (m), unless otherwise provided in the option agreement, an Option Holder may exercise his option within three months of such cessation (or such longer period as the Board may decide, but in no event later than the expiration of the term of such option as set forth in the option agreement).

If the option is not so exercised within the time specified, the option shall lapse.

***(o) Rights on takeover***

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and the general offer becomes or is declared unconditional in all respects, the option holder shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or such longer period as the Board shall decide) after the date on which the general offer becomes or is declared unconditional.

If the option is not so exercised within the time specified, the option shall lapse.

***(p) Rights on compromise or arrangement***

If a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice to the Option Holder on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Option Holder (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Share Option Scheme. The Company may require the Option Holder to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Option Holder in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

If the option is not so exercised within the time specified, the option shall lapse.

***(q) Rights on voluntary winding-up of the Company***

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provisions of the Share Option Scheme relating to this paragraph (q)) and thereupon, each Option Holder (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day

immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holder credited as fully paid.

If the option is not so exercised within the time specified, the option shall lapse.

**(r) Lapse of option**

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (c), (k), (n) and (w), and without prejudice to the authority of the Board to provide for additional situations where an option shall lapse in any option agreement, an option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n), (o), (p) and (q); and (iii) the date on which the Board or the two executive directors of the Company duly authorized by the Board certify that for the reason of a breach of paragraph (i), the option should be terminated.

**(s) Cancellation of options**

Options granted but not exercised or lapsed in accordance with the terms of the Share Option Scheme may be cancelled by the Company with the consent of the Qualifying Grantee provided that such consent shall not be required where an option lapses in accordance with paragraph (r) above. Where the Company cancels options and offers to issue new ones to the same Qualifying Grantee, the issue of such new options may only be made under the Share Option Scheme with available unissued options (excluding the cancelled options) within the limits set out in paragraph (t) below.

**(t) Maximum number of Shares available under the Share Option Scheme**

**(i) Overriding Limit**

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

**(ii) Mandate Limit**

In addition to the limit set out in sub-paragraph (t)(i) above and prior to the approval of a Refreshed Mandate Limit as referred to in sub-paragraph (t)(iii) below, 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 schemes of the Company must not in aggregate exceed 10.0% of the Shares in issue immediately following the commencement of dealings in the Shares on the Stock Exchange, being 400,000,000 Shares (“**Initial Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10.0% limit.

**(iii) Refreshing of Mandate Limit**

The Company may by ordinary resolutions of the Shareholders refresh the Mandate Limit (being the Initial Mandate Limit or the Refreshed Mandate Limit, as the case may be) provided the Company shall issue a circular containing such information as required by the Listing Rules to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed (“**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Mandate Limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

**(iv) Grant to specifically identified Qualifying Grantees**

Specifically identified Qualifying Grantees may be granted options beyond the Mandate Limit. The Company may in addition seek separate approval by its Shareholders in general meeting for granting options beyond the Mandate Limit provided the options in excess of the limit are granted only to Qualifying Grantees specifically identified by the Company and a circular containing such information as required by the Listing Rules is issued to Shareholders before such approval is sought.

**(v) Limit for each Qualifying Grantee**

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each Qualifying Grantee must not exceed 1% of the Shares in issue. Where any further grant of options to a Qualifying Grantee 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 1.0% of the Shares in issue, such further grant shall be subject to separate approval by Shareholders in general meeting with the relevant Qualifying Grantee and his associates abstaining from voting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the Listing Rules to Shareholders.

**(u) Grant of option to connected persons**

Insofar and for so long as the Listing Rules so require, where any offer of an option is proposed to be made to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is or whose associate is the Qualifying Grantee to whom the option is proposed to be granted). Insofar and for so long as the Listing Rules so requires, no option may be granted to any substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of board meeting for proposing such further grant (i) representing in aggregate over 0.1% of the share capital of the Company in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of the board meeting for proposing such further grant, in excess of HK\$5 million, unless such further grant is approved by Shareholders in general meeting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the Listing Rules to Shareholders. At such general meeting, the grant of options to the substantial shareholder or independent non-executive director of the Company, or any of their respective associates shall, for so long and insofar as the Listing Rules so required, be approved by Shareholders by way of poll with all connected persons of the Company abstaining from voting, except that any connected person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to Shareholders.

**(v) Effects of reorganization of capital structure**

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalization of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue or other general offer of securities made by the Company to holders of its securities, consolidation, subdivision, reduction or similar reorganization of the share capital of the Company, such corresponding alterations (if any) shall be made to the number of nominal amount of Shares subject to the option so far as unexercised; and/or the subscription price; and/or the maximum number of Shares subject to the Share Option Scheme, as the auditors or independent financial advisor shall certify in writing to the Board to be in their opinion fair and reasonable (except in the case of a

capitalization issue where no such certification shall be required), provided that (i) any such alterations shall be made on the basis that the aggregate subscription price payable by an Option Holder on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such alterations shall be made the effect of which would be to increase proportion of the issued share capital of the Company for which any Option Holder is entitled to subscribe pursuant to the options held by him; and (iv) any such adjustments shall be made in compliance with Chapter 17 of the Listing Rules, the supplemental guidance issued by the Stock Exchange dated 5 September 2005 and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

For the avoidance of doubt only, the issue of securities by the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

**(w) *Alteration to the Scheme***

The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of option holders or proposed option holders except with the prior sanction of a resolution of the Company in general meeting, provide that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the option holders as would be required of Shareholders under the Articles for the time being of the Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the Share Option Scheme, which are of a material nature and any change to the terms of the options granted, shall be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme shall be approved by Shareholders. Subject to the Listing Rules and the terms of the Share Option Scheme the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

**(x) *Termination of Share Option Scheme***

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered after the Share Option Scheme is terminated but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. All options granted prior to such termination and not then exercised shall remain valid.

**(y) *Conditions of Share Option Scheme***

The Share Option Scheme is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the Share Option Scheme; and
- (ii) the commencement of dealings in the Shares on the Stock Exchange.

As at the date of this Prospectus, no option has been granted under the Share Option Scheme. Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued following the exercise of the options under the Share Option Scheme. Our Directors confirm that the Share Option Scheme is in full compliance with Chapter 17 of the Listing Rules.

**F. OTHER INFORMATION****1. Tax**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

**2. Litigation**

Save as disclosed in this Prospectus, as at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to our Directors to be pending or threatened against any member of the Group.

**3. Joint Sponsors**

The Joint Sponsors have made an application on behalf of the 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 herein, including any Shares falling to be issued pursuant to the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and which may be granted under the Share Option Scheme. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

Each of Macquarie and Citi have declared pursuant to Rule 3A.08 of the Listing Rules that it is independent pursuant to Rule 3A.07 of the Listing Rules. Pursuant to Rule 3A.07 of the Listing Rules, Rothschild is not independent because it acted as the sole financial adviser to VMS Investment Group (HK) Limited, a related company of VMS, in connection with the acquisition of a 57.3% equity interest in Perfect Move as well as the acquisition of all the Exchangeable Bonds issued by Faithful Boom. The acquisition of the equity stake in Perfect Move was completed in July 2010 while the acquisition of the Exchangeable Bonds was completed in June 2010.

**4. Preliminary expenses**

The estimated preliminary expenses of the Company are approximately US\$10,000 and are borne by the Company.

**5. Promoter**

The Company has no promoter.

**6. Qualifications of experts**

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

Name	Qualification
Citigroup Global Markets Asia Limited	Licensed 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 as defined in the SFO
Macquarie Capital Securities Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO

Name	Qualification
Rothschild (Hong Kong) Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined in the SFO
Ernst & Young	Certified public accountants
Jones Lang LaSalle Sallmanns Limited	Property valuers
King & Wood	PRC lawyers
Walkers	Cayman Islands Attorneys-at-law
Behre Dolbear Asia, Inc.	Independent Technical Advisor
Hatch Project Consulting (Shanghai) Co., Ltd.	Market Research Consultant
AME Mineral Economics (Hong Kong) Limited	Market Research Consultant

### 7. *Consents of experts*

Each of the Joint Sponsors, Ernst & Young, Jones Lang LaSalle Sallmanns Limited, King & Wood, Walkers, Behre Dolbear Asia, Inc., Hatch Project Consulting (Shanghai) Co., Ltd. and AME Mineral Economics (Hong Kong) Limited has given and has not withdrawn their respective written consents to the issue of this Prospectus with inclusion of their reports, valuation report, letters and/or opinions or summaries of opinions (as the case may be) and/or the references to their names included herein in the form and context in which they respectively appear.

### 8. *Taxation of holders of Shares*

#### (a) **Hong Kong**

Dealings in Shares registered on the Company's Hong Kong listed share register will be subject to Hong Kong stamp duty, the current ad valorem rate of which is 0.2% of the consideration or, if higher, the adjudicated value of the Shares being sold or transferred.

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

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance which came into effect on 11 February 2006.

#### (b) **Cayman Islands**

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

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. None of the Company, our Directors, the Joint Sponsors or the other parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, or dealing in, the Shares or exercise of any rights attaching to them.



**9. Register of members and branch register of members**

Subject to the provisions of the Companies Law, the register of members of the Company is maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a branch register of members of the Company is maintained in Hong Kong by Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfers of and other documents of title of the Shares must be lodged for registration with, and registered by, the Company's share registrar in Hong Kong and may not be lodged in the Cayman Islands.

**10. No material adverse change**

Our Directors confirm that save as disclosed in this Prospectus, there has been no material adverse change in the financial position or trading position of the Group since 31 December 2010 (being the date to which the Company's latest audited consolidated financial statements were made up).

**11. 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 of Hong Kong so far as applicable.

**12. Compliance advisor**

Our Company will, pursuant to Rule 3A.19 of the Listing Rules, appoint Guotai Junan Capital Limited to act as its compliance advisor for the period commencing from the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Guotai Junan Capital Limited will, among other things, provide the Company with advice in relation to compliance with the Listing Rules and other applicable laws, regulations, rules, codes and guidelines in Hong Kong and will keep our Company informed on a timely basis of any changes in these laws, regulations, rules, codes and guidelines.

**13. Particulars of the Selling Shareholder**

The particulars of the Selling Shareholder are set out as follows:

Name	Fast Fortune
Place of Incorporation :	British Virgin Islands
Date of Incorporation :	2 June 2010
Registered Office :	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Number of Shares offered for sale by the Selling Shareholder under the International Placing:	200,000,000
Number of Shares offered for sale by the Selling Shareholder pursuant to the exercise of the Over-allotment Option in full:	150,000,000

Number of Shares held by the Selling Shareholder 930,000,000  
immediately after completion of the Global  
Offering, the Capitalization Issue and the  
exercise of the Over-allotment Option in full:

#### **14. Miscellaneous**

- (a) Save as disclosed in this Prospectus,
- (i) within the two years preceding the date of this Prospectus, no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) none of our Directors or any of the persons whose names are listed in the paragraph headed “F. Other Information – 6. Qualifications of Experts” above in this Appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of the Group within the two years preceding the date of this Prospectus;
  - (iii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iv) the Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
  - (v) none of the equity and debt securities of the Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
  - (vi) the Company has no outstanding convertible debt securities or debentures;
  - (vii) within the two years preceding the date of this Prospectus, no commission has been paid or payable (except commission to underwriters) to any persons for subscription or purchase, agreeing to subscribe or purchase, procuring subscription or purchase or agreeing to procure subscription or purchase of any Shares in the Company;
  - (viii) there has been no material adverse change in the financial or trading position of the Group since 31 December 2010 (being the date to which the latest audited consolidated financial statements of the Group were made up); and
  - (ix) there has not been any interruption in the business of the Company which may have or have had a significant effect on the financial position.
- (b) As at the Latest Practicable Date, there is no restriction in Hong Kong affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

#### **15. 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).