

A. FURTHER INFORMATION ABOUT OUR COMPANY AND THE SUBSIDIARIES OF OUR GROUP**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 4 January 2011 with an authorised share capital of HK\$100,000 divided into 10,000,000 Shares.

Our Company has established its principal place of business in Hong Kong at Room 303, 3rd Floor, 50 Connaught Road C., Central, Hong Kong. Our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 10 March 2011. Mr. Chan Man Kiu has been appointed as the authorised representative of our Company for acceptance of service of process in Hong Kong.

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

2. Changes in share capital of our Company***(a) Increase in authorised share capital***

On 4 January 2011, one Share was allotted and issued, nil-paid, to Codan Trust Company (Cayman) Limited and such nil-paid Share was transferred to Power Heritage.

The authorised share capital of our Company was increased from HK\$100,000 to HK\$100,000,000 pursuant to a resolution passed by our then sole Shareholder on 25 February 2012.

On 25 February 2012, the one issued nil-paid Share held by Power Heritage was credited as fully paid at par and a total of 9,999,999 Shares were allotted and issued, credited as fully-paid, as to 9,579,999 Shares to Power Heritage, 231,000 Shares to Furu Investments and 189,000 Shares to Sinostar, as more particularly described in the paragraph headed "Reorganisation" below in this Appendix.

Immediately following completion of the Global Offering and the Capitalisation Issue (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), the authorised share capital of our Company will be HK\$100,000,000 divided into 10,000,000,000 Shares, of which 1,538,600,000 Shares will be issued fully paid or credited as fully paid, and 8,461,400,000 Shares will remain unissued. If the Over-allotment Option is exercised in full, immediately following completion of the Global Offering, the Capitalisation Issue and the issue of Shares pursuant to the exercise of the Over-allotment Option, the issued share capital of our Company will comprise 1,596,320,000 Shares and 8,403,680,000 Shares will remain unissued. Other than pursuant to the exercise of the Over-allotment Option, our Company does not have any present intention to issue any of the authorised but unissued share capital and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this sub-paragraph and in sub-paragraphs 1, 3 and 4 under the paragraph headed “Further information about our Company and the subsidiaries of our Group” in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

(b) Founder shares

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

3. Resolutions in writing of all Shareholders passed on 25 February 2012

By resolutions in writing of all Shareholders passed on 25 February 2012:

- (a) our Company approved and adopted the Memorandum and the Articles;
- (b) conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions thereof) and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
 - (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorised to allot and issue the New Shares and such number of Shares as may be allotted and issued upon the exercise of the Over-allotment Option as they see fit, on and subject to the terms and conditions stated in this prospectus and relevant Application Forms;

- (ii) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to allot and issue a total of 1,190,000,000 Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of our Company at 4:00 p.m. on 25 February 2012 (or as they may direct) in proportion to their then existing respective shareholdings (save that no Shareholder shall be entitled to be allotted and issued any fraction of a Share) by way of capitalisation of the sum of HK\$11,900,000 standing to the credit of the share premium account of our Company, and the Shares be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation and distribution;
- (iii) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend on Shares in accordance with the Articles or under the Global Offering or the Capitalisation Issue or upon the exercise of the Over-allotment Option, unissued Shares in the capital of our Company with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; and (bb) the aggregate nominal amount of any share capital of our Company purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (iv) below, and to make or grant offers, agreements and options which may require the exercise of such powers, until the earliest of the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors;
- (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, until the earliest of the conclusion of the next

annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors; and

- (v) the general unconditional mandate mentioned in sub-paragraph (iii) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted, issued or dealt with by our Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the Shares in the capital of our Company purchased by our Company pursuant to or in accordance with the authority granted under sub-paragraph (iv) above.

4. Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparation for the Listing, which involved the following:

- (a) on 15 December 2010, Jiangnan Cable (HK) was incorporated under the laws of Hong Kong as a limited liability company with an authorised capital of HK\$10,000 divided into 10,000 shares of HK\$1 each. Upon incorporation, one share was allotted and issued to Extra Fame for cash at par;
- (b) on 20 December 2010, Extra Fame and Jiangnan Cable (HK) entered into an equity transfer agreement, pursuant to which Extra Fame transferred the entire equity interest of Jiangnan Cable to Jiangnan Cable (HK). The consideration was satisfied by Jiangnan Cable (HK) issuing and allotting nine new shares, credited as fully paid, to Extra Fame on 25 January 2011;
- (c) on 28 December 2010, a resolution was passed to increase the authorised share capital of Extra Fame from US\$10,000,000 divided into 10,000,000 shares of US\$1 each to US\$11,000,000 divided into 11,000,000 shares of US\$1 each;
- (d) on 4 January 2011, our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability with an authorised capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. Upon incorporation, one nil-paid share (the "Nil-paid Share") was issued and allotted to Codan Trust Company (Cayman) Limited and the Nil-paid Share was then transferred to Power Heritage on 4 January 2011;
- (e) on 14 January 2011, Extra Fame issued (i) 241,127 new shares of US\$1 each to Furui Investments at a consideration of US\$5,500,000 and (ii) 197,286 new shares of US\$1 each to Sinostar at a consideration of US\$4,500,000;

- (f) on 14 January 2011, Mr. Rui Yiping transferred 1,700,000 shares of Extra Fame, being all the shares of Extra Fame he owned, to Power Heritage, in consideration of Power Heritage's allotment and issue, credited as fully paid, of 16 shares to Mr. Rui Yiping; and Mr. Rui Fubin subscribed for 82 shares in Power Heritage for cash at par;
- (g) on 25 February 2012, by resolutions in writing of our then sole Shareholder, the authorised share capital of our Company was increased from HK\$100,000 divided into 10,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares; and
- (h) on 25 February 2012, all the shareholders of Extra Fame, namely, Power Heritage, Furui Investments and Sinostar, entered into a share transfer agreement with our Company, pursuant to which the shareholders of Extra Fame transferred the entire issued share capital of Extra Fame to our Company. As the consideration of the acquisition, our Company, on 25 February 2012, issued and allotted 9,579,999, 231,000 and 189,000 new Shares to Power Heritage, Furui Investments and Sinostar, respectively, and credited the one Nil-paid Share held by Power Heritage as fully paid. As a result, our Company was held as to 95.8% by Power Heritage, 2.31% by Furui Investments and 1.89% by Sinostar.

5. Changes in share capital or registered capital of the subsidiaries of our Company

The subsidiaries of our Group are listed in the Accountants' Report set out in Appendix I to this prospectus.

In addition to the alterations as disclosed in the paragraph headed "Reorganisation" of this Appendix, Jiangnan Cable was approved to increase its registered capital on 6 December 2010 from US\$20,000,000 to US\$50,000,000.

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

6. Further information about our Group's PRC establishment

Our Group has interests in the registered capital of one enterprise established in the PRC, namely Jiangnan Cable. A summary of the corporate information of Jiangnan Cable is set out as follows:

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| (i) Name of the enterprise: | 無錫江南電纜有限公司
(unofficial English translation being Wuxi Jiangnan Cable Co., Ltd.) |
| (ii) Date of establishment: | 25 February 2004 |
| (iii) Place of establishment: | PRC |
| (iv) Type of business: | Wholly foreign-owned enterprise |
| (v) Registered owner: | Jiangnan Cable (HK) (100%) |
| (vi) Total investment: | US\$75,260,000 |
| (vii) Registered capital: | US\$50,000,000 (as to US\$30,000,000 was paid up as at the Latest Practicable Date) |
| (viii) Attributable interest to our Group: | 100% |
| (ix) Term: | 25 February 2004 to 24 February 2054 |
| (x) Scope of business: | Production and research and development of special cables and ultra high voltage cables with rated voltage of more than 500kV, and ultra high voltage conductor with rated voltage of 1,000kV; production of electronic wires and electronic cables and the related raw and auxiliary materials and accessories, high temperature insulation materials (Levels F and H), insulation shaped parts (excluding those under national restrictions and prohibited classes) |

7. Repurchase by our Company of our own securities

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

(a) *Shareholders' approval*

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

Note: Pursuant to a resolution in writing passed by all Shareholders on 25 February 2012, the Repurchase Mandate was given to our Directors to exercise all powers of our Company to purchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, until the earliest of the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors.

(b) *Source of funds*

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

(c) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(d) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands. On the basis of our current financial position as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to our Company or any of 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 Articles, the Listing Rules and the applicable laws of the Cayman Islands.

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

No connected person of our Company has notified us that he/she/it has a present intention to sell his/her/its Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY**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 our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the Investment Agreement;
- (b) an equity transfer agreement dated 20 December 2010 and entered into between Extra Fame as vendor and Jiangnan Cable (HK) as purchaser pursuant to which Jiangnan Cable (HK) acquired 100% of the equity interest in Jiangnan Cable from Extra Fame for a consideration of US\$30,000,000;
- (c) a sale and purchase agreement dated 25 February 2012 and entered into among Power Heritage, Furui Investments and Sinostar as vendors, our Company as purchaser, Mr. Rui Fubin, Mr. Rui Yiping, Mr. Wang Fucui and Mr. Ng Cher Yew as warrantors, pursuant to which our Company acquired the entire issued share capital of Extra Fame from Power Heritage, Furui Investments and Sinostar in consideration of our Company allotting and issuing 9,999,999 Shares, credited as fully paid, to Power Heritage, Furui Investments and Sinostar (as to 9,579,999 Shares to Power Heritage, 231,000 Shares to Furui Investments and 189,000 Shares to Sinostar) and crediting as fully paid at par one nil-paid Share held by Power Heritage;
- (d) a deed of non-competition dated 25 February 2012 executed by Power Heritage, Mr. Rui Fubin and Mr. Rui Yiping in favour of our Company (for itself and as trustee of other members of our Group), details of which are set out in the paragraph headed “Non-Competition Undertakings” in the section headed “Relationship with the Controlling Shareholders” of this prospectus;
- (e) a deed of indemnity dated 5 April 2012 executed by Power Heritage, Mr. Rui Fubin and Mr. Rui Yiping in favour of our Company for itself and as trustee for the subsidiaries of our Company stated therein containing the indemnities more particularly referred to in sub-paragraph headed “Estate duty, tax and other indemnity” in the paragraph headed “Other information” of this Appendix; and
- (f) the Hong Kong Underwriting Agreement.

2. Intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, our Group was the registered owner of the following trademarks which are material in relation to our business:

	Name of proprietor	Registration		Trademark	Place of Registration	Duration of Validity (year.month.date)
		number	Class			
1.	Jiangnan Cable	872671	9 (note 1)		PRC	1996.09.21 to 2016.09.20
2.	Jiangnan Cable	4804641	6 (note 2)		PRC	2009.02.14 to 2019.02.13
3.	Jiangnan Cable	2005/09450	9 (note 3)		South Africa	2005.5.12 to 2015.5.11
4.	Jiangnan Cable	2008/10375	9 (note 4)		South Africa	2008.05.06 to 2018.05.05
5.	Jiangnan Cable (HK)	301796239	9 (note 5)		Hong Kong	2010.12.22 to 2020.12.21
6.	Jiangnan Cable (HK)	301796248	9 (note 5)		Hong Kong	2010.12.22 to 2020.12.21

Notes:

- Class 9: Wires, cables
- Class 6: Clips for metal pipes; non-electric metal cable joints; metal clips for cables and pipes; aluminium alloy pulley; tight wire clip head; machine belts with reinforcing metal materials; screws for binding metal cable and wire
- Class 9: Materials for electricity mains (wires, cables); cables, electric, wires, electric, magnetic wires; ducts for housing electrical wires; telephone wires; copper wire, insulated; semiconductor devices, coaxial cables
- Class 9: Electric cables; electric wires; electric mains (material for-) wires, cables; insulated copper wires; coaxial cables; starting cables for engines; magnetic wires; bus ducts; semiconductor devices; optical fibers
- Class 9: Cables; wires; identification threads for electric wires; telegraph wires; electricity materials (wires and cables); insulated copper wire; telephone wires; tube case for cable terminated wire; starter cables for motors; coaxial cables

*(b) Patents**(i) Registered patents owned by our Group*

As at the Latest Practicable Date, our Group was the registered owner of the following patents which are material to our business:

	<u>Name of proprietor</u>	<u>Title of patent</u>	<u>Place of Registration</u>	<u>Patent Number</u>	<u>Duration of Validity (year.month.date)</u>
1.	Jiangnan Cable	Cluster aerial electrical leads (集束架空導線)	PRC	ZL 03 1 13334.7	2003.04.26 to 2023.04.25
2.	Jiangnan Cable	Flexible PVC plastic for wires and cables (電線電纜用軟聚氯乙稀塑料)	PRC	ZL 2005 1 0094414.6	2005.09.16 to 2025.09.15
3.	Jiangnan Cable; and 無錫市歐美電纜材料有限公司 (unofficial English translation, Wuxi City Oumei Cable Materials Company Limited)	EP rubber for wires and cables (電線電纜用乙丙橡皮)	PRC	ZL 2006 1 0161495.1	2006.12.21 to 2026.12.20
4.	Jiangnan Cable	A type of water blocking branch cables (一種阻水型分支電纜)	PRC	ZL 2009 2 0283130.5	2009.12.29 to 2019.12.28
5.	Jiangnan Cable	A type of high temperature resistant cables (一種耐高溫電纜)	PRC	ZL 03 2 21540.1	2003.04.26 to 2013.04.25
6.	Jiangnan Cable	A type of improved prefabricated branch cables (一種改良的預製分支電纜)	PRC	ZL 03 2 78121.0	2003.08.25 to 2013.08.24

	Name of proprietor	Title of patent	Place of Registration	Patent Number	Duration of Validity (year.month.date)
7.	Jiangnan Cable	Water blocking and waterproof tree-like cables (阻水抗水樹電纜)	PRC	ZL 2004 2 0062458.1	2004.07.01 to 2014.06.30
8.	Jiangnan Cable	Enhanced rubber-sheathed cables for mining (加強型礦用橡套電纜)	PRC	ZL 2004 2 0062459.6	2004.07.01 to 2014.06.30
9.	Jiangnan Cable	Photoelectric composite cables (光電複合纜)	PRC	ZL 2004 2 0062460.9	2004.07.01 to 2014.06.30
10.	Jiangnan Cable	A type of improved spring cables (一種改進的彈簧電纜)	PRC	ZL 2004 2 0062067.X	2004.06.15 to 2014.06.14
11.	Jiangnan Cable	A type of load bearing cables for mining (一種承荷礦用電纜)	PRC	ZL 2004 2 0062068.4	2004.06.15 to 2014.06.14
12.	Jiangnan Cable	Three-core cables (三芯電纜)	PRC	ZL 2006 2 0073748.5	2006.06.15 to 2016.06.14
13.	Jiangnan Cable	Five-core coaxial cables (五芯同心電纜)	PRC	ZL 2006 2 0073749.X	2006.06.15 to 2016.06.14
14.	Jiangnan Cable	Cables of strippable jacket (護套易剝離電纜)	PRC	ZL 2006 2 0074167.3	2006.06.16 to 2016.06.15
15.	Jiangnan Cable	Composite cables with control cores (帶控制線芯的複合電纜)	PRC	ZL 2006 2 0074168.8	2006.06.16 to 2016.06.15
16.	Jiangnan Cable	Cable conductors and cables with identification function (具有識別功能的電纜導體及電纜)	PRC	ZL 2007 2 0045737.0	2007.08.29 to 2017.08.28
17.	Jiangnan Cable	Aerial stranded wires (架空絞線)	PRC	ZL 2008 2 0039912.X	2008.07.17 to 2018.07.16
18.	Jiangnan Cable	Flexible cables (軟電纜)	PRC	ZL 2008 2 0039908.3	2008.07.17 to 2018.07.16
19.	Jiangnan Cable	Molds for cabling, abraiding wires (用於成纜、編織的併線模)	PRC	ZL 2008 2 0039909.8	2008.07.17 to 2018.07.16

	Name of proprietor	Title of patent	Place of Registration	Patent Number	Duration of Validity (year.month.date)
20.	Jiangnan Cable	Loose wrapped copper shielded high voltage cables (銅絲疏繞屏蔽高壓電纜)	PRC	ZL 2008 2 0039911.5	2008.07.17 to 2018.07.16
21.	Jiangnan Cable	Expanded diameter electrical leads (擴徑導線)	PRC	ZL 2008 2 0039910.0	2008.07.17 to 2018.07.16
22.	Jiangnan Cable	Armored cables (鎧裝電纜)	PRC	ZL 2008 2 0039913.4	2008.07.17 to 2018.07.16
23.	Jiangnan Cable	Loaded and stranded power cables (承載絞合型電力電纜)	PRC	ZL 2009 2 0037444.7	2009.02.13 to 2019.02.12
24.	Jiangnan Cable	A type of easy identification cables (一種易識別電纜)	PRC	ZL 2009 2 0039364.5	2009.05.07 to 2019.05.06
25.	Jiangnan Cable	A type of bobbin cage disks with wire stranding positioning device (一種具有型線絞製定位裝置的絞籠盤)	PRC	ZL 2010 1 0574798.2	2010.12.06 to 2030.12.05
26.	Jiangnan Cable	Cable (1) (電纜 (1))	PRC	ZL 2006 3 0309346.6	2006.12.08 to 2016.12.07
27.	Jiangnan Cable	Cable (2) (電纜 (2))	PRC	ZL 2006 3 0309345.1	2006.12.08 to 2016.12.07
28.	Jiangnan Cable	Cable (3) (電纜 (3))	PRC	ZL 2006 3 0309344.7	2006.12.08 to 2016.12.07
29.	Jiangnan Cable	Cable (4) (電纜 (4))	PRC	ZL 2006 3 0309343.2	2006.12.08 to 2016.12.07
30.	Jiangnan Cable	Cable (5) (電纜 (5))	PRC	ZL 2006 3 0309342.8	2006.12.08 to 2016.12.07
31.	Jiangnan Cable	Cable Conductors (電纜導體)	PRC	ZL 2007 3 0181715.2	2007.08.31 to 2017.08.30
32.	Jiangnan Cable	Cable Conductors (電纜導體)	PRC	ZL 2007 3 0148478.X	2007.08.29 to 2017.08.28
33.	Jiangnan Cable	Cable Conductors (1) (電纜導體 (1))	PRC	ZL 2007 3 0181714.8	2007.08.31 to 2017.08.30
34.	Jiangnan Cable	Cable conductors (2) (電纜導體 (2))	PRC	ZL 2007 3 0181713.3	2007.08.31 to 2017.08.30

	Name of proprietor	Title of patent	Place of Registration	Patent Number	Duration of Validity (year.month.date)
35.	Jiangnan Cable	Racks of expanded diameter electrical leads (1) (擴徑導線支架 (1))	PRC	ZL 2008 3 0197007.2	2008.07.17 to 2018.07.16
36.	Jiangnan Cable	Racks of expanded diameter electrical leads (2) (擴徑導線支架 (2))	PRC	ZL 2008 3 0197008.7	2008.07.17 to 2018.07.16
37.	Jiangnan Cable	Cable conductors and cables with identification function and manufacturing and preparing methods of the conductors and molding devices (具有識別功能電纜導體及電纜和該導體製備方法及成型裝置)	PRC	ZL 2007 1 0131569.1	2007.09.03 to 2027.09.02
38.	Jiangnan Cable	Flexible flame-retardant cables (柔性防火電纜)	PRC	ZL 2009 2 0283131.X	2009.12.29 to 2019.12.28
39.	Jiangnan Cable	A type of oval electrical leads (一種橢圓形導線)	PRC	ZL 2009 2 0283132.4	2009.12.29 to 2019.12.28
40.	Jiangnan Cable	A type of self supporting aerial insulated cables (一種自承式架空絕緣電纜)	PRC	ZL 2009 2 0283133.9	2009.12.29 to 2019.12.28
41.	Jiangnan Cable	A type of supportive aerial insulated cables (一種支撐式架空絕緣電纜)	PRC	ZL 2009 2 0283134.3	2009.12.29 to 2019.12.28
42.	Jiangnan Cable	A type of monitoring cables for mining (一種監視型礦用電纜)	PRC	ZL 2009 2 0283135.8	2009.12.29 to 2019.12.28
43.	Jiangnan Cable	A type of bobbin cage disks with wire stranding positioning devices (一種具有型線絞製定位裝置的絞籠盤)	PRC	ZL 2010 2 0643621.9	2010.12.06 to 2020.12.05

					Duration of Validity (year.month. date)
	Name of proprietor	Title of patent	Place of Registration	Patent Number	
44.	Jiangnan Cable	A type of armored multi-cores branch cables (一種鎧裝多芯分支電纜)	PRC	ZL 2010 2 0643622.3	2010.12.06 to 2020.12.05
45.	Jiangnan Cable	A type of prefabricated branch cables (一種預製分支電纜)	PRC	ZL 2010 2 0643623.8	2010.12.06 to 2020.12.05
46.	Jiangnan Cable	A type of armored branch cables (一種鎧裝分支電纜)	PRC	ZL 2010 2 0643627.6	2010.12.06 to 2020.12.05
47.	Jiangnan Cable	A type of water blocking mid-voltage cables for mining (一種礦用阻水中壓電纜)	PRC	ZL 2010 2 0651590.1	2010.12.10 to 2020.12.09
48.	Jiangnan Cable	A type of high voltage shielded coaxial cables (一種高壓同軸屏蔽電纜)	PRC	ZL 2010 2 0651603.5	2010.12.10 to 2020.12.09
49.	Jiangnan Cable	A type of flame-retardant rubber-sheathed flexible cables (一種礦用耐火橡套軟電纜)	PRC	ZL 2010 2 0651610.5	2010.12.10 to 2020.12.09
50.	Jiangnan Cable	A type of device that is used to test the anti-aging and water-free-resistant performance of mid-voltage cables (一種測試中壓電纜抗老化及抗水樹性能的設備)	PRC	ZL 2010 2 0667714.5	2010.12.20 to 2020.12.19
51.	Jiangnan Cable	A type of easy identification cables, its extruding molds and manufacturing methods (一種易識別電纜、其擠製模具及製造方法)	PRC	ZL 2009 1 0026625.4	2009.05.07 to 2029.05.06
52.	Jiangnan Cable	Mechanical coiling longitudinally wrapping paper tape devices (機械式收線縱包紙帶裝置)	PRC	ZL 2009 1 0026624.X	2009.05.07 to 2029.05.06
53.	Jiangnan Cable	A type of matt wire (一種亞光導線)	PRC	ZL 2011 2 0124835.X	2011.04.26 to 2021.04.25

(ii) Application for registration of patents

As at the Latest Practicable Date, our Group had applied for registration of the following patents, the registration of which had not yet been granted:

	<u>Name of applicant</u>	<u>Title of patent</u>	<u>Place of application</u>	<u>Patent application number</u>	<u>Application date (year.month.date)</u>
1.	Jiangnan Cable	Cores of different colors and extruding molds (分色線芯及擠製模具)	PRC	200520075568.6	2005.09.16
2.	Jiangnan Cable	A type of device that is used to test the anti-aging and water-free-resistant performance of mid voltage cables (一種測試中壓電纜抗老化及抗水樹性能的設備)	PRC	201010595007.4	2010.12.20
3.	Jiangnan Cable	A type of matt wire (一種亞光導線)	PRC	201110104421.5	2011.04.26
4.	Jiangnan Cable	The processing method and device of a type of matt wire (一種亞光導線的加工方法和設備)	PRC	201110104422.X	2011.04.26
5.	Jiangnan Cable; and Xian Jiaotong University (西安交通大學)	DC high voltage XLPE cable insulation thickness design method (高壓交聯聚乙烯直流電纜的絕緣厚度設計方法)	PRC	201110221362.X	2011.08.03
6.	Jiangnan Cable; and Xian Jiaotong University (西安交通大學)	A type of DC 110kV XLPE insulated single core land cable (一種直流110kV交聯聚乙烯絕緣單芯陸地電纜)	PRC	201120280241.8	2011.08.03
7.	Jiangnan Cable	A type of withdrawal straightening device for bow cabling device (一種弓型成纜機退回矯正裝置)	PRC	201110378475.0	2011.11.24
8.	Jiangnan Cable	A type of semi-conductive shielding material for cable (一種電纜半導電屏蔽材料)	PRC	201110378477.X	2011.11.24

	<u>Name of applicant</u>	<u>Title of patent</u>	<u>Place of application</u>	<u>Patent application number</u>	<u>Application date (year.month.date)</u>
9.	Jiangnan Cable	A type of preparing method for semi-conductive shielding tape for high voltage direct current cable (一種高壓直流電纜半導體屏蔽帶的製備方法)	PRC	201110378479.9	2011.11.24
10.	Jiangnan Cable	A type of preparing method for semi-conductive tape for high voltage direct current cable (一種高壓直流電纜半導體阻水帶的製備方法)	PRC	201110378480.1	2011.11.24
11.	Jiangnan Cable	A type of ultra-smooth semi-conductive shielding material for high voltage direct current cable (一種高壓直流電纜用超光滑半導體屏蔽材料)	PRC	201110378481.6	2011.11.24
12.	Jiangnan Cable	A type of extruder barrel (一種擠出機機筒)	PRC	201120473641.0	2011.11.24
13.	Jiangnan Cable	A type of rotating gas joint for rigid frame stranding machine (一種框式絞線機旋轉氣接頭)	PRC	201120473645.9	2011.11.24
14.	Jiangnan Cable	A type of high voltage direct current land cable (一種高壓直流陸地電纜)	PRC	201120473646.3	2011.11.24
15.	Jiangnan Cable	A type of high voltage direct current submarine cable (一種高壓直流海底電纜)	PRC	201120473647.8	2011.11.24

(c) *Domain names*

As at the Latest Practicable Date, our Group had registered the following domain name which has been currently used by us:

<u>Domain name</u>	<u>Registration date</u>	<u>Expiry date</u>
jncable.com.cn	20 February 2003	20 February 2019
jiangnangroup.com	22 April 2011	21 April 2015

Save as aforesaid, there are no other trade or service marks, patents, other intellectual property rights which are material in relation to our business.

3. Connected transactions and related party transactions

Save as disclosed in this prospectus and in note 31 to section E – related party transactions of the Accountants' Report, the text of which is set out in Appendix I to this prospectus, during the two years immediately preceding the date of this prospectus, our Company did not engage in any other material connected transactions or related party transactions.

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) *Disclosure of interests of Directors*

- (i) Mr. Rui Fubin and Mr. Rui Yiping are interested in the Reorganisation; and
- (ii) save as disclosed in this prospectus, none of our Directors or their respective associates was engaged in any dealings with our Group during the two years preceding the date of this prospectus.

(b) *Particulars of Directors' service agreements*

(i) *Executive Directors*

Each of our executive Directors has entered into a service agreement with our Company pursuant to which he/she agreed to act as an executive Director for a fixed term of three years with effect from the Listing Date.

Each of these executive Directors is entitled to a basic salary as set out below. In addition, each of our executive Directors is also entitled to a discretionary management bonus to be decided by our Board and approved by the remuneration committee of our Company. A Director may not vote on any resolution of the Board and the remuneration committee regarding the amount of the management bonus payable to him. The current basic annual salaries of our executive Directors are as follows:

<u>Name</u>	<u>Annual salary</u> (RMB)
Mr. Rui Fubin	840,000
Mr. Rui Yiping	600,000
Ms. Xia Yafang	420,000
Mr. Jiang Yongwei	360,000

(ii) *Independent non-executive Directors*

Each of our independent non-executive Directors has been appointed for a fixed term of three years commencing from 1 March 2012. Each of Mr. He Zhisong, Mr. Wu Changshun and Mr. Yang Rongkai is entitled to an annual director's fee of HK\$100,000 and Mr. Poon Yick Pang Philip is entitled to an annual director's fee of HK\$200,000. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration, for holding their office as an independent non-executive Director.

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

(c) *Remuneration of Directors*

- (i) The aggregate remuneration paid and benefits in kind granted by our Group to our Directors in respect of the financial year ended 31 December 2011 were approximately RMB1,697,000.
- (ii) Under the arrangements currently in force, the aggregate remuneration paid and benefits in kind granted (excluding the discretionary bonus) payable by our Group to our Directors (including our independent non-executive Directors (in their respective capacity as directors)) for the year ending 31 December 2012, are expected to be approximately RMB2,081,000 for our executive Directors and approximately HK\$417,000 for our independent non-executive Directors.

(iii) None of our Directors or any past directors of any members of our Group has been paid any sum of money for each of the three years ended 31 December 2011 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any members of our Group.

(iv) There has been no arrangement under which a Director waived or agreed to waive any emoluments for each of the three years ended 31 December 2011.

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

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

Long positions

<u>Name of Director</u>	<u>Name of Group member/ associated corporation</u>	<u>Capacity/ nature of Interest</u>	<u>Number and class of securities</u>	<u>Approximate percentage of interest</u>
Mr. Rui Fubin	Our Company	Interest of controlled corporation	1,103,400,000 Shares (<i>Note</i>)	71.72%
Mr. Rui Fubin	Power Heritage	Beneficial owner	83 ordinary shares of US\$1 each	83%

<u>Name of Director</u>	<u>Name of Group member/ associated corporation</u>	<u>Capacity/ nature of Interest</u>	<u>Number and class of securities</u>	<u>Approximate percentage of interest</u>
Mr. Rui Yiping	Power Heritage	Beneficial owner	17 ordinary shares of US\$1 each	17%

Note: These Shares are registered in the name of Power Heritage, a company which is 83% owned by Mr. Rui Fubin and 17% owned by Mr. Rui Yiping. Under the SFO, Mr. Rui Fubin is deemed to be interested in all the Shares held by Power Heritage.

2. Interests and/or short positions discloseable under Divisions 2 and 3 of Part XV of the SFO and Substantial Shareholders

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

Long position

<u>Name</u>	<u>Capacity/ nature of Interest</u>	<u>Number and class of securities</u>	<u>Approximate percentage of interest</u>
Power Heritage	Beneficial owner	1,103,400,000 Shares	71.72%
Ms. Shi Mingxian	Interest of spouse	1,103,400,000 Shares (<i>Note</i>)	71.72%

Note: Under the SFO, Ms. Shi Mingxian, the spouse of Mr. Rui Fubin, is deemed to be interested in all the Shares in which Mr. Rui Fubin is interested in.

3. Directorship or employment in a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO

Each of Mr. Rui Fubin and Mr. Rui Yiping is a director of Power Heritage, a Shareholder which had an interest in the Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 Part XV of the SFO immediately following completion of the Global Offering and the Capitalisation Issue.

4. Disclaimers

Save as disclosed in this prospectus:

- (a) our Directors are not aware of any person (not being a Director or the chief executive of our Company) who will, immediately after completion of the Global Offering and the Capitalisation Issue (taking no account of any Shares which may be taken up under the Global Offering or upon the exercise of the Over-allotment Option and any interests under the Stock Borrowing Agreement), have an interest or a short position in shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group;
- (b) none of our Directors or the chief executive of our Company has any interest or short position in any of the shares, underlying shares or debentures of our Company or any of its associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case, immediately following completion of the Global Offering and the Capitalisation Issue (but taking no account of any Shares which may be taken up under the Global Offering and any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any interests under the Stock Borrowing Agreement);

- (c) none of our Directors nor any of the parties listed in the sub-paragraph headed “Qualifications of experts” in the paragraph headed “Other information” of this Appendix was interested in the promotion of, or had any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to our Company or any of the subsidiaries of our Company, or are proposed to be acquired or disposed of by or leased to our Company or any other member of our Group;
- (d) none of our Directors nor any of the parties listed in the sub-paragraph headed “Qualifications of experts” in the paragraph headed “Other information” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of our Group;
- (e) save in connection with the Underwriting Agreements, none of the parties listed in the sub-paragraph headed “Qualifications of experts” in the paragraph headed “Other information” of this Appendix:
 - (i) is interested legally or beneficially in any securities of any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) none of our Directors, their respective associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued capital of our Company has any interest in our Company’s five largest customers and five largest suppliers during the Track Record Period;
- (g) none of our Directors is interested in any business apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our Group’s business; and
- (h) each of our Directors confirms with respect to himself/herself that: save as disclosed in this prospectus, (i) he/she has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he/she does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of our Company; (iii) he/she does not hold any positions in our Company or other members of our Group; (iv) there is no other information that should be disclosed for him/her pursuant to the requirements under Rules 13.51(2)(a) to 13.51(2)(v) of the Listing Rules; and (v) there are no other matters that need to be brought to the attention of our Shareholders in connection with each of our Directors.

D. OTHER INFORMATION**1. Estate duty, tax and other indemnity**

The Controlling Shareholders (collectively the “Indemnifiers”) have entered into a deed of indemnity with and in favour of our Company (for ourselves and as trustee for each of our present subsidiaries) (being the material contract referred to in item (e) in the sub-paragraph headed “Summary of material contracts” in the paragraph headed “Further information about the business of our Company” of this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of section 35 or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong)) to any member of our Group on or before the date on which the conditions stated in the paragraph headed “Conditions of the Hong Kong Public Offer” under the section headed “Structure of the Global Offering” in this prospectus being fulfilled (“Effective Date”). Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands, South Africa, the BVI and the PRC.

Under the deed of indemnity, the Indemnifiers have also given indemnities to our Group on a joint and several basis in relation to any and all tax liabilities together with all reasonable costs (including all legal costs), expenses or other liabilities which in whatever part of the world which might be payable by any member of our Group in respect of among other matters any income, profits, gains, transactions, events, matters or things earned, accrued or received or entered into (or deemed to be so earned, accrued, received or entered into) on or before the Effective Date.

The deed of indemnity does not cover any claim and the Indemnifiers shall be under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of our Company or any of its subsidiaries up to 31 December 2011; or
- (b) to the taxation falling on any member of our Group in respect of their accounting periods or any accounting period commencing on or after 1 January 2012 unless liability for such taxation would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) with the prior written consent or agreement of the Indemnifiers other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business after 31 December 2011; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 December 2011 or pursuant to any statement of intention made in this prospectus; or

- (c) to the extent that such claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or practice coming into force after the Effective Date or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect; or
- (d) to the extent of any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 December 2011 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxations shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to the deed of indemnity to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, the Indemnifiers have also undertaken to indemnify, on a joint and several basis, any member of our Group against:

- (a) any fines, penalties, losses, damages, liabilities, fees, costs, expenses, demands, claims, proceedings, actions (including without limitation any legal costs) and taxation which any member of our Group may suffer, sustain or incur or which may be commenced, brought or instituted against any member of our Group arising in connection with the trade financing arrangements as referred to in the paragraph headed "Non-compliant bill financing with suppliers" under the section headed "Business" of this prospectus;
- (b) any fines, penalties, losses, damages, liabilities, fees, costs, expenses, demands, claims, proceedings, actions (including without limitation any legal costs) and taxation which any member of our Group may suffer, sustain or incur or which may be commenced, brought or instituted against any member of our Group arising in connection with the failure to obtain the building ownership certificates by members of our Group or any one of them in respect of such buildings as set out in the paragraph headed "Properties" under the section headed "Business" of this prospectus;
- (c) any fines, penalties, losses, damages, liabilities, fees, costs, expenses, demands, claims, proceedings, actions (including without limitation any legal costs) and taxation which any member of our Group may suffer, sustain or incur or which may be commenced, brought or instituted against any member of our Group arising in connection with our non-compliance with the housing fund requirements for our Group's employees as set out in the paragraph headed "Relationship with staff" in the section headed "Directors, senior management and staff" of this prospectus; and

- (d) any fines, penalties, losses, damages, liabilities, fees, costs, expenses, demands, claims, proceedings, actions (including without limitation any legal costs) which any member of our Group may suffer, sustain or incur or which may be commenced, brought or instituted against any member of our Group arising in connection with the making of advance to/from independent third parties by any member of our Group as set out in the paragraph headed “Advances to and from Independent Third Parties” under the section headed “Financial Information” of this prospectus.

2. Litigation

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

3. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$40,000 and are payable by our Company.

4. Promoters

Our Company does not have promoter. Within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

5. Agency fees or commissions received

The Public Offer Underwriters will receive a commission of 2.5% of the aggregate Offer Price in respect of all the Public Offer Shares. It is expected that the International Underwriters will receive a commission of 2.5% of the aggregate Offer Price in respect of all the Placing Shares. Our Company and the Selling Shareholder may also in their sole discretion pay the Sole Global Coordinator (for its account only) an additional incentive fee of up to 0.88% of the Offer Price of all the Offer Shares. The Underwriters will pay any sub-underwriting commissions and selling concessions out of their commission. The underwriting commission, financial advisory and documentation fees, listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees together with printing and other expenses relating to the Global Offering borne by us, assuming an Offer Price of HK\$1.74 (being the mid-point of Offer Price range between HK\$1.42 per Offer Share and HK\$2.05 per Offer Share), are estimated to amount to approximately HK\$43.6 million in total (assuming that the Over-allotment Option is not being exercised).

6. Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

7. Qualifications of experts

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

Name	Qualification
Daiwa Capital Markets Hong Kong Limited	Licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 6 (advising on corporate finance) activities
Deloitte Touche Tohmatsu	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
AllBright Law Offices	PRC legal advisers
Cliffe Dekker Hofmeyr Inc	South Africa legal advisers
Vigers Appraisal & Consulting Limited	Property valuers

8. Consents of experts

Each of Daiwa Capital Markets Hong Kong Limited, Deloitte Touche Tohmatsu, Conyers Dill & Pearman, AllBright Law Offices, Cliffe Dekker Hofmeyr Inc and Vigers Appraisal & Consulting Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuation and/or opinion (as the case may be) and the references to its name or summaries of opinions included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts named in the sub-paragraph headed “Qualifications of experts” in the paragraph headed “Other information” in this Appendix has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save that the Sole Sponsor, which is also the Lead Manager and one of the Underwriters, may be required to perform its underwriting obligation in respect of the Offer Shares.

9. Binding effect

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

10. Taxation of holders of Shares

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

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

The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

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

11. 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).

12. No material adverse change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2011 (being the date to which the latest audited combined financial statements of our Group were made up) which would materially affect the information shown in this prospectus.

13. Particulars of the Selling Shareholder

Particulars of the Selling Shareholder is as follows:

<u>Name</u>	<u>Number of Sale Shares</u>	<u>Description</u>	<u>Address</u>
Power Heritage	46,200,000	Corporation	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands

Note: Power Heritage is owned as to 83% by Mr. Rui Fubin and 17% by Mr. Rui Yiping. Each of Mr. Rui Fubin and Mr. Rui Yiping is a director of Power Heritage.

14. Miscellaneous

Save as disclosed in this prospectus:

- (i) within the two years preceding the date of this prospectus:
 - (aa) no share or loan capital of our Company or any of the subsidiaries of our Company has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of the subsidiaries of our Company; and
 - (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of the subsidiaries of our Company; and
- (ii) no share or loan capital of our Company or any of the subsidiaries of our Company is under option or is agreed conditionally or unconditionally to be put under option.