

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

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 29 November 2011. Our Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 29 February 2012 and our Company's principal place of business in Hong Kong is at Unit 4308, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. Li & Partners has been appointed as the authorized representative of our Company for the acceptance of services of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the relevant laws of the Cayman Islands and its constitution which comprises a memorandum of association and articles of association. A summary of the relevant aspects of the company law in the Cayman Islands and certain provisions of the Articles of Association is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company

Our Company was incorporated with an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each.

On 29 November 2011, 1 share of HK\$1.00 was allotted and issued to our Company's initial subscriber at par value, which was then transferred to Goldview on the same date. On 29 November 2011, an additional fully paid 69 shares of HK\$1.00 each and 30 shares of HK\$1.00 each were allotted and issued to Goldview and Concord at par value respectively.

On 28 May 2012, the Shareholders have resolved, among other things, to (i) sub-divide each authorized issued and unissued Share of a par value of HK\$1.00 each in the share capital of the Company into 100 Shares of a par value of HK\$0.01 each, and (ii) increase the authorized share capital from HK\$10,000 to HK\$100,000,000 divided into 10,000,000,000 Shares of a par value of HK\$0.01 each by the creation of an additional 9,999,000,000 Shares.

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option is not exercised, the authorized share capital of our Company will be HK\$100,000,000 divided into 10,000,000,000 Shares, of which 500,000,000 Shares will be issued fully paid or credited as fully paid, and 9,500,000,000 Shares will remain unissued. Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed "Written resolutions of our Shareholders passed on 28 May 2012" in this Appendix, our Directors do not have any present intention to issue any of the authorized but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Saved as disclosed in this Appendix, there has been no alternation in the share capital of our Company since the date of our incorporation.

3. Change in share capital of our subsidiaries

The alternations in the share capital (or registered capital, as the case might be) of our subsidiaries which have taken place within two years preceding the date of this prospectus are set out as follows:

Dongwu Cement

At the time of establishment, Jiangsu Orient and Orient Expressway (HK) held 75% and 25% equity interests, respectively, in Dongwu Cement.

Accordingly, on 20 April 2006, Jiangsu Orient and Orient Expressway (HK) entered into an equity transfer agreement pursuant to which Jiangsu Orient transferred its 75% equity interest in Dongwu Cement to Orient Expressway (HK) at a consideration of RMB40,748,000, being the bidding price at the public auction held on 24 January 2006. The above equity transfer was approved by Wujiang Municipal Bureau of Foreign Trade and Economic Cooperation (吳江市對外貿易經濟合作局) on 24 April 2006. An updated business licence was granted to Dongwu Cement on 26 April 2006. Upon completion of this equity transfer, Jiangsu Orient ceased to hold any equity interest in Dongwu Cement and Dongwu Cement has since then become a wholly-owned subsidiary of Orient Expressway (HK).

On 1 December 2008, Dongwu Cement resolved to increase its registered capital from US\$15 million to US\$25 million. In connection with this capital increase, Far East International had contributed US\$2 million, US\$3 million, US\$2.5 million and US\$2.5 million to Dongwu Cement on 24 December 2008, 28 April 2009, 3 July 2009 and 6 December 2010 as its increased share capital, respectively.

On 26 December 2011, Far East International and Dongwu HK entered into the Reorganization Equity Transfer Agreement pursuant to which Far East International transferred its 100% equity interest in Dongwu Cement to Dongwu HK at a consideration of US\$33 million. The above equity transfer was approved by Wujiang Municipal Bureau of Commerce (吳江市商務局) on 27 December 2011. An updated business licence was granted to Dongwu Cement on 28 December 2011. Upon completion of this equity transfer, Dongwu Cement became a wholly-owned subsidiary of Dongwu HK.

Save as described above and in the section headed “Company History and Reorganization” in this prospectus, there has been no other alteration in the share capital of the subsidiaries of our Company within the two years preceding the date of this prospectus.

4. Written resolutions of our Shareholders passed on 28 May 2012

Pursuant to the written resolutions passed by all our Shareholders on 28 May 2012, the following resolutions, among other resolutions, were duly passed:

- (a) our Company conditionally approved and adopted the Articles of Association;

- (b) sub-divide each authorized issued and unissued Share of a par value of HK\$1.00 each in the share capital of the Company into 100 Shares of a par value of HK\$0.01 each;
- (c) the authorized share capital of our Company was increased from HK\$10,000 to HK\$100,000,000 by the creation of an additional 9,999,000,000 Shares;
- (d) conditional on (i) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any additional Shares which may be issued pursuant to the Over-allotment Option or the exercise of any options which may be granted under the Share Option Scheme); (ii) the entering into of the agreement on the Offer Price between the Sole Global Coordinator (acting for itself and on behalf of the Underwriters) and our Company (acting of ourselves and on behalf of the Selling Shareholder) on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
 - (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorized to allot and issue new Shares under the Global Offering and such number of Shares as may be allotted and issued upon the exercise of the Over-allotment Option;
 - (ii) conditional on the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the Global Offering, the Directors were authorized to capitalize HK\$4,249,900 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 424,990,000 Shares for allotment and issue to the persons whose names appear on the register of members of our Company at 8:00 a.m. (Hong Kong time on the Listing Date) in proportion to their respective shareholdings (as nearly as possible without involving fractions) in our Company, and the Shares to be allotted and issued shall rank pari passu in all respects with the existing issued Shares (the “Capitalization Issue”);
 - (iii) the rules of the Share Option Scheme were approved and adopted, and our Directors were authorized, at their absolute discretion, to (i) administer the Share Option Scheme, (ii) modify/amend the Share Option Scheme from time to time as requested by the Hong Kong Stock Exchange, (iii) grant options to subscribe for Shares under the Share Option Scheme, (iv) allot, issue and deal with the Shares issued pursuant to the Share Option Scheme, (v) make application at the appropriate time or times to the Hong Kong 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 issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme, and (vi) take all such steps as they consider necessary or desirable to implement the Share Option Scheme;

- (e) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or pursuant to the grant of options under the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by our Shareholders in a general meeting, Shares with a total nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue and to be issued immediately following completion of the Global Offering and the Capitalization Issue but without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of: (i) the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or (iii) until revoked or varied by an ordinary resolution of our Shareholders in general meeting of our Company;
- (f) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Hong Kong Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue but without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of: (i) the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or (iii) until revoked or varied by an ordinary resolution of our Shareholders in general meeting of our Company, and
- (g) the general unconditional mandate mentioned in paragraph (e) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (f) above provided that such extended amount shall not exceed 10% of the aggregate of the total 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 but without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option and the options that were granted under the Share Option Scheme.

5. Repurchase of our Shares

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

(a) *Provisions of the Listing Rules*

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

(i) *Shareholders' approval*

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

Pursuant to the written resolutions passed on 28 May 2012 by all our Shareholders, a general unconditional mandate (the "Repurchase Mandate") was granted to the Directors to exercise all powers of our Company to repurchase on the Hong Kong Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Hong Kong 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, such number of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue or to be issued immediately following completion of the Global Offering and the Capitalization Issue (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme), at any time until 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 any applicable laws or the Articles of Association to be held or when such mandate is revoked or varied by an ordinary resolution of then Shareholders in general meeting, whichever is the earliest.

(ii) *Source of funds*

Any repurchases of Shares by us must be paid out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the Cayman Companies Law. We are not permitted to repurchase our Shares on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

(b) 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 the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the 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 our Company and our Shareholders.

(c) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the Cayman Companies Law. Any repurchase of Shares will be made out of the profits of our Company, or out of a fresh issue of Shares made for the purpose of the purchases or, if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the purchase, out of either or both of the profits of our Company or from sum standing to the credit of the share premium account of our Company, or if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital.

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

(d) General

None of our Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or its subsidiaries.

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

If, as a result of a securities repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights is increased, such increase will be treated as acquisition for the purposes of the Hong Kong 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 has notified our Company that he/she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

6. The Reorganization

The companies comprising the Group underwent the Reorganization in preparation for the listing of the Shares on the Hong Kong Stock Exchange. For information with regard to our Reorganization, please refer to the section “Company History and Reorganization” in this prospectus for details.

7. Particulars of our PRC subsidiary

Our Company has the following subsidiary established in the PRC, the basic information of which as at the Latest Practicable Date is set out as follows:

Dongwu Cement

Date of Incorporation:	5 June 2003
Term:	5 June 2003 – 4 June 2053
Nature:	limited liability company (wholly foreign owned)
Registered capital:	US\$25,000,000
Attributable interest:	100%
Scope of business:	manufacture of clinker, cement and related products as well as sales of self-produced products

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of the Material Contracts

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


- (a) the Reorganization Equity Transfer Agreement dated 26 December 2011 entered into between Far East International and Dongwu HK, pursuant to which Far East International transferred 100% equity interest in Dongwu Cement to Dongwu HK at a consideration of US\$33 million;
- (b) the Dongwu HK Novation Deed dated 27 December 2011 entered into among Far East International, Dongwu HK and our Company, pursuant to which our Company has agreed to pay, on behalf of Dongwu HK, the consideration of US\$33 million payable under the Reorganization Equity Transfer Agreement to Far East International whilst Far East International has agreed to discharge Dongwu HK’s payment obligations under the Reorganization Equity Transfer Agreement;

- (c) the Company Novation Deed dated 27 December 2011 entered into among Far East International, our Company, Goldview and Concord, pursuant to which Goldview and Concord have agreed to pay, on behalf of our Company, the consideration of US\$33 million payable under the Dongwu HK Novation Deed to Far East International in proportion to their then respective shareholdings in our Company whilst Far East International has agreed to discharge our Company's payment obligations under the Dongwu HK Novation Deed;
- (d) an equity transfer agreement dated 27 December 2011 entered into between Dongwu Cement and Orient Hengxin Capital Holding Group Company Limited (東方恒信資本控股集團有限公司, "Orient Hengxin"), pursuant to which Dongwu Cement has agreed to transfer 6.667% equity interest in Wujiang Luxiang Rural Small Loan Co., Ltd. (吳江市鱸鄉農村小額貸款股份有限公司) to Orient Hengxin at a consideration of RMB20 million;
- (e) an equity transfer agreement (the "Rongshengda Equity Transfer Agreement") dated 27 December 2011 entered into between Dongwu Cement and Orient Hengxin, pursuant to which Dongwu Cement has agreed to transfer 4.789% equity interest in Suzhou Rongshengda Investment Holdings Co., Ltd. (蘇州融盛達投資控股有限公司) to Orient Hengxin at a consideration (the "Consideration") of RMB2 million;
- (f) a supplementary agreement to the Rongshengda Equity Transfer Agreement dated 31 December 2011 entered into between Dongwu Cement and Orient Hengxin, pursuant to which Orient Hengxin has agreed to increase the Consideration from RMB2 million to RMB2.096 million;
- (g) the Deed of Non-competition dated 28 May 2012 entered into among the Covenantors and our Company, details of which are disclosed in the section headed "Relationship with Controlling Shareholders" in this prospectus;
- (h) a deed of indemnity dated 28 May 2012 entered into among the Indemnifiers and our Company, pursuant to which the Indemnifiers have agreed to give certain indemnities in favour of our Company for itself and as trustee for its subsidiaries; and
- (i) the Hong Kong Underwriting Agreement.

2. Intellectual properties rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group has registered the following trademarks in the PRC:

Trademark	Place of Registration	Class	Registration Number	Registration Date	Expiry Date
	PRC	19	3753953	14 April 2006	13 April 2016

As of the Latest Practicable Date, our Group has registered the following trademarks in Hong Kong:

Trademark	Place of Application	Class(es)	Registration Number	Registration Date
A. 	Hong Kong	19, 35	30207222	31 October 2011
B. 				
	Hong Kong	19, 35	302072204	31 October 2011
A. 	Hong Kong	19, 35	302074392	2 November 2011
B. 				

(b) Domain name

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

Domain Name	Registered Owner	Expiry Date
WWW.DONGWUCEMENT.COM	Dongwu Cement	3 February 2015
WWW.DONGWUCEMENT.CN	Dongwu Cement	3 February 2015

C. DISCLOSURE OF INTERESTS**1. Interests and short position of Directors and the chief executive in the shares, underlying shares or debentures of our Company and its associated corporations**

Immediately following completion of the Global Offering (assuming the Over-allotment Option will not be exercised) and the Capitalization Issue, based on the information available on the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of our Company in the shares, underlying shares and 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 Hong Kong Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in appendix 10 to the Listing Rules, will be as follows:

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate percentage of shareholding interest (%)
Mr. Tseung	Interest of controlled corporation/ Long position ^(Note 1)	297,500,000	59.5%
Mr. Jin	Interest of controlled corporation/ Long position ^(Note 2)	77,500,000	15.5%

Notes:

1. Mr. Tseung is deemed to be interested in the Shares held by Goldview by virtue of Goldview being wholly-owned and controlled by Mr. Tseung.
2. Mr. Jin is deemed to be interested in the Shares held by Concord by virtue of Concord being wholly-owned and controlled by Mr. Jin.

Save as disclosed above, based on the information available on the Latest Practicable Date, immediately following completion of the Global Offering (assuming the Over-allotment Option will not be exercised) and the Capitalization Issue, none of the Directors or chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associate corporations which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required,

pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in appendix 10 to the Listing Rules relating to securities transactions by Directors to be notified to our Company and the Hong Kong Stock Exchange once our Shares are listed.

2. Interests and short positions of substantial shareholders in the shares or underlying shares of our Company

Information on person(s), not being Directors or chief executive of our Company, who (based on the information available on the Latest Practicable Date) will have, immediately following the Global Offering (assuming the Over-allotment Option will not be exercised) and the Capitalization Issue, the interests or short positions in the shares or underlying shares of our Company which will fall to be disclosed to our Company under the provisions of divisions 2 and 3 of part XV of the SFO is set out below:

Name	Capacity/ Nature of interest	Number of Shares	Approximate percentage of shareholding interest (%)
Goldview	Beneficial owner/ Long position ^(Note 1)	297,500,000	59.5%
Concord	Beneficial owner/ Long position ^(Note 2)	77,500,000	15.5%

Notes:

1. The entire issued share capital of Goldview is legally and beneficially owned by Mr. Tseung, who is deemed to be interested in the Shares held by Goldview by virtue of Goldview being his wholly-owned company.
2. The entire issued share capital of Concord is legally and beneficially owned by Mr. Jin, who is deemed to be interested in the Shares held by Concord by virtue of Concord being his wholly-owned company.

Save as set out above, based on the information available on the Latest Practicable Date, taking no account of any Shares which may be taken up under the Global Offering, the Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering and the Capitalization Issue, be interested, directly or indirectly, in 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.

3. Interests of the substantial shareholders of any member of our Group (other than our Company)

Save as set out above, the Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering and the Capitalization Issue, be interested, directly or indirectly, in 10% or more of the nominal amount of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company) or any options in respect of such capital.

4. Particulars of service contracts

(a) Executive Directors

Each of the executive Directors has entered into a service contract with our Company for an initial term of three years with effect from their respective dates of appointment unless terminated by not less than three months' notice in writing served by either the executive Director or our Company.

Under their respective service contracts, the executive Director is entitled to a fixed basic salary. In other certain circumstances, the agreement can also be terminated by our Company, including but not limited to certain breaches of the Directors' obligations under the agreement or certain misconducts. The appointments of the executive Directors are also subject to the provisions of retirement and rotation of Directors under the Articles of Association. The executive Directors are officially stationed in the PRC, but may be required to work in Hong Kong or in other places, as may be determined by the Board of Directors from time to time.

The service contracts further provide that during the term of the service contract and within one year upon the termination of service, each executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of our Group unless otherwise approved by our Company in general meeting.

(b) Non-executive Director and independent non-executive Directors

The non-executive Director and each of the independent non-executive Directors has signed an appointment letter with our Company for a term of three years with effect from their respective dates of appointment.

Under their respective appointment letters, the non-executive Director and each of the independent non-executive Directors is entitled to a monthly salary. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

(c) Others

- (i) Save as disclosed above, none of the Directors has entered into any service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).
- (ii) For the three years ended 31 December 2009, 2010 and 2011, the aggregate of the remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and discretionary bonuses) paid and benefits granted to our Directors was nil, nil and nil. Details of the Directors' remuneration are also set out in note 29 to the Accountant's Report set out in Appendix I to this prospectus.
- (iii) Under the arrangements currently in force, the aggregate of the remuneration and benefits in kind payable to the Directors for the year ending 31 December 2012 is estimated to be approximately RMB825,000.
- (iv) None of the directors or any past directors of any member of our Group has been paid any sum of money for the three years ended 31 December 2009, 2010 and 2011 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (v) There has been no arrangement under which a Director has waived or agreed to waive any remuneration or benefits in kind for the three years ended 31 December 2009, 2010 and 2011.

5. Agency fees or commissions received

None of the Directors, the promoter (if any) of our Company or the persons named under "Consent of experts" in this Appendix had received any discounts, brokerages or other special terms, agency fees or commissions from our Group in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

The Underwriters will receive such commission(s), fee(s) and/or expense(s) as mentioned in the section headed "Underwriting" in this prospectus.

6. Disclaimers

- (a) Save as disclosed in this prospectus, none of the Directors or any of the persons whose names are listed in the paragraph headed "Consent of experts" in this Appendix are directly or indirectly interested in the promotion of our Company 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 our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

- (b) Save as set out above, none of the Directors nor any of the persons whose names are listed in the paragraph headed “Consent of experts” in this Appendix are materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group.
- (c) Save as set out in the sections headed “Underwriting” and “Structure of the Global Offering”, none of the persons whose names are listed in the paragraph headed “Consent of experts” in this Appendix have any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of our Group or is an officer or a servant or partner of or in the employment of an officer or a servant of our Group.
- (d) We have no outstanding convertible securities.
- (e) None of the equity and debt securities of our 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 from any other stock exchange.
- (f) Save as disclosed in this prospectus and so far as is known to the Directors, none of the Directors, their respective associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of the Company has any interests in the five largest customers or the five largest suppliers of the Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme (the “Scheme”) conditionally approved by a written resolution of our Shareholders passed on 28 May 2012 and adopted by a resolution of the Board on 28 May 2012 (the “Adoption Date”). The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

For the purpose of this section, unless the context otherwise requires:

“Date of Grant” means date of grant of the Option in accordance with the Scheme;

“Grantee” means any Eligible Person (as defined below) who accepts an offer of grant of any Option in accordance with the terms of the Scheme of (where the context so permits) a person who is entitled, in accordance with the laws of succession, to any Option in consequence of the death of the original Grantee;

“Option” means a right to subscribe for Shares granted pursuant to the Scheme;

“Option Period” means the period of time where the Grantee may exercise the Option, which period shall not be more than 3 years from the Date of Grant;

“Shares” means shares of HK\$0.01 each in the share capital of our Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of our Company from time to time).

(1) Who may join

The Directors may at their absolute discretion grant Options to all Directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to our Company or our Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed to our Company or our Group and each of the persons mentioned above is referred to as an “Eligible Person”.

(2) Purpose of the Scheme

The purpose of the Scheme is to provide person(s) and parties working for the interests of our Group with an opportunity to obtain an equity interest in our Company, thus linking their interests with the interests of our Group and thereby providing them with an incentive to work better for the interests of our Group.

(3) Conditions

The Scheme shall take effect subject to and is conditional upon:

- (i) the passing of the necessary resolution to approve and adopt the Scheme by the Shareholders in a general meeting or by written resolutions;
- (ii) the Listing Committee granting approval of the listing of, and permission to deal in, any Shares which may be issued pursuant to the exercise of Options granted under the Scheme;
- (iii) the obligations of the Underwriters under the Underwriting Agreements being unconditional (including, where applicable, waiver of relevant conditions) and not being terminated in accordance with the terms therein; and
- (iv) the commencement of dealings in the Shares on the Stock Exchange.

(4) *Duration and administration*

The Scheme shall continue in force for the period commencing from the Adoption Date and expiring at the close of business on the third anniversary of the Adoption Date (the “Scheme Period”), after which period no further Options shall be granted but the provisions of the Scheme shall remain in full force and effect in all other respects in respect of the Options remaining outstanding and exercisable on the expiry of the Scheme Period.

The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Scheme) shall be final and binding on all parties.

(5) *Grant of Options*

An offer of the grant of an Option shall be made to an Eligible Person in writing in such form as the Board may from time to time determine specifying, inter alia, the maximum number of Shares in respect of which such offer is made and requiring the Eligible Person to undertake to hold the Option on the terms of which it is to be granted and to be bound by the provisions of the Scheme and shall remain open for acceptance by the Eligible Person to whom the offer is made for a period of 21 days (or such other period as the Board may determine) from the date upon which the offer is issued provided that no such offer shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated in accordance with the terms of the Scheme.

On and subject to the terms of the Scheme, the Board shall be entitled at any time during the Scheme Period to offer to grant an Option to any Eligible Person as the Board may at its absolute discretion select, and subject to such conditions and restrictions as the Board may think fit.

An offer shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option, duly signed by the Eligible Person, together with the remittance of HK\$1 in favor of our Company, irrespective of the number of Shares in respect of which the Option is accepted, as consideration for the grant is received by our Company.

The Date of Grant shall be the date on which the offer relating to such Option is duly approved by the Board in accordance with the Scheme.

(6) *Price sensitive information*

No offer of Options shall be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been published by our Company. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of our Company’s annual, interim or quarterly results, and (ii) the deadline of our Company to publish its annual, interim or quarterly results announcement under our Company’s listing agreement,

and ending on the date of the results announcement, no Options may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

(7) *Grant of Options to connected persons*

Any grant of Options to a connected person of our Company under the Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option).

Where any Options granted to a substantial shareholder (as defined in the Listing Rules) of our Company or an independent non-executive Director or any of their respective associates would result in the number and value of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including the Options exercised, cancelled and outstanding but excluding the Options which have lapsed) to such person in the 12-month period up to and including the date of such grant (i) exceeding in aggregate over 0.1% of the Shares in issue; and (ii) exceeding an aggregate value of HK\$1 million (based on the closing price of the Shares on the Stock Exchange on the Date of Grant), such further grant of Options must be approved by the Shareholders by taking of a poll in a general meeting. Our Company must send a circular to the Shareholders. All connected persons of our Company must abstain from voting at the general meeting (except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular). The circular must contain: (i) details of the number and terms (including the Subscription Price (as defined below)) of the Options to be granted to each Eligible Person, which must be fixed before the general meeting concerned; (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) to the independent Shareholders as to voting; and (iii) the information required under the relevant provisions of Chapter 17 of the Listing Rules.

(8) *Subscription price*

The subscription price in respect of any particular Option shall be such price as the Board may at its absolute discretion determine at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option (the “Subscription Price”)), but in any case the Subscription Price must be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share. For the purpose of calculating the Subscription Price where our Company has been listed for less than 5 business days, the Offer Price shall be used as the closing price of any business day falling within the period before Listing.

(9) Rights are personal to Grantee

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option or attempt to do so.

(10) Exercise of Options

Subject to any condition or restriction in connection with the exercise of the Option which may be imposed by the Board when granting the Option and other provisions of the Scheme, the Option may be exercised by the Grantee (or his or her legal personal representative) at any time during the Option Period, provided that paragraph (11), (12), (13), (14), (15) or (16) below has been satisfied.

(11) Rights on ceasing employment or appointment

In the event the Grantee ceases to be an Eligible Person by reason of resignation, retirement or expiration or termination of employment contract for any reason other than on the Grantee's death, or for any one or more reasons as set out in paragraph (19) below, the Option (to the extent not already exercised) granted to such Grantee shall lapse on the date of cessation and will not be exercisable, unless the Board, in its sole and absolute discretion, determines to extend the exercise period in which event the Grantee may exercise the Option in accordance with the terms of the Scheme within such period of extension. For the avoidance of doubt, such extended period, if any, shall in any event end at the earlier of the expiry of 1 month after the Grantee has ceased to be an Eligible Person and the expiry of the Option Period.

(12) Rights on death

In the event that the Grantee ceases to be an Eligible Person by reason of death and none of the events which would be grounds for termination of his or her employment or appointment under paragraph (19)(vii) or (19)(viii) arises (as the case may be), the legal personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option in full (to the extent not already exercised) up to the entitlement of such Grantee as of the date of death.

(13) Rights on takeover or share repurchase

In the event of a general or partial offer by way of takeover or share repurchase, other than by way of scheme of arrangement as set out in paragraph (14) below, being made to all 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 in concert with the offeror (within the meaning Hong Kong Takeovers Code), and if such offer becomes or is declared unconditional on

the expiry date of the relevant Option, the Grantee (or his or her legal personal representatives) may exercise the Option (to the extent not already exercised) at any time within 1 month after the offer becomes or is declared unconditional.

(14) Rights on scheme of arrangement

In the event of a scheme of arrangement by way of agreement being made to all Shareholders and having been approved by the necessary number of Shareholders at general meeting, the Grantee (or his or her legal personal representatives) may thereafter, but before such time as shall be notified by us, by giving a notice in writing to our Company, to exercise the Option (to the extent not already exercised) as specified in such notice.

(15) Rights on a compromise or amalgamation

In the event of a compromise or amalgamation, other than a scheme of arrangement contemplated under the Scheme, between our Company and its members or creditors being proposed in connection with any scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee (or his or her legal personal representatives) may, by giving a notice in writing to our Company, accompanied by the remittance for the Subscription Price in respect of the relevant Option (such notice must be received by our Company not later than 2 business days prior to the proposed meeting), exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the relevant notice. Thereafter, our Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee, which falls to be issued on such exercise, credited as fully paid, and register the Grantee as holder thereof.

(16) Rights on winding-up

In the event that a notice is given by our Company to our Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all Grantees and any Grantee (or his or her legal personal representatives) may, by giving an notice in writing to our Company, accompanied by the remittance for the Subscription Price in respect of the relevant Option (such notice must be received by our Company not later than 2 business days prior to the proposed meeting), exercise the Option (to the extent not already exercised) either to its full extent or to the extent notified by us, and we shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed Shareholders' meeting, allot, issue, credited as fully paid, and register in the name of the Grantee such number of Shares to the Grantee which falls to be issued on such exercise.

(17) Ranking of Shares

The Shares to be allotted and issued upon exercise of an Option will be subject to the Articles of Association in force at that time and will rank *pari passu* in all respects with the fully paid Shares in issue as of the date of allotment and thereafter the holders thereof will be entitled to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

(18) Performance target

The Grantee will not be required to achieve, meet or exceed any performance targets before that particular Grantee can exercise the Option(s) granted, except those otherwise imposed by the Board pursuant to paragraph (5) above and/or stated in the offer of grant of the Option.

(19) Lapse of Options

An Option shall lapse automatically (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 (11), (12) and (15) above;
- (iii) subject to a court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining Shares in the offer;
- (iv) subject to the scheme of arrangement becoming effective and the expiry of the period referred to in paragraph (14) above;
- (v) the date of commencement of the winding-up of our Company;
- (vi) the date when the proposed compromise or amalgamation becomes effective;
- (vii) the date on which a Grantee ceases to be an Eligible Person by reason of the termination of employment or engagement for any reason other than on the Grantee's death or for any one or more reasons as set out in sub-paragraph (viii) below. Intra-group transfer shall not be considered as termination of employment;
- (viii) the date on which the Grantee ceases to be an Eligible Person by reason of his guilty of misconduct or in breach of the terms of employment or contracts, or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts or has committed an act of bankruptcy or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal

offence involving his integrity or honesty or any other reasons determined by the Board on any other ground on which an employer would be entitled to terminate his employment pursuant to common law or any applicable laws, or under the Grantee's service contract with the Company or its relevant subsidiary. A resolution of the Board or the board of directors of the relevant subsidiary of the Company to the effect that the employment or other relevant contract of the Grantee has or has not been terminated on one or more of the grounds specified in this clause shall be conclusive and binding on the Grantee;

- (ix) the date on which the Grantee has committed a breach of paragraph (9) above; or
- (x) the date on which the Board terminates the Option in accordance with the terms of the Scheme.

(20) *Maximum number of Shares available for subscription*

The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of our Company must not exceed in aggregate 30% of the Shares of our Company in issue from time to time (the "Overall Scheme Limit"). No Option may be granted under any schemes of our Company (or its subsidiaries) if such grant will result in the Overall Scheme Limit being exceeded. The total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes must not in aggregate exceed 10% of the Shares of our Company (or its subsidiaries) as of the Listing Date, being 50,000,000 Shares (the "Scheme Mandate Limit") for this purpose. Any Option lapsed in accordance with the terms of the Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Subject to the Overall Scheme Limit, our Company may seek approval from its Shareholders in general meeting for "refreshing" the "Scheme Mandate Limit". However, the total number of Shares which may be issued upon exercise of all Options to be granted under all of the schemes of our Company under the limit as "refreshed" must not exceed 10% of the Shares in issue as of the date of approval by the Shareholders of the renewed limit (the "Refreshed Scheme Mandate Limit"); Options previously granted under any existing schemes (including those outstanding, cancelled or lapsed in accordance with the Scheme or exercised Options) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit. Our Company must send a circular to its Shareholders containing the information required under the relevant provisions of Chapter 17 of the Listing Rules.

Unless approved by Shareholders in general meeting at which the relevant Eligible Person and his or her associates abstain from voting in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, the total number of Shares issued and to be issued upon exercise of the Options granted to such Eligible Person (including exercised, cancelled and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue (the "Individual Limit") at such time. With respect to any further grant of Options to an Eligible

Person exceeding in aggregate the Individual Limit, our Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted to such Eligible Person), and the information required under the relevant provisions of Chapter 17 of the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Person must be fixed before the general meeting at which the same are approved, and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

(21) Cancellation of Options

The Board may cancel the granted but not exercised options with the approval of the relevant Grantee (such approval shall not be unreasonably rejected). New Option may be issued to a Grantee in place of his or her cancelled Options only if there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit or such enlarged limit that may be approved by the Shareholders in accordance with paragraph (20) above.

(22) Reorganization of capital structure

In the event of any alteration in the capital structure of our Company whilst any Option remains exercisable, whether by way of capitalization issue, rights issue, subdivision, consolidation, or reduction of the share capital of our Company or otherwise howsoever in accordance with the legal requirements and requirements of the Stock Exchange excluding any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in respect of a transaction to which our Company is a party, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option granted and unexercised;
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option (if applicable),

and an independent financial adviser or the auditors for the time being of our Company shall at the request of the Board certify in writing to the Directors, either generally or as regards any particular Grantee, to be in their opinions fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give a Grantee the same proportion of the issued share capital of our Company as that to which the Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to share option schemes and/or any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time), provided that 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. The capacity of the independent financial adviser or the auditors for the time being of our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the Grantees. The costs of the independent financial adviser or the auditors for the time being of our Company shall be borne by our Company.

(23) *Alteration of the Scheme*

Except with the prior sanction of our Company in general meeting (with the Eligible Persons and their associates abstaining from voting), the Board may not amend:

- (i) any of the provisions of the Scheme relating to matters contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Persons or Grantees;
- (ii) any terms and conditions of the Scheme which are of a material nature or affect the power of the Board except where such alterations take effect automatically under the existing terms of the Scheme;
- (iii) any provisions on the authority of the Board or the administrators of the Scheme in relation to any alteration to the terms of the Scheme.

(24) *Termination of the Scheme*

Our Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered but in all other respects the provisions of the Scheme shall remain in full force and effect. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the Scheme Period and which remain unexercised immediately prior to the termination of the operation of the Scheme shall, subject to the terms of the Scheme, continue to be valid and exercisable thereafter.

As of the Latest Practicable Date, no Option has been granted or agreed to be granted under the Scheme. An application has been made to the Listing Committee for the granting of the listing of, and permission to deal in, the 50,000,000 Shares which may fall to be issued pursuant to the exercise of the Options granted under the Scheme.

2. Tax and other indemnity and estate duty**(a) Tax Indemnity**

The Indemnifiers have, pursuant to the deed of indemnity (the “Deed of Indemnity”) referred to in the paragraph headed “Summary of the material contracts” in this Appendix, given indemnities against:

- (I) any depletion in, or reduction in, the value of their respective assets, or increase in their respective liabilities, or any loss or depreciation of any Relief (as defined in the Deed of Indemnity) by any of the members of our Group, as a result of:–
 - (i) the amount of any and all Taxation (as defined in the Deed of Indemnity) falling on any of the members of our Group resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the Listing Date, whether alone or in conjunction with any circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by any member of our Group of any amounts paid by the Indemnifiers under the Deed of Indemnity, unless such liability to Taxation is also discharged by such other person, firm or company;
 - (ii) without prejudice to paragraph (i) above, the amount of any surtaxes and penalties imposed on any of the members of our Group relating to any enterprise income tax liability as a result of the relevant tax authorities in the PRC having determined that the relevant member(s) of our Group is or are not entitled to the favourable enterprise income tax rate pursuant to the PRC laws and regulations;
 - (iii) all reasonable costs (including all legal costs on a fully indemnified basis), expenses or other liabilities which any of the members of our Group may incur in connection with:–
 - (i) investigation, assessment or the contesting of any Claim (as defined in the Deed of Indemnity);
 - (ii) settlement of any Claim under the Deed of Indemnity;
 - (iii) any legal proceedings in which any of the members of our Group claims under or in respect of the Deed of Indemnity; and/or
 - (iv) enforcement of any settlement or judgment in respect of any legal proceedings referred to in paragraph (iii) above; and

- (iv) any actions, Claims, losses, damages, costs (including legal costs on a fully indemnified basis), charges or expenses made against or suffered or incurred by the Company or any of the members of our Group in respect of or arising directly or indirectly from or on the basis of or in connection with any Taxation or Taxation Claim (as defined in the Deed of Indemnity) which is covered by the indemnities given under the paragraphs (i) to (iii) above.
- (II) any actions, Claims, losses, damages, costs (including legal costs on a fully indemnified basis), charges or expenses made against or suffered or incurred by the Company or any of the members of our Group in respect of or arising directly or indirectly from or on the basis of or in connection with any Taxation or Taxation Claim which is covered by the indemnities given under section (I) above.

The above tax indemnity in the Deed of Indemnity shall not apply in the following circumstances:

- i. to the extent that full provision, reserve or allowance has been made for such Taxation in the audited consolidated accounts of the member of our Group as set out in Appendix I to this prospectus or the audited accounts of the relevant member of our Group for each of the three years ended 31 December 2009, 2010 and 2011 (the “Audited Accounts”) and/or accounts of the relevant member of our Group covering the period from 31 December 2011 to the Listing Date which are prepared on a basis consistent with that made in the Audited Accounts of that relevant member of our Group (the “Management Accounts”); or
- ii. to the extent that the 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) other than any such act, omission or transaction carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the Listing Date; or
- iii. to the extent of any provision or reserve or allowance made for Taxation in the audited accounts of any member of the members of our Group up to 31 December 2011 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce the Indemnifiers’ liability in respect of Taxation shall not be available in respect of any such liability arising thereafter; or
- iv. the Taxation 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 Listing Date or to the extent that such Taxation Claim arises or is increased by an increase in rates of Taxation after such date with retrospective effect.

(b) Properties indemnities

Dongwu Cement fails to obtain (i) the relevant approval regarding the environmental impact assessment from the PRC governmental authorities at the national level during the construction of its cement production line; and (ii) the building ownership certificates of eight (8) buildings which the members of our Group are currently using for storage of raw materials and other purposes (collectively, the “Defects”).

Each of the Indemnifiers, pursuant to the Deed of Indemnity, has irrevocably agreed and undertook jointly and severally to fully indemnify the members of our Group and each of them and at all times keep the same fully indemnified from and against any losses, damages, penalties and liabilities suffered and all costs (including legal costs on a fully indemnified basis) and expenses incurred by any of the member of our Group as a result of or otherwise arising from, whether directly or indirectly, any of the Defects, including, without limitation:

- (i) all charges and penalties imposed by the relevant authority in the PRC;
- (ii) all losses, costs and expenses (including legal costs) incurred by any of the members of our Group as a result of any litigations, arbitrations, other legal proceedings, claims and/or demands brought by any third parties in connection with the Defects;
- (iii) all loss of profits and other consequential damages suffered by any of the members of our Group;
- (iv) all relocation costs (including, without limitation, removal costs, agency fees, and legal fees, taxes and duties in respect of the alternative premises entered into by any of the members of our Group) and other expenses incurred for or in connection with the relocation and installation of the facilities of any of the members of our Group; and
- (v) any excess of the rental or other payment payable by any of the members of our Group for the alternative premises over the rental previously paid by the member of our Group (as the case may be).

Nevertheless, the indemnity contained in this section (b) shall not apply to the extent that provision, reserve or allowance has been made for such non-compliance in the Audited Accounts and/or the Management Accounts of the relevant member of our Group.

(c) Other indemnities

Each of the Indemnifiers, pursuant to the Deed of Indemnity, has further irrevocably agreed and undertakes jointly and severally to fully indemnify the members of our Group and each of them will fully indemnify and at all times keep the same fully indemnified from and against all losses, payments, suits, settlement payment, costs (including legal costs on a fully indemnified basis), liabilities, damages, charges, fees, fines or expenses which any of the members of Group may incur or suffer, accrue, directly or indirectly, from any act of the

members our Group arising from and/or in connection with any of the non-compliances of any of the members of our Group on or before the Listing Date and/or as a result of and/or in relation to all litigations, arbitration, Claims (including counter-claims), actions, complaints, demands, judgments and/or legal proceedings by or against any of the members of our Group which was issued, accrued and/or arising from any act of any of the members of our Group at any time on or before the Listing Date (the “Proceedings”).

The Proceedings shall, without limitation, include:–

- (i) the failure of Dongwu Cement to register with the Managing Center of Housing Fund, establish an account of housing fund in an entrusted bank for its employees and make contributions for the housing fund for all of its employees; and
- (ii) any non-compliance of the members of our Group with all the applicable laws, regulations and policies as disclosed in the Prospectus.

Nevertheless, the indemnity contained in this section (c) shall not apply to the extent that provision, reserve or allowance has been made for such non-compliance in the Audited Accounts and/or the Management Accounts of the relevant member of our Group.

(d) Estate duty

The Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, Hong Kong, the BVI and the PRC, being jurisdictions in which the companies comprising our Group are incorporated.

3. Litigation

As of the Latest Practicable Date, neither our Company or any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance is known by the Directors to be pending or threatened by or against any member of our Group.

4. Application for listing of Shares

The Sole Sponsor has made an application for and on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, all our Shares in issue, our Shares to be issued as mentioned in this prospectus and any Shares which may fall to be issued pursuant to the exercise of any Options granted under the Share Option Scheme.

5. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$20,000 and are payable by our Company.

6. Promoter

Our Company has no promoter for the purposes of the Listing Rules.

7. Qualifications of experts

The followings are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Guotai Junan Capital Limited	A licensed corporation licensed to conduct type 6 (advising on corporate finance) of the regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Deheng Law Offices	PRC Legal Advisors
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
Asset Appraisal Limited	Property valuer

8. Consent of experts

Each of the experts whose names are set out in paragraph 7 above 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 valuation certificate and/or the references to its name included herein in the form and context in which they are respectively included.

9. Particulars of the Vendor

The particulars of the Vendor of the Sale Shares are as follows:-

Name	Description	Address	Date of Incorporation	Number of the Sale Shares
Concord (<i>Note</i>)	Corporation	P.O. Box 3152, Road Town, Tortola, BVI	25 October 2000	50,000,000

Note: The entire issued share capital of Concord is legally and beneficially owned by Mr. Jin.

10. Binding effect

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

11. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years preceding the date of this prospectus:
 - (i) 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) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no founders or management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued;
 - (iv) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of its subsidiaries; and
 - (v) no commission has been paid or payable, except for the commission payable to the Underwriters, for subscription of, agreeing to subscribe or procuring subscription of any shares in our Company or any of its subsidiaries.
- (b) The Directors confirm that up to the Latest Practicable Date, save as disclosed in this prospectus:
 - (i) 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 financial statements of our Group were prepared); and
 - (ii) there has not been any interruption in the business of our Group which may have or have had a material adverse effect on the financial position of our Group in the 12 months preceding the date of this prospectus.
- (c) The register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Company maintains its branch register of members in any other jurisdictions and the Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by our Company's Share Registrar in Hong Kong.
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) All necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.

12. Bilingual prospectus

The English and the Chinese 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).