

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

The Company was incorporated with an authorised share capital of HK\$1,000 divided into 10,000 shares of HK\$0.10 each on 9th November, 2007.

The Company was incorporated in Hong Kong under the Companies Ordinance on 9th November, 2007 under the name of CVM Minerals Limited 南亞礦業有限公司. The Company's registered office is at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong. A summary of certain of the Articles is set out in Appendix VI to this prospectus.

2. The share capital of the Company

The Company had an authorised share capital of HK\$1,000 divided into 10,000 shares of HK\$0.10 each as at the date of incorporation. On the date of incorporation, 1 share of HK\$0.10 was allotted nil-paid to HWGB as the initial subscriber.

On 25th May, 2008, it was resolved, amongst other resolutions, that:

- (a) the authorised share capital of the Company be increased from HK\$1,000 to HK\$120,000,000 by the creation of 1,199,990,000 new ordinary shares of HK\$0.10 each and that in consequence thereof, clause 5 of the Memorandum of Association of the Company be amended accordingly; and
- (b) subject to (a) above, the Directors be authorised to allot and issue new Shares as follows:
 - (i) 186,037,499 new Shares be allotted and issued to HWGB as fully paid-up and 1 nil-paid Share held by HWGB also being credited as fully-paid as the full and final settlement to HWGB in consideration of HWGB transferring 17,050,000 ordinary shares of RM1.00 each representing 55% of the entire issued and fully paid-up share capital in CVM to the Company;
 - (ii) 67,650,000 new Shares be allotted and issued to TSM as fully paid-up and as the full and final settlement to TSM in consideration of TSM transferring 6,200,000 ordinary shares of RM1.00 each representing 20% of the entire issued and fully paid-up share capital in CVM to the Company;

- (iii) 33,825,000 new Shares be allotted and issued to SEDC as fully paid-up and as the full and final settlement to SEDC in consideration of SEDC transferring 3,100,000 ordinary shares of RM1.00 each representing 10% of the entire issued and fully paid-up share capital in CVM to the Company;
- (iv) 16,912,500 new Shares be allotted and issued to Dato' Kho as fully paid up and as the full and final settlement to Dato' Kho in consideration of Dato' Kho transferring 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM to the Company;
- (v) 16,912,500 new Shares be allotted and issued to MKW Jaya as fully paid up and as the full and final settlement to MKW Jaya in consideration of MKW Jaya transferring 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM to the Company; and
- (vi) 16,912,500 new Shares be allotted and issued to ZDSB as fully paid up and as the full and final settlement to ZDSB in consideration of ZDSB transferring 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM to the Company.

As at the Latest Practicable Date, the Company had an authorised share capital of HK\$120,000,000 divided into 1,200,000,000 Shares of HK\$0.10 each, of which HK\$33,825,000 divided into 338,250,000 Shares of HK\$0.10 each has been issued and fully paid-up.

Upon the completion of the Share Offer and the issue of Shares as mentioned in this prospectus being made, but taking no account of any Shares which may fall to be issued upon the exercise of the Over-allotment Option and any options which may be granted under the Post-IPO Share Option Scheme, the authorised share capital of the Company will be HK\$120,000,000 divided into 1,200,000,000 Shares and the issued share capital of the Company will be HK\$45,100,000, comprising 451,000,000 Shares, fully paid or credited as fully paid and 749,000,000 Shares will remain unissued.

On the basis that the Over-allotment Option is exercised in full and all options granted under the Post-IPO Share Option Scheme are fully exercised, the authorised share capital of the Company will be HK\$120,000,000 divided into 1,200,000,000 Shares and the issued share capital of the Company will be HK\$51,301,200, comprising 513,012,000 Shares, fully paid or credited as fully paid and 686,988,000 Shares will remain unissued.

Other than pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Post-IPO Share Option Scheme, there is no present intention to issue any part of the Company's authorised but unissued share capital. Further, no issue of Shares will be made which would effectively alter the control of the Company without the prior approval of our Shareholders in general meeting.

Save as disclosed in this Appendix, there has been no alteration in the share capital of the Company within the two years immediately preceding the date of this prospectus.

3. Introduction of the Company into the Group structure

The Company was introduced into the Group as a new holding company in preparation for the listing of the Shares on the Stock Exchange. This Reorganisation involved the following:

(a) *Incorporation of the Company*

The Company was incorporated on 9th November, 2007 under the laws of Hong Kong with limited liability.

(b) *Share swap*

- (1) On 14th October, 2008, the Company acquired from the then existing shareholders of CVM the entire issued and fully paid-up share capital in CVM based on the audited net asset value of CVM of approximately HK\$67,750,000 as at 31st December, 2007 as follows:
 - (i) from HWGB, 17,050,000 ordinary shares of RM1.00 each representing 55% of the entire issued and fully paid-up share capital in CVM;
 - (ii) from TSM, 6,200,000 ordinary shares of RM1.00 each representing 20% of the entire issued and fully paid-up share capital in CVM;
 - (iii) from SEDC, 3,100,000 ordinary shares of RM1.00 each representing 10% of the entire issued and fully paid-up share capital in CVM;
 - (iv) from Dato' Kho, 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM;
 - (v) from MKW Jaya, 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM; and
 - (vi) from ZDSB, 1,550,000 ordinary shares of RM1.00 each representing 5% of the entire issued and fully paid-up share capital in CVM.
- (2) In consideration of the transfers of the shares in CVM held by HWGB, TSM, SEDC, Dato' Kho, MKW Jaya and ZDSB respectively to the Company as stated in (b)(1) above, the Company has on 14th October, 2008 allotted and issued to:
 - (i) HWGB, 186,037,499 new Shares representing 55% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to HWGB;

- (ii) TSM, 67,650,000 new Shares representing 20% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to TSM;
 - (iii) SEDC, 33,825,000 new Shares representing 10% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to SEDC;
 - (iv) Dato' Kho, 16,912,500 new Shares representing 5% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to Dato' Kho;
 - (v) MKW Jaya, 16,912,500 new Shares representing 5% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to MKW Jaya; and
 - (vi) ZDSB, 16,912,500 new Shares representing 5% of the entire issued and fully paid-up share capital of the Company immediately prior to the Listing as the full and final settlement to ZDSB.
- (3) Upon the completion of the share swap and immediately prior to the Listing, each of HWGB, TSM, SEDC, Dato' Kho, MKW Jaya and ZDSB holds 55%, 20%, 10%, 5%, 5% and 5% of the entire issued and fully paid-up share capital of the Company.

(c) ***Settlement of amount due from the Group to HWGB***

As at 30th September, 2008, an amount of HK\$36,835,289 was owed by CVM to HWGB. This amount (other than accounts payables incurred in the ordinary course of business) has been settled in full by CVM through a short term loan facility amounting to US\$5 million (equivalent to approximately HK\$39 million) from DBS Bank Ltd., Labuan Branch obtained by CVM prior to Listing. This short-term loan facility is not subject to any security by CVM and is repayable on the expiry of six months from the date of first drawdown.

4. Changes in share capital of the subsidiaries of the Company

A list of the subsidiary of the Company, in fact, comprising CVM alone, is stated in the Accountants' Report set out in Appendix I to this prospectus. The following alterations in the share capital of the Company's subsidiary have been taken place within the two years preceding the date of this prospectus:

CVM

On 21st March, 2006, the authorised share capital of CVM was increased from RM500,000 divided into 500,000 ordinary shares of RM1.00 to RM10,000,000 divided into 10,000,000 ordinary shares of RM1.00 by the creation of 9,500,000 ordinary shares of RM1.00 each.

On 16th October, 2006, the authorised share capital of CVM was increased from RM10,000,000 divided into 10,000,000 ordinary shares of RM1.00 to RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 by the creation of 40,000,000 ordinary shares of RM1.00 each.

On 21st March, 2006, the paid-up share capital of CVM was increased from RM198,000 divided into 198,000 ordinary shares of RM1.00 each to RM954,500 divided into 954,500 ordinary shares of RM1.00 each.

On 26th April, 2006, the paid-up share capital of CVM was increased from RM954,500 divided into 954,500 ordinary shares of RM1.00 each to RM1,954,500 divided into 1,954,500 ordinary shares of RM1.00 each.

On 16th October, 2006, the paid-up share capital of CVM was increased from RM1,954,500 divided into 1,954,500 ordinary shares of RM1.00 each to RM31,000,000 divided into 31,000,000 ordinary shares of RM1.00 each.

Save as aforesaid, there has been no other alteration in the share capital of the subsidiary of the Company in the two years preceding the date of this prospectus.

5. Resolutions of the Shareholders

Pursuant to the written resolutions of all the Shareholders dated 14th October, 2008, the Shareholders passed resolution effecting the following:

- (a) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, any Shares which may fall to be issued upon the exercise of the Over-allotment Option and Shares which may be issued under the Post-IPO Share Option Scheme and (ii) the obligations of the Underwriters under the Underwriting Agreements having become unconditional, including, if relevant, as a result of the waiver of any conditions by the Joint Lead Managers, acting for themselves and on behalf of the Underwriters, and not being terminated in accordance with its terms or otherwise, in each case on or before 8:00 a.m. on the day on which trading in the Shares commences on the Stock Exchange:
 - (i) the Articles were approved and adopted;
 - (ii) the Share Offer and the granting of the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares and the Shares to be allotted upon the exercise of the Over-allotment Option pursuant to the terms set out in this prospectus;

- (iii) the rules of the Post-IPO Share Option Scheme were approved and adopted, and our Directors were authorised to make such further changes to the Post-IPO Share Option Scheme as may be requested by the Stock Exchange and which they deem necessary and, or desirable and, at their absolute discretion, to grant options to subscribe for Shares thereunder up to the limits referred to in the Post-IPO Share Option Scheme, to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Post-IPO Share Option Scheme and to take all such actions as they consider necessary and, or desirable to implement or give effect to the Post-IPO Share Option Scheme;
- (iv) a general unconditional mandate was granted to our Directors to allot, issue and deal with unissued Shares, and to make all grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with, subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, otherwise than pursuant to, or in consequence of the Share Offer, a rights issue, the exercise of any subscription rights under options granted under the Post-IPO Share Option Scheme, any scrip dividend or similar arrangement, or a specific authority granted by the shareholders, with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of Share Offer (not including Shares which may be issued pursuant to the exercise of the Over-allotment Option or pursuant to the exercise of options granted under the Post-IPO Share Option Scheme) and the aggregate nominal value of the share capital of the Company which may be purchased by the Company under the authority referred to in sub-paragraph (a)(v) below;
- (v) a general unconditional mandate was granted to our Directors to exercise all the powers of and on behalf of the Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the 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 the Company in issue immediately following the completion of the Share Offer (not including Shares which may be issued pursuant to the exercise of the Over-allotment Option or pursuant to the exercise of options granted under the Post-IPO Share Option Scheme); and
- (vi) subject to the availability of unissued share capital and conditional upon the resolutions set out in (iv) and (v) above being passed, the aggregate nominal amount of Shares which are repurchased by the Company pursuant to and in accordance with the resolution set out in (v) above shall be added to the aggregate nominal value of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to and in accordance with the resolution set out in (iv) above.

Each of the general mandates referred to in sub-paragraphs (a)(iv) and (v) above will remain in effect until whichever is the earliest of: (1) the conclusion of the next annual general meeting of the Company; (2) the expiration of the period within which the next annual general meeting of the Company is required to be held; and (3) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

6. Repurchase of securities

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

A. *Provisions of the Listing Rules*

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

(a) Shareholders' approval

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

Note: Attention is drawn to the general unconditional mandate granted to our Directors referred to in paragraph A5(a)(v) of this Appendix VII.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the memorandum of association and articles of association and the Listing Rules and the applicable laws of Hong Kong. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchases by the Company may be made out of the Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of the Company's share premium account.

(c) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring our company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(d) Status of Repurchased Shares

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

(e) Suspension of repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(f) *Reporting requirements*

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

(g) *Connected persons*

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

B. ***Reasons for repurchase***

Our Directors believe that it is in the best interest of the Company and its shareholders for our Directors to have general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. 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 where our Directors believe that such repurchases will benefit the Company and its shareholders.

C. ***Funding of repurchases***

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

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

D. General

Exercise in full of the Repurchase Mandate, on the basis of 451,000,000 Shares in issue immediately following the completion of the Share Offer (excluding any Shares which may be issued upon exercise of the Over-allotment Option and assuming the options granted under the Post-IPO Share Option Scheme are not exercised), could accordingly result in up to 45,100,000 Shares being repurchased by the Company during the period prior to:

- the conclusion of the next annual general meeting of the Company;
- the expiration of the period within which the Company's next annual general meeting is required by the Articles or the Companies Ordinance or any other applicable laws of Hong Kong to be held; or
- the revocation or variation of the Repurchase Mandate by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.

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

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the 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 (including, in this regard, HWGB and its concert parties) could obtain, consolidate or further consolidate control of the 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 (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

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

The following contracts (not being contracts 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 agreement dated 15th June, 2006 together with its supplements dated 10th December, 2007 and 12th September, 2008 under which HPC grants to CVM the Mining Right for a period of 20 years commencing from the date falling 18 months from the date of the agreement or any extended time to be mutually agreed upon, with an option to renew for a further period of 10 years, at the agreed price of RM2.00 only per ton or RM30,000 only per month, whichever is higher;
- (b) the contract dated 27th September, 2006 under which CVM appointed the Former O&M Contractor to manage the operation and maintenance service for the Perak Magnesium Smelter for a fee of RMB3.1 million after tax per annum, which contract has since been terminated, per document (i) below;
- (c) a letter of appointment dated 16th April, 2007 by CVM appointing Nuhito Geotechnical and Project Management Sdn. Bhd. as the geotechnical and ground improvement specialist consultant to provide subsurface investigation, ground stability analysis, ground improvement by soil treatment and geotechnical instrumentation at a lump sum fee of RM100,000;
- (d) a letter of award dated 11th July, 2007 by CVM appointing Ascendex Sdn. Bhd. as the turnkey contractor to manage, design and supervise the soil improvement works on the Smelter Land at a lump sum fee of RM5,214,000;
- (e) a letter of appointment dated 25th July, 2007 by CVM appointing Jururunding EMSC Sdn. Bhd. as the superintending officer for basic mechanical and engineering services, civil and structural, installation of machinery and equipment in relation to the development of the Perak Magnesium Smelter at a lump sum fee of RM800,000;
- (f) a tenancy agreement dated 10th August, 2007 together with its supplement dated 17th September, 2008 entered into between HWGB and CVM under which CVM rents the second floor of the premises bearing the postal address of No. 35, 37 and 39, Jalan Maharajalela, 50150 Kuala Lumpur and the third floor of the premise of No. 39 Jalan Maharajalela, 50150 Kuala Lumpur at the monthly rental of RM7,000 for an initial period of 2 years commencing from 1st January, 2007 to 31st December, 2008 and as extended by the letter dated 17th September, 2008 to 31st December, 2009;

- (g) an administrative services agreement dated 1st October, 2007 together with its supplements dated 1st January, 2008, 17th March, 2008 and 17th November, 2008 entered into between HWGB and CVM under which HWGB shall provide company secretarial services to CVM upon request by CVM chargeable on an actual costs basis;
- (h) a provision of air ticketing and travel booking services agreement dated 23rd October, 2007 entered into between Ho Wah Genting Poipet Resorts Sdn. Bhd. and CVM for the provision of ticketing, travel booking services, booking of hotel accommodation and other travel related services to CVM upon request by CVM chargeable at market rate, subject to the aggregate of less than RM400,000 per annum;
- (i) a form of acknowledgment dated 6th May, 2008 signed by the Former O&M Contractor acknowledging termination of the O&M Contract;
- (j) a cooperation agreement dated 7th May, 2008 entered into between the Shanxi Training Plant and CVM concerning training cooperation;
- (k) an agreement relating to the sale and purchase of shares in CVM dated 25th May, 2008 entered into between the Company and HWGB, TSM, SEDC, Dato' Kho, MKW Jaya and ZDSB to effect the Reorganisation and the supplemental letter dated 30th September, 2008;
- (l) a letter of offer to CVM from DBS Bank Ltd. dated 4th June, 2008 for a loan of up to US\$5 million together with the letters of variation dated 1st July, 2008 and 28th August, 2008 to extend the availability period of the loan;
- (m) a facility agreement dated 3rd July, 2008 in relation to the secondary finance loan facilities granted to CVM by KFHMB and the supplementary agreement dated 9th October, 2008;
- (n) a Wakalah letter of credit-i facility agreement dated 3rd July, 2008 entered into between KFHMB and CVM in relation to the secondary finance loan facilities to finance the purchase of equipment and machinery that are required for the setting up of the Perak Magnesium Smelter and to purchase or sell foreign currencies;
- (o) a Murabahah letter of credit-i facility agreement dated 3rd July, 2008 entered into between KFHMB and CVM in relation to the secondary finance loan facilities to finance the purchase of equipment and machinery that are required for the setting up of the Perak Magnesium Smelter and to facilitate clearance of goods, equipment and machinery;
- (p) a Murabahah Tawarruq working capital financing-i facility agreement dated 3rd July, 2008 entered into between KFHMB and CVM in relation to the secondary finance loan facilities to, amongst other things, settle the letters of credit in (n) and (o) above on their maturity, and to pay the civil structure, mechanical and engineering works for setting up the Perak Magnesium Smelter;

- (q) a sales agency agreement dated 3rd July, 2008 entered into between KFHMB and CVM under which CVM appointed KFHMB as its agent to hold and sell on its behalf the goods purchased by CVM in connection with the secondary finance loan facilities by KFHMB;
- (r) a memorandum of deposit cum letter of set off dated 3rd July, 2008 entered into between KFHMB and CVM as security for the secondary finance loan facilities;
- (s) a deed of negative pledge dated 3rd July, 2008 entered into between KFHMB and CVM over all future assets of CVM as security for the secondary finance loan facilities;
- (t) various letters of undertaking dated 12th February, 2008 and 3rd July, 2008 from CVM to KFHMB confirming, amongst other things, that CVM shall ensure the completion of the project in accordance with the EPC Contract, that CVM will utilise the secondary finance loan facilities in accordance with its terms and that it shall not obtain any additional borrowing without the prior written consent of KFHMB;
- (u) a letter of appointment dated 1st September, 2008 for Jurutera Perunding Zaaba Sdn. Bhd. as the independent checking engineer for verification of certain documents relating to the CVM Project for Bank Rakyat;
- (v) a facility agreement dated 22nd September, 2008 under which Islamic banking facilities comprising a bank guarantee convertible into a term financing facility was granted from Bank Rakyat to CVM to finance the construction and development of the Perak Magnesium Smelter;
- (w) an asset purchase agreement dated 22nd September, 2008 entered into between CVM and Bank Rakyat pursuant to the New Facility Agreement;
- (x) an asset sale agreement dated 22nd September, 2008 entered into between CVM and Bank Rakyat pursuant to the New Facility Agreement;
- (y) a corporate guarantee dated 22nd September, 2008 entered into between the Company and Bank Rakyat as security for the due performance of CVM's obligations pursuant to the New Facility Agreement;
- (z) a deed of debenture dated 22nd September, 2008 entered into between CVM and Bank Rakyat under which CVM created a fixed and floating charge over all of assets and undertaking of CVM;
- (aa) a corporate guarantee dated 9th October, 2008 entered into between the Company and KFHMB in relation to the secondary finance loan;
- (bb) a third party memorandum of deposit cum letter of set off dated 9th October, 2008 entered into between the Company and KFHMB as security for the secondary finance loan facilities;

- (cc) a deed of assignment of contracts and design drawings dated 14th October, 2008, entered into between CVM and Bank Rakyat under which CVM assigned to Bank Rakyat all of CVM's rights, titles, interest, benefits, entitlements and claims to all payments and/or proceeds under the Contract (as defined therein) by way of security for the payment of the sales price owing by CVM to Bank Rakyat pursuant to the New Facility Agreement;
- (dd) a deed of assignment of off-take proceeds dated 14th October, 2008 entered into between CVM and Bank Rakyat under which CVM assigned to Bank Rakyat all Off Take Proceeds (as defined therein) of CVM by way of security for the payment of the sales price owing by CVM to Bank Rakyat pursuant to the New Facility Agreement;
- (ee) a deed of assignment of insurance policies dated 14th October, 2008 entered into between CVM and Bank Rakyat under which CVM assigned to Bank Rakyat its rights, benefits and interests under insurance policies undertaken by CVM in relation to the construction and development of the Perak Magnesium Smelter by way of security for the payment of the sales price owing by CVM to Bank Rakyat pursuant to the New Facility Agreement;
- (ff) a deed of assignment of revenue account dated 14th October, 2008 entered into between CVM and Bank Rakyat under which CVM assigned to Bank Rakyat the Revenue Account (as defined in the New Facility Agreement) by way of security for the payment of the sales price owing by CVM to Bank Rakyat pursuant to the New Facility Agreement;
- (gg) a first party first fixed legal charge dated 15th October, 2008 entered into between CVM and Bank Rakyat under which CVM has charged the Smelter Land to Bank Rakyat pursuant to the New Facility Agreement;
- (hh) a deed of non-competition dated 14th October, 2008 by HWGB in favour of the Company, particulars of which are set out in the section headed "Business — Independence from the Controlling Shareholder" in this prospectus;
- (ii) a deed of indemnity dated 20th November, 2008 given by HWGB in favour of each company of the Group in respect of any loss and damage arising out of the Group's failure to secure relevant licenses under the laws and regulations of Malaysia before April 2009 and certain pre-Listing tax liabilities (if any), subject to a capped amount of RM3 million; and
- (jj) the conditional Hong Kong underwriting agreement dated 20th November, 2008 entered into by, amongst other parties, the Company, the Joint Lead Managers and the Public Offer Underwriters relating to the Public Offer.

2. Intellectual property

As at the Latest Practicable Date, the following trademarks have been registered:

Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
The Company	(A) CVM MINERALS (B) CVM Minerals	6, 14, 35, 37, 40 and 42	301029122	<p>Class 6 (Class Heading): Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.</p> <p>Class 14 (Class Heading): Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.</p> <p>Class 35: Wholesale services in respect of common metals and their alloys, precious metals and their alloys and goods in precious metals or coated therewith.</p>	Hong Kong

Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
				<p>Class 37: Mining extraction; quarrying services; service, maintenance, and repair of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural and forestry vehicles, equipment, and machinery, engines, and power generation equipment, and control units for the aforementioned; machinery installation, maintenance and repairs; rental of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment and machinery, and power generation equipment.</p> <p>Class 40 (Class Heading): Treatment of materials.</p>	


Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
				Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; engineering and technical consultation; testing and inspection of engines and machinery; testing, control, diagnosis, calibration, and monitoring of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment, jobsites, machinery fleets, trucks, trucking fleets, and the operation of machinery via computer networks and the internet; computer services relating to the remote control and operation of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment via computer networks and the internet.	

Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
The Company	"COMMERCE VENTURE MAGNESIUM"	6, 14, 35, 37, 40 and 42	301029113	<p>Class 6 (Class Heading): Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.</p> <p>Class 14 (Class Heading): Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, previous stones; horological and chronometric instruments.</p> <p>Class 35: Wholesale services in respect of common metals and their alloys, precious metals and their alloys and goods in precious metals or coated therewith.</p>	Hong Kong

Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
				<p>Class 37: Mining extraction; quarrying services; service, maintenance, and repair of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural and forestry vehicles, equipment, and machinery, engines, and power generation equipment, and control units for the aforementioned; machinery installation, maintenance and repairs; rental of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment and machinery, and power generation equipment.</p> <p>Class 40 (Class Heading): Treatment of materials.</p>	


Owner	Trademark	Class	Trademark number	Goods/Services	Country of registered trademark
				Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; engineering and technical consultation; testing and inspection of engines and machinery; testing, control, diagnosis, calibration, and monitoring of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment, jobsites, machinery fleets, trucks, trucking fleets, and the operation of machinery via computer networks and the internet; computer services relating to the remote control and operation of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment via computer networks and the internet.	

As at the Latest Practicable Date, applications had been made for registration of the following trademarks:

Applicant	Trademark	Class	Application number	Goods/Services	Country of application
The Company		6, 14, 35, 37, 40 and 42	301029104	<p>Class 6 (Class Heading): Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.</p> <p>Class 14 (Class Heading): Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.</p> <p>Class 35: Wholesale services in respect of common metals and their alloys, precious metals and their alloys and goods in precious metals or coated therewith.</p>	Hong Kong

Applicant	Trademark	Class	Application number	Goods/Services	Country of application
				Class 37: Mining extraction; quarrying services; service, maintenance, and repair of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural and forestry vehicles, equipment, and machinery, engines, and power generation equipment, and control units for the aforementioned; machinery installation, maintenance and repairs; rental of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment and machinery, and power generation equipment.	
				Class 40 (Class Heading): Treatment of materials.	

Applicant	Trademark	Class	Application number	Goods/Services	Country of application
				Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; engineering and technical consultation; testing and inspection of engines and machinery; testing, control, diagnosis, calibration, and monitoring of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment, jobsites, machinery fleets, trucks, trucking fleets, and the operation of machinery via computer networks and the internet; computer services relating to the remote control and operation of earth moving, earth conditioning, material handling, construction, mining, paving, agricultural, and forestry vehicles, equipment, and machinery, engines, and power generation equipment via computer networks and the internet.	

Applicant	Trademark	Class	Application number	Goods/Services	Country of application
CVM	COMMERCE VENTURE MAGNESIUM	6	08009437	Class 6 — magnesium, magnesium ingots, magnesium products, magnesium by products, magnesium alloys, alloys of common metals, ores of magnesium, ingots of common metals, all included in Class 6.	Malaysia
CVM		6	08009436	Class 6 — magnesium, magnesium ingots, magnesium products, magnesium by products, magnesium alloys, alloys of common metals, ores of magnesium, ingots of common metals, all included in Class 6.	Malaysia
CVM	CVM MINERALS	6	08009435	Class 6 — magnesium, magnesium ingots, magnesium products, magnesium by products, magnesium alloys, alloys of common metals, ores of magnesium, ingots of common metals, all included in Class 6.	Malaysia

As at the Latest Practicable Date, our registered domain names are as follows:

Domain name	Creation Date	Expiry Date
cvmmagnesium.com	9th May, 2006	9th May, 2009
cvmmineral.com	7th November, 2007	7th November, 2009
cvmminerals.com	7th November, 2007	7th November, 2009

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

3. Compliance with relevant laws in Hong Kong and Malaysia

Legal counsel in Hong Kong, Richards Butler in association with Reed Smith LLP, has opined that the Company's operations, being an investment holding company, as set out in this prospectus and subject to the assumptions and qualifications set out in its opinion, were conducted in compliance with all relevant laws and regulations in Hong Kong in all material respects since its date of incorporation and as at the Latest Practicable Date.

Legal counsel in Malaysia, Ben & Partners, has opined that CVM's operations, as set out in this prospectus and subject to the assumptions and qualifications set out in their opinion, were conducted in compliance with all relevant laws and regulations in Malaysia respectively in all material respects since its date of incorporation and as at the Latest Practicable Date.

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Interests of Directors in the share capital of the Company and its associated corporations

Immediately following the completion of the Share Offer, but taking no account of any Shares which may be allotted and issued pursuant to the Post-IPO Share Option Scheme or on the exercise of the Over-allotment Option, no Director or chief executive officer of the Company will have an interest or short position in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which, once the Shares are listed on the Stock Exchange, would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or would be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules (all of the aforesaid being "Discloseable interests"). For information, the following Director has the following interest in HWGB, our holding company prior to the Share Offer:

Name	Nature of Interest	Number of shares of HWGB	Approximate percentage in the relevant issued share capital
Lim Ooi Hong	beneficial owner	174,000	0.06%

Information on any person, not being a Director or chief executive of the Company, who has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly 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 other member of our Group, is set out in the section headed "Substantial Shareholders" in this prospectus.

2. Particulars of Directors' service contracts and letters of appointment

Each of our executive Directors has entered into a service contract with us commencing on the date of commencement of trading of the Shares on the Stock Exchange, which can be terminated by either party giving to the other not less than 6 months' notice.

Pursuant to the service contracts, the directors' fees payable to our executive Directors are as follows:

Director	Remuneration (per annum)
Chong Wee Chong	HK\$1,342,780
Gao Qi Fu	HK\$ 280,800
Lim Ooi Hong	HK\$ 793,424

Each of our independent non-executive Directors was appointed to office in 2007, save for Mr. Lam Cheung Shu who was appointed with effect from 2nd June, 2008. The appointment of each independent non-executive Director can be terminated at any time by either party giving to the other not less than 2 months' notice. The annual remuneration payable to each of our independent non-executive Directors is as follows:

Director	Remuneration (per annum)
Tony Tan	HK\$112,320
Wong Choi Kay	HK\$ 93,600
Chong Lee Chang	HK\$ 93,600
Lam Cheung Shu	HK\$ 93,600

Some of our Directors receive compensation in the form of salaries, medical coverage and annual leave. None of the Directors has or is proposed to have a service contract with the Company other than contracts expiring or terminable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Directors' remuneration

The aggregate remuneration paid (including benefits in kind) to our Directors by our Group in respect of the financial year ended 31st December, 2007 was approximately HK\$562,278.

Under the current arrangements, some of our Directors will be entitled to receive remuneration and benefits in kind for the financial year ending 31st December, 2008 which are expected to be approximately HK\$2.75 million in aggregate which will include the special bonus of US\$20,000 and remuneration package of Mr. Gao in recognition of his past contributions to the Group.

None of the Directors or any past directors of any member of our Group has been paid any sum of money during the Track Record Period (i) as an inducement to join or upon joining the 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.

There has been no arrangement under which a Director has waived or agreed to waiver any emoluments during the Track Record Period.

4. Disclosure under Rule 8.10(2) of the Listing Rules

Our Directors (except the independent non-executive Directors), have undertaken in favour of the Company to the effect that, save for those interests as disclosed in this prospectus (please refer to the disclosure in this section, the sections headed “Relationship with HWGB” and “Directors and senior management” of this prospectus above) or interest in any company which a Director together with any of his associates own less than 5%, at any time during which he is a Director, he will not engage, and will procure its associates not to engage, on its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly, whether as a shareholder (other than being a director or a shareholder of our Group or its associated companies), partner, agent or otherwise, in the business of mining and extracting dolomite and smelting and processing it into magnesium ingots, or in any other business that may compete, directly or indirectly, with such businesses.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors or the chief executive officer has any interest or short position in the Shares, underlying Shares of the Company or any associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have taken 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, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, will be required to be notified to the Company and the Stock Exchange;

- (b) so far as is known to any of our Directors or the chief executive officer, no person has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or it directly or indirectly 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 other member of our Group;
- (c) none of the Directors has entered or has proposed to enter into any service contracts with the Company or any other member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);
- (d) none of the Directors or any of the persons referred to in paragraph D(8) of this Appendix VII is interested in the promotion of the 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 so acquired, disposed of or leased;
- (e) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of our Group;
- (f) none of the persons referred to in paragraph D(8) of this Appendix VII has any shareholding in any company in 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;
- (g) none of the Directors, their associates or any shareholder of the Company (which to the knowledge of our Directors owns more than 5% of the issued share capital of the Company) has any interest in any of our Group's five largest suppliers or five largest customers;
- (h) no cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Share Offer or related transactions as mentioned in this prospectus; and
- (i) none of the controlling shareholder and Directors are interested in any business part from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

6. Post-IPO Share Option Scheme

The following is a summary of the principal terms of the Post-IPO Share Option Scheme conditionally approved and adopted by written resolutions of all the Shareholders of the Company on 14th October, 2008. For the purpose of this paragraph 6, references to “Board” shall mean the board of Directors or a duly authorised committee thereof, references to “Employee” shall mean any person employed by the Company or any subsidiary and any person who is an officer or director (whether executive or non-executive) of the Company or any subsidiary, references to an “Eligible Person” shall mean any Employee, and any consultant, adviser, supplier, customer or subcontractor of the Company or any other person determined by the Board as being an Eligible Person, references to “Grantee” shall mean any Eligible Person who accepts an offer of the grant of an option in accordance with the terms of the Post-IPO Share Option Scheme or (where the context so requires) the legal personal representatives of such Eligible Person. A Grantee shall not cease to be an Eligible Person in case of an Employee due to (a) any leave of absence approved by the Company or the relevant subsidiary; or (b) transfer of employment between the Company and any subsidiary or any successor.

(a) *Purpose*

The purpose of the Post-IPO Share Option Scheme is to attract and retain the best quality personnel for the development of the Company’s businesses; to provide additional incentives to the Employees; to provide Eligible Persons with the opportunity to acquire proprietary interests in the Company; and to promote the long term financial success of the Company by aligning the interests of Grantees to Shareholders.

(b) *Who may join*

On and subject to the terms of the Post-IPO Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an option to any Eligible Person as the Board may in its absolute discretion select.

(c) *Administration*

The Post-IPO Share Option Scheme shall be subject to the administration of the Board. The Board’s administrative powers include the authority, in its discretion:

- (i) to select Eligible Persons to whom options may be granted under the Post-IPO Share Option Scheme;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of options;
- (iii) to determine the number of options;
- (iv) to approve forms of option agreements;

- (v) to determine the terms and conditions, not inconsistent with the terms of the Post-IPO Share Option Scheme and provided that such terms and conditions do not relax any limits imposed by the Listing Rules, of any option based in each case on such factors as the Board, in its sole discretion, shall determine to be stated in the letter containing the offer of the grant of the option. Such terms and conditions may include, but are not limited to:
 - (1) conditions, restrictions or limitations relating to the achievement of operating or financial targets;
 - (2) satisfactory performance by the Grantee;
 - (3) the time or period when the right to exercise the option in respect of all or some of the Shares the subject of the option will vest; and, or
 - (4) that the Shares to be allotted and issued upon exercise of the option may only be sold after the Company has been given 24 hours' previous written notice.

Without prejudice to the generality of the foregoing and subject to paragraph (f), the Board may grant options in respect of which the subscription price is fixed at different prices for certain periods during the option period provided that the subscription price shall not be less than that determined in accordance with paragraph (f).

- (vi) to construe and interpret the terms of the Post-IPO Share Option Scheme and options granted pursuant to the Post-IPO Share Option Scheme;
- (vii) to prescribe, amend and rescind rules and regulations relating to the Post-IPO Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Eligible Persons provided that administration of any such sub-schemes shall follow the requirements of the Listing Rules (including Chapter 17 of the Listing Rules); and
- (viii) subject to paragraph (w) to vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the Post-IPO Share Option Scheme).

(d) ***Grant of options***

On and subject to the terms of the Post-IPO Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years commencing on the date of adoption of the Post-IPO Share Option Scheme to make an offer for the grant of an option to any Eligible Person as the Board may in its absolute discretion select.

(e) ***Payment on acceptance of option offer***

An offer shall remain open for acceptance by the Eligible Person concerned for a period of 28 days, from the date of the offer (or such longer period as the Board may specify in writing). HK\$1.00 is payable by the Grantee to the Company on acceptance of the offer of the option. If such remittance is not made upon acceptance, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

(f) ***Subscription price***

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

(g) ***Option period***

The period within which the Shares must be taken up under an option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

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

An option shall be personal to the Grantee and shall not be assignable or transferable.

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

The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

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

In the event of the Grantee ceasing to be an Eligible Person by reason of his death; in the case of an Employee, retirement under normal retirement conditions then prevailing in the Company; or total permanent physical or mental disablement, his option will immediately vest and he or his legal personal representatives (as the case may be) shall be entitled to exercise the option (to the extent not already exercised) up to the end of the option period, following which the option shall lapse.

(k) ***Termination for being guilty of serious misconduct etc.***

If a Grantee ceases to be an Eligible Person for reason of being guilty of serious misconduct, or having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, or having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

(l) ***Rights on termination other than for retirement, death, permanent disability or misconduct***

If a Grantee ceases to be an Eligible Person other than for reasons provided under paragraphs (j) or (k) (and including resignation for any reason), the Grantee may exercise his option (to the extent already vested as at the date of cessation of employment and not already exercised) within 3 months of such cessation, following which the option shall lapse.

(m) ***Rights on termination due to separate listing or sale***

If the Board considers that a Grantee has ceased to be an Eligible Person due to the sale, or separate listing, of the company he is serving, or if the Company is merged, reorganised or consolidated with another entity, the Board may at its sole discretion:

- (i) arrange for substitute options or share purchase rights of no less than equivalent fair value, in the purchasing, surviving or newly-listed company;
- (ii) provide cash compensation equivalent to their fair value;
- (iii) waive any conditions as to vesting; or
- (iv) permit the continuation of the option according to its original terms.

If the Board does not permit the continuation of the option in accordance with its original terms or make any of the arrangements specified in (i) to (iv) above, the option shall lapse.

(n) ***Right on general offer***

If a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and, or any person controlled by the offeror and, or any person acting in association or concert with the offeror), and the offer becomes or is declared unconditional (or, in the case of a scheme of arrangement, or other similar transaction, becomes or is declared effective), the option will immediately vest and the Grantee shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or for such longer period as the Board may determine as may be necessary to permit the Grantee to participate in the offer on a similar basis with the holder of Shares) after the date on which the offer becomes or is declared unconditional or such longer period as the Board may determine following which the option shall lapse.

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

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company(ies), the Company shall give notice to the Grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

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

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

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of the Post-IPO Share Option Scheme relating to this paragraph (p)) and thereupon, each Grantee (or his or her personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a

remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

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

(q) ***Lapse of option***

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (c), (j), (l), (m) and (u) and without prejudice to the authority of the Board to provide for additional situations where an option shall lapse in any option agreement, an option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (j), (k), (l), (m), (n), (o) and (p); and (iii) the date on which the Board certifies that there has been a breach of paragraph (h).

(r) ***Cancellation of option***

Options granted but not exercised or lapsed in accordance with the terms of the Post-IPO Share Option Scheme may be cancelled by the Company. Where the Company cancels options and offers to issue new ones to the same Grantee, the issue of such new options may only be made under the Post- IPO Share Option Scheme with available unissued options (excluding the cancelled options) within the limits set out in paragraph (s) below.

(s) ***Maximum number of Shares available under the Post-IPO Share Option Scheme***

(i) ***Overriding Limit***

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other schemes must not exceed 10% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

(ii) ***Mandate Limit***

In addition to the limit set out in sub-paragraph (s)(i) above and prior to the approval of a refreshed mandate limit as referred to in sub-paragraph (s)(iii) below, the total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue immediately following the

commencement of dealings in the Shares on the Stock Exchange, being 45,100,000 Shares (“**Initial Mandate Limit**”). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

(iii) *Refreshing of Mandate Limit*

The Company may by ordinary resolutions of the Shareholders refresh the 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 the Company under the limit as refreshed (“**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(iv) *Limit for each Grantee*

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each Grantee must not exceed 1% of the Shares in issue. Where any further grant of options to a Grantee would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by the Shareholders of the Company in general meeting with the relevant Grantee and his associates abstaining from voting. The date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such grant should be taken as the date of grant for such grants.

(t) *Effects of reorganisation of capital structure*

In the event of any alteration in the capital structure of the Company whilst any option may become remains exercisable, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding alterations (if any) shall be made to the number or nominal amount of Shares subject to the option so far as unexercised; and, or the subscription price; and, or the maximum number of Shares referred to in paragraph (s) above, as the auditors shall certify in writing to the Board either generally or as regards any particular Grantee to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any option shall

remain as nearly as possible the same (but shall not be greater than) it was before such event; (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the options held by him; and (iv) any such adjustments shall be made in compliance with Chapter 17 of the Listing Rules, the supplemental guidance issued by the Stock Exchange dated 5th September, 2005 and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time. For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

(u) *Alteration to the Post-IPO Share Option Scheme*

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

(v) *Termination of Post-IPO Share Option Scheme*

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

(w) ***Offers made to a director, chief executive or employee who is also substantial shareholder of the Company or any of their respective associates***

Subject to sub-paragraph (s)(iv) above, but only insofar as and for so long as the Listing Rules require, where any offer of an option is proposed to be made to an Eligible Person who is a director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company. As regards to a grant to an employee (who may be a director or chief executive of the Company) who is also a substantial shareholder or an independent non-executive Director of the Company, please refer to the note below.

For avoidance of doubt, a substantial shareholder who is not an Eligible Person is not eligible under the Post-IPO Share Option Scheme for options.

Note: Insofar and for so long as the Listing Rules so require, no option may be granted to any substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director of the Company, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Post-IPO Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of the offer (which is made subject to such approvals set out in this subparagraph) in respect of such further grant:

- (a) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant, in excess of HK\$5,000,000 unless such further grant is approved by the Shareholders in general meeting. In such general meeting, the grant of options to the substantial shareholder or independent non-executive Director of the Company or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director of the Company shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders by way of poll with all connected persons (which has the meaning as set out in the Listing Rules) of the Company abstaining from voting, except that any connected person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to shareholders (which circular shall contain all details and information as required under the Listing Rules). For so long and insofar as the Listing Rules so require, any variation in the terms of option granted to a Grantee who is a substantial shareholder or an independent non-executive Director of the Company, or any of their associates, must be approved by the Shareholders in general meeting with all connected persons of the Company interested in the relevant option abstaining from voting.

(x) Conditions of Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme is conditional on:

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

(y) Present status of the Post-IPO Share Option Scheme

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the Post-IPO Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Post-IPO Share Option Scheme, being 45,100,000 Shares in total.

D. OTHER INFORMATION**1. Tax and other indemnities**

HWGB has entered into a deed of indemnity in favour of each company within the Group (being a material contract referred to in paragraph headed “Summary of material contracts” in this appendix) to provide indemnities in respect of, among other things, Hong Kong estate duty which might be payable by any member of the Group by reason of any transfer of property (within the meaning of Section 35 of the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong) to any member of the Group on or before the date of the fulfilment of the last of the conditions to be fulfilled under the deed of indemnity (the “Relevant Date”). The deed of indemnity also contains, among other things, indemnities given by HWGB in respect of (a) taxation resulting from any income, profits or gains earned, accrued or received on or before the Relevant Date which might be payable by any member of the Group, (b) any loss and damages etc. arising out of the Group’s failure to secure relevant licences under the laws and regulations of Malaysia by April 2009. Claims arisen under the deed of indemnity are subject to an aggregate capped amount of RM3 million (or equivalent to approximately HK\$6.8 million).

The indemnities in the deed of indemnity shall not apply in the following circumstances:

- (a) to the extent that provision has been made for such taxation to which such taxation claim relates in the audited financial statements of the Group or any member of the Group as at 31st May, 2008;

- (b) relating to Hong Kong profits tax falling on any member of the Group after 31st May, 2008 unless liability for such Hong Kong profits tax would not have arisen but for some act or omission of, or transaction entered into by, HWGB or any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the course of normal day to day operations of that company on or before the Relevant Date;
- (c) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law coming into force after the date of the deed of indemnity or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the date of the deed of indemnity with retrospective effect; and
- (d) for any penalty imposed on any member of the Group under section 42 of the Estate Duty Ordinance or the equivalent thereof under the laws of any jurisdiction outside Hong Kong by reason of any member of the Group defaulting, at any time after the date of the deed of indemnity, in any obligation to give information to the Commissioner of Inland Revenue under section 42(1) of the Estate Duty Ordinance or the equivalent authority thereof under the laws of any jurisdiction outside Hong Kong, but HWGB shall be liable for any interest on unpaid estate duty.

Our Directors have been advised that no material liability for estate duty is likely to fall on the Company and its subsidiary in Hong Kong.

2. Litigation involving members of our Group

As at the Latest Practicable Date, none of the member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened by or against any member of our Group.

3. Sponsor

Anglo Chinese has made an application on behalf of the Company to the Listing Committee for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including those to be issued pursuant to the exercise of options which may be granted under the Post-IPO Share Option Scheme and on the exercise of the Over-allotment Option). All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

4. Promoter

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

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoter in connection with the Share Offer and the related transactions described in this prospectus.

5. Preliminary expenses

The preliminary expenses incurred by the Company in relation to its establishment were HK\$85,524 and were paid by the Company.

6. Agency fees or commission granted

The Underwriters will receive an underwriting commission as mentioned in the section headed “Underwriting” in this prospectus.

7. N.E.U. Engineering & Research Institute Co., Ltd

In connection with the Share Offer, we engaged NERI to conduct a detailed analysis of the global magnesium market and related industries. A sum of US\$95,000 (or equivalent to approximately HK\$741,000) is payable by the Company to NERI as consulting fees for preparing such a detailed analysis as well as the NERI Report.

The methodology employed combines primary and secondary research to provide an analysis of the market. Data collection is carried out by analysts with specific knowledge of the magnesium industry. Secondary sources such as company reports and trade data of industry groups and government statistics provided the historical context for the analysis of trends.

We have included certain information from NERI’s report in this prospectus because we believe such information, which is not publicly available, will help potential investors to better understand the magnesium market. Although we believe the data compiled by NERI fairly reflects the magnesium market, neither we, the Sponsor nor any of the Underwriters have verified the accuracy of the data compiled by NERI.

NERI is a specialised research and engineering company in non-ferrous metal metallurgy industry. It is mainly engaged in feasibility studies, research, engineering consultation, engineering and technology development in the field of magnesium, alumina, refinery aluminium, carbon and titanium industries. NERI has in the past been involved in various feasibility studies, design, construction plans and industrial testing for magnesium plants in the PRC. The team of researches at NERI was led by Mr. Zhao Jibiao. Mr. Zhao is a senior engineer and graduated from Northeastern University majoring in magnesium smelting. Mr. Zhao has wide

working experience in magnesium sector and has previously worked for Shenyang Aluminium Magnesium Design Institute and Shenyang Ruili Industrial Technology Development Corporation. He has been involved in various consultancy capacity in various magnesium plants in the PRC and is awarded expert status certificate in magnesium from CMA.

8. Consents and qualifications of experts or independent professional parties

Each of Anglo Chinese, KPMG, Grant Sherman Appraisal Limited, NERI, UKM, Ben & Partners and Richards Butler in association with Reed Smith LLP has given and has not withdrawn its respective written consent to the issue of this prospectus with inclusion of its report, valuation, letters and, or opinions (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.

The following are the qualifications of the experts or independent professional parties who have given opinions or advice which are contained in this prospectus:

Name	Qualification
Anglo Chinese Corporate Finance, Limited	Licenced corporation holding a licence under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
KPMG	Certified public accountants
Grant Sherman Appraisal Limited	Independent property valuers
N.E.U. Engineering & Research Institute Co., Ltd	Independent technical adviser
UKM Pakarunding Sdn. Bhd.	Independent technical adviser
Ben & Partners	Malaysian advocates and solicitors
Richards Butler in association with Reed Smith LLP	Hong Kong solicitors

9. Taxation of holder of Shares

Tax on Dividends

No tax is payable in Hong Kong in respect of dividends paid by us.

Profits

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profit tax, which is currently imposed at the rate of 17.5% on corporations and at a rate of 16% on unincorporated businesses. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares.

Estate Duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11th February, 2006. The estate of a person who died before 11th February, 2006 is subject to the provisions of the Estate Duty Ordinance (Chapter 111, Laws of Hong Kong), and the Shares are Hong Kong property for this purpose. The estate duty chargeable in respect of estates of persons who died during the transitional period from and including 15th July, 2005 to 11th February, 2006 with the principal value exceeding \$7.5 million shall be a nominal amount of \$100.

Consultation with professional advisers

Potential investors in the Share Offer 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 the Shares. None of the Company, the Sponsor, any of the Joint Lead Managers and the Underwriters, any of their respective directors, or any other person or party involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, or dealing in, Shares.

10. No material adverse change

Our Directors confirm that there has not been any material adverse change in the financial or trading position of our Group since 31st May, 2008 being the date to which the Company's latest audited combined financial statements were made up.

11. Binding effect

This prospectus shall have the effect, if an application is made in pursuant 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 so far as applicable.

12. Compliance Adviser

The Company has, pursuant to Rule 3A.19 of the Listing Rules, appointed Anglo Chinese to act as its compliance adviser for the period commencing from the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

When Anglo Chinese is consulted by the Company in the circumstances set out in Rule 3A.23 of the Listing Rules, it will carry out its responsibilities in accordance with the requirements under Rule 3A.24 of the Listing Rules.

13. Exemption from the Companies Ordinance

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

14. Miscellaneous

- (a) Save as disclosed in this prospectus:
 - (i) within the two years immediately preceding the date of this prospectus, the Company has not issued or agreed to issue any of their share or loan capital fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) the Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

- (iv) none of the equity and debt securities of the Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
 - (v) the Company has no outstanding convertible debt securities or debentures;
 - (vi) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commissions to underwriters) for subscription or purchase, agreeing to subscribe or purchase, procuring subscription or purchase or agreeing to procure subscription or purchase of any Shares in the Company;
 - (vii) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group.
- (b) As at the Latest Practicable Date, there was no restriction in Hong Kong affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.