

THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Admission Document or the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the FSMA, who specialises in advising on the acquisition of shares and other securities. An investment in the Company involves a significant degree of risk and may not be suitable for all recipients of this Admission Document. Investors should consider carefully the risk factors which are set out in Part II of this Admission Document.

This Admission Document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules and has been issued in connection with the proposed admission of the Enlarged Issued Share Capital to trading on AIM. This Admission Document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of sections 85 and 102B of FSMA or otherwise and accordingly is not a prospectus (as defined in the AIM Rules) and a copy of it has not been and will not be delivered to the UK Listing Authority in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

This Admission Document should not be forwarded or transmitted by you to any person in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or their respective territories or possessions.

The Company and its Directors, whose names appear on page 6 of this Admission Document, accept individual and collective responsibility for the information contained in this Admission Document, including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and makes no omission likely to affect the import of such information.

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is being, made for the Ordinary Shares to be admitted to any such exchange. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence on AIM on 9 June 2010.

The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Admission Document.

Northwest Investment Group Limited

(Incorporated and registered in the British Virgin Islands under the BVI Business Companies Act, 2004 with registered number 1500784)

Placing of 12,000,000 Ordinary Shares at 25p per share and Admission to trading on AIM

Nominated Adviser
ZAI Corporate Finance Ltd

Broker
ZAI Corporate Finance Ltd

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

| <i>Authorised Amount</i> | <i>Number</i> | | <i>Issued and fully paid Amount</i> | <i>Number</i> |
|------------------------------|---------------|-----------------|---|---------------|
| £50,000,000 | 1,000,000,000 | Ordinary Shares | £665,000 | 13,300,000 |

The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Share capital of the Company after Admission.

ZAI Corporate Finance Ltd, which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser to the Company in connection with the arrangements described in this Admission Document and will not be providing advice to any other person in relation to the Placing or Admission or any other transaction or arrangement referred to in this Admission Document. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this Admission Document. No representation or warranty, express or implied, is made by ZAI Corporate Finance Ltd as to any of the contents of this Admission Document (without limiting the statutory rights of any person to whom this Admission Document is issued). ZAI Corporate Finance Ltd will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to customers of ZAI Corporate Finance Ltd or for providing advice in relation to the contents of this Admission Document or any other matter. No liability is accepted by ZAI Corporate Finance Ltd for the accuracy of any information or opinions contained in, or for the omission of any material information from, this Admission Document, for which the Company and the Directors are solely responsible.

The Placing described in this document is only being made in the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Ordinary Shares of the Company or the distribution of this document. This document should not be copied or distributed by recipients and, in particular, should not be distributed by any means, including electronic transmission, in, into or from, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation. The Ordinary Shares of the Company have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa and they may not be offered or sold, directly or indirectly, within, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or to, or for the account or benefit of, United States persons or any national, citizen or resident of the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa. This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares of the Company in any jurisdiction in which such an offer or solicitation is unlawful.

This Admission Document contains forward-looking statements, including, without limitation, statements containing the words “believes”, “expects”, “estimates”, “intends”, “may”, “plan”, “will” and similar expressions (including the negative of such expressions). Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II “Risk Factors”. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this Admission Document and the Company and the Directors disclaim any obligation to update any such forward looking statements in this Admission Document to reflect future events or developments.

Copies of this document will be available free of charge to the public during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the offices of ZAI Corporate Finance Limited, 12 Camomile Street, London EC3A 7PT from the date of this document for a period of one month from Admission. From the date of Admission this document will be available from the Company's website at www.northwestinv.com.

The whole text of this Admission Document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed “Risk Factors” in Part II of this Admission Document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | 2010 |
|---|---------|
| Admission Document publication date | 3 June |
| Admission effective and commencement of dealings in the Enlarged Issued Share Capital on AIM | 9 June |
| Expected date for CREST accounts to be credited with Depository Interests (where applicable) | 9 June |
| Despatch of definitive share certificates in respect of the Placing Shares (where applicable) | 16 June |

All future dates referred to in this Admission Document are subject to change at the discretion of the Company and ZAI Corporate Finance Limited. All times are UK times unless otherwise specified.

PLACING STATISTICS

| | |
|--|--------------|
| Placing Price | £0.25 |
| Number of Existing Ordinary Shares | 1,300,000 |
| Number of Placing Shares | 12,000,000 |
| Number of Ordinary Shares in issue immediately following the Admission and the Placing | 13,300,000 |
| Placing Shares as a percentage of the Enlarged Issued Share Capital | 90.23% |
| Market capitalisation on Admission at the Placing Price | £3,325,000 |
| Gross proceeds of the Placing | £3,000,000 |
| Expenses of the Placing | £216,000 |
| TIDM code | NWIG |
| ISIN number | VGG666521015 |

DIRECTORS, SECRETARY AND ADVISERS OF THE COMPANY

| | |
|---|--|
| Directors | Mr. Kevin Lee <i>Chairman</i> Mr. Zheng Kang <i>Executive Director</i> Ms. Tracy Lau <i>Executive Director</i> Mr. Ka Ming Wong <i>Non-executive Director</i> Mr. Tiam Huat Lim <i>Non-executive Director</i> Mr. Yi Feng <i>Non-executive Director</i> |
| Company Secretary | Mr. Jack Smith |
| Registered Office | Sea Meadow House, Blackburne Highway, (P.O. Box 116), Road Town, Tortola, British Virgin Islands |
| Principal Place of Business | Room 1067, Tower A, Guanghua Chang'an Building, No. 7 Jianguomen Nei Dajie, Dongcheng District, Beijing, People's Republic of China |
| Nominated Adviser and Broker | ZAI Corporate Finance Ltd. 12 Camomile Street London EC3A 7PT United Kingdom |
| Reporting Accountants to the Company | Silver Levene Audit Limited 37 Warren Street London W1T 6AD |
| Legal Advisers to the Company | As to English law: Charles Russell LLP 5 Fleet Place London EC4M 7RD United Kingdom As to British Virgin Islands law: McW. Todman & Co McNamara Chambers P.O. Box 3342 2nd Floor 116 Main Street Road Town Tortola VG 1110 British Virgin Islands As to Chinese law: Beijing Tianyi Law Firm Floor 8, No.5 Building, Desheng Zhiye Mansion, No. 26, Huangsi Dajie, Xicheng District Beijing, People's Republic of China |
| Solicitors to the Nominated Adviser and Broker | Simmons & Simmons CityPoint One Ropemaker Street London EC2Y 9SS |

Registrars

Capita Registrars (Guernsey) Limited
Longue Hougue House
St Sampson
Guernsey
GY2 4JN

Depository

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Admission Document:

| | |
|------------------------------------|---|
| "2006 Act" | the Companies Act 2006 of England and Wales |
| "Admission" | the admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with the AIM Rules |
| "Admission Document" | this admission document |
| "AIM" | the market of that name operated by the London Stock Exchange |
| "AIM Rules" | together, the AIM Rules for Companies, the AIM Rules for Nominated Advisers and the AIM Note for Investing Companies published by the London Stock Exchange, as amended from time to time |
| "AIM Rules for Companies" | the AIM rules for companies published by the London Stock Exchange, as amended from time to time |
| "AIM Rules for Nominated Advisers" | the AIM rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time |
| "Articles" | the articles of association of the Company, further details of which are set out in Part IV of this Admission Document |
| "BVI" | British Virgin Islands |
| "China" or "PRC" | the People's Republic of China, excluding Hong Kong, Macau and Taiwan for purposes of this Admission Document |
| "Combined Code" | the Combined Code on Corporate governance, published by the UK Financial Reporting Council |
| "Company" or "NWIG" | Northwest Investment Group Limited |
| "CREST" | the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form |
| "CREST Regulations" | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended) |
| "Deed Poll" | has the meaning given in paragraph 16.1 of Part IV of this Admission Document |
| "Depository" | Capita IRG Trustees Limited |
| "Depository Interests" or "DIs" | a dematerialised depository interest representing an entitlement to Ordinary Shares which may be traded through CREST in dematerialised form |
| "Directors" or "Board" | the directors of the Company, whose names are set out on page 6 of this Admission Document |
| "Enlarged Issued Share Capital" | the issued share capital of the Company upon Admission being the aggregate of the Existing Ordinary Shares and the Placing Shares |

| | |
|----------------------------|---|
| “Euroclear” | Euroclear UK & Ireland Limited, the operator of CREST |
| “Existing Ordinary Shares” | the Ordinary Shares in issue at the date of this Admission Document |
| “FSA” | the UK Financial Services Authority |
| “FSMA” | the Financial Services and Markets Act 2000 of England and Wales, as amended, including any regulations made pursuant thereto |
| “Group” | the Company and its subsidiaries from time to time, to include, where the context so requires, an investment that the Company or any of its subsidiaries makes in a corporate body |
| “Investment Policy” | the policy approved by the Board relating to investments and/or acquisitions, further details of which are set out in paragraph 3 Part I of this Admission Document |
| “London Stock Exchange” | London Stock Exchange plc |
| “Official List” | the Official List of the UK Listing Authority |
| “Ordinary Shares” | ordinary shares of £0.05 each in the capital of the Company |
| “Placing” | the conditional placing by ZAI on behalf of the Company of the Placing Shares pursuant to the Placing Agreement |
| “Placing Agreement” | the conditional agreement dated 3 June 2010 between the Company, the Directors and ZAI relating to the Placing, details of which are set out in paragraph 12.1 of Part IV of this Admission Document |
| “Placing Price” | £0.25 per Placing Share |
| “Placing Shares” | 12,000,000 new Ordinary Shares to be issued pursuant to the Placing |
| “Prospectus Directive” | directive 2003/71/EC, as amended |
| “Prospectus Rules” | the prospectus rules published by the Financial Services Authority from time to time for the purposes of part IV of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated exchange |
| “QCA Guidelines” | the Corporate Governance Guidelines for AIM Companies issued by the Quoted Companies Alliance |
| “Related Party” | has the meaning given to that term by the AIM Rules for Companies |
| “Reverse Takeover” | has the meaning given to that term by the AIM Rules |
| “RMB” | Renminbi, the lawful currency of China |
| “Shareholders” | holders of Ordinary Shares in the Company from time to time |
| “UK Listing Authority” | the FSA acting in its capacity as competent authority for the purposes of Part VI of FSMA |
| “United Kingdom” or “UK” | the United Kingdom of Great Britain and Northern Ireland |

| | |
|----------------------------------|---|
| “US” or “USA” or “United States” | the United States of America, its territories and possessions, any state in the United States, the District of Columbia and other areas subject to its jurisdiction |
| “ZAI” | ZAI Corporate Finance Limited, the nominated adviser and broker to the Company |
| “£” and “p” | United Kingdom pounds sterling and pence |
| “US\$” and “cents” | United States dollars and cents |

PART I

INFORMATION ON THE COMPANY

1. Introduction

Northwest Investment Group Ltd. is a company incorporated under the laws of British Virgin Islands. The Company has been established for the purpose of identifying and acquiring, or investing in, energy projects with a focus on Western China. The Directors have expertise in the Chinese clean and renewable energy market. The Company will initially focus on hydropower projects in Western China.

On Admission NWIG will have no trading business, giving it a platform to carry out a detailed examination of potential acquisition targets. The Directors intend NWIG to complete the first acquisition within 12 months of Admission, which they expect will constitute a Reverse Takeover (and therefore will require shareholder approval) in order to provide the Company with an operating business. Following the initial acquisition, the Directors will review the strategic development of the Company.

The Company is raising £3 million through a placing of 12,000,000 Placing Shares and intends to seek further equity investments once admitted to AIM.

2. The Investment Case

The Directors believe that the recent international agreement to reduce green-house gas emissions and China's commitment in late 2009 to set its own emission reduction target present an opportunity for acquiring and/or investing in clean and renewable energy businesses and/or assets so that their growth potential can be realised for the benefit of shareholders.

The Directors believe that China represents an excellent opportunity. At present, the Chinese government has put new energy projects (especially hydropower projects) on its list of supportive industries and strongly encourages foreign investment in these projects. As a developing country, energy supplies in China are in great demand and energy development is seen by the Chinese Government as a fundamental requirement for economic and social development. Two of the executive directors have been involved in a large number of new energy projects in Xinjiang Province, Gansu Province, Yunnan Province and Sichuan Province.

3. Investment Policy

The Company's objective is to generate an attractive rate of return for Shareholders by taking advantage of opportunities to invest in the hydropower market in Western China. The Directors believe that Western China is relatively underdeveloped and therefore offers an attractive potential opportunity to invest in hydropower energy. The Directors also believe that it is likely that there will be continued governmental support for investment in hydropower projects in this region.

The Company is seeking to make a sizeable acquisition within a year of Admission, which most likely would be deemed a Reverse Takeover and therefore would require shareholders' approval. It does not intend to make any other smaller acquisitions or investments before then. The Company will ultimately aim to acquire/invest in up to 2 power-generation projects with a capacity of approximately 200 megawatts. The Directors intend that the construction of these projects would be completed before 2012.

Before making an acquisition the Board or an independent third party will carry out a feasibility study report to check the environmental impact and to carry out a relevant profitability analysis for each potential project. The Board will only complete an acquisition if the project is considered environmentally friendly and economically profitable.

The Company will be a value and growth oriented investor, targeting opportunities with the ability for the Company to add value either through its access to capital, its network of contacts or by recruiting high quality personnel. The Company intends to be an "active" investor rather than a "passive" investor.

The Company does not have a fixed life but the Directors undertake to propose a resolution for the winding-up of the Company if no investments are made within two years of Admission. If such resolution is not passed, the Company will continue its operations and a similar resolution will be put to Shareholders each year thereafter if no investments have been made. In addition, pursuant to the AIM Rules for Companies, if the Company has not substantially implemented its investment policy within eighteen months of Admission, the investment policy will be subject to approval by Shareholders at the next annual general meeting and annually thereafter.

As the Company's Investment Policy is, in the first instance, to seek an acquisition which would be deemed a Reverse Takeover and therefore result in the Company ceasing to be an "investing company" for the purposes of the AIM Rules and becoming a holding company of an operating business, it will not be relevant for the Company to undertake periodic reporting of its net asset valuation before such an acquisition is made. Full year and half yearly financial reporting will be undertaken in accordance with the AIM Rules.

The Company has been advised that there are no specific licences, consents or approvals required to carry on the Company's current activities in the BVI. The Company has also been advised that it does not require any specific licences in relation to its current activities in the PRC and that it has reasonable grounds to believe that it can obtain all necessary licences and permits at the relevant time in order to make the proposed acquisition detailed above.

It should be noted that the nature of the Company's activities is speculative and, being dependent on specific investment opportunities, uncertain, accordingly, an investment in the Ordinary Shares is designed only for investors who understand such risks and uncertainties and who can afford to bear the loss of their individual investment.

Any material change to the Investment Policy described in this document will only be made by the Board following Shareholder approval in accordance with the AIM Rules.

4. The Directors

Kevin Lee – Chairman (aged 28)

Kevin Lee graduated from The Beijing University of International Business and Economics with a dual degree in Economics and Law. After graduation, he worked for China Securities Research CITIC and received professional training in domestic security systems. During this time, he was primarily involved in capital markets research specifically covering macro-economics, fund and bond investments, investment strategy and mergers and acquisitions.

Zheng Kang – Director (aged 33)

Zheng Kang is a Chinese Energy Policy and investment specialist. He graduated from The School of Business Administration of Hunan University with a MBA Degree in 2001. In the same year, he joined the Chinese National Committee of the World Energy Council and also took responsibility as an analyst for Clean Energy Policy and Investment in China. He studied at the School of Economics and Management of Tsinghua University and obtained a Doctor of Business Administration Degree. In 2003, he joined the International Cooperation Bureau of the State Grid Corporation of China as a project manager. His roles included international energy development research and several international energy cooperation projects. In June 2005, he was elected as the Chairman of China Clean Development Mechanism (CDM) Promotion Committee and recognised as an expert in China CDM industry. In October 2006, he became Chairman of China CDM Exchange Centre Limited, which is traded on the PLUS market.

Tracy Lau – Director (aged 46)

Tracy Lau graduated from the Shandong University with a LL.B. After graduation, she joined Shandong Weifang Steel Group and worked in the legal department. During 2000-2002, she studied Executive Master of Business Administration (EMBA) at TsingHua University and worked for the Beijing Asian-Pacific Jinke Investment Consultancy Co., Ltd. Through this experience, she has obtained extensive knowledge of market planning and strategic management.

Ka Ming Wong – Non Executive Director (aged 58)

Ka Ming Wong graduated from the Chinese University of Hong Kong with a bachelor's degree in economics and a master's degree in Business Administration. He has more than 25 years experience in financing and investing. He is currently managing director of KASH Strategic Ltd, a corporate finance consultancy firm. He had held senior positions in large financial organisations such as Sun Hung Kai Securities Limited and Dao Heng Securities Ltd. Mr. Wong had been a licensed Securities Dealing Director and Commodities Dealing Director with the Securities and Futures Commission of Hong Kong. He was previously a director of Jarlway Holdings PLC which was listed on AIM.

Tiam Huat Lim – Non Executive Director (aged 48)

Tiam Huat Lim graduated from the University of East Anglia with a BA and MA in Economics. He qualified as a Chartered Accountant with Ernst and Young in 1993. He has considerable experience of managing financial matters within SMEs in the United Kingdom and the Asia Pacific region. He was the Chairman, Chief Executive Officer and Chief Financial Officer of Asia Resources Plc, an AIM listed company, from September 2006 to January 2008. Following its Reverse Takeover in January 2008, he was the Chief Financial Officer until December 2008. He was Group Financial Controller of Minova International Limited, from 2003 to 2006, with responsibility in global financial matters, during which time the Minova Group extended its mining activities, initially in the tunnelling sector and subsequently in the civil and infrastructure market.

Yi Feng – Non Executive Director (aged 35)

Yi Feng, is currently Deputy Director in the Communist Office of the Chinese Institute of Certified Public Accountants. In 2002, he obtained a Masters Degree in Management Science and Engineering from China Agricultural University. From 2002 to 2005, he worked in the Comprehensive Department (subsequently the Propaganda Department) of the Beijing Institute of Certified Public Accountants. Since then, he has been involved in “the Study of Enterprise Financial Risk Precaution and Controlling Mechanism” project which was sponsored by the Natural Science Foundation of China. This role included carrying out feasibility studies in connection with the design of Technical Zones in the city of Changchun and Yantai. His particular specialisation is in project feasibility studies, *inter alia*, in the area of investment financial analysis, financing and auditing.

5. The Placing

The Company has conditionally raised £3 million, before expenses, through a conditional placing being undertaken by ZAI of 12,000,000 Placing Shares at £0.25 per Placing Share.

On 3 June 2010, the Company, the Directors and ZAI entered into the Placing Agreement pursuant to which ZAI agreed, subject to certain conditions, to act as Placing Agent to the Placing. Under the Placing, the Placing Shares have been conditionally placed with certain investors.

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 9 June 2010 (or such later date as ZAI and the Company may agree, being not later than 30 July 2010). The Placing Agreement contains provisions entitling ZAI to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing will lapse, any monies received in respect of the Placing will be due to be returned by the Company to applicants and Admission will not occur. The Placing is not being underwritten by ZAI Corporate Finance.

Further details of the Placing Agreement are set out in paragraph 12.1 of Part IV of this document.

6. Reasons for the Placing and Admission and Use of Proceeds

The Company will use the net funds received from the Placing to investigate and pursue potential acquisitions, perform due diligence, contribute towards professional costs associated with an acquisition and fund the initial working capital requirements of the Company. The Directors' aim is to use the Company's Ordinary Shares as consideration for any acquisitions made, however, an element of cash consideration may still be required. The funds from the Placing could therefore also be used to meet some or all of this cash consideration. However, further funds may be required for an acquisition or following it, and the Company would therefore seek to raise additional equity from new and existing Shareholders or

raise funds through debt finance. Following Admission, the net proceeds of the Placing will be placed on deposit until required by the Company.

The Directors believe that Admission will offer the following benefits:

- **Acquisition/Investment Consideration**

The issue of shares traded on AIM as consideration for any acquisition may be more attractive to potential vendors than shares in a company which are not traded on a public exchange.

- **Access to Capital Markets**

The potential to raise further funds, either to enable any proposed acquisition or investment to be completed and/or to raise additional working capital or development capital for the Company once the acquisition or investment has completed.

- **Increased Corporate Profile**

The Directors believe that the status of being a company whose shares are traded publicly could benefit the acquired businesses in increasing their corporate and public profile.

7. Lock-in Arrangements

In accordance with the AIM Rules for Companies and under the terms of the Placing Agreement, each of the Directors (and any connected persons as defined in section 252 of 2006 Act) have agreed not to dispose of any interest in the Ordinary Shares for one year following Admission except in certain restricted circumstances. In addition, under the terms of a separate lock-in agreement, Kevin Lee, Tracy Lau and Li Xinyan (a substantial shareholder) have agreed the same and have agreed to orderly market provisions. Further details of these lock-in and orderly market arrangements are set out in paragraph 12.3 of Part IV of this Admission Document.

8. Admission, Settlement and CREST

Application has been made to the London Stock Exchange for the Company's issued and to be issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 9 June 2010.

The Company has established a depository arrangement whereby Depository Interests representing Ordinary Shares will be issued to Shareholders who wish to hold their Ordinary Shares in electronic form within the CREST system. The Company has applied for the Depository Interests representing Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares, represented by Depository Interests, may take place following Admission within the CREST system if the relevant Shareholders so wish. CREST is a UK electronic paperless share transfer and settlement system, which allows shares and other securities, (including Depository Interests), to be held in electronic rather than paper form.

Please note that CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will also be able to do so. It is anticipated that certificates in respect of any Ordinary Shares held in certificated form will be despatched by 16 June 2010.

9. Corporate Governance

The Company is not required to comply with the provisions of the Combined Code. However, the Directors recognise the importance of sound corporate governance and intend that the Company complies with the main provisions of the QCA Guidelines for AIM Companies and the Combined Code so far as the same are appropriate for a company of the Company's size, nature and stage of development.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least four times in each financial year and at other times as and when required. The roles of the Chairman and Chief Executive Officer are, and will following Admission continue to be, performed by separate individuals.

The Company has already established an audit committee and remuneration committee, with formally delegated duties and responsibilities.

The audit committee comprises Mr. Tiam Huat Lim and Mr. Yi Feng, with Mr. Yi Feng as Chairman. It will be responsible for ensuring that the financial performance position and prospects of the Company are properly monitored and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls.

The remuneration committee comprises Mr. Ka Ming Wong and Mr. Yi Feng, with Mr. Ka Ming Wong as Chairman. It will review the performance of executive Directors and set their remuneration and the payment of bonuses to executive directors.

The Directors will comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealing and will take all reasonable steps to ensure compliance by the Company's applicable employees.

The Company has adopted and will operate a share dealing code for Directors and employees in accordance with the AIM Rules for Companies.

10. Dividend Policy

The Company has not yet commenced trading and the Directors therefore consider it inappropriate to make a forecast of the likely level of any future dividends. The Directors intend, however, to commence the payment of dividends if and when it becomes commercially prudent to do so. The payment of any dividends will be subject to the availability of financial resources, whilst maintaining an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance the development of the Company's activities. The Company's dividend policy will be reviewed in light of the development costs of any businesses it acquires and the availability of financial resources. The Company may need to retain funds to finance the requirements of the Company and any businesses acquired.

11. Financial Information

As the Company was incorporated in August 2008 it has included its audited accounts for the period ended 31 December 2009. As at 31 December 2009 the Company had cash of £978,957 of which £973,348 was repaid to one director on 31 March 2010. The Company has no material assets or liabilities. Shareholders should read the full historical financial information in Part III.

12. Shareholder Notification and Disclosure Requirements

Under the terms of the Articles, Shareholders are obliged to comply (where necessary) with the notification and disclosure requirements set out in Chapter 5 of the DTR as if the Company were a UK domestic company. The DTR can be accessed and downloaded from the FSA's website at <http://fsahandbook.info/FSA/html/handbook/DTR/5>.

13. Additional Information and Risk Factors

The attention of investors is drawn to the information contained in Parts II and IV of this document which provides additional information on the Company, and in particular Part II which set out certain risk factors relating to the Company.

PART II

RISK FACTORS

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment.

In addition to the usual risks associated with an investment in a business which is a start-up or at an early stage of development, the Directors believe that the following risks should be considered carefully by investors before acquiring Ordinary Shares. Prospective investors are advised to consult an independent adviser authorised under the FSMA.

If any of the risks described in this Admission Document actually occurs, the Company may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

RISK FACTORS RELATING PRIMARILY TO THE BUSINESS AND OPERATIONS OF THE GROUP

Reliance on management

The success of the Company depends largely upon the skill of the Directors and their ability to identify, acquire and manage suitable assets, companies or businesses. The retention of their services cannot be guaranteed. Accordingly, the loss of any key Director of the Company may have an adverse effect on the Company's prospects.

Identifying and acquiring suitable investments

The Company has not yet made any investments and has no operating history upon which to evaluate its likely performance. The Company's ability to implement its Investment Policy and achieve its desired returns will be limited by its ability to identify and acquire suitable investments.

Suitable investment opportunities may not always be readily available. The Company's initial and future investments may be delayed or made at a relatively slow rate because, among other things:

- the Company intends to conduct detailed due diligence prior to recommending investments;
- the Company may conduct extensive negotiations in order to secure and facilitate an investment;
- certain structures may need to be established in order to facilitate an investment;
- attractive investments may not be identified or available at the rate currently anticipated by the Company due to competition from other investors, market conditions or other factors; and
- the Company will need to raise further capital to make investments and/or fund the assets or businesses invested in.

The Company cannot accurately predict how long it will actually take to deploy the capital available to it or at all. Precise timing will depend on, among other things, the availability of suitable direct investments, due diligence, negotiations with counterparties and investment structuring considerations.

In addition, the Company may face significant competition in identifying and acquiring suitable investments from other investors, including competitors who may have greater resources. Competition in the investment market may lead to prices for investments identified by the Company as suitable being driven up through competing bids by potential purchasers. Accordingly, the existence and extent of such competition may have a material adverse effect on the Company's ability to acquire investments at satisfactory prices and otherwise on satisfactory terms, thereby reducing the Company's potential profits.

Pursuant to the AIM Rules if the Company has not substantially implemented its investment policy within eighteen months of Admission, the investment policy will be subject to approval by shareholders at the next annual general meeting and annually thereafter until such time that its investing policy has been substantially implemented.

Success of Investment Policy not guaranteed

Returns achieved are reliant upon the performance of the assets of the Company and the investment policy followed. The success of the investment policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to correctly interpret market data.

No assurance is given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to identify opportunities meeting the Company's investment criteria and that the Company will be able to invest its capital on attractive terms and generate returns for investors.

Concentration of risk

There can be no assurance that the actual investment opportunities which the Directors are able to source for the Company will not lead to concentration of risk. To the extent that the Company's investments are concentrated in any one sub-sector of the resources industry, region, country or asset class, downturns affecting the source of the concentration may result in a total or partial loss on such investments and have a material adverse effect on the Company's performance.

The Company may experience fluctuations in its results

The Company may experience fluctuations in its operating results due to a number of factors, including the rate at which the Company makes new investments, the interest rates payable on debt capital, the level of expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which it encounters competition in sourcing suitable investment opportunities and general economic conditions. Accordingly, results for any period should not be relied upon as being indicative of performance in future periods.

No assurance of profitability

The expenses of operating the Company may, at times, exceed the Company's income, thereby requiring that the difference be paid from the Company's capital. Initially the Company will have no income save for any interest earned on cash reserves.

Investments in private companies are subject to a number of risks

The Company may invest in or acquire privately held companies or assets. These may (a) be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements which may adversely affect their financial condition; (b) have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors; (c) have limited financial resources; (d) be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals; (e) have limited public information available; (f) have less predictable operating results; and (g) require additional capital. Each of these factors may have a material adverse effect on the Company's performance, which could reduce the value of the Ordinary Shares.

Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances which would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all

documents relating to the investee company and assets. In circumstances where the Company is not the lead co-investor, it may need to rely upon the due diligence carried out by the lead investor. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment which might be necessary or helpful in evaluating a potential investment.

Additional capital and dilution

The Company may require additional capital in the future for expansion and/or business development which may significantly dilute the interests of existing Shareholders. If the Company is unable to obtain financing on terms acceptable to it then it may be forced to curtail its planned development. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of Shareholders may be reduced. There can be no guarantee that any further capital raisings will be successful.

Borrowings

The Company may, from time to time, borrow to fund investments or borrow for short term funding purposes. There is no guarantee that the Company will be able to obtain financing upon appropriate terms and conditions or at all. The companies in which the Company invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available funds will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Company's control) may make it difficult for the Company or its investee companies to obtain new financing on attractive terms or even at all.

Early stage of development

The Company may make investments in entities and assets at a relatively early stage of development. Although the Company will seek, where appropriate, active management involvement in the underlying investee companies or assets, there can be no assurances that such companies or assets will successfully develop or that the resources they have will be suitable for commercialisation. Such entities and assets may require the injection of further funding at a level which the Company or any third party may consider that it is unable to meet.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

Planning uncertainty

This Admission Document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Company's plans, goals and prospects. These statements and the assumptions that underly them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Company will not differ materially from the matters described in this Admission Document.

Regulatory incentives and subsidies

The clean and renewable energy industry is supported in many markets through a variety of financial incentives offered by government and regulatory bodies. If the availability of such incentives was reduced or removed this would be likely to have an adverse effect on the Company's business.

The clean and renewable energy industry in China in which the Company expects to have a market presence may also rely to some extent on financial incentives and/or penalties designed to support the clean and renewable energy industry in that location. Changes to, or the removal of such measures may have a significant adverse effect on the Company's ability to compete in such locations.

Competing companies

The Company operates in a rapidly evolving field in a highly competitive industry. Competition from other domestic and foreign energy companies, renewable energy companies and wind energy development and technology companies is intense and is expected to increase. The Company regards its primary competition to be other developers of hydropower projects and other developers of clean and renewable projects, and developers of projects using other energy sources including but not limited to natural gas, coal and oil fired electricity generation, fully costed, new build nuclear power plants with the possibility of future competition from sources such as wave, sun or waste energy generation. Many of these competitors have substantially greater financial, technical and human resources than the Company. In addition, obtaining power contracts with utilities is competitive with the increased use of competitive bidding procedures. Competitive bidding has generally reduced the price utilities are willing to pay independent power producers and thereby decreased the profitability of many independent clean and renewable power projects.

Political and legal factors

Projects in which the Company invests are likely to be in jurisdictions where legal uncertainties, ambiguities, inconsistencies and anomalies might arise which would not necessarily exist in the UK. In particular, difficulties may arise in seeking to obtain redress through the legal courts in the relevant overseas jurisdictions.

Specific political risks include:

- Changes to existing legislation related to tax, import duties, custom procedures, ownership, foreign exchange laws and environmental mitigation, leading to an adverse impact on the project;
- Confiscation, expropriation or nationalisation of the Company and/or its assets;
- Delays in the granting of permits, licenses and other consents from the government;
- Restrictions on repatriation, or exchange controls on profits and interest payments;
- Controls or restrictions on the rate of depletion of the Company's reserves;
- War, revolution or political violence; and
- Devaluation in the local currency, leading to a reduced value of the dividends stream.

Uninsured risks

Some forms of insurance protection used in western countries may be unavailable in jurisdictions in which the Company may invest. Furthermore, projects in which the Company may invest may become subject to liability for hazards that cannot be insured against or against which the Company may elect not to become so insured because of high premium costs. The Company may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

Realisation of investment

Potential investors should be aware that the value of shares and income from them can go down as well as up, that Admission of the Ordinary Shares to trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares and that the market price of the Ordinary Shares may not

reflect the underlying value of the Company. An investment in the Ordinary Shares may therefore be difficult to realise.

Financial risk

There are a number of financial risks which are outside the control of the Company and which can affect revenues and /or costs. These include international exchange rates, interest rates, world commodity prices which in turn affect energy supplies and raw materials changes in world prices of biodiesel, inflation and international trends in trade, tariffs and protectionism.

Legal Risk

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for intellectual property, an inability to enforce foreign judgments, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks are limited.

Tariffs and tax changes

Governments may impose tariffs on imported products and/or introduce changes to their internal tax subsidies which may affect the Company's competitiveness.

CONSIDERATIONS RELATING PRIMARILY TO THE ORDINARY SHARES

Investment in AIM securities and liquidity of the Company's Shares

An investment in companies whose shares are traded on AIM are perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may become or may be relatively illiquid and therefore, such Ordinary Shares may be or may become difficult to sell.

The market of the Company's shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors which could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

Trading market for the Ordinary Shares

The share price of emerging companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the company and its operations and others to the AIM market in general including, but not limited to, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. The trading of the Ordinary Shares on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List.

Dilution of shareholders' interest as a result of additional equity fundraising

As mentioned above, the Company may need to raise additional funds in the future to finance, amongst other things, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

Takeover Code

The provisions of the City Code on Takeovers and Mergers will not apply to the Company and therefore any takeover of the Company will be unregulated by UK takeover authorities.

Tax legislation

Any change in the Company's tax status, or in taxation legislation in the BVI, the United Kingdom, the PRC or elsewhere, could affect the value of its investments and the Company's ability to achieve its investing policy, or alter the post-tax returns to Shareholders. Statements in this Admission Document concerning taxation are based upon current tax law and practice, which laws and practice are in principle subject to change that could adversely affect the ability of the Company to meet its investing policy.

Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

RISK FACTORS RELATING TO THE PRC

Currency Exchange Rates

State control of currency conversion and future movements in exchange rates may adversely affect the Group's ability to distribute dividends, increase competition from imports, affect the value of the Group's assets or inhibit its ability to import the required machinery.

Environmental Regulation

The Group's operations are subject to environmental and safety regulation in the PRC and other jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject, under such regulations, to clean up costs and liability for toxic and hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. In particular, the acceptable level of pollution and the potential clean up costs and obligations and liability for toxic or hazardous substances for which the Group may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices of the relevant jurisdiction. In addition, environmental legislation and permit regime are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

Health and Safety

While health and safety regulations in the PRC are not well developed, the adoption and enforcement of more stringent regulations in the future could adversely affect operational flexibility and costs.

Governmental Regulations and Licences

The Directors believe that the Group can obtain all necessary licenses and permits to enable it to make an acquisition (as set out in Part I) under applicable PRC laws and regulations. However the Group's ability to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable PRC governmental authorities. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing

laws and regulations, could have a material adverse impact on the Group's results of operations and financial condition.

Political Risks in PRC

The Chinese system operates within a political framework of Communist control. However PRC has reformed and opened its economy. Although the Directors believe that political conditions in PRC are generally stable, changes may occur in its political, fiscal and legal systems which might affect the ownership or operation of the Group's interests, including, *inter alia*, changes in exchange control regulations, changes in government and in legislative and regulatory regimes. The Chinese Government since 1978 has pursued a policy of economic liberalisation, including the relaxation of private sector involvement in certain business sectors, although in late 2003 it began to limit new infrastructure projects, in an effort to cool off the economy. The degree to which the PRC Government regulates the industry is a key risk to the business in the future. The rate of economic liberalisation could change and laws and policies affecting the environmental protection sector, foreign investment, exchange rates and other matters affecting investment in PRC could change as well. A material change in PRC's economic liberalisation could disrupt the country's economy generally and the Group's business in particular. In addition, PRC has from time to time experienced civil unrest and hostilities with Taiwan and neighbouring countries, including India, Pakistan, Malaysia, Philippines and Vietnam. Events such as clashes between PRC, India and Pakistan over the disputed Kashmir region and terrorist attacks within PRC itself could adversely affect the market price of the Ordinary Shares.

PRC Legal Environment

The Chinese legal system is based on written statutes. Prior legal decisions and judgments have limited precedential value. China is still in the process of developing a comprehensive statutory framework, and its legal system is still considered to be underdeveloped in comparison with legal systems in some western countries. Despite significant improvement in its developing legal system, China does not yet have a comprehensive system of laws. The interpretation of Chinese laws may be subject to changes that have a material adverse effect on the Group. In addition, enforcement of existing laws may be uncertain. The PRC legal system and regional taxation laws have inherent uncertainties and inconsistencies as to interpretation that could limit the legal protections available to members of the Group and might constrain the effectiveness of its intellectual property rights. As the Group's business is substantially conducted in the PRC, its operations are governed principally by the laws of the PRC. The Directors believe that PRC company law and special provisions, in general, and provisions for the protection of shareholders' rights and access to information, in particular, are less developed and afford less protection than those applicable to companies incorporated in the United Kingdom and other developed countries or regions.

Limitations on Foreign Control of Chinese Companies

As part of PRC's accession to the WTO in 2001, PRC undertook to eliminate certain trade-related investment measures and to open up specified sectors that had previously been closed to foreign investment. Major remaining barriers to foreign investment include inconsistently enforced laws and regulations.

The risks noted above do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.

The investment described in this Admission Document is speculative and may not be suitable for all recipients of this Admission Document. Potential investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him.

PART III
FINANCIAL INFORMATION
ACCOUNTANTS' REPORT ON NORTHWEST INVESTMENT GROUP LIMITED

3 June 2010

The Board of Directors
Northwest Investment Group Limited
Sea Meadow House
Blackburne Highway
P. O. Box 116
Road Town
Tortola
British Virgin Islands

and

The Board of Directors
ZAI Corporate Finance Ltd.
12 Camomile Street
London
EC3A 7PT
United Kingdom

Dear Sirs

Northwest Investment Group Limited (“Northwest”)

We report on the financial information set out below. This financial information has been prepared for inclusion in the AIM Admission Document dated 3 June 2010 (“the Admission Document”) on the basis of the accounting policies set out in note 3 to the financial information. This report is required by the AIM Rules and is given for the purpose of complying with Paragraph 20.1 of Annex 1 of the AIM Rules and for no other purpose.

Responsibilities

The Directors of Northwest are responsible for preparing the financial information on the basis of preparation set out in note 3 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purpose of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purpose of the Admission Document, a true and fair view of the state of affairs of Northwest at the date stated, in accordance with the basis of preparation set out in note 3 to the financial information and in accordance with the International Financial Reporting Standards.

Declaration

For the purposes of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph 20.1 of Annex 1 of the AIM Rules.

Yours faithfully

Silver Levene Audit Limited

Chartered Certified Accountants
37 Warren Street
London
W1T 6AD

COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD 26 AUGUST 2008 TO 31 DECEMBER 2009

| | <i>Period ended 31 December 2009 £</i> |
|-------------------------|--|
| Revenue | – |
| Cost of sales | – |
| | <hr/> |
| Gross profit | – |
| Administrative expenses | – |
| Listing costs | (29,149) |
| | <hr/> |
| Operating loss | (29,149) |
| Interest income | 63 |
| Finance costs | – |
| | <hr/> |
| Loss before tax | (29,086) |
| Income tax expense | – |
| | <hr/> |
| Loss the period | <u>(29,086)</u> |

BALANCE SHEET
AS AT 31 DECEMBER 2009

| | <i>Notes</i> | <i>2009</i> £ |
|--------------------------------|--------------|------------------|
| Non-current assets | | |
| Property, plant and equipment | | — |
| Investments in subsidiaries | | — |
| | | — |
| Current assets | | |
| Trade and other receivables | | — |
| Cash and cash equivalents | 4 | 978,957 |
| | | 978,957 |
| Total assets | | <u>978,957</u> |
| Current liabilities | | |
| Trade and other payables | 5 | (980,848) |
| | | (980,848) |
| Net current liabilities | | <u>(1,891)</u> |
| Net liabilities | | <u>(1,891)</u> |
| Equity | | |
| Share capital | 6 | 25,000 |
| Share premium | | 2,195 |
| Retained earnings | | (29,086) |
| Total equity | | <u>(1,891)</u> |

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 26 AUGUST 2008 TO 31 DECEMBER 2009

| | <i>Share premium</i> £ | <i>Share capital</i> £ | <i>Retained earnings</i> £ | <i>Total</i> £ |
|--|-------------------------------|-------------------------------|-----------------------------------|-------------------|
| Balance at beginning of the period | – | – | – | – |
| Loss for the period | – | – | (29,086) | (29,086) |
| Total recognised income and expense for the period | – | – | (29,086) | (29,086) |
| Issue of shares | 2,195 | 25,000 | – | 27,195 |
| Balance at 31 December 2009 | 2,195 | 25,000 | (29,086) | (1,891) |

CASH FLOW STATEMENT
FOR THE PERIOD 26 AUGUST TO 31 DECEMBER 2009

| | <i>Notes</i> | <i>2009</i> £ |
|---|--------------|-----------------------|
| Net cash from operating activities | 7 | <u>951,699</u> |
| Investing activities | | |
| Interest received | | 63 |
| Purchase of property, plant and equipment | | – |
| Net cash used in investing activities | | <u>63</u> |
| Financing activities | | |
| Proceeds on issue of shares | | <u>27,195</u> |
| Net cash from financing activities | | <u>27,195</u> |
| Net increase in cash and cash equivalents | | 978,957 |
| Cash and cash equivalents at beginning of period | | – |
| Cash and cash equivalents at end of period | 4 | <u><u>978,957</u></u> |

NOTES TO THE FINANCIAL INFORMATION

FOR THE PERIOD 26 AUGUST 2008 TO 31 DECEMBER 2009

1. GENERAL INFORMATION

Northwest Investment Group Limited is a company incorporated in British Virgin Islands on 26 August 2008 under The BVI Business Companies Act 2004. The company has been established for the purpose of identifying and acquiring, or investing in, energy projects with an initial focus on Western China. The address of the registered office is Sea Meadow House, Blackburne Highway, P. O. Box 116, Road Town, Tortola, British Virgin Islands.

2. ADOPTION OF NEW AND REVISED STANDARDS

(a) *New and amended standards adopted by the company*

The Company has adopted the following new and amended IFRSs as of 1 January 2009:

IAS 1 (revised) 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income.

(b) *Standards, amendments and interpretations to existing standards which have not been applied in these financial statements*

Revised and amended standards

IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. It requires certain disclosures to be presented by category of instrument based on IAS 39 measurement categories. Certain other disclosures are required by class of financial instrument. As this is a disclosure standard it will not have any impact on the results or net assets of the Company.

IFRS 8 'Operating segments' – effective 1 January 2009. This standard sets out the requirements for the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. It replaces IAS 14, 'Segmental reporting'. As this is a disclosure standard it will not have any impact on the results or net assets of the Company.

IFRS 9 Replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets, the effective date is 1 January 2013. The Group will apply IFRS 9 when it is a complete replacement.

Interpretations

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, the effective date is for annual periods beginning on or after 1 July 2010. The Company will apply IFRIC 19 from 1 January 2010.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial information has been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS").

3.2 Basis of preparation

The financial statements have been prepared on the historical costs basis.

3.3 Foreign currencies

Functional and presentational currency

Items included in the financial information of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial information is presented in Pound Sterling ('£'), which is the company's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

3.4 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been

enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.6 Financial instruments

Financial instruments are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand on deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. CASH AND CASH EQUIVALENTS

| | |
|--------------|----------------|
| | 2009 |
| | £ |
| Cash at bank | 978,957 |
| Cash in hand | – |
| | <u>978,957</u> |

Bank balances comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

5. TRADE AND OTHER PAYABLES

| | |
|------------------------------|----------------|
| | 2009 |
| | £ |
| Directors' loan accounts | 973,348 |
| Accruals and deferred income | 7,500 |
| | <u>980,848</u> |

Directors' loan accounts represent amounts due to K Lee, a director of the company. The loan is interest free and has been repaid in March 2010.

The directors consider that the carrying amount of trade payables approximates to their fair value.

6. SHARE CAPITAL

| | 2009 | 2009 |
|--|----------------------|----------------------|
| | £ | £ |
| | <i>Share premium</i> | <i>Share capital</i> |
| Authorised: 1,000,000,000 ordinary shares of £0.05 each | – | 50,000,000 |
| Issued and fully paid: 500,000 ordinary shares of £0.05 each | <u>2,195</u> | <u>25,000</u> |

On 26 August 2008, the Company allotted 50,000 ordinary shares with no par value at a price per share of US\$1 for a total consideration of US\$50,000 fully paid.

On 28 October 2009, by written resolutions of the directors and shareholders the number of shares that the company is authorised to issue was increased from 50,000 ordinary shares with no par value to 1,000,000,000 with par value of £0.05 each. By a written resolution of the directors dated 29 October 2009 the ordinary shares held by the existing shareholders was increased from 50,000 ordinary shares of no par value to 500,000 ordinary shares of £0.05 each by the issue and allotment of 450,000 additional ordinary shares of £0.05 each.

On 16 March 2010, by written resolution of the directors, the company issued an additional 800,000 ordinary shares of £0.05 each with an aggregate nominal value of £40,000 for a total consideration of £200,000 fully paid.

7. NOTES TO THE CASH FLOW STATEMENT

| | 2009 £ |
|--|-----------|
| Loss from operations | (29,149) |
| Adjustments for: | |
| Depreciation of property, plant and equipment | — |
| Operating cash flows before movements in working capital | (29,149) |
| Increase in trade and other receivables | — |
| Increase in trade and other payables | 980,848 |
| Net cash generated from operations | 951,699 |
| Income taxes paid | — |
| Interest paid | — |
| Net cash from operating activities | 951,699 |

8. RELATED PARTY TRANSACTIONS

During the period, the company received a loan of £973,348 from Mr K Lee, a director of the Company. The loan is interest free and payable on demand.

9. FINANCIAL INSTRUMENTS

Credit risk management

The Company's credit risk is primarily attributable to its trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment. Credit risks of new customers must be assessed locally before entering into contracts. The overall Company debtor exposure is monitored by Company finance.

The risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company significant concentration of credit risk, with exposure spread over a large number of customers and counterparties.

Liquidity risk

Prudent liquidity management implies maintaining sufficient cash locally and the availability of committed credit facilities. The Company is mainly financed by equity, self-generated cash flows and intercompany loans.

Interest rate risk

The Company's policy is to fund its operations through the use of retained earnings, equity and bank debt.

The Company exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or short term deposits at floating rate of interest determined by the relevant bank's prevailing base rate. The Company seeks to obtain a favourable interest rate on its cash balances through the use of premium accounts.

Financial risk management

There are a number of financial risks which are outside the control of the Company and which can affect revenues and costs. These include international exchange rates, interest rates, world commodity prices which in turn affect energy supplies and raw materials changes in world prices of biodiesel, inflation and international trends in trade, tariffs and protectionism. The Company reviews its position regularly in considering the need for active financial risk management.

PART IV
ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Company and the Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated in the British Virgin Islands on 26 August 2008 under the name of Northwest Investment Group Ltd with registered number 1500784 as a BVI Business Company under the BVI Business Companies Act, 2004.
- 2.2 The liability of the members of the Company is limited.
- 2.3 The principal legislation under which the Company operates and its Ordinary Shares were created is the BVI Business Companies Act, 2004 and the regulations made thereunder.
- 2.4 The registered office of the Company is at Sea Meadow House, Blackburne Highway, (P.O. Box 116), Road Town, Tortola, British Virgin Islands and telephone number +284 494 3399.
- 2.5 The Company's correspondence address in Beijing is Room 1067, Tower A, Guanghai Chang'an Building, No. 7 Jianguomen Nei Dajie, Dongcheng District, Beijing, People's Republic of China.

3. THE SUBSIDIARIES

At Admission, the Company does not have any subsidiary or parent companies.

4. SHARE CAPITAL OF THE COMPANY

- 4.1 At the date of this document and immediately following Admission the Company is authorised to issue and has (or will have) issued the following shares:

| | <i>Authorised</i> | | <i>Issued and credited as fully paid</i> | |
|------------------------------|-------------------|--|--|--|
| | <i>£</i> | <i>Number of Ordinary Shares of £0.05 each</i> | <i>£</i> | <i>Number of Ordinary Shares of £0.05 each</i> |
| At the date of this document | 50,000,000 | 1,000,000,000 | £65,000 | 1,300,000 |
| On Admission | 50,000,000 | 1,000,000,000 | £665,000 | 13,300,000 |

- 4.2 On incorporation, the Company was authorised to issue 50,000 shares of no par value, all of which were issued to the subscribers to the Memorandum of Association.
- 4.3 On 28 October 2009, pursuant to written resolutions of the directors and shareholders, the number of shares that the Company is authorised to issue was increased from 50,000 shares of no par value to 1,000,000,000 shares of £0.05 each. It was resolved that all existing issued shares be re-designated with a par value of £0.05 each and new share certificates be re-issued. These resolutions were ratified by the Directors and Shareholders on 19 May 2010.

- 4.4 By a written resolution of the directors dated 29 October 2009, it was resolved that the number of issued shares be increased from 50,000 shares of no par value to 500,000 shares of £0.05 each ranking *pari passu*. This resolution was ratified by written resolution of the directors dated 19 May 2010.
- 4.5 On 16 March 2010, pursuant to a directors' written resolution, it was resolved that 560,000 new ordinary shares of £0.05 each be issued to Kevin Lee at a price per share of £0.25 and 240,000 new ordinary shares of £0.05 each be issued to Tracy Lau at a price per share of £0.25. This resolution was ratified by written resolution of the directors dated 19 May 2010.
- 4.6 The new Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital.
- 4.7 The Company does not operate a share option scheme.
- 4.8 Save as disclosed in paragraph 4 above:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - (b) no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option; and
 - (c) no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles contain (*inter alia*) the following provisions:

5.1 Objects

The object for which the Company is incorporated is to engage without limitation in any act or activities which are not prohibited under any law for the time being in force in the British Virgin Islands.

For the purposes of section 9(4) of the BVI Business Companies Act 2004, there are no limitations on the businesses that the Company may carry on.

5.2 Rights attaching to Shares

Each share in the Company confers upon the Shareholder:

- (a) the right to one vote at a meeting of the Shareholders of the Company or on any resolution of Shareholders;
- (b) the right to an equal share in any dividend paid by the Company; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

5.3 Variation Of Class Rights

If at any time the number of shares which the Company is authorised to issue is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) shall whether or not the Company is being wound up, be varied by a resolution with the consent in writing of the holders of a majority in excess of 50% of the issued shares of that class and of the holders of not less than 30% of the issued shares of any other class of shares which may be affected by such variation.

5.4 **Authority of Board to allot shares**

- 5.4.1 The Directors are generally and unconditionally authorised to exercise for each Allotment Period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Allotment Amount;
- 5.4.2 during each Allotment Period, the Directors are empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority referred to in paragraph 5.4.1 above:
- (a) in connection with a Rights Issue;
 - (b) pursuant to a Specific Authority; and
 - (c) otherwise than in connection with a Rights Issue or a Specific Authority, up to an aggregate nominal amount equal to the Non-Pre-emptive Amount;
- 5.4.3 by such authority and power, the Directors may, during the Allotment Period, make offers or agreements which would or might require securities to be allotted after the expiry of the Allotment Period; and
- 5.4.4 for the purposes of this paragraph:
- (a) **“Allotment Period”** means any period (not exceeding five years on any occasion) for which the authority referred to in paragraph 5.4.1 above is renewed or extended by a Resolution of Shareholders stating the Allotment Amount for such period;
 - (b) the **“Allotment Amount”** shall, for any Allotment Period be that stated in the relevant resolution renewing or extending the authority referred to in paragraph 5.4.1 for such period or any increased amount fixed by a Resolution of Shareholders and which shall for the first Allotment Period commencing from the date of adoption of these Articles until the subsequent Resolution of Shareholders reviewing or extending this authority, be equal to the entire authorised but unissued share capital of the Company;
 - (c) **“equity securities”** shall have the meaning given to it in Section 560(1) of the UK Companies Act 2006;
 - (d) the **“Non-Pre-emptive Amount”** shall for any Allotment Period be that stated in the relevant Special Resolution renewing or extending the power referred to in paragraph 5.4.2 above for such period or any increased amount fixed by Special Resolution and which shall for the first Allotment Period commencing from the date of adoption of these Articles until the subsequent Special Resolution reviewing or extending this amount, be an aggregate nominal amount equal to £699,750 being an amount equal to the aggregate nominal amount of the (i) Placing Shares and (ii) 15 per cent. of the Enlarged Issued Share Capital;
 - (e) **“relevant securities”** shall have the meaning given to it in Sections 549(1) and (2) of the UK Companies Act 2006;
 - (f) **“Rights Issue”** means an offer of equity securities open for acceptance for a period fixed by the Directors to: (i) holders on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings); and (ii) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - (g) **“Specific Authority”** means an allotment of equity securities or sale of Treasury Shares for cash made pursuant to a specific authority granted by Special Resolution (in addition to any Non-Pre-emptive Amount) or made to fulfil a contractual obligation of the Company which without prejudice to paragraph 5.4.3 existed prior to the relevant Allotment Period; and

- (h) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

5.4.5 Save for allotments made in accordance with the paragraph 5.4.1 to 5.4.4 the Company shall not issue equity securities to any person whether or not such person is already a member, unless such securities are first offered to the members in proportion to the number of the existing shares held by them respectively, unless the Company shall by special resolution otherwise direct. The above provisions shall not apply to:

- (a) a particular allotment of equity securities if these are to be paid for otherwise than in cash;
- (b) shares to be held under an employees' share scheme; or
- (c) an allotment of bonus shares.

5.5 **Share Certificates**

A person (except a person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) whose name is entered on the share register in respect of shares of any one class in certificated form shall upon the issue or transfer to him of such shares be entitled to receive within one month after allotment (or such other period as the terms of issue shall provide) or the lodgement of transfer without payment, one certificate for all the certificated shares of each class registered in his name.

5.6 **Depository Interests and uncertificated shares**

The Directors shall, subject always to any applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement and/or approve any arrangements they may think fit in relation to the evidencing of title to and transfer of interests in shares in the capital of the Company in the form of depository interests or similar interests, instruments or securities. The Board may permit shares (or interests in shares) to be held in uncertificated form and to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form.

5.7 **Disclosure of interest in shares**

5.7.1 Notwithstanding the provisions of the BVI Business Companies Act 2004, the provisions of Chapter 5 of the Disclosure and Transparency Rules shall apply to the Company as if it were a UK issuer and are deemed to be incorporated into the Articles.

5.7.2 Where notice is served by the Company in accordance with Section 793 of the United Kingdom Companies Act 2006 as incorporated into the Memorandum and Articles of Association (a "Section 793 notice") on a member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "default shares") to give the Company the information required within 14 days following the date of service of the Section 793 notice, the Board may serve on the holder of such default shares a notice (a "disenfranchisement notice") whereupon the following sanctions apply, unless the Board otherwise decides:

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and
- (b) where the default shares represent at least 0.25 per cent, in nominal value of the issued shares of their class:
 - (i) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it; and
 - (ii) no transfer of any of the default shares shall be registered unless the transfer is an excepted transfer (e.g. a transfer pursuant to a takeover offer for the

Company) or the member is not himself in default in supplying the information required and the member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or registration of the transfer is required by any relevant system.

5.8 **Acquisition of Own Shares and Redemption of Shares**

The Directors may, in accordance with the Act, on behalf of the Company purchase, redeem, or otherwise acquire any of the Company's own shares for such consideration as they consider fit, and may either cancel or hold such shares as treasury shares.

5.9 **Transfer of Shares**

Subject to the BVI Business Companies Act 2004 and to the Articles, any Shareholder may transfer all or any of his certificated shares (or interest in such shares) by instrument of transfer in any usual form or in such other form as the directors may approve and the instrument must contain the name and address of the transferee and be executed by or on behalf of the transferor but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of Shareholders in respect of it. Transfers of shares (or interest in such shares) in uncertificated form shall be effected by means of the relevant system (i.e. CREST) in accordance with the rules of such relevant system, the BVI Business Companies Act 2004 and the Articles. The Board may in certain circumstances refuse to register the transfer of a share.

5.10 **Shareholder meetings**

5.10.1 An annual general meeting shall be held in each year (in addition to any other general meetings which may be held in that year) within six months of the day immediately following the Company's accounting reference date.

5.10.2 The Directors shall convene a General Meeting upon the written request of Shareholders holding no less than 30 per cent. of the votes of the issued voting shares in the Company.

5.10.3 At least 21 clear days' notice of every annual general meeting and at least 14 clear days' notice of every other general meeting shall be given to shareholders.

5.10.4 For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting.

5.10.5 No business shall be transacted at any meeting of the shareholders unless a quorum is present when the meeting proceeds to business. A quorum shall consist of the holder or holders present in person or by proxy holding or representing by proxy no less than 20 per cent. of the votes of the issued voting shares in the Company.

5.10.6 At any meeting, a resolution put to the vote shall be decided on a show of hands by a simple majority unless a poll is (before or on the declaration of the result of the show of hands) demanded:

(a) by the chairman; or

(b) by any member present in person, voting trustee, committee or by proxy and representing not less than one tenth of the shares entitled to vote.

5.10.7 In the case of an equality of votes, whether on a show of hands, or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

5.10.8 At any meeting of Shareholders whether on a show of hands or on a poll, every member entitled to vote and who is present in person, by a voting trustee, by a committee, or by proxy shall have one vote for every voting share of which he is the holder.

5.11 **Directors**

5.11.1 The number of the Directors shall be not less than two nor more than fifteen.

5.11.2 The Directors shall be elected by the Shareholders or by the Directors subject to ratification by the Shareholders at the next ensuing General Meeting after such appointment.

5.11.3 Each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was elected or last re-elected.

5.11.4 A Director shall not require a share qualification, but nevertheless shall be entitled to attend and speak at any meeting of the Shareholders.

5.11.5 The Directors' fees (which for the avoidance of doubt does not include any salary) shall not exceed an aggregate amount of £80,000. However, the Company may by resolution increase the amount of the fees payable.

5.12 **Conflicts of Interest**

5.12.1 No Director shall be disqualified by his office from contracting with the Company either as a vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any director shall in any way interested be voided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason of such Director holding that office or of the fiduciary relationship thereby established.

5.12.2 The nature of a Director's interest must be declared by him at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration, and if the Director was not at the date of the meeting interested in the proposed contract or arrangement, or shall become interested in a contract or arrangement after it is made, he shall forthwith after becoming so interested, advise the Company in writing of the fact and nature of his interest.

5.12.3 A Director may be counted as one of a quorum upon a motion in respect of any contract or arrangement which he shall make with the Company, or in which he is so interested as aforesaid, and may vote upon such motion.

5.13 **Borrowing powers**

The Directors may exercise all powers of the Company to borrow money up to a maximum aggregate value of £10,000,000.

5.14 **Dividends**

The directors may, by resolution, declare a dividend if satisfied that immediately after the payment of the dividend:

5.14.1 the value of the Company's assets exceeds its liabilities; and

5.14.2 the Company is able to pay its debts as they fall due.

Dividends may be declared and paid in money, shares, or other property of the Company.

The directors may from time to time pay to the Shareholders such interim dividends as appear to the directors to be justified by the surplus of the Company.

Subject to the rights of the holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid according to the par value of the shares in issue, excluding those shares which are held by the Company as treasury shares at the date of declaration of the dividend.

The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at their discretion, either be employed in the business of the Company or be invested in such investments as the directors may think fit.

5.15 **Indemnity**

Subject to the provisions of the BVI Business Companies Act 2004 and of any other statute for the time being in force every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damage, or misfortune which may happen to, or be incurred by the Company in the execution of the duties of his office, or in relation thereto.

6. **INTERESTS OF THE DIRECTORS**

6.1 The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of section 252 of the 2006 Act) in the issued share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at the date of this document and as expected to be immediately following Admission, conditional upon Admission, are as follows:

| <i>Name</i> | <i>At the date of this document</i> | | <i>Immediately following Admission</i> | |
|-------------|---|--|--|--|
| | <i>No. of Ordinary Shares</i> | <i>% of Issued Share Capital</i> | <i>No. of Ordinary Shares</i> | <i>% of Enlarged Share Capital</i> |
| Kevin Lee | 910,000 | 70% | 910,000 | 6.84% |
| Tracy Lau | 390,000 | 30% | 390,000 | 2.93% |

6.2 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the 2006 Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

6.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

6.4 Save as disclosed above, and save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.

6.5 None of the Directors or any person connected with them (within the meaning of section 252 of the 2006 Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

7. **DIRECTORS' SERVICE AGREEMENTS**

7.1 Kevin Lee entered into an agreement with the Company to act as Chairman on 31 March 2010 with effect from 15 October 2009. His term of employment is for an indefinite period terminable on one month's notice by either the Company or Mr Lee. The Company may at any time and in its absolute discretion terminate the Agreement with immediate effect and make a payment in lieu of notice. Mr Lee will receive an annual salary of £50,000 payable by equal monthly instalments in arrears. His salary will be reviewed annually. The Company may, in its absolute discretion pay to Mr Lee a bonus of such amount payable at such times as may from time to time be determined by the Board. He will be entitled to membership of a medical expenses insurance scheme, a work related injury insurance scheme and unemployment insurance. He will be entitled to 15 days' holiday per annum. The Agreement contains detailed provisions regarding confidentiality, data protection and other matters and post-termination restrictive covenants applicable for six months after the termination. In the event of termination of his appointment, however caused, he has agreed he will not be entitled to any compensation for the loss of office.

- 7.2 Zheng Kang entered into an agreement with the Company to act as Chief Executive Officer on 31 March 2010 with effect from 15 October 2009. His term of employment is for an indefinite period terminable on one month's notice by either the Company or Mr Kang. The Company may at any time and in its absolute discretion terminate the Agreement with immediate effect and make a payment in lieu of notice. Mr Kang will receive an annual salary of £40,000 payable by equal monthly instalments in arrears. His salary will be reviewed annually. The Company may, in its absolute discretion pay to Mr Kang a bonus of such amount payable at such times as may from time to time be determined by the Board. He will be entitled to membership of a medical expenses insurance scheme, a work related injury insurance scheme and unemployment insurance. He will be entitled to 15 days' holiday per annum. The Agreement contains detailed provisions regarding confidentiality, data protection and other matters and post-termination restrictive covenants applicable for six months after the termination. In the event of termination of his appointment, however caused, he has agreed he will not be entitled to any compensation for the loss of office.
- 7.3 Tracy Lau entered into an agreement with the Company to act as its Executive Director on 31 March 2010 with effect from 15 October 2009. Her term of employment is for an indefinite period terminable on one month's notice by either the Company or Ms Lau. The Company may at any time and in its absolute discretion terminate the Agreement with immediate effect and make a payment in lieu of notice. Ms Lau will receive an annual salary of £30,000 payable by equal monthly instalments in arrears. Her salary will be reviewed annually. The Company may, in its absolute discretion pay to Ms Lau a bonus of such amount payable at such times as may from time to time be determined by the Board. She will be entitled to membership of a medical expenses insurance scheme, a work related injury insurance scheme and unemployment insurance. She will be entitled to 15 days' holiday per annum. The Agreement contains detailed provisions regarding confidentiality, data protection and other matters and post-termination restrictive covenants applicable for six months after the termination. In the event of termination of her appointment, however caused, she has agreed she will not be entitled to any compensation for the loss of office.

8. NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

- 8.1 Ka Ming Wong entered into an agreement with the Company to act as its Non-Executive Director on 27 May 2010. The appointment is for an initial term of one year from 27 May 2010 subject to one month's notice by either party at any time and also subject to the Articles. Mr Wong will receive an annual fee of £15,000 payable semi yearly in arrears. This fee will be reviewed once acquisition is made. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest.
- 8.2 Tiam Huat Lim entered into an agreement with the Company to act as its Non-Executive Director on 27 May 2010. The appointment is for an initial term of one year from 27 May 2010 subject to one month's notice by either party at any time and also subject to the Articles. Mr Lim will receive an annual fee of £15,000 payable semi yearly in arrears. This fee will be reviewed once acquisition is made. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest.
- 8.3 Yi Feng entered into an agreement with the Company to act as its Non-Executive Director on 27 May 2010. The appointment is for an initial term of one year from 27 May 2010 subject to one month's notice by either party at any time and also subject to the Articles. Mr Feng will receive an annual fee of £15,000 payable semi yearly in arrears. This fee will be reviewed once acquisition is made. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest.
- 8.4 Save as disclosed in paragraphs 7 and 8 above, there are no service contracts in existence or proposed between any Director and the Company.

9. ADDITIONAL INFORMATION ON THE DIRECTORS

9.1 The names of all companies (excluding group companies) and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this document and indicating whether they are current or past are set out below:

| <i>Director</i> | <i>Current Directorships/Partnerships</i> | <i>Past Directorships/Partnerships</i> |
|-----------------|---|---|
| Kevin Lee | Northwest Investment Group Ltd | None |
| Zheng Kang | Northwest Investment Group Ltd China CDM Exchange Centre Limited | None |
| Tracy Lau | Northwest Investment Group Ltd | None |
| Ka Ming Wong | Northwest Investment Group Ltd KASH Strategic Limited East Mount Group Limited Dragon Jade International Limited | Man Sang International Limited Jarway Holdings PLC |
| Tiam Huat Lim | Northwest Investment Group Ltd | Asia Resources plc PrideMoat plc |
| Yi Feng | Northwest Investment Group Ltd | None |

9.2 None of the Directors has:

- (i) any unspent convictions in relation to indictable offences;
- (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (iii) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director;
- (iv) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (v) been the owner of any asset or been a partner in any partnership which owned, any asset which while he owned that asset, or while he was a partner or within the 12 months after he ceased to be a partner in the partnership which owned the asset entered into receivership;
- (vi) been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or
- (vii) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

9.3 Save as disclosed in this document, none of the Directors has or has had any interest in transactions effected by the Company since its incorporation which are or were unusual in their nature or conditions or which are or were significant to the business of the Company.

9.4 Each of the Directors has given an undertaking not to dispose of any of their Ordinary Shares, save in certain specified circumstances, for the period of 12 months from the date of Admission.

9.5 No loans made or guarantees granted or provided by the Company to or for the benefit of any Director are outstanding.

10. SUBSTANTIAL SHAREHOLDERS

10.1 Save as disclosed in sub-paragraph 6.1 above, the Company is not aware of any persons who, at the date of this document and immediately following Admission, represent an interest (within the meaning of DTR Chapter 5) directly or indirectly in 3 per cent. or more of the Company's issued share capital or could exercise control over the Company other than:

| <i>Name</i> | <i>At the date of this document</i> | | <i>Immediately following Admission</i> | |
|-------------|---|--|--|--|
| | <i>No. of Ordinary Shares</i> | <i>% of issued Share Capital</i> | <i>No. of Ordinary Shares</i> | <i>% of Enlarged Share Capital</i> |
| Li Xinyan | 0 | 0% | 9,600,000 | 72.18% |
| Wang Yamin | 0 | 0% | 1,200,000 | 9.02% |

10.2 None of the Directors has voting rights which are different to any other holder of Ordinary Shares.

11. EMPLOYEES

| | |
|----------------------------|---|
| Executive Directors: | Kevin Lee; Zheng Kang; Tracy Lau; |
| Board Secretary: | Jack Smith |
| Preliminary Listing Dept.: | Jeanne Zhang; Sarah Lau |
| Management Team: | Jacky Ge; Teresa Xing, Cindy Chen; Rita Lee |

12. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period of two years immediately preceding the date of this document or were entered into prior to this but contain provisions which are, or may be, material:

12.1 **Placing Agreement**

The Placing Agreement dated 3 June 2010 between the Company, the Directors and ZAI whereby ZAI was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Pursuant to the Placing Agreement, the Company and its Directors have given certain warranties to ZAI regarding, *inter alia*, the accuracy of information in this Document. The Placing is not underwritten. The Placing Agreement is conditional, *inter alia*, on Admission taking place no later than 9 June 2010 (or such later date as may be agreed by the Company and ZAI being not later than 30 July 2010 and the Company and its Directors complying with certain obligations under the Placing Agreement. Under the Placing Agreement, the Company had agreed to pay to ZAI a corporate finance fee of £100,000, together with all costs and expenses and VAT thereon, where appropriate.

ZAI is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of its outstanding costs on such termination.

12.2 **Nominated Adviser Agreement and Broker Agreement**

A Nominated Adviser Agreement and a Broker Agreement both dated 8 February 2010 between the Company and ZAI pursuant to which the Company has appointed ZAI to act as its nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay ZAI a retainer fee of £30,000 per annum before the proposed reverse takeover and £40,000 per annum after the proposed reverse takeover (quarterly in advance for its services as ongoing Nominated Adviser). The Company has agreed to pay ZAI a retainer fee of £10,000 per annum before the proposed takeover and £20,000 per annum after the proposed reverse takeover (quarterly in advance) for its services as ongoing Broker. The Agreements contain certain undertakings by the Company and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable regulations. The Agreements continue for a minimum period of 12 months and are subject to termination, *inter alia*, by either the Company or ZAI on the giving of not less than three months' prior written notice.

12.3 **Lock-in and Orderly Market Agreement**

A lock in agreement dated 2 June 2010 between the Company, Kevin Lee, Tracy Lau and Li Xinyan (the “Covenantors”) and ZAI, pursuant to which the Covenantors have agreed, subject to certain exceptions, not to dispose of any interests in securities of the Company held by him/her or any associate, for a period of 12 months from the date of Admission. The Covenantors have further agreed for a further 12 months thereafter to dispose of any such securities only through ZAI (provided that ZAI offers competitive prices and commission rates) for the purpose of preserving an orderly market in the Ordinary Shares.

12.4 **Depository Agreement**

Please refer to the description in paragraph 16 “Depository Interests”.

12.5 **Registration Services Agreement**

Please refer to the description in paragraph 16 “Depository Interests”.

12.6 **Relationship Agreement**

A relationship agreement dated 2 June 2010 between the Company and Mr Li Xinyan, pursuant to which Mr Li Xinyan has agreed *inter alia* that he and his associates (together, the “Controlling Shareholder”) will exercise their shareholder rights in the Company in such a manner as (i) to enable the Company to carry on its business independently, (ii) to allow the Board to be independent of the Controlling Shareholder, and (iii) to ensure all transactions and relationships between the Company and the Controlling Shareholder are entered into at arms length and on a normal commercial basis.

The relationship agreement ceases to have effect during any period in which the Controlling Shareholder ceases to beneficially own or be interested in at least 30 per cent. of the issued share capital of the Company carrying voting rights.

13. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware, which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company.

14. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, and taking into account the net proceeds of the Placing, the working capital available to the Company is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

15. TAXATION

The following paragraphs are intended as a general guide only for shareholders holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and UK HM Revenue and Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his own professional adviser immediately.

15.1

15.1.1 *Taxation of Chargeable Gains*

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as

acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a shareholder's holding.

Depending on the circumstance, Shareholders who are resident, or in the case of individuals, ordinarily resident in the UK for tax purposes may be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on capital gains) in respect of any gain arising on disposal, including on redemption, of their Ordinary Shares unless Shareholder is taxed as a dealer in securities, in which case any gain will be treated as income and taxed as such.

15.1.2 *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of Ordinary Shares. UK Stamp Duty at the rate of 0.5% is payable on any instrument of transfer of Ordinary Shares for consideration over £1,000 executed within, or in certain cases brought into, the UK.

The above comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

15.1.3 *Dividends and other Distributions*

Shareholders who are resident in the UK or carrying on a trade in the UK for tax purposes will, depending on their circumstances, be liable to UK Income Tax on the gross amount of dividend paid by the Company, and a UK individual will receive notional tax credit prior charged income tax, whether directly or by way of reinvestment of income.

If a UK company receives UK dividends, then it is not taxable under UK Corporation Tax.

Under current UK tax legislation, no tax will be withheld from any dividend paid by the Company.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

- 15.2 Under present BVI law, no BVI withholding tax on dividends or other distributions, nor any BVI tax computed on profits or income or on any capital asset, gain or appreciation, will be payable by an exempted company on its operations, nor is there any BVI tax in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of an exempted company held by non-residents of the BVI. Transfers of shares in the Company are also exempt from stamp duty in the BVI.

15.3 ***Tax implications for PRC residents***

Individuals resident in PRC will be subject to individual income tax at a rate of 20 per cent. on the dividends from the Company and on any gains that such individuals make from the disposal of Ordinary Shares.

PRC domestic enterprises will be subject to Enterprise Income Tax at a rate of 25 per cent. on dividends from the Company and gains made from the disposal of Ordinary Shares.

Under current PRC law, no tax will be withheld from any dividend paid by the Company.

No PRC stamp duty will be payable on the issue or transfer of Ordinary Shares.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

16. DEPOSITORY INTERESTS

The Company has entered into depository arrangements to enable investors to settle and pay for interests in Ordinary Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-UK companies, such as the Company, cannot be held electronically (i.e. in uncertificated form) or transferred in the CREST system. This means that the Ordinary Shares are not themselves admitted to CREST. However, Depository Interests allow securities to be dematerialised and settled electronically. Pursuant to arrangements put in place by the Company, a depository will hold the Ordinary Shares on trust for the investors and will issue dematerialised Depository Interests to individual investors' CREST accounts representing the underlying Ordinary Shares.

The Depository will issue the dematerialised Depository Interests. The Depository Interests will be independent securities constituted under English Law which may be held and transferred through the CREST system.

The Depository Interests will be created pursuant to and issued on the terms of a Deed Poll executed by the Depository in favour of the holders of the Depository Interests from time to time. Prospective holders of Depository Interests should note that they will have no rights in respect of the underlying Ordinary Shares or the Depository Interests representing them against Euroclear or its subsidiaries.

The Ordinary Shares will be transferred to the Depository's nominated custodian (the "Custodian") and the Depository will issue Depository Interests to participating members and provide the necessary custodial services.

In relation to those Ordinary Shares held by investors in uncertificated form, although the Company's register shows the Custodian as the legal holder of the Ordinary Shares, the beneficial interest in the Ordinary Shares remains with the Depository Interest holder, who has the benefit of all the rights attaching to the Ordinary Shares as if the Depository Interest holder were named on the certificated register itself.

Each Depository Interest will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depository Interests will have the same ISIN number as the underlying Ordinary Shares. The Depository Interests can then be traded and settlement will be within the CREST system in the same way as any other CREST securities.

Application has been made for the Depository Interests to be admitted to CREST with effect from Admission.

16.1 **Deed Poll**

Prospective subscribers for and purchasers of the Ordinary Shares are referred to the Deed Poll. In summary, the Deed Poll contains provisions to the following effect, which are binding on Depository Interest holders:

Holders of Depository Interests warrant that the Ordinary Shares held by the Depository or the Custodian (on behalf of the Depository) are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation.

The Depository and any Custodian must pass on to Depository Interest holders and, so far as they are reasonably able, exercise on behalf of Depository Interest holders all rights and entitlements received or to which they are entitled in respect of the underlying Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depository will be entitled to cancel Depository Interests and withdraw the underlying Ordinary Shares in certain circumstances including where a Depository Interest holder has failed to perform

any obligation under the Deed Poll or any other agreement or instrument with respect to the Depository Interests.

The Deed Poll contains provisions excluding and limiting the Depository's liability. For example, the Depository shall not be liable to any Depository Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depository shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, except in the case of personal injury or death, the Depository's liability to a holder of Depository Interests will be limited to the lesser of:

- the value of the Ordinary Shares and other deposited property properly attributable to the Depository Interests to which the liability relates; and
- that proportion of £10 million which corresponds to the portion which the amount the Depository would otherwise be liable to pay to the Depository Interest holder bears to the aggregate of the amounts the Depository would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £10 million.

The Depository is entitled to charge holders fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depository Interests is liable to indemnify the Depository and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depository Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depository, or the Custodian or any agent, if such Custodian or agent is a member of the Depository's group, or, if not being a member of the same group, the Depository shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

The Depository may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period holders may cancel their Depository Interests and withdraw their deposited property and, if any Depository Interests remain outstanding after termination, the Depository must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depository Interests to the relevant Depository Interest holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable deliver the net proceeds of any such sale, after deducting any sums due to the Depository, together with any other cash held by it under the Deed Poll pro rata to holders of Depository Interests in respect of their Depository Interests.

The Depository or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depository Interests are owned or held and the identity of any other person with any interest of any kind in such Depository Interests or the underlying Ordinary Shares and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Ordinary Shares, the holders of Depository Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depository Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Ordinary Shares in the Company, including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depository Interests to give prompt instructions to the Depository or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Ordinary Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depository Interests to vote such Ordinary Shares as a proxy of the Depository or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depository or the Company, marked for the attention of the Company Secretary.

16.2 **Depository Agreement**

The terms of the depository agreement dated 21 May 2010 between the Company and the Depository under which the Company appoints the Depository to constitute and issue from time to time (the “**Depository Agreement**”), upon the terms of the Deed Poll (as outlined above), a series of Depository Interests representing securities issued by the Company and to provide certain other services in connection with such Depository Interests are summarised below.

The Depository agrees that it will comply, and will procure certain other persons comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill, diligence and care. The Depository assumes certain specific obligations, including the obligation to arrange for the Depository Interests to be admitted to CREST as participating securities and to provide copies of and access to the register of Depository Interests. The Depository will either itself or through its appointed Custodian hold the deposited property on trust (which includes the securities represented by the Depository Interests) for the benefit of the holders of the Depository Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depository as is reasonably required by the Depository for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depository Agreement. In particular, the Company is to supply the Depository with all documents it sends to its Shareholders so that the Depository can distribute the same to all holders of Depository Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

The Depository is to indemnify the Company against claims made against the Company by any holder of Depository Interests or any person having any direct or indirect interest in any such Depository Interests or the underlying securities which arises out of any breach of the terms of the Deed Poll or any trust declared or arising thereunder, except where such loss, liabilities, cost or expense arises as a result of the fraud, negligence or wilful default of the Company. The Company is to indemnify the Depository against claims made against the Depository by any holder of Depository Interests or any person having any direct or indirect interest in any such Depository Interests or the underlying securities which arises out of the Depository’s performance of its obligations under the Depository Agreement or the Deed Poll, except where such loss, liabilities, cost or expense arises as a result of the fraud, negligence or wilful default of the Depository.

The agreement is to remain in force for one year and thereafter it shall be renewed for successive periods of 12 months. In the event of a material breach by one party, and where such breach has failed to be remedied within 30 days, the other party may terminate the agreement immediately. The Depository may otherwise terminate the agreement on 45 days’ notice. The Company may also otherwise serve 45 days’ notice, but such notice must not expire earlier than the expiry of the initial fixed period of one year or the expiry of the relevant 12 month period. Either party may serve 45 days’ written notice to the other, should the parties not reach agreement regarding any increase in fees. The Depository is to ensure that any custodian and any person who maintains the register of Depository Interests is a member of its group and may not subcontract or delegate its obligations under the Deed Poll without the Company’s consent.

The Company is to pay certain fees and charges, including a set up fee, an annual fee based on the number of Depository Interests holders per year and certain CREST related fees. The Depository is also entitled to recover reasonable out of pocket fees and expenses.

16.3 **Registration Services Agreement**

The terms of the Registration Services Agreement dated 26 May 2010 between the Company and the Registrar under which the Company appoints the Registrar to act as the registrar of the main share register of the Company, to be located in Guernsey (the “**Registration Services Agreement**”) are summarised below.

The Registrar will perform the services of a registrar using reasonable skill and care. The Registrar assumes certain specific obligations, including, for example, to receive and register transfers and all other documents needed to maintain the register, to prepare and issue new share certificates, and to prepare and dispatch dividend and interest payments. The Registrar will nominate a relationship manager who will be the principal point of contact for the Company on a day to day basis.

The Company agrees to give such assistance to the Registrar as may be reasonably necessary to enable the Registrar to carry out its obligations under the agreement.

The Company is to indemnify the Registrar against all liabilities that may be suffered arising out of or in connection with the performance of its duties as Registrar except where such liabilities may be due to the fraud or wilful default of the Registrar. The aggregate liability of the Registrar in connection with the agreement is the lesser of £1 million or an amount equal to 10 times the total annual fee payable to Registrar under the agreement and excludes liability for indirect and consequential loss or loss of profit, opportunity, goodwill, reputation or other pure economic loss.

The agreement remains in force for one year and shall continue for successive periods of 12 months, unless or until terminated by either party giving not less than 45 days' prior written notice to the other party, such notice not to expire earlier than the expiry of the initial fixed term or the expiry of the relevant 12 month period. Both the Company and the Registrar may terminate the agreement immediately upon giving notice to the other party, if the other party has committed a material breach which has not been remedied within 45 days of a receipt of a written notice to do so or by service of 45 days' written notice should the parties not reach agreement regarding any increase in fees.

The Company is to pay certain fees, including a basic annual registration fee, a corporate portal fee (if required), certain CREST-related fees and forged transfer insurance. The Registrar is also entitled to recover reasonable out-of-pocket expenses.

17. GENERAL

- 17.1 The gross proceeds of the Placing are expected to be £3 million. The total costs and expenses relating to the Placing payable by the Company are estimated to be £216,000 (excluding VAT).
- 17.2 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement and the placing letters. All the Placing Shares have been placed firm with placees. The Placing is not being guaranteed or underwritten by any person.
- 17.3 Monies received from applicants pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 31 July 2010, application monies will be returned to the Placees at their risk without interest.
- 17.4 The Placing Price of 25p represents a premium of 20p over the nominal value of 5p per Ordinary Share.
- 17.5 Silver Levene Audit has given and not withdrawn its written consent to the inclusion of its report in Part III of this document and references to them herein in the form and context in which they appear.
- 17.6 ZAI has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 17.7 The accounting reference date of the Company is 31 December.
- 17.8 It is expected that definitive share certificates will be despatched by hand or first class post by 16 June 2010. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited on 9 June 2010.
- 17.9 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

- 17.10 There are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 17.11 The Company has not made any investments since incorporation up to the date of this document, nor are there any investments by the Group in progress or anticipated which are significant.
- 17.12 There have been no significant changes in the trading or financial position of the Company since incorporation.
- 17.13 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Ordinary Shares may be delivered, held and settled in CREST by means of the creation of dematerialised Depository Interests representing such Ordinary Shares. Depository Interests will be independent securities constituted under English law, which may be held and transferred through the CREST system. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.
- 17.14 No person directly or indirectly (other than the Company's professional advisers and trade suppliers or save as disclosed in this document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Placing Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

18. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge from the Company's registered office and at the offices of ZAI, 12 Camomile Street, London, EC3A 7PT, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

3 June 2010

