

Our History

We commenced operation in October 2004 as Tianjin New Highland Science and Technology Development Co., Ltd., or TNH. On October 12, 2007, International Petroleum Services Corporation Limited, or International Petroleum, a company incorporated in Hong Kong and then wholly owned by Mr. Ernest Cheung, entered into an equity transfer agreement with Mr. Guoqiang Xin, who serves as our current CEO, Mr. Fengkai Liu and Mr. Fengshan Liu, the then shareholders of TNH, under which:

- Mr. Guoqiang Xin transferred his 94.60% of the equity interest in TNH to International Petroleum for a consideration of RMB33,205,000;
- Mr. Fengkai Liu transferred his 5% of the equity interest in TNH for a consideration of RMB1,755,000; and
- Mr. Fengshan Liu transferred his 0.40% of the equity interest in TNH for a consideration of RMB140,000.

The equity acquisition under the equity transfer agreement, or the 2007 Acquisition, was approved by the local counterpart of the Ministry of Commerce, or MOFCOM, in Tianjin on December 18, 2007

[Table of Contents](#)

and a Certificate of Approval for Foreign Invested Enterprise in the PRC was issued by the Tianjin Municipal Government on December 21, 2007. TNH obtained a new business license on January 10, 2008 to change its corporate status to a wholly foreign owned enterprise, or WFOE.

To enable us to raise equity capital from investors outside of China, we set up an offshore holding company structure by establishing Superport Limited, a British Virgin Islands incorporated company, in March 2009 to hold 100% of the equity interest in International Petroleum on May 4, 2009 for a consideration of HK\$5,000. On May 6, 2009, under an equity transfer agreement entered into between Mr. Ernest Cheung, the sole shareholder of Superport Limited, Premium Sino Finance Limited, or Premium Sino Finance, a British Virgin Islands incorporated company, whose sole director and shareholder is Mr. Qingzeng Liu, who serves as our current Chairman, Premium Sino Finance acquired 90% of the outstanding share capital of Superport Limited for a consideration of RMB45,000,000, or the 2009 Acquisition. The remaining 10% of the outstanding share capital of Superport Limited were acquired by Wise Worldwide Limited, or Wise Worldwide, a British Virgin Islands incorporated company, from Mr. Ernest Cheung for a consideration of RMB5,000,000. Subsequently, Wise Worldwide transferred some of the shares in Superport Limited it held to Prosperia International Limited, a British Virgin Islands incorporated company, and King Da Investment Fund Limited, a Cayman Islands incorporated company.

In furtherance of certain oral agreements reached in connection with the 2007 Acquisition and 2009 Acquisition and in order to remunerate Mr. Ernest Cheung and Mr. Guoqiang Xin for the financial performance of TNH subsequent to those acquisitions, on November 30, 2009, Premium Sino Finance, Mr. Guoqiang Xin and Mr. Ernest Cheung entered into a supplemental agreement, under which the parties agreed, among other things, that:

-

the fair value of TNH in 2007, or the TNH 2007 valuation, shall be 4.5 times of the audited net profit recorded by TNH in 2007; while the fair value of TNH in 2009, or the TNH 2009 valuation, shall be 5 times of the average of audited net profits recorded by TNH in 2008 and 2009 respectively;

-

Premium Sino Finance shall pay Mr. Ernest Cheung an additional consideration, or the additional consideration, for the 2009 Acquisition, which is equivalent to the difference between the TNH 2009 valuation and the RMB50,000,000 Premium Sino Finance and Wise Worldwide paid to Mr. Ernest Cheung for the 2009 Acquisition; and

-

Mr. Ernest Cheung instructs Premium Sino Finance to pay to Mr. Guoqiang Xin, out of the additional consideration, an amount equivalent to the difference between the TNH 2007 valuation and the RMB35,100,000 Mr. Ernest Cheung paid to Mr. Guoqiang Xin for the 2007 Acquisition.

We incorporated SinoTech Energy Limited, or SinoTech, in the Cayman Islands on June 9, 2010 as our listing vehicle. SinoTech became our ultimate holding company on October 12, 2010 when it issued shares to the existing shareholders of Superport Limited in exchange for all of the outstanding shares of Superport Limited.