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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.

Our Financing Arrangements

On January 11, 2010, TNH entered into an amended and restated facility agreement, or the Deutsche Bank loan facility, with a group of financial institutions, or the lenders, for a loan of up to \$65.0 million, of which \$50.0 million was utilized. The loan proceeds were used to finance our purchase of six LHD units and further purchase of two additional LHD units. The interest rates are 4.5%, 6.5% and 8.5% per annum above the LIBOR for the first 12 months, the next 6 months and thereafter, respectively. The loan is repayable on January 21, 2015. The lenders have a put option to request the repayment of the loan on July 23, 2012. In connection with the interposition of SinoTech as the holding