

**A. FURTHER INFORMATION ABOUT THE GROUP****1. Incorporation of the Company**

The Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 12 March 2012. The Company has established a principal place of business in Hong Kong at 8/F, Gloucester Tower, the Landmark, 15 Queen's Road Central, Hong Kong and the Company has registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 31 October 2013. Ms. YUNG Mei Yee has been appointed the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Cayman Islands, it operates subject to the relevant laws and regulations of the Cayman Islands and its constitution, comprising its Memorandum and Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of the Memorandum and Articles of Association is set out in "*Appendix IV – Summary of the Constitution of the Company and Cayman Companies Law*".

**2. Changes in the Share Capital of the Company**

As at the date of incorporation of the Company, the Company had an authorised share capital of US\$50,000.00 divided into 50,000,000 shares of US\$0.001 each. Upon incorporation, the Company allotted and issued one Share to the initial subscriber, which Share was transferred to Asia Health on the same day. On 4 May 2012, 999 Shares were issued to Asia Health. On 13 November 2012, one Share was issued to Asia Health.

On 18 November 2013, the Company increased its authorised share capital by US\$9,950,000 by creation of an additional 9,950,000,000 Shares, such that the authorised share capital of the Company is US\$10,000,000 divided into 10,000,000,000 Shares.

The following is a description of the authorised and issued share capital of the Company in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the Reorganisation of Offshore Holding Structure and the Global Offering.

	US\$
<b>Authorised share capital:</b>	
10,000,000,000 . . . . . shares of US\$0.001 each	10,000,000
<b>Issued and to be issued, fully paid or credited as fully paid:</b>	
1,001 . . . . . Shares in issue as at the date of this prospectus	1,001
1,599,998,999 . . . . . Shares to be issued pursuant to the Reorganisation of Offshore Holding Structure	1,599,998,999
400,000,000 . . . . . Shares to be issued pursuant to the Global Offering	400,000
2,000,000,000 . . . . . <b>Total</b>	<u><u>2,000,000</u></u>

Immediately following the completion of the Global Offering, the issued share capital of the Company will be US\$2,000,000, divided into 2,000,000,000 Shares, all fully paid or credited as fully paid and 8,000,000,000 Shares will remain unissued.

Save as disclosed in “– A. *Further Information about the Group – 2. Changes in the Share Capital of the Company*” above and in “– *Resolutions in Writing of our Shareholder Passed on 18 November 2013*” below, there has been no alteration in the share capital of the Company since its incorporation.

### 3. Resolutions in writing of our Shareholder passed on 18 November 2013

Pursuant to the written shareholder’s resolutions passed by Asia Health on 18 November 2013, among other things:

- (a) the authorised share capital of the Company was increased by US\$9,950,000 by the creation of an additional 9,950,000,000 Shares, such that the authorised share capital of the Company is US\$10,000,000 divided into 10,000,000,000 Shares;
- (b) that conditional upon the conditions set out in “*Structure of the Global Offering – Conditions of the Global Offering*” being satisfied (or, if applicable, waived) and pursuant to the terms set out therein, the Global Offering was approved and the Directors were authorised to allot and issue such number of Shares so as to match the number of Shares that will be issued and offered under the Global Offering;
- (c) the proposed Listing was approved and the Directors were authorised to implement such Listing;

- (d) conditional further on the Listing Committee granting approval of the Share Option Scheme, the Share Option Scheme was approved and adopted and the Directors or any duly authorised committee of the Board was authorised to approve any amendments to the Share Option Scheme as may be requested by the Stock Exchange or which they deem necessary or desirable, grant options and allot, issue, list and deal in any Shares to be issued under the Share Option Scheme, subject to the terms provided therein;
- (e) that conditional upon Listing, the amended and restated Memorandum and Articles of Association were approved and adopted as the new Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company;
- (f) a general unconditional mandate was granted to the Directors to allot, issue and otherwise deal with the Shares (otherwise than pursuant to, or in consequence of, the Global Offering, the Over-allotment Option, a rights issue, the exercise of any subscription rights which may be granted under the Share Option Scheme or any scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for shares under options and warrants or a special authority granted by the Shareholders) with an aggregate nominal value not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering and any Shares repurchased pursuant to the mandate referred to in paragraph (g) below, such mandate to remain in effect during the period from the passing of the shareholder's resolutions until the earliest of (x) the conclusion of the Company's next annual general meeting, (y) the end of the period within which the Company is required by any applicable law or the Articles of Association to hold its next annual general meeting and (z) the date on which the shareholder's resolutions is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting (the "**Applicable Period**"); and
- (g) a general unconditional mandate for the Applicable Period was granted to the Directors to exercise all powers of the Company to repurchase the Shares representing up to 10% of its share capital in issue immediately following completion of the Global Offering.

#### 4. OUR PRINCIPAL SUBSIDIARIES

Our principal subsidiaries are set out in Note 1(b) to the Accountant's Report, the text of which is set out in Appendix I to this prospectus.

## 5. CHANGES IN THE SHARE CAPITAL OF OUR SUBSIDIARIES

The following alterations in the share capital (or registered capital, as the case may be) of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

### (1) Jintian Aixin Co.

On 10 January 2012, the registered capital of Jintian Aixin Co. was increased from US\$157,268 to US\$16,000,000.

On 21 May 2013, the registered capital of Jintian Aixin Co. was increased from US\$16,000,000 to US\$70,600,000.

On 27 June 2013, the registered capital of Jintian Aixin Co. was increased from US\$70,600,000 to US\$74,310,000.

### (2) Sui Hua

On 27 September 2011, the registered capital of Sui Hua was increased from RMB2,200,000 to RMB3,800,000.

### (3) Harbin Jintian Aixin

On 27 March 2012, the registered capital of Harbin Jintian Aixin Chain Pharmacy Co., Ltd. was increased from RMB500,000 to RMB5,000,000.

### (4) Boli Baikang Pharmaceutical Chain Co., Ltd. (勃利縣佰康醫藥連鎖有限公司)

On 9 August 2012, the registered capital of Boli Baikang Pharmaceutical Chain Co., Ltd. was increased from RMB360,000 to RMB2,360,000.

Save as disclosed above, there has been no other alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

## 6. THE STRUCTURED CONTRACTS

To establish the offshore holding structure of our Group, Hong Kong Health Century, our principal offshore holding entity, was incorporated in Hong Kong on 15 September 2010. Heilongjiang Health Century, a wholly owned subsidiary of Hong Kong Health Century, was incorporated in the PRC on 2 December 2010.

To facilitate the Pre-listing Investments, we adopted the Structured Contracts in December 2010. The Structured Contracts were entered into among Heilongjiang Health Century, Jintian Management and its subsidiaries, the Controlling Shareholders and Mr. Chu, which consisted of:

- (a) a consulting service agreement under which Heilongjiang Health Century would provide business consultancy services to Jintian Management and its subsidiaries for a fee which is equal to the net profits deriving from their operations;

- (b) an operation agreement under which Heilongjiang Health Century was authorised to provide guarantees for transactions of Jintian Management and its subsidiaries. As a counter-guarantee and its subsidiaries, Jintian Management and its subsidiaries pledged all of their respective assets, including accounts receivables, to Heilongjiang Health Century;
- (c) entrustment agreements under which Heilongjiang Health Century was irrevocably authorised to exercise shareholders' rights of the Controlling Shareholders and Mr. Chu in Jintian Management and those of Jintian Management in its subsidiaries;
- (d) call option agreements under which Heilongjiang Health Century was granted irrevocable options to acquire all, or a portion of, the equity interests held by the Controlling Shareholders and Mr. Chu in Jintian Management and those held by Jintian Management in its subsidiaries;
- (e) a loan agreement under which Heilongjiang Health Century agreed to provide certain loans to Jintian Management and its subsidiaries; and
- (f) equity pledge agreements under which all equity interests held by the Controlling Shareholders and Mr. Chu in Jintian Management and those held by Heilongjiang Jintian in its subsidiaries were pledged to Heilongjiang Health Century to secure the performance of the obligations under the Loan Agreement.

For the purpose of strengthening the control by Heilongjiang Health Century over Jintian Management and its subsidiaries, parties to the Structured Contracts agreed to certain amendments to the Structured Contracts in September 2011. Upon completion of such amendments, the Structured Contracts, among other things, allowed Heilongjiang Health Century to:

- (a) manage and operate Jintian Management and its subsidiaries on an exclusive basis;
- (b) appoint directors, supervisors and senior managers in Jintian Management and its subsidiaries;
- (c) enjoy all the intellectual property rights owned by Jintian Management and its subsidiaries; and
- (d) be entitled to a management fee equal to the net profits derived from the operations of Jintian Management and its subsidiaries.

#### **Reasons for entering into the Structured Contracts**

Foreign investment in the PRC is regulated by, among other things, the Catalogue, which is promulgated by the MOFCOM. As the retail and distribution of pharmaceutical products was classified as a restricted business in the PRC under the Catalogue prior to January 2012, foreign investors were prohibited from holding a controlling interest in any pharmaceutical sale and distribution enterprise which had more than 30 pharmacies.

Following the incorporation of various offshore and onshore holding companies, the Structured Contracts were put in place to comply with the Catalogue at that time. The Structured Contracts were subsequently terminated following amendments made to the Catalogue by the PRC government which came into effect on 30 January 2012. Please see “*Regulatory Overview*” for further details.

The Directors have confirmed that based on the Structured Contracts, the Company's consolidation of the financial results of Jintian Management and its subsidiaries were in compliance with the requirements of IFRS.

Our PRC legal advisors, Commerce & Finance Law Offices, have confirmed that, save as disclosed in “*Risk Factors – Risk Relating to our Corporate Structure and the Global Offering*” and the following paragraph in connection with the loan agreement, the Structured Contracts were (i) not in violation of the PRC laws, rules and regulations applicable and effective during the term of the Structured Contracts, and the articles of association of our subsidiaries, and (ii) enforceable under PRC laws, rules and regulations.

As for the loan agreement entered into by Heilongjiang Health Century with Jintian Management, its subsidiaries and Controlling Shareholders respectively on 30 December 2010, there is possibility that the loan agreement are void and parties of the loan agreement are imposed a fine due to violation of financial regulations, according to Lending General Provisions (《貸款通則》) and Reply by Supreme People’s Court regarding Issues about how to Deal with Borrowing Party of the Corporate Lending Agreement who Failed to Return Loan after Due Date (《最高人民法院關於對企業借貸合同違約方逾期不歸還借款的應如何處理問題的批復》). It was confirmed by the Company that no interest had been taken from the borrowing parties during the execution of the loan agreement, the borrowing parties had paid off the loans, no dispute regarding lending and borrowing existed between lending party and borrowing parties and no penalty imposed by relevant authorities regarding the loans was discovered. In consideration of the confirmation by the Company, our PRC legal advisors, Commerce & Finance Law Offices, advise that the possibility that we will be penalised by relevant authorities regarding the loans is minimal.

## 7. REPURCHASES BY THE COMPANY OF OUR OWN SECURITIES

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

### (a) Provisions of the Listing Rules

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

#### (i) Shareholders’ Approval

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

Pursuant to a resolution passed by our sole Shareholder on 18 November 2013, a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors authorising any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of not more than 10% of the aggregate nominal value of our Company’s share capital in issue immediately following the completion of our next annual general meeting, the date by which our next annual general meeting is required by the Cayman Companies Law or by our Articles of Association or any other applicable laws of the Cayman Islands to be held or when revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever first occurs.

*(ii) Source of Funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, under the Cayman Companies Law any repurchases by our Company may be made out of our Company's funds which would otherwise be available for dividend or distribution, out of our Company's share premium account, out of the proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Cayman Companies Law, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our Company's share premium account or, if authorised by the Articles of Association, and subject to the Cayman Companies Law, out of capital.

*(iii) Trading Restrictions*

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

*(iv) Status of Repurchased Shares*

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

*(v) Suspension of Repurchase*

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



**(vi) Reporting Requirements**

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

**(vii) Connected Persons**

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

**(b) Reasons for Repurchases**

Our Directors believe that the ability to repurchase Shares is in the interests of the Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors have sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**(c) Funding of Repurchases**

In repurchasing securities, the Company may only apply funds lawfully available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, our Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for the Company.

**(d) General**

The exercise in full of the repurchase mandate, on the basis of 2,000,000,000 Shares in issue immediately following the completion of the Global Offering, could accordingly result in up to approximately 200,000,000 Shares being repurchased by our Company during the period prior to:

- (i) the conclusion of our next annual general meeting; or
- (ii) the end of the period within which we are required by any applicable law or the Articles of Association to hold its next annual general meeting; or



- (iii) the date on which our shareholder's resolution is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws in Hong Kong and the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No connected person of the Company has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

## **B. FURTHER INFORMATION ABOUT OUR BUSINESS**

### **1. Summary of material contracts**

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

- (a) the merger by absorption agreement dated 1 April 2013 entered into between Jintian Aixin Co., Hong Kong Health Century, Jintian Management and Jintian Century, pursuant to which Jintian Management was merged by absorption with Jintian Aixin Co., and all the subsidiaries, assets, businesses, liabilities and personnel of Jintian Management were transferred to Jintian Aixin Co., and Jintian Management will be wound up after such merger;
- (b) the Exclusive Consultancy Services Agreement dated 1 July 2013 entered into between Hong Kong Health Century, Jintian Century and Jintian Aixin Co. (as amended and supplemented on 26 November 2013), pursuant to which:
  - (i) Jintian Century acknowledges that it holds 4.99% equity interest in Jintian Aixin Co. for and on behalf of Hong Kong Health Century;
  - (ii) Jintian Century shall exercise its rights as holder of the 4.99% equity interest in Jintian Aixin Co. in accordance with instructions given by Hong Kong Health Century;

- (iii) Jintian Century irrevocably grants to Hong Kong Health Century an option to acquire its equity interest in Jintian Aixin Co. Unless with the written consent of Hong Kong Health Century, Jintian Century shall not transfer its equity interest in Jintian Aixin Co. to any party other than Hong Kong Health Century or its designated person; and
- (iv) Hong Kong Health Century shall have the exclusive right to provide consultancy services to Jintian Century for a service fee equal to all dividends and other economic benefits flowing from Jintian Century's 4.99% equity interest in Jintian Aixin Co., (except for the dividends derived from the net profits of the onshore subsidiaries of Jintian Aixin Co. for the period from January 2010 to 31 December 2010), which shall be paid to Hong Kong Health Century within 60 days after such dividends are received by Jintian Century;
- (c) the Share Pledge dated 1 July 2013 entered into between Hong Kong Health Century, Jintian Century and Jintian Aixin Co. (as amended and supplemented on 26 November 2013), pursuant to which Jintian Century's 4.99% equity interest in Jintian Aixin Co. is pledged to Hong Kong Health Century to secure performance of the obligations of Jintian Century under the Exclusive Consultancy Services Agreement;
- (d) the Power of Attorney dated 26 November 2013 executed by Jintian Century pursuant to which Jintian Century agreed to authorise representatives appointed by Hong Kong Health Century to exercise all of Jintian Century's rights and powers as a shareholder of Jintian Aixin Co.;
- (e) the Exclusive Option Agreement dated 26 November 2013 entered into between Jintian Century, Hong Kong Health Century and Jintian Aixin Co., pursuant to which Jintian Century granted to Hong Kong Health Century or one or more persons designated by Hong Kong Health Century irrevocable options to purchase, to the extent permitted by PRC laws and regulations and subject to compliance with the Listing Rules, its equity interests in Jintian Aixin Co., either entirely or partially, based on the latest net asset value of such equity interests at the time of acquiring such interest;
- (f) the Deed of Non-competition dated 18 November 2013 entered into between the Company and the Controlling Shareholders regarding certain non-competition undertakings given by the Controlling Shareholders in favour of the Company, the particulars of which are further set out in the section headed "Relationship with our Controlling Shareholders – Deed of Non-competition";
- (g) the assignment and novation agreement dated 27 November 2013 entered into between the Company, Asia Health and Hong Kong Health Century, pursuant to which (i) Asia Health assigns and transfers to the Company, the benefit of all Asia Health's right, title, benefit and interest to, in and under certain receivables due from Hong Kong Health Century; and (ii) Asia Health ceases to be a party to and the Company becomes a party to certain payables due to Hong Kong Health Century, and Hong Kong Health Century agrees to the substitution of the Company in place of Asia Health under such payables;
- (h) the reorganisation deed dated 28 November 2013 entered into between the Company, Asia Health, Hong Kong Health Century, Jin Dongtao, Hao Ruihua, Chen Xiaoyan, Jin Dongkun, Jin Guisheng, Chu Chuanfu, the Founder Holdcos and the Investors regarding the Reorganisation of Offshore Holding Structure; and
- (i) the Hong Kong Underwriting Agreement.

## 2. Intellectual property rights of the Group

As at the Latest Practicable Date, we had registered or had applied for the registration of the following intellectual property rights which are material in relation to our business.

### (a) Trademarks

As at the Latest Practicable Date, members of our Group had registered or were in the process of registering the following trademarks which are material to our business:

Trademark	Type and Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
金 天 <b>JINTIAN</b>	44	Heilongjiang Jintian Group Pharmaceutical Management Co., Ltd. (黑龍江省金天集團醫藥管理有限公司)	PRC	3152536	20 July 2023
金 天 <b>JINTIAN</b>	35	Heilongjiang Jintian Group Harbin Ciji Pharmaceutical Co. (黑龍江省金天集團哈爾濱慈濟醫藥有限公司)	PRC	3152538	13 September 2023
金 天 <b>JINTIAN</b>	33	Heilongjiang Jintian Group Harbin Ciji Pharmaceutical Co. (黑龍江省金天集團哈爾濱慈濟醫藥有限公司)	PRC	1304403	13 August 2019
<b>金天</b>	5	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd (黑龍江省金天愛心醫藥經銷有限公司)	Hong Kong	302370843	7 September 2022
<b>金天</b>	30	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd (黑龍江省金天愛心醫藥經銷有限公司)	Hong Kong	302370843	7 September 2022

Trademark	Type and Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
金天	35	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd (黑龍江省金天愛心 醫藥經銷有限公司)	Hong Kong	302370843	7 September 2022
	35	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd (黑龍江省金天愛心 醫藥經銷有限公司)	Hong Kong	302370799	7 September 2022
	35	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd (黑龍江省金天愛心 醫藥經銷有限公司)	Singapore	T1213621G	N/A (application on 15 September 2012)

## (b) Domain Names

As at the Latest Practicable Date, members of our Group had registered the following domain names which are material to our business:

Domain Name	Registrant	Date of Registration	Expiry Date
jtjtg.com	Heilongjiang Jintian Group Jintian Ciji Pharmaceutical Chain Co., Ltd.	26 October 2008	26 October 2015
jtyyjt.com	Heilongjiang Province Jintian Aixin Medicine Distribution Co., Ltd	27 September 2013	27 September 2018

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Disclosure of interests

#### (a) *Interests of the Directors and the Chief Executive of the Company*

Immediately following the completion of the Reorganisation of Offshore Holding Structure and the Global Offering, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, once the Shares are listed will be as follows:

Name of Director/ Chief Executive Officer	Nature of interest	Relevant company (including associated corporations)	Number of shares	Approximate percentage of total issued shares in the relevant company immediately after completion of the Reorganisation of Offshore Holding Structure and the Global Offering
Mr. Jin <sup>(1)</sup> . . . . .	Settlor and beneficiary of the Family Trust, interest in a controlled corporation	Asia Health	8,820,000	100%
	Settlor and beneficiary of the Family Trust, interest in a controlled corporation	Global Health Century	862	97.8%
Ms. Chen <sup>(1)</sup> . . . . .	Beneficiary of the Family Trust, interest in a controlled corporation	Asia Health	8,820,000	100%
	Settlor and beneficiary of the Family Trust, interest in a controlled corporation	Global Health Century	20	2.27%
Mr. Jin Dongkun <sup>(2)</sup> . . .	Interest in a controlled corporation	Pacific Health Century	30	75%
Mr. Chu <sup>(2)</sup> . . . . .	Interest in a controlled corporation	Pacific Health Century	10	25%

*Notes:*

- (1) Mr. Jin is the settlor, protector and a beneficiary of the Family Trust, which holds the entire issued share capital of Global Health Century through 1969 JT Limited. Ms. Chen, who is Mr. Jin's spouse, is also a beneficiary of the Family Trust. Global Health Century holds the entire issued share capital of Asia Health, which in turn, will hold 903,000,000 Shares, representing 45.1% of the total issued share capital immediately after completion of the Reorganisation of Offshore Holding Structure and the Global Offering.
- (2) Mr. Jin Dongkun and Mr. Chu hold 75% and 25% equity interest respectively in Pacific Health Century, which in turn, will hold 41,000,000 Shares, representing 2.6% of the total issued share capital of the Company immediately after completion of the Reorganisation of Offshore Holding Structure and the Global Offering.

**(b) Interests of the Substantial Shareholders**

So far as is known to any Director or chief executive of the Company, immediately following the completion of the Global Offering and without taking into account any Shares which may be sold pursuant to the exercise of the Over-allotment Option, the following persons (other than a Director or chief executive of the Company) will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

*Long Positions in the Shares and the Underlying Shares*

Name of Shareholder	Nature of interest and capacity	Immediately following the completion of the Reorganisation of Offshore Holding Structure and the Global Offering and assuming the Over-allotment Option is not exercised	
		Number of Share Held	Approximate % of interest
Asia Health . . . . .	Legal and beneficial owner	903,000,000	45.1%
AMG . . . . .	Legal and beneficial owner	323,000,000	16.1%
Global Health Century . . .	Interest in a controlled corporation	903,000,000	45.1%
Mr. Jin <sup>(1)</sup> . . . . .	Settlor and beneficiary of the Family Trust, interest in a controlled corporation and deemed interest	903,000,000	45.1%
Ms. Chen <sup>(1)</sup> . . . . .	Beneficiary of the Family Trust, interest in a controlled corporation and deemed interest	903,000,000	45.1%

*Note:*

- (1) Mr. Jin is the settlor, protector and a beneficiary of the Family Trust, which holds the entire issued share capital of Global Health Century through 1969 JT Limited. Ms. Chen, who is Mr. Jin's spouse, is also a beneficiary of the Family Trust. Global Health Century holds the entire issued share capital of Asia Health, which in turn, will hold 903,000,000 Shares, representing approximately 45.1% of the total issued share capital immediately after completion of the Reorganisation of Offshore Holding Structure and the Global Offering, assuming the Over-allotment Option is not exercised.

## 2. Directors' service contracts

Except for Mr. Jin, each of our executive Directors has entered into a service contract with Jintian Aixin Co. (a subsidiary of the Company) for a term of three years, commencing on 1 January 2013, which may be renewable subject to both parties' agreement. Each of our executive Directors has signed an appointment letter with the Company for a term of three years, commencing on 18 November 2013, which may be renewable subject to both parties' agreement.

Each of our Independent Non-executive Directors has signed an appointment letter with the Company for a term of three years commencing on 18 November 2013, which may be renewable subject to both parties' agreement.

Saved as disclosed above, none of the Directors has entered or is proposed to enter into any service agreement or appointment letter with any member of the Group (excluding agreements expiring or determinable within one year without payment of compensation other than statutory compensation).

## 3. Directors' remuneration

The remunerations (including fees, salaries, contribution to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors in aggregate for the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 were approximately RMB441,000, RMB774,000, RMB1,050,000 and RMB616,000, respectively.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 by any member of the Group to any of our Directors.

Under the arrangements currently in force, the Company estimates the aggregate remuneration payable to, and benefits in kind receivable by, our Directors in respect of the year ending 31 December 2013 to be approximately RMB1,700,000.

## 4. Disclaimers

- (a) Save as disclosed in “– C. Further Information about Our Directors and Substantial Shareholders – 1. Disclosure of Interests”, none of the Directors or chief executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, once the Shares are listed on the Stock Exchange.



- (b) Save as disclosed in “– C. Further Information about Our Directors and Substantial Shareholders – 1. Disclosure of Interests”, so far as is known to any Director or chief executive of the Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.
- (c) Save as disclosed in this prospectus, none of our Directors nor any of the persons listed in “– E. Other Information – 3. Qualification of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) None of our Directors is materially interested in any contract or arrangement with the Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group.
- (e) Save in connection with Underwriting Agreements, none of the persons listed in “– E. Other Information – 3. Qualification of Experts” below has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (f) Save for the Underwriting Agreements, none of the persons listed in “– E. Other information – 3. Qualification of Experts” below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole.
- (g) Save as disclosed in “– C. Further Information about Our Directors and Substantial Shareholders – 2. Directors’ Service Contracts”, none of our Directors has entered or has proposed to enter into any service agreements with the Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).
- (h) Save as disclosed in “Business – Other Aspects of Our Business – Suppliers”, none of our Directors or their associates or any Shareholder (which to the knowledge of our Directors owns 5% or more of the issued share capital of the Company) has any interest in any of the five largest customers or the five largest suppliers of the Group.
- (i) None of our Directors are interested in any business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the business of the Group.

## **D. SHARE OPTION SCHEME**

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by our sole Shareholder on 18 November 2013. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

### **1. Purpose of the Share Option Scheme**

The purpose of the Share Option Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in our Company.

### **2. Participants of the Share Option Scheme and Basis for Determining the Eligibility of the Participants**

The Board may, at its discretion, grant options pursuant to the Share Option Scheme to the Directors (including executive Directors and independent non-executive Directors), the directors of our subsidiaries and the employees of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group (the “**Participants**”).

### **3. Status of the Share Option Scheme**

#### ***(a) Conditions of the Share Option Scheme***

The Share Option Scheme shall take effect subject to (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options to subscribe for Shares pursuant to the Share Option Scheme and (ii) the commencement of trading of the Shares on the Main Board of the Stock Exchange (the “**Conditions**”).

#### ***(b) Term of the Share Option Scheme***

Subject to the Conditions being satisfied, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its conditional adoption by the Shareholder and expiring on the tenth anniversary thereof or such earlier date as the Scheme is terminated in accordance with paragraph 15 (the “**Term**”), after which period no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

### **4. Grant of Options**

#### ***(a) Making an Offer***

An offer of the grant of an option shall be made to a Participant by a notice of grant requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the terms of the Share Option Scheme.

*(b) Acceptance of an Offer*

An offer of the grant of an option is accepted by the Participant (the “Grantee”) when our Company receives from the Grantee the duplicate notice of grant duly executed by the Grantee and a remittance of the sum of HK\$1.00 (or such other amount in any other currency as the Board determines) as consideration for the grant of an option. An offer may be accepted in full or in part, provided that if it is accepted in part, the acceptance must be in respect of a board lot of Shares or an integral multiple thereof.

The offer shall remain open for acceptance for such time to be determined by the Board, provided that no such offer shall be open for acceptance after the expiry of the Term or after the Participant to whom the offer is made has ceased to be a Participant. To the extent that the offer is not accepted within the time period and in the manner specified in the offer, the offer will be deemed to have been irrevocably declined and will lapse.

*(c) Restrictions on Time of Grant*

A grant of an option may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published by our Company in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no option may be granted. Where a grant of an option is to a Director or to any Participant who, because of his office or employment in the Company or any of its subsidiaries, is likely to be in possession of unpublished price-sensitive information in relation to the Shares, no option may be granted on any day on which the financial results of our Company are published and during the period of:

- (iii) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (iv) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

*(d) Grant to Connected Persons*

Any grant of an option to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed Grantee of the option in question).

*(e) Grant to Substantial Shareholders and Independent Non-Executive Directors*

Where any grant of options to a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the Shares issued and to be issued upon the exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person pursuant to the Share Option Scheme and any other share option schemes of our Company in the 12 month period up to and including the offer date:

- (i) representing in aggregate over 0.1% of the Shares in issue on the offer date; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, in excess of HK\$5 million,

such further grant of options shall be subject to prior approval by the Shareholders in general meeting by way of poll and all connected persons of our Company shall abstain from voting in favour of the resolution relating to the grant of such options at such general meeting.

Any change in the terms of an Option granted to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, shall also be subject to the prior approval of the Shareholders in general meeting by way of poll and all connected persons of our Company shall abstain from voting in favour of the resolution.

**5. Exercise Price**

The price per Share at which a Grantee may subscribe for Shares upon the exercise of an option (the “**Exercise Price**”) shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of the Shares,

provided that for the purpose of determining the Exercise Price where the Shares have been listed on the Stock Exchange for less than five business days, the Offer Price shall be used as the closing price of the Shares for any business day falling within the period before the Listing.

**6. Maximum Number of Shares Available for Subscription****(a) Scheme Mandate Limit**

At any time during the Term, the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme;

A = the total number of Shares in respect of which options may be granted pursuant to the Share Option Scheme and any other share option schemes of the Company, being (i) 200,000,000 Shares representing 10% of the Shares in issue on the Listing Date or (ii) 10% of the Shares in issue as at the New Approval Date (as defined below) (as the case may be) (the “**Scheme Mandate Limit**”);

B = the maximum aggregate number of Shares underlying the options already granted pursuant to the Share Option Scheme which in the event that there has been a New Approval Date (as defined in paragraph 6(b) below), shall only include those Shares underlying options that have been granted since that most recent New Approval Date; and

C = the maximum aggregate number of Shares underlying the options already granted pursuant to any other share option schemes of our Company.

Shares in respect of options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Company will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme.

**(b) Renewal of Scheme Mandate Limit**

The Scheme Mandate Limit may be renewed subject to prior Shareholders’ approval, but in any event, the total number of Shares in respect of which options may be granted pursuant to the Share Option Scheme and any other share option schemes of our Company following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 10% of the Shares in issue as at the New Approval Date. Shares in respect of options granted pursuant to the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes of our Company or exercised options) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which options may be granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Shares issued prior to the New Approval Date pursuant to the exercise of options granted pursuant to the Share Option Scheme and any other share option schemes of our Company will be counted for the purpose of determining the number of Shares in issue as at the New Approval Date.

***(c) Grant of Options Beyond the Scheme Mandate Limit***

Notwithstanding the foregoing, our Company may grant options beyond the Scheme Mandate Limit to Participants if:

- (i) separate Shareholders' approval has been obtained for granting options beyond the Scheme Mandate Limit to Participants specifically identified by our Company before such Shareholders' approval is sought; and
- (ii) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules.

***(d) Maximum Number of Shares Issued Pursuant to the Exercise of Options***

At any time, the maximum number of Shares which may be issued upon the exercise of all outstanding options which have been granted and have yet to be exercised pursuant to the Share Option Scheme and any other share option schemes of our Company shall not exceed 30% of the Shares in issue from time to time.

***(e) Grantee's Maximum Holding***

Subject to the paragraph below, the maximum number of Shares issued and to be issued upon the exercise of the options granted to each Participant pursuant to the Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not (when aggregated with any Shares underlying the options granted during such period pursuant to any other share option schemes of our Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being.

Where any further grant of options to a Participant would result in the Shares issued and to be issued upon the exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant (when aggregated with any Shares pursuant to options granted during such period pursuant to any other share option schemes of our Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. Our Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant) and such other information required under the Listing Rules.

**7. Rights Attached to the Options**

The options do not carry any right to vote at general meetings of our Company, or any dividend, transfer or other rights (including those arising on the winding up of our Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an option pursuant to the Share Option Scheme, unless and until the Shares underlying the option are actually issued to the Grantee pursuant to the exercise of such option.

## 8. Rights Attached to the Shares

No dividends or distributions shall be payable in respect of any Shares underlying an option which has not been exercised.

Subject to the foregoing, the Shares which are allotted and issued upon the exercise of an option shall be subject to all the provisions of the Memorandum of Association and Bye-laws for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of our Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued upon the exercise of the option and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are allotted and issued, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued.

## 9. Assignment of Options

An option shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

## 10. Exercise of Options

### *(a) General*

The period during which an option may be exercised by a Grantee (the “**Option Period**”) shall be the period to be determined and notified by the Board to the Grantee at the time of making an offer, which shall not expire later than 10 years from the offer date.

Subject to any restrictions applicable under the Listing Rules, an option may be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) by the Grantee at any time during the Option Period in accordance with the terms of the Share Option Scheme and the terms on which the option was granted. If the vesting of Shares underlying an option is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the option shall lapse automatically on the date on which such conditions are not satisfied in respect of the relevant Shares underlying the option.

### *(b) Rights on a Takeover*

If a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 10(c) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the expiry date of the Option Period of the relevant option, notwithstanding any other terms on which the option was granted, the Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by the Company, by the Grantee giving notice to our Company at any time after the general offer becomes or is declared unconditional and up to the close of such offer (or, as the case may be, revised offer). Subject to the foregoing, the option (to the extent not already exercised) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes.



***(c) Rights on a Scheme of Arrangement***

If a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry date of the Option Period of the relevant option, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company at any time after the meetings whereby the scheme is approved and up to the record date for determining entitlements under such scheme of arrangement. Subject to the foregoing and to the scheme of arrangement becoming effective, the option (to the extent not already exercised) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

***(d) Rights on a Compromise or Arrangement***

If, pursuant to the Companies Act, a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph 10(c) above) between our Company and the Shareholders and/or the creditors of our Company is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with any other company or companies prior to the expiry date of the Option Period of the relevant option, our Company shall give notice thereof to all the Grantees on the same day as our Company dispatches to the Shareholders and/or the creditors of our Company a notice summoning the meeting to consider such a compromise or arrangement and, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company, such notice to be given not later than three business days prior to the date of the proposed meeting. Our Company shall as soon as possible and in any event no later than one business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the option, credited as fully paid and shall issue to the Grantee (or his custodian agent) share certificates in respect of the Shares so allotted. With effect from the date two business days before the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. The Board shall endeavour to procure that the Shares issued upon the exercise of the options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If, for any reason, such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective options shall, with effect from the date of the making of the order by the relevant court and to the extent they had not been exercised at the date such rights were suspended, be restored in full as if such compromise or arrangement had not been proposed by our Company and neither our Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

***(e) Rights on a Voluntary Winding-up***

If a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company prior to the expiry date of the Option Period of the relevant option, our Company shall give

notice thereof to all the Grantees on the same day as our Company dispatches to the Shareholders the notice convening the meeting and, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company, such notice to be given not later than three business days prior to the date of the proposed meeting. Our Company shall as soon as possible and in any event no later than one business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the option, credited as fully paid and shall issue to the Grantee (or his custodian agent) share certificates in respect of the Shares so allotted. With effect from the date two business days prior to the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. If, for any reason, the resolution for the voluntary winding-up of our Company is not approved by the Shareholders, the rights of the Grantees to exercise their respective options shall be restored in full, to the extent that they had not been exercised at the date such rights were suspended, as if such resolution for the voluntary winding-up of our Company had not been proposed by our Company and neither our Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

Upon the occurrence of any of the events referred to in paragraphs (b) to (e), our Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his option may be exercised at any time within such period as shall be notified by our Company (which period shall not expire after the expiry of the periods for exercising the options referred to in paragraphs (b) to (e)) and/or to the extent (not being more than the extent to which it could then be exercised in accordance with its terms) notified by our Company. If our Company gives such notice that any option may be exercised in part only, the balance of the option shall lapse.

## **11. Lapse of Options**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);
- (b) the date of termination of the Grantee's employment or service by our Company or any of our subsidiaries for Cause (as defined below);
- (c) the date the Grantee: (i) becomes an officer, director, employee, consultant, advisor, partner of, or a stockholder or other proprietor owning more than a 5% interest in, any Competitor (as defined below); or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (d) the expiry of the period for exercising the option referred to in paragraph 10(b) or 10(c) above;
- (e) the date on which the compromise or arrangement referred to in paragraph 10(d) above becomes effective;
- (f) the date of the commencement of the winding-up of our Company;
- (g) the date on which the Grantee (whether intentionally or otherwise) commits a breach of the prohibition on assignment of options;

- (h) the date on which the Grantee is declared bankrupt or enters into any arrangement or composition with his creditors generally; and
- (i) (in respect of Shares which are subject to vesting condition(s)) the date on which the condition(s) to vesting of the relevant Shares underlying the option are not satisfied.

The Board shall have the right to determine whether the Grantee's employment or service has been terminated for Cause, the effective date of such termination for Cause and whether someone is a Competitor, and such determination by the Board shall be final and conclusive.

If the Grantee's employment or service with our Company or any of our subsidiaries is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause), the Board shall determine at its absolute discretion and shall notify the Grantee whether the Grantee shall be entitled, following such termination of employment or service, to exercise the option (to the extent not already exercised) in respect of vested and unvested Shares as at the date the Grantee's employment or service is terminated and the period during which such option may be exercised. To the extent that the Board determines that such option may not be exercised in respect of some or all of the underlying Shares following such termination of employment or service, such option shall automatically lapse in respect of those underlying Shares with effect from the date on which the Grantee's employment or service is terminated.

For the purpose of the Share Option Scheme:

- (A) "Cause" means, with respect to a Grantee, such event as will entitle our Company and/or any of our subsidiaries to terminate the employment or service of the Grantee with immediate notice without compensation under the relevant employment or service agreement or, if it is not otherwise provided for in the relevant employment or service agreement, (I) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence, (II) a material breach of any agreement or understanding between the Grantee and our Company and/or any of our subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement, (III) misrepresentation or omission of any material fact in connection with his employment agreement or service agreement, (IV) a material failure to perform the customary duties of an employee of our Company and/or any of our subsidiaries, to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or (V) any conduct that is materially adverse to the name, reputation or interests of the Group;
- (B) "Competitor" means any corporation, partnership, joint venture, trust, individual proprietorship, firm, governmental unit or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activity of any nature that competes (directly or indirectly) with a product, process, technique, procedure, device or service of our Company or any of our subsidiaries; and
- (C) "Disability" means a disability, whether temporary or permanent, partial or total as determined by the Board in its absolute discretion.

**12. Cancellation of Options**

The Board may at any time cancel options previously granted to but not yet exercised by a Grantee. Where our Company cancels options and offers new options to the same Grantee, the offer of such new options may only be made with available options to the extent not yet granted (excluding the cancelled options) within the limits prescribed by paragraph 6 above.

**13. Reorganisation of Capital Structure*****(a) Adjustments***

In the event of an alteration in the capital structure of our Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of our Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company or any of our subsidiaries is a party or in connection with any share option, restricted share or other equity incentive schemes of our Company) whilst any option remains unvested or has vested but not yet been exercised and/or satisfied, such corresponding adjustments (if any) shall be made to:

- (i) the Scheme Mandate Limit;
- (ii) the number or nominal value of Shares underlying the option so far as unexercised or exercised but not yet satisfied; and/or
- (iii) the Exercise Price,

or any combination thereof, provided that:

- (iv) any such adjustments give a Grantee the same proportion of the share capital of our Company as that to which that Grantee was previously entitled; and
- (v) notwithstanding paragraph (iv), any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, our auditors or an independent financial advisor to our Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

***(b) Auditors or Independent Financial Advisor Certification***

Our Company shall engage our auditors or an independent financial advisor to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by our Company satisfy the requirements set out in paragraphs (iv) and (v) above.

**14. Alteration of the Share Option Scheme**

Save as provided in this paragraph 14, the Board may alter any of the terms of the Share Option Scheme at any time. Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants and changes to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting.

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any changes to the terms of the options granted must be approved by the Shareholders in general meeting, except where the alterations or changes take effect automatically under the existing terms of the Share Option Scheme. The Board's determination as to whether any proposed alteration to the terms and conditions of the Share Option Scheme is material shall be conclusive. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

**15. Termination of the Share Option Scheme**

Our Company by ordinary resolution in general meeting or the Board may at any time terminate the Share Option Scheme and in such event, no further options may be offered or granted but in all other respects the terms of the Share Option Scheme shall remain in full force and effect in respect of options which are granted during the Term and which remain unvested or which have vested but not yet been exercised immediately prior to the termination of the Share Option Scheme.

**16. Administration of the Share Option Scheme**

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided in the Share Option Scheme) be final and binding on all parties.

**17. General**

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, 200,000,000 new Shares which may be issued pursuant to the exercise of the options which may be granted pursuant to the Share Option Scheme.

As at the Latest Practicable Date, no option had been granted or agreed to be granted by our Company pursuant to the Share Option Scheme.

Details of the Share Option Scheme, including particulars and movements of the options granted during each financial year of our Company, and our employee costs arising from the grant of the options will be disclosed in our annual report.

**E. OTHER INFORMATION****1. The Sole Sponsor**

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

**2. Miscellaneous**

- (a) Save as disclosed in “*History and Reorganisation*” and “– A. *Further Information about the Group*”, within the two years immediately preceding the date of this prospectus:
  - (i) no share or loan capital of the Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) no share or loan capital of the Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) neither the Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
  - (iv) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of the Group;
  - (v) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares;
  - (vi) none of the equity and debt securities of the Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
  - (vii) the Company has no outstanding convertible debt securities.
- (b) Our principal register of members will be maintained by our principal registrar, Maples Fund Services (Cayman) Limited, in the Cayman Islands and our Hong Kong register of members will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Listed Share Registrar and may not be lodged in the Cayman Islands.

### 3. Qualification of experts

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

Name	Qualification
Morgan Stanley Asia Limited . . . . .	Licensed to conduct type 1 (dealing in Securities), type 4 (advising on securities) and type 6 (advising on corporate finance) of the regulated activities under the SFO
Commerce & Finance Law Offices . . . . .	PRC legal advisors to the Company
Maples and Calder . . . . .	Cayman Islands legal advisors to the Company
PricewaterhouseCoopers . . . . .	Certified Public Accountants

### 4. Consents of experts

Each of Morgan Stanley Asia Limited, Commerce & Finance Law Offices, Maples and Calder and PricewaterhouseCoopers has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in the Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of our subsidiaries.

### 5. Promoter

The Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

### 6. Preliminary expenses

The preliminary expenses incurred by the Company were HK\$28,830 and were payable by the Company.

### 7. Binding effect

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

### 8. Bilingual prospectus

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



## 9. Selling Shareholders

Particulars of the Selling Shareholders are as follows:

<u>Name</u>	<u>Description</u>	<u>Registered Office</u>	<u>Number of Sale Shares to be Sold as part of the Global Offering</u>	<u>Number of Shares subject to the Over-allotment Option</u>
AMG Holdings Limited . . . . .	Investment holding company	c/o Maples Corporates Services Limited at PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands	65,213,882	48,910,412
DBS Nominees (Private) Limited .	Investment holding company	12 Marina Boulevard #15-03 Marina Bay Financial Centre Tower 3 Singapore 018982	19,343,557	14,507,667
SEAVI Advent Asia Investments (II) Limited . . . . .	Investment holding company	P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands	15,442,561	11,581,921