

FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 13 December 2010.

We have been registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company and our principal place of business in Hong Kong is at Rooms 2201-2203, 22/F., World-Wide House, No. 19 Des Voeux Road Central, Hong Kong. In compliance with the requirements of the Companies Ordinance, Li & Partners has been appointed as our agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to Cayman Islands law. Its constitution comprises a Memorandum of Association and Articles of Association. A summary of certain relevant parts of its constitution and certain relevant aspects of Companies Law is set out in "APPENDIX IV – SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW" to this prospectus.

2. Changes in share capital of our Company**(a) Increase in authorised share capital**

- (i) As at the date of incorporation of our Company on 13 December 2010, our authorised share capital was HK\$100,000 divided into 1,000,000 Shares having a par value of HK\$0.10 each.
- (ii) On 2 December 2013, the authorised share capital of our Company was further conditionally increased to HK\$500,000,000 by the creation of further 4,999,000,000 Shares pursuant to a resolution passed by the Shareholders.
- (iii) Immediately following completion of the Global Offering and the Capitalisation Issue but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme, the authorised share capital of our Company will be HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 4,000,000,000 Shares will remain unissued.

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

Save as disclosed herein and in paragraphs headed "Resolutions in writing of the Shareholders passed on 2 December 2013" and "Group reorganisation" of this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

(b) Founder shares

Our Company has no founder shares, management shares or deferred shares.

3. Resolutions in writing of the Shareholders passed on 2 December 2013

Written resolutions were passed by the Shareholders on 2 December 2013 pursuant to which, among other matters:

- (a) our Company approved and adopted the Articles of Association conditional upon and with effect from the listing of the Shares on the Stock Exchange on the Listing Date;
- (b) the authorised share capital of our Company was increased from HK\$100,000 to HK\$500,000,000 by the creation of further 4,999,000,000 Shares;
- (c) conditional on (aa) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus; (bb) the Offer Price having been determined; (cc) the execution and delivery of the Underwriting Agreements on or before the date as mentioned in this prospectus; and (dd) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
 - (i) the Global Offering and the grant of the Over-allotment Option by First Kind were approved and our Directors were authorised to allot and issue of the Offer Shares pursuant to the Global Offering;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in paragraph 13 of this Appendix, were approved and adopted and our Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at our Directors' absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;
 - (iii) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise HK\$74,999,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 749,990,000 Shares for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 2 December 2013 (or as they may direct) in proportion to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;
 - (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options which may be granted under the Share Option Scheme, or under the Global Offering or the Capitalisation Issue, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20.0% of the aggregate nominal amount of the share capital of our Company in issue

immediately following completion of the Global Offering and the Capitalisation Issue, and (bb) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (vi) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or any other applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

- (v) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase or repurchase Shares on the Stock Exchange or other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, with an aggregate nominal amount of not exceeding 10.0% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalisation Issue until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors, whichever occurs first; and
 - (vi) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (v) above to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (vi) above.
- (d) We approved the form and substance of each of the service contracts or letters of appointment made between each of our Directors and us.

4. Group reorganisation

The companies comprising our Group underwent a reorganisation to rationalise our Group's structure in preparation for the listing of the Shares on the Stock Exchange. For more details regarding the Reorganisation, please refer to section headed “HISTORY, REORGANISATION AND CORPORATE STRUCTURE – REORGANISATION” in this prospectus.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the accountants' report set out in “APPENDIX I – ACCOUNTANTS' REPORT” to this prospectus.

For details of the alterations in the share capital of each of our Company's subsidiaries within the two years immediately preceding the date of this prospectus, please refer to the section headed “HISTORY, REORGANISATION AND CORPORATE STRUCTURE” in this prospectus.

6. Securities repurchase mandate

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(a) Shareholders' approval

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

Pursuant to a resolution in writing passed by the Shareholders on 2 December 2013, the Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC of Hong Kong and the Stock Exchange for this purpose, of up to 10.0% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(b) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association and the Companies Law. 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. Under the Cayman Islands laws, any repurchases by our Company may be made out of profits of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

(c) Reasons for repurchases

Our Directors believe that it is in the best interest of our Company and the Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) Funding of repurchases

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

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after the Listing, would result in up to 100,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(e) General

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 our Company or our subsidiaries.

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

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. If the Repurchase Mandate is fully exercised immediately following completion of the Global Offering and the Capitalization Issue without taking into account any Shares that may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme, the aggregate percentage shareholding of Guido, Central Success and Double Grace will be increased from approximately 47.5% to approximately 52.8% of the total issued share capital of our Company following full exercise of the Repurchase Mandate and Guido, Central Success and Double Grace may become obliged under Rule 26 of the Takeovers Code to make a mandatory offer unless a whitewash waiver is obtained. 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.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25.0% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

7. Summary of material contracts

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

Brilliant Reach

- (a) an instrument of transfer dated 27 March 2012 entered into between Mr. YOUNG (as transferor) and our Company (as transferee) in respect of the transfer of 100.0% equity interests in Brilliant Reach to our Company in consideration of US\$1.00;

Immense Value

- (b) a sale and purchase agreement dated 29 March 2012 entered into between Hony Capital and our Company relating to the transfer of 100.0% equity interests in Immense Value from Hony Capital to our Company;

GZ Consun

- (c) an equity transfer agreement dated 19 November 2012 and entered into between Cannopus and Century International, pursuant to which Century International agreed to acquire 69.0% equity interest in GZ Consun for a consideration of approximately RMB161.3 million;
- (d) an equity transfer agreement dated 19 November 2012 and entered into between Qian'an and Century International, pursuant to which Century International agreed to acquire 4.24% equity interest in GZ Consun for a consideration of approximately RMB9.9 million;
- (e) an equity transfer agreement dated 19 November 2012 and entered into between Kangsheng and Century International, pursuant to which Century International agreed to acquire 0.95213% equity interest in GZ Consun for a consideration of approximately RMB2.2 million;
- (f) an equity transfer agreement dated 19 November 2012 and entered into between Kangli and Century International, pursuant to which Century International agreed to acquire 0.45464% equity interest in GZ Consun for a consideration of approximately RMB1.1 million;
- (g) an equity transfer agreement dated 19 November 2012 and entered into between Kangji and Century International, pursuant to which Century International agreed to acquire 0.35323% equity interest in GZ Consun for a consideration of approximately RMB0.8 million;
- (h) an equity transfer agreement dated 19 November 2012 and entered into between Faithful Gain and Grand Reach, pursuant to which Grand Reach agreed to acquire 5.0% equity interest in GZ Consun for a consideration of approximately RMB11.7 million;
- (i) a deed of waiver dated 20 November 2012 and entered into between Grand Reach and Faithful Gain, pursuant to which a consideration of approximately RMB11.7 million for the transfer of 5.0% equity interest in GZ Consun from Faithful Gain to Grand Reach was waived;

- (j) a deed of set-off dated 24 December 2012 and entered into among Cannopus, Century International and our Company, pursuant to which a consideration of approximately RMB161.3 million for our Company to allot and issue 6,899 Shares to Cannopus and another equivalent consideration for the transfer of 69.0% equity interest in GZ Consun from Cannopus to Century International were set off among the parties;


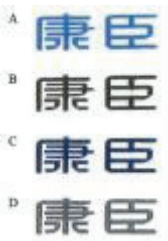

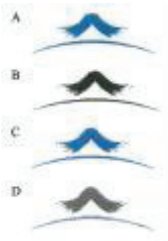


Others

- (k) a sale and purchase agreement dated 29 March 2012 entered into between Mr. WANG Zi Han and our Company relating to the transfer of 100.0% equity interests in Ample On from Mr. WANG Zi Han to our Company;
- (l) an instrument of transfer dated 19 December 2012 entered into between our Company (as transferor) and Mr. WANG Zi Han (as transferee) in respect of the transfer of 100.0% equity interests in Ample On to Mr. WANG Zi Han in consideration of US\$1.00;
- (m) a deed of indemnity dated 2 December 2013 and executed by the Controlling Shareholders in favour of our Company (for ourselves and as trustee for our subsidiaries stated therein) containing the indemnities more particularly referred to in paragraph 14 of this Appendix;
- (n) a deed of non-competition dated 2 December 2013 and executed by the Controlling Shareholders in favor of our Company in respect of certain non-competition undertaking given by the Controlling Shareholders in favor of our Group;
- (o) a cornerstone investment agreement dated 4 December 2013 entered into between our Company, Golden China Master Fund and the Sole Bookrunner, details of which are set out in the section headed "Cornerstone Investors" in this prospectus;
- (p) a cornerstone investment agreement dated 4 December 2013 entered into between our Company, Golden China Plus Master Fund and the Sole Bookrunner, details of which are set out in the section headed "Cornerstone Investors" in this prospectus;
- (q) a cornerstone investment agreement dated 4 December 2013 entered into between our Company, Greenwoods China Alpha Master Fund and the Sole Bookrunner, details of which are set out in the section headed "Cornerstone Investors" in this prospectus; and
- (r) the Hong Kong Underwriting Agreement.

8. Intellectual property rights of our Group

(a) Trade marks

As at the Latest Practicable Date, our Group is the registered proprietor and beneficial owner of the following material trademarks:

No.	Trademark	Place of Registration	Class	Registration number	Duration of Validity	Registered Owner
1.		Hong Kong	5	300774973	7 December 2006 to 6 December 2016	GZ Consun
2.		Hong Kong	5 42	302186758	9 March 2012 to 8 March 2022	GZ Consun
3.		Hong Kong	5 42	302186767	9 March 2012 to 8 March 2022	GZ Consun
4.		Hong Kong	5 42	302186776	9 March 2012 to 8 March 2022	GZ Consun
5.		Hong Kong	5 42	302186785	9 March 2012 to 8 March 2022	GZ Consun
6.		PRC	5	3600610	21 July 2005 to 20 July 2015	GZ Consun

No.	Trademark	Place of Registration	Class	Registration number	Duration of Validity	Registered Owner
7.		PRC	10	3591155	14 January 2005 to 13 January 2015	GZ Consun
8.		PRC	43	4933965	28 May 2009 to 27 May 2019	GZ Consun
9.		PRC	5	3600611	21 July 2005 to 20 July 2015	GZ Consun
10.		PRC	10	3591141	14 January 2005 to 13 January 2015	GZ Consun
11.		PRC	5	3600612	21 July 2005 to 20 July 2015	GZ Consun
12.		PRC	10	3591154	14 January 2005 to 13 January 2015	GZ Consun
13.		PRC	5	5601667	7 May 2010 to 6 May 2020	GZ Consun
14.		PRC	44	5601666	21 March 2010 to 20 March 2020	GZ Consun
15.		PRC	40	3591142	21 March 2005 to 20 March 2015	GZ Consun
16.		PRC	40	3591143	21 March 2005 to 20 March 2015	GZ Consun
17.		PRC	40	3591144	21 March 2005 to 20 March 2015	GZ Consun
18.		PRC	44	3591145	21 July 2005 to 20 July 2015	GZ Consun
19.		PRC	44	3591146	14 July 2005 to 13 July 2015	GZ Consun
20.		PRC	44	3591147	14 July 2005 to 13 July 2015	GZ Consun

No.	Trademark	Place of Registration	Class	Registration number	Duration of Validity	Registered Owner
21.	源克敢	PRC	5	4123778	7 April 2007 to 6 April 2017	Kangyuan
22.	源渡宁	PRC	5	4123779	7 April 2007 to 6 April 2017	Kangyuan
23.	源为舒	PRC	5	4123780	7 April 2007 to 6 April 2017	Kangyuan
24.	源清克	PRC	5	4123781	7 April 2007 to 6 April 2017	Kangyuan
25.	源通宁	PRC	5	4123782	7 April 2007 to 6 April 2017	Kangyuan

(b) Domain Names

As at the Latest Practicable Date, our Group has the following registered material domain names:

<u>Domain Name</u>	<u>Date of registration</u>	<u>Date of expiry</u>
Chinaconsun.cn	14 May 2012	14 May 2019

(c) Patents

As at the Latest Practicable Date, our Group is the registered proprietor and beneficial owner of the following material patents:

<u>No.</u>	<u>Patent</u>	<u>Place of Registration</u>	<u>Type</u>	<u>Patent number</u>	<u>Registration Period</u>	<u>Registered Owner</u>
1.	A preparation method of medicines for the treatment of chronic renal failure (一種治療慢性腎功能衰竭藥物的製備方法)	PRC	Invention Patent	ZL 2004 10026488.1	20 years starting from 17 March 2004	GZ Consun
2.	A combination of Chinese medicines for the treatment of nephrotic syndrome and its preparation method (一種治療腎病綜合症的中藥組合物及其製備方法)	PRC	Invention Patent	ZL 2006 10011865.3	20 years starting from 9 May 2006	GZ Consun
3.	A combination of medicines for the treatment of diabetic nephropathy, its preparation method and application (一種治療糖尿病腎病的藥物組合物及其製備方法和應用)	PRC	Invention Patent	2009 10036716.6	20 years starting from 16 January 2009	Consun (Inner Mongolia)

No.	Patent	Place of Registration	Type	Patent number	Registration Period	Registered Owner
4.	A combination of Chinese medicines for the treatment of Irritable bowel syndrome and its preparation method (治療腸易激綜合症的中藥組合物及其製備方法)	PRC	Invention Patent	ZL 2004 10014704.0	20 years starting from 20 April 2004	GZ Consun
5.	A combination of Chinese medicines for the treatment of fatty liver disease and its preparation method (一種治療脂肪肝的中藥組合物及其製備方法)	PRC	Invention Patent	ZL 2006 10011638.0	20 years starting from 10 April 2006	GZ Consun
6.	A combination of Chinese medicines for the treatment of chronic nephritis and its preparation method (一種治療慢性腎炎的中藥組合物及其製備方法)	PRC	Invention Patent	ZL 2006 10011864.9	20 years starting from 9 May 2006	GZ Consun
7.	An application of total flavonoids of astragalus in preparation of medicines for the prevention and treatment of diabetic nephropathy (黃芪總黃酮在製備防治糖尿病腎病藥物中的應用)	PRC	Invention Patent	2008 10246855.7	20 years starting from 26 December 2008	GZ Consun

No.	Patent	Place of Registration	Type	Patent number	Registration Period	Registered Owner
8.	A combination of medicines for the prevention and treatment of diabetic nephropathy and its preparation method (一種防治糖尿病腎病的藥物組合物及其製備方法)	PRC	Invention Patent	ZL 2009 10036717.0	20 years starting from 16 January 2009	Consun Research
9.	A combination of medicines for the treatment of diabetic nephropathy, its preparation method and application (一種治療糖尿病腎病的藥物組合物及其製備方法和應用)	PRC	Invention Patent	ZL 2009 10036715.1	20 years starting from 16 January 2009	Consun Research
10.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method thereof (一種治療糖尿病腎病的藥物組合物及其製備方法)	Hong Kong	Standard Patent	HK1145452	20 years starting from 16 January 2009	Consun Research
11.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method and use thereof (一種治療糖尿病腎病的藥物組合物及其製備方法和應用)	Hong Kong	Standard Patent	HK1145453	20 years starting from 16 January 2009	Consun (Inner Mongolia)

No.	Patent	Place of Registration	Type	Patent number	Registration Period	Registered Owner
12.	A pharmaceutical composition for preventing and treating diabetic nephropathy and preparation method thereof (一種防治糖尿病腎病的藥物組合物及其製備方法)	Hong Kong	Standard Patent	HK1145454	20 years starting from 16 January 2009	Consun Research
13.	A pharmaceutical composition for diabetic nephropathy and its preparation and application	Japan	Invention Patent	5352598	20 years starting from 1 April 2009	Consun Research
14.	A pharmaceutical composition for preventing and treating diabetic nephropathy and the preparation method thereof	Korea	Invention Patent	10-1214751	20 years starting from 28 June 2010	Consun Research
15.	A pharmaceutical composition for treating diabetic nephropathy and its preparation method and application	Korea	Invention Patent	10-1187329	20 years starting from 25 June 2010	Consun Research

As at the Latest Practicable Date, our Group has applied for registration of the following material patents:

No.	Patent	Place of Application	Type	Application number	Date of Application	Applicant
1.	A preparation method of MRI contrast agent (一種磁共振成像造影劑的製備方法)	PRC	Invention Patent	201010288592.3	19 September 2010	Consun Research
2.	Pharmaceutical composition for preventing and treating diabetic nephropathy and the preparation method thereof	United States	Utility Patent	12/810,571	25 June 2010	Consun Research

No.	Patent	Place of Application	Type	Application number	Date of Application	Applicant
3.	Pharmaceutical composition for diabetic nephropathy and its preparation and application	United States	Utility Patent	12/823,357	25 June 2010	Consun Research
4.	Pharmaceutical composition for diabetic nephropathy and its preparation and application	United States	Utility Patent	12/823,305	25 June 2010	Consun Research
5.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method and use thereof	Europe	European Patent	09833902.1	31 March 2009	Consun Research
6.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method and use thereof	Europe	European Patent	09833894.0	1 April 2009	Consun Research
7.	A pharmaceutical composition for preventing and treating diabetic nephropathy and preparation method thereof	Europe	European Patent	09833900.5	1 April 2009	Consun Research

No.	Patent	Place of Application	Type	Application number	Date of Application	Applicant
8.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method and use thereof	Japan	Invention Patent	2010-546200	25 June 2010	Consun Research
9.	A pharmaceutical composition for preventing and treating diabetic nephropathy and preparation method thereof	Japan	Invention Patent	2010-546202	28 June 2010	Consun Research
10.	A pharmaceutical composition for treating diabetic nephropathy and the preparation method and use thereof	Korea	Invention Patent	10-2010-7014242	28 June 2010	Consun Research
11.	A pharmaceutical composition for diabetic nephropathy and its preparation and application	India	Invention Patent	3954/CHENP/2010	25 June 2010	Consun Research
12.	A pharmaceutical composition for diabetic nephropathy and its preparation and application	India	Invention Patent	3955/CHENP/2010	25 June 2010	Consun Research

9. Connected transactions and related party transactions

Save as disclosed in the sections headed “BUSINESS”, “RELATIONSHIP WITH CONTROLLING SHAREHOLDERS”, “FINANCIAL INFORMATION” and in note 25 to the accountants’ report, the text of which is set out in “APPENDIX I – ACCOUNTANTS’ REPORT” to this prospectus, during the two years immediately preceding the date of this prospectus, our Company has not engaged in any other material connected transactions or related party transactions.

FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS

10. Directors

(a) Disclosure of interests of our Directors

- (i) Each of Mr. YOUNG, Mr. WANG Zi Han, Ms. LI and Mr. AN is interested in the Reorganisation and the transactions as contemplated under the material contracts as set out in the paragraph 7 of this Appendix.
- (ii) Save as disclosed in this prospectus, none of our Directors or their associates were engaged in any dealings with our Group during the two years preceding the date of this prospectus.

(b) Particulars of Directors' service contracts and letters of appointment*Executive Directors*

Each of the executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Each of the executive Directors is entitled to their respective basic salaries set out below.

The current basic annual salaries of the executive Directors payable under their service contracts are as follows:

Name	Annual salary
	<i>(RMB)</i>
Mr. AN	2,380,000
Ms. LI	2,280,000
Professor ZHU Quan	1,200,000

Non-executive Directors

Each of the non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other. Each of the non-executive Directors is entitled to their respective basic salaries set out below.

The current basic annual salaries of the non-executive Directors payable under their letters of appointment are as follows:

Name	Annual Salary
	<i>(RMB)</i>
Mr. YOUNG	–
Mr. WANG Shunlong	–
Mr. WANG Zi Han	–

Independent non-executive Directors

Each of the independent non-executive Directors has entered into a service contract with our Company for an initial term of three years commencing from the Listing Date, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Each of the independent non-executive Directors is entitled to a director's fee of HK\$150,000 per annum. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of our Directors has or is proposed to have a service contract or letter of appointment with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) Directors remuneration

- (i) The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of three years ended 31 December 2010, 2011 and 2012 and six months ended 30 June 2013 were approximately RMB1,932,000, RMB2,544,000, RMB2,948,000 and RMB1,457,000, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including the independent non-executive Directors in their respective capacity as Directors) for the year ending 31 December 2013 are expected to be approximately RMB3,204,000.
- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for three years ended 31 December 2010, 2011 and 2012 and six months ended 30 June 2013 (i) as an inducement to join or upon joining our Group or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to any emoluments for three years ended 31 December 2010, 2011 and 2012 and six months ended 30 June 2013.

(d) *Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and our associated corporations*

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any Shares which may be sold by First Kind pursuant to the exercise of the Over-allotment Option and any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, the interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are 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 therein, or which will be required to notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed, will be as follows:

Our Company

Name of Director	Nature of interest and capacity	Number and class of securities⁽¹⁾	Approximate percentage of shareholding
Mr. YOUNG ⁽²⁾	Interest of a controlled corporation	160,050,000 Shares (L)	16.0%
Mr. AN ⁽³⁾	Interest of a controlled corporation	195,000,000 Shares (L)	19.5%
	Trustee and interest of a controlled corporation ⁽⁶⁾	7,140,975 Shares (L)	0.7141%
Ms. LI ⁽⁴⁾	Interest of a controlled corporation	120,000,000 Shares (L)	12.0%
Mr. WANG Zi Han ⁽⁵⁾	Interest of a controlled corporation	37,500,000 Shares (L)	3.75%

Notes:

- (1) The letter "L" denotes our Directors' long position in the shares of our Company or the relevant associated corporation.
- (2) The entire issued share capital of Guidoz is owned by Mr. YOUNG, therefore, Mr. YOUNG is deemed to be interested in all the Shares held by Guidoz under the provisions of SFO.
- (3) The entire issued share capital of Central Success is owned by Mr. AN, therefore, Mr. AN is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace is owned by Ms. LI, therefore, Ms. LI is deemed to be interested in all the Shares held by Double Grace under the provisions of SFO. In addition, Wealthy Hero holds 3,409,800 Shares, representing 0.3410% interest in our issued share capital. Ms Li is the beneficial owner of 32.8248% equity interest in Wealthy Hero.

- (5) The entire issued share capital of Ample Wise is owned by Mr. WANG Zi Han, therefore, Mr. WANG Zi Han is deemed to be interested in all the Shares held by Ample Wise under the provisions of SFO.
- (6) The entire issued share capital of Assets Builder is held by Mr. AN. Only 18.8324% interest in Assets Builder is beneficially owned by Mr. AN. The remaining interests in Assets Builder are held by Mr. AN as a trustee for 17 employees or ex-employees of GZ Consun. Therefore, Mr. AN is also deemed to be interested in all the Shares held by Assets Builder under the provisions of SFO.

11. Interest discloseable under the SFO and Substantial Shareholders

So far as is known to our Directors, immediately following completion of the Global Offering and the Capitalisation Issue (but without taking account of any Shares which may be taken up or acquired under the Global Offering and any Shares which may be sold by First Kind pursuant to the exercise of the Over-allotment Option and any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), other than our Director or chief executive whose interests are disclosed under the sub-paragraph headed “Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and our associated corporations” above, the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest and capacity	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding
Guidoz ⁽²⁾⁽⁶⁾	Beneficial owner of our Company	160,050,000 Shares (L)	16.0%
Central Success ⁽³⁾⁽⁶⁾	Beneficial owner of our Company	195,000,000 Shares (L)	19.5%
Double Grace ⁽⁴⁾⁽⁶⁾	Beneficial owner of our Company	120,000,000 Shares (L)	12.0%
First Kind ⁽⁵⁾	Beneficial owner of our Company	224,250,000 Shares (L)	22.43%
Hony Capital ⁽⁵⁾	Interest of controlled corporation	224,250,000 Shares (L)	22.43%
Hony Capital Fund III GP, L.P. ⁽⁵⁾	Interest of controlled corporation	224,250,000 Shares (L)	22.43%
Hony Capital Fund III GP Limited ⁽⁵⁾	Interest of controlled corporation	224,250,000 Shares (L)	22.43%
Hony Capital Management Limited ⁽⁵⁾	Interest of controlled corporation	224,250,000 Shares (L)	22.43%
Mr. John Huan ZHAO ⁽⁵⁾	Interest of controlled corporation	224,250,000 Shares (L)	22.43%

Notes:

- (1) The letter “L” denotes the person’s long position in the shares of our Company or the relevant Group member.
- (2) The entire issued share capital of Guidoz is legally and beneficially owned by Mr. YOUNG. By virtue of the SFO, Mr. YOUNG is deemed to be interested in all the Shares held by Guidoz.
- (3) The entire issued share capital of Central Success is legally and beneficially owned by Mr. AN. By virtue of the SFO, Mr. AN is deemed to be interested in all the Shares held by Central Success.
- (4) The entire issued share capital of Double Grace is legally and beneficially owned by Ms. LI. By virtue of the SFO, Ms. LI is deemed to be interested in all the Shares held by Double Grace.

- (5) The entire issued share capital of First Kind is legally and beneficially owned by Hony Capital. Hony Capital is controlled by its sole general partner, Hony Capital Fund III GP, L.P.. Hony Capital Fund III GP, L.P. is in turn controlled by its sole general partner, Hony Capital Fund III GP Limited. Hony Capital Fund III GP Limited is wholly owned by Hony Capital Management Limited, which is in turn owned as to 20.0% by Legend Holdings Limited (through its wholly-owned subsidiary, Right Lane Limited) and 80.0% by Mr. John Huan ZHAO (through Hony Managing Partners Limited, a company wholly owned by him). Legend Holdings Limited is ultimately owned as to 36.0% by the Chinese Academy of Sciences (whose interests in Legend Holdings Limited are held through its wholly-owned subsidiary, Chinese Academy of Sciences Holdings Co., Ltd.), 24.0% by 北京聯持志遠管理諮詢中心(有限合夥) (Beijing Lian Chi Zhi Yuan Management Consulting Center Limited Partnership), 20.0% by China Oceanwide Holdings Group Co. Ltd., 8.9% by 北京聯恒永信投資中心(有限合夥) (Beijing Lian Heng Yong Xin Investment Center Limited Partnership), 3.4% by Mr. LIU Chuanzhi (柳傳志), 2.4% by Mr. ZHU Linan (朱立南), 1.8% by Mr. NING Min (寧旻), 1.5% by Mr. HUANG Shaokang (黃少康), 1.0% by Mr. CHEN Shaopeng (陳紹鵬) and 1.9% by Mr. TANG Xudong (唐旭東).

12. Disclaimers

Save as disclosed in this prospectus:

- (a) assuming the Over-allotment Option is not exercised and taking no account of any Shares which may be taken up or acquired under the Global Offering and any options which may be granted under the Share Option Scheme, our Directors are not aware of any person (not being our Director or chief executive) who immediately following the completion of the Global Offering and the Capitalisation Issue will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either directly or indirectly, be interested in 10.0% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (b) none of our Directors has any interest or short position in any of the shares, underlying shares or debentures of our Company or any associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is 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 therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;
- (c) none of our Directors nor any of the parties listed in the paragraph 20 below has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to our Company or any of the subsidiaries of our Company, or are proposed to be acquired or disposed of by or leased to our Company or any other member of our Group nor will any Director apply for the Offer Shares either in his own name or in the name of a nominee;
- (d) none of our Directors nor any of the parties listed in the paragraph 20 below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of our Group; and
- (e) save in connection with the Underwriting Agreements, none of the parties listed in the paragraph 20 below:

- (i) is interested legally or beneficially in any securities of any member of our Group; or
- (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

OTHER INFORMATION

13. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on 2 December 2013.

(a) Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) have had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of our Group; and
- (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Who may join

Our Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as our Board may determine at an exercise price determined in accordance with paragraph (f) below to the following persons ("**Eligible Participants**"):

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to our Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of our Board, will contribute or have contributed to our Group, the assessment criteria of which are:
 - (aa) contribution to the development and performance of our Group;
 - (bb) quality of work performed for our Group;
 - (cc) initiative and commitment in performing his/her duties; and
 - (dd) length of service or contribution to our Group.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company.

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10.0% of the total number of Shares in issue on the Listing Date, being 100,000,000 Shares (the "Scheme Limit"), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, our Board may:

- (i) renew this limit at any time to 10.0% of the Shares in issue (the "New Scheme Limit") as at the date of the approval by the Shareholders in general meeting; and/or

- (ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by our Board. The circular issued by our Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30.0% of the Shares in issue from time to time (the “**Maximum Limit**”). No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of capitalisation issue, rights issue, open offer (if there is a price-dilutive element), consolidation, sub-division of shares or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) *Maximum number of options to any one individual*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of our Company but subsequently cancelled (the “**Cancelled Shares**”) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1.0% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1.0% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders’ approval and the date of our Board meeting at which our Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. Our Board shall forward to such Eligible Participant an offer document in such form as our Board may from time to time determine or, alternatively, documents accompanying the offer document which state, among other things:
 - (aa) the Eligible Participant’s name, address and occupation;
 - (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;

- (cc) the date upon which an offer for an option must be accepted;
- (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
- (ee) the number of Shares in respect of which the option is offered;
- (ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
- (gg) the date of the notice given by the grantee in respect of the exercise of the option;
- (hh) the method of acceptance of the option which shall, unless our Board otherwise determines, be as set out in paragraph (c); and
- (ii) such other terms and conditions (including, without limitation, any minimum period for which an option shall be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of our Board are fair and reasonable but not being inconsistent with the Share Option Scheme and the Listing Rules.

(f) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(g) Granting options to connected persons

Any grant of options to our Director, chief executive or Substantial Shareholder (as defined in the Listing Rules) or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). If our Board proposes to grant options to a Substantial Shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and

- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange at the date of each grant, such further grant of options will be subject to the approval of the independent non-executive Directors as referred to in this paragraph, the issue of a circular by our Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of Options

A grant of options 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 announced pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (such date to first be 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 other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of the results for any year, or half-year, or quarterly or other interim period (whether or not required under the Listing Rules); and ending on the date of actual publication of the results announcement.

(i) Rights are personal to grantee

An option is personal to the grantee. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by our Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Share Option Scheme by our Shareholders (the “**Adoption Date**”). Subject to earlier termination by our Company in general meeting or by our Board, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date.

(k) Performance target

A grantee may be required to achieve any performance targets as our Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment/death

If the grantee of an option ceases to be an Eligible Participant:

- (i) by any reason other than death, ill-health, injury, disability or termination of his relationship with our Company and/or any of its subsidiaries on one of more of the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month (or such longer period as our Board may determine) from such cessation which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse (or such longer period as our Company may determine); or
- (ii) by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of our Board) and none of the events which would be a ground for termination of his relationship with our Company and/or any of its subsidiaries under paragraph (m) has occurred, the grantee or his personal representative(s) may exercise the option within a period of 12 months (or such longer period as our Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Options in full (to the extent not already exercised).

(m) Rights on dismissal

If the grantee of an option ceases to be an Eligible Participant on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or has been in breach of contract, his option will lapse and not be exercisable after the date of termination of his employment.

(n) Rights on takeover

If a general offer 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 concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event that a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid.

(p) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by our Company no later than two Business Days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the 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 register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* and shall have the same voting, dividend, transfer and other rights (including those arising on liquidation) as are attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer (if there is a price-dilutive element), consolidation, subdivision or reduction of share capital of our Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any outstanding options and/or the subscription price per Share of each outstanding option and/or the Scheme Limit, the New Scheme Limit and the Maximum Limit as the auditors of our Company or an independent financial adviser shall certify in writing to our Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issues relating to share option schemes. The capacity of the auditors of our Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the equity capital of our Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issues relating to share option schemes) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration provided that no such alteration shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

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

- (i) the date of expiry of the option as may be determined by our Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n) or (o);

- (iii) the date upon which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;
- (v) the date upon which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his or her employment or contract on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his or her debts or has become insolvent or has made any arrangement or has compromised with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or has been in breach of contract. A resolution of our Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date upon which our Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of our Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; or
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted;

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme must still comply with Chapter 17 of the Listing Rules and any change to the authority of our Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(u) *Cancellation of Options*

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event that any option is cancelled pursuant to paragraph (i).

(v) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or our Board may at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of our Board

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

(x) Conditions of the Share Option Scheme

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;
- (ii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s) by the Lead Manager (for itself and on behalf of the Underwriters)) and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise; and
- (iii) the commencement of dealings in the Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within 12 calendar months from the Adoption Date:

- (i) the Share Option Scheme shall forthwith determine;
- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) Disclosure in annual and interim reports

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

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

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

14. Estate duty, tax and other indemnity

The Controlling Shareholders, (the “**Indemnifiers**”) have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract m referred to in paragraph 7 above) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing; and
- (b) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 30 June 2013;
- (b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 July 2013 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date; and
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in this prospectus; or
- (c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the deed of indemnity with retrospective effect; or

- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 30 June 2013 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, the Indemnifiers have also undertaken to us that it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganisation.

15. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to our Directors to be pending or threatened against our Company or any of our subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Company.

16. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$51,000 and are payable by our Company.

17. Promoters

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to any promoters in connection with the Global Offering or the related transactions described in this prospectus.

18. Agency fees or commissions received

The commission and expenses relating to the Global Offering that are to be borne by our Company are set out in the section headed "Underwriting" in this prospectus. The Sponsor will also receive fees relating to the Global Offering.

19. Application for listing of Shares

The Sponsor has made an application on behalf of our 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 as mentioned in this prospectus and any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme, being up to 10.0% of the Shares in issue on the Listing Date, on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

20. Selling shareholder

Name:	First Kind
Place of incorporation:	British Virgin Islands
Registered office:	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Nature of business:	Investment holding
Number of Shares to be sold:	37,500,000 Shares if the Over-allotment Option is fully exercised

21. Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this prospectus are as follows:

Name	Qualification
BOCI Asia Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under SFO
KPMG	Certified public accountants
Appleby	Legal advisers to our Company as to Cayman Islands law
Jingtian & Gongcheng	PRC legal advisers to our Company
Jia Yuan Law Offices	PRC legal advisers to the Underwriters
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Professional surveyor

22. Consents of experts

Each of BOCI Asia Limited, KPMG, Appleby, Jingtian & Gongcheng, Jia Yuan Law Offices and Jones Lang LaSalle Corporate Appraisal and Advisory Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, valuation, letters or opinions (as the case may be) and the references to its names or summaries of opinions included herein in the form and context in which they respectively appear.

23. Binding Effect

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

24. Taxation of holders of Shares**(a) Hong Kong**

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) The Cayman Islands

Under the present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty provided that the Company does not hold any interest in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

25. Miscellaneous

(a) Save as disclosed herein:

(i) within two years preceding the date of this prospectus:

(aa) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;

- (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

- (b) Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2013 (being the date to which the latest consolidated financial statements of our Group were made up).

26. Bilingual prospectus

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