

A FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES**1. Incorporation**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 7 July 2011. Our Company has established a principal place of business in Hong Kong at Room A (23), 3rd Floor Cheong Sun Tower 116-118 Wing Lok Street, Sheung Wan, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance on 19 November 2013. Mr. Hui Hung Kwan has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Companies Law and its constitution which comprises the Memorandum of Association and Articles of Association. A summary of certain provisions of our Company's constitution and relevant aspects of the Companies Law is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company

As at the date of incorporation, the authorised share capital of our Company was HK\$380,000 divided into 3,800,000,000 shares of HK\$0.0001 each, one of which were allotted and issued fully paid to the subscriber which then transferred the same to Chen Fanglin on the same date.

On 22 March 2012, Chen Fanglin transferred the one Share to China Wisdom Asia Limited at par.

Pursuant to a written resolution of our sole Shareholder passed on 2 December 2013, (a) our authorised share capital was increased from HK\$380,000 to HK\$1,000,000 by the creation of an additional 6,200,000,000 Shares.

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 Over-allotment Option and any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$180,000 divided into 1,800,000,000 Shares, all fully paid or credited as fully paid and 8,200,000,000 Shares will remain unissued.

Save for aforesaid and as mentioned in the paragraph headed "Resolutions in writing of our sole Shareholder passed on 2 December 2013" below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of our sole Shareholder passed on 2 December 2013

On 2 December 2013, resolutions in writing were passed by our sole Shareholder, pursuant to which, among other things:

- (a) our Company approved and adopted its amended and restated memorandum of association and new Articles of Association;
- (b) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme); and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
 - (i) the Global Offering was approved and our Directors were authorised to allot and issue the new Shares pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option);
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the section headed “Share Option Scheme” in this Appendix, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme; and
 - (iii) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, Our Directors were authorised to capitalise an amount of HK\$143,999.9999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 1,439,999,999 Shares, such Shares to be allotted and issued to our Shareholders whose names appearing on the register of members of our Company at the close of business on 2 December 2013 (or as such Shareholders may direct) in proportion (as nearly as possible without fractions) to their then respective shareholdings in our Company.
- (c) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a

dividend on Shares in accordance with the Articles of Association or pursuant to the grant of options under the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by our Shareholders of our Company in general meeting, unissued Shares with a total nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and Capitalisation Issue (excluding any Shares which may be issued pursuant to the Over-allotment Option and any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws of Cayman Islands to be held, or until revoked or varied or renewed by an ordinary resolution of our Shareholders at a general meeting of our Company, whichever occurs first;

- (d) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% 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 (excluding any Shares which may be issued pursuant to the Over-allotment Option and any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws of Cayman Islands to be held, or until revoked or varied or renewed by an ordinary resolution of our Shareholders at a general meeting of our Company, whichever occurs first; and
- (e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above.

4. Corporate reorganisation

Details of the Reorganisation are set forth in the section headed “History and Development” in this prospectus.

5. Changes in share capital of subsidiaries of our Group

Subsidiaries of our Company are referred to in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in the section headed “History and Development” in this prospectus, there are no changes in the registered capital of our Company’s subsidiaries during the two years preceding the date of this prospectus.

6. Repurchase of Shares by our Company

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Main Board to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders’ approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of 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 2 December 2013, the Repurchase Mandate was granted to our Directors authorising the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% 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 (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme), at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held or when such mandate is revoked or varied or renewed by an ordinary resolution of our Shareholders of our Company in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the 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 from time to time.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and its Shareholders for our Directors to have a general authority from Shareholders to enable our

Company to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of our Company and its assets and/or its earnings per Share.

(c) *Funding of repurchases*

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

It is presently proposed that any repurchase of Shares will be made out of the profits or share premium account of our Company or the proceeds of a fresh issue of shares made for the purpose of the purchase or, subject to the Companies Law and if so authorised by the Articles of Association, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the Companies Law and if so authorised by the Articles of Association, out of capital.

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 Company or its gearing levels which, in the opinion of Our Directors, are from time to time appropriate for our Company.

(d) *General*

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or its 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 and the applicable laws of the Cayman Islands. Our Company has not repurchased any Shares in the previous six months.

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

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers and Share Repurchases (the "**Code**"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of our Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code as a result of any such increase. Our Directors are not aware of any consequences which may arise under the Code if the Repurchase Mandate is exercised.

B FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP**1. Summary of material contracts**

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












- (a) the exchangeable bond subscription agreement (the **“Exchangeable Bond Subscription Agreement”**) dated 11 April 2013 and entered into by our Company, China Prosper, Allen International, China Allen, Fujian Allen, Quanzhou Allen, Central Profit, China Wisdom and Ocean Equity whereby Ocean Equity agreed to subscribe for the exchangeable bond issued by China Wisdom in the principal amount of US\$10,000,000;
- (b) the supplemental agreement dated 24 April 2013 and entered into by our Company, China Prosper, Allen International, China Allen, Fujian Allen, Quanzhou Allen, Central Profit, China Wisdom and Ocean Equity to amend and supplement certain provisions of the Exchangeable Bond Subscription Agreement;
- (c) the supplemental agreement dated 28 May 2013 and entered into by our Company, China Prosper, Allen International, China Allen, Fujian Allen, Quanzhou Allen, Central Profit, China Wisdom and Ocean Equity to amend and supplement certain provisions of the Exchangeable Bond Subscription Agreement;
- (d) the supplemental agreement dated 3 July 2013 and entered into by our Company, China Prosper, Allen International, China Allen, Fujian Allen, Quanzhou Allen, Central Profit, China Wisdom and Ocean Equity to amend and supplement certain provisions of the Exchangeable Bond Subscription Agreement;
- (e) the investor’s rights agreement dated 24 April 2013 and entered into by China Wisdom, Central Profit, Ocean Equity and our Company to record certain of their rights and obligations in relation to the management our Company;
- (f) the exchangeable bond subscription agreement dated 27 June 2013 and entered into by our Company, China Prosper, Allen International, China Allen, Fujian Allen, Quanzhou Allen, Central Profit, China Wisdom and Clear Zone whereby Clear Zone agreed to subscribe for the exchangeable bond issued by China Wisdom in the principal amount of US\$10,000,000;
- (g) the investors’ rights deed dated 3 July 2013 and entered into by China Wisdom, Central Profit, Ocean Equity, Clear Zone and our Company to record certain of their rights and obligations in relation to the management our Company;
- (h) the cornerstone placing agreement dated 3 December 2013 entered into between Bondic International Holdings Limited, the Sole Global Coordinator and our Company, pursuant to which Bondic International Holdings Limited has agreed to acquire at the Offer Price such number of Offer Shares that may be purchased with US\$10.0 million, rounded down to the nearest board lot of 2,000 Shares;












- (i) the cornerstone placing agreement dated 4 December 2013 entered into between Chow Tai Fook Nominee Limited, the Sole Global Coordinator and our Company, pursuant to which Chow Tai Fook Nominee Limited has agreed to acquire at the Offer Price such number of Offer Shares that may be purchased with US\$10.0 million, rounded down to the nearest board lot of 2,000 Shares;
- (j) the Deed of Indemnity; and
- (k) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

- (i) As of the Latest Practicable Date, our Group has the following registered trademarks which are material in relation to our business:

Trademark	Class	Place of Registration	Trademark number	Trademark holder	Registration date	Expiry date
	36	PRC	6627711	China Allen	14 May 2012	13 May 2022
	11	PRC	6455978	Fujian Allen	21 April 2010	20 April 2020
	20	PRC	3016965	China Allen	21 February 2013	20 February 2023
	21	PRC	4999064	China Allen	21 December 2009	20 December 2019
	39	PRC	6627712	China Allen	14 February 2011	13 February 2021
	11	PRC	6627716	Fujian Allen	14 May 2010	13 May 2020
	28	PRC	6627710	China Allen	21 July 2010	20 July 2020
	23	PRC	6627709	China Allen	14 July 2010	13 July 2020
	20	PRC	7768114	China Allen	14 February 2011	13 February 2021
	11	PRC	6627717	Fujian Allen	7 December 2011	6 December 2021
	5	PRC	6627727	China Allen	7 December 2011	6 December 2021

Trademark	Class	Place of Registration	Trademark number	Trademark holder	Registration date	Expiry date
	11	PRC	6455992	Fujian Allen	21 April 2010	20 April 2020
	37	PRC	4999067	China Allen	14 June 2009	13 June 2019
	4	PRC	6627713	China Allen	7 April 2010	6 April 2020
	20	PRC	3016967	China Allen	21 February 2013	20 February 2023
	21	PRC	6627728	China Allen	28 March 2010	27 March 2020
	11	PRC	6455977	Fujian Allen	7 June 2011	6 June 2021
	10	PRC	6627714	China Allen	28 March 2010	27 March 2020
	43	PRC	6627715	China Allen	31 March 2008	20 October 2020
	21	PRC	4999065	China Allen	14 March 2009	13 March 2019 (Note)
	11, 20	Hong Kong	302160909AA	China Allen	15 February 2012	14 February 2022
	11, 20	Hong Kong	302160909AB	China Allen	15 February 2012	14 February 2022

(ii) As of the Latest Practicable Date, our Group has applied for registration of the following trademarks:

Trademark	Class	Place of Registration	Application number	Name of applicant	Application date
UNIFIRE	11	PRC	11931387	Fujian Allen	21 December 2012
HEAT TREND	11	PRC	11931380	Fujian Allen	21 December 2012
看得见的温暖!	11	PRC	11931399	Fujian Allen	21 December 2012

Note: On 23 August 2013, China Allen entered into a trademark transfer agreement with Quanzhou Rifeng Porcelain Co., Ltd. (泉州日烽陶瓷有限公司) pursuant to which China Allen transferred the trademark numbered 4999065 to Quanzhou Rifeng Porcelain Co., Ltd. at nil consideration. The Trademark Office of the State Administration for Industry and Commerce of the PRC accepted the application for the aforesaid transfer of trademark. The transfer of trademark will be effective upon the announcement of the transfer by the Trademark Office of the State Administration for Industry and Commerce of the PRC.

(b) Patents

(i) As of the Latest Practicable Date, our Group has the following patents granted:

Patent	Place of registration	Type	Patent number	Effective period
Novel electrical place (一種新型電壁爐)	PRC	Utility model	ZL201020643356.4	6 December 2010 to 5 December 2020
Framework-replaceable artificial fireplace (一種可更換框體的仿真壁爐)	PRC	Utility model	ZL201020649464.2	9 December 2010 to 8 December 2020
Electric fireplace simulator with LED lamp (帶LED燈電壁爐仿真器)	PRC	Utility model	ZL201120036013.6	1 February 2011 to 31 January 2021
Multifunctional simulation warmer (多功能仿真取暖器)	PRC	Utility model	ZL201120117888.9	15 April 2011 to 14 April 2021
Wall-mounted ultrathin electric fireplace (壁掛式超薄電壁爐)	PRC	Utility model	ZL201120117898.2	15 April 2011 to 14 April 2021
Multifunctional simulated warmer (多功能仿真取暖器)	PRC	Utility model	ZL201120117911.4	15 April 2011 to 14 April 2021
Multifunctional electric fireplace simulator (多功能電壁爐仿真器)	PRC	Utility model	ZL201120036012.1	1 February 2011 to 31 January 2021
Electric fireplace (一種電壁爐)	PRC	Utility model	ZL201120241239.X	8 July 2011 to 7 July 2021
Emulation fireplace (一種仿真壁爐)	PRC	Utility model	ZL200820101750.8	27 March 2008 to 26 March 2018
Reflection component of simulated fireplace (一種仿真壁爐的反光組件)	PRC	Utility model	ZL200920136578.4	23 January 2009 to 22 January 2019
Multi-functional simulating fireplace (一種多功能仿真壁爐)	PRC	Utility model	ZL200920137109.4	12 March 2009 to 11 March 2019
Multifunctional tea table (一種多功能茶几)	PRC	Utility model	ZL200920136581.6	23 January 2009 to 22 January 2019
Improved simulation fireplace (一種改進型仿真壁爐)	PRC	Utility model	ZL201120171448.1	25 May 2011 to 24 May 2021
Novel emulation fireplace (一種新型仿真壁爐)	PRC	Utility model	ZL200820101751.2	27 March 2008 to 26 March 2018
Simple simulation fireplace (一種簡易型仿真壁爐)	PRC	Utility model	ZL201120241227.7	8 July 2011 to 7 July 2021
An energy-saving simulation fireplace (一種節能型仿真壁爐)	PRC	Utility model	ZL201120170988.8	25 May 2011 to 24 May 2021

Patent	Place of registration	Type	Patent number	Effective period
Electric fireplace with touch screen (觸摸屏電壁爐)	PRC	Utility model	ZL201120276492.9	27 July 2011 to 26 July 2021
Humidifying device with LED lamps (帶LED燈加濕裝置)	PRC	Utility model	ZL201120276493.3	27 July 2011 to 26 July 2021
Humidifier with lifting water mist generating device (帶升降水霧發 生裝置的加濕器)	PRC	Utility model	ZL201120467817.1	23 November 2011 to 22 November 2021
Crafts humidifier with improved structure (結構改進的工藝品加濕器)	PRC	Utility model	ZL201120467780.2	23 November 2011 to 22 November 2021
Energy saving simulation fireplace (節能仿真壁爐)	PRC	Utility model	ZL201120171001.4	25 May 2011 to 24 May 2021
Improved emulational fireplace (一種改進型的仿真壁爐)	PRC	Utility model	ZL201220294959.7	21 June 2012 to 20 June 2022
Long-acting volatilization device (長效揮發型揮發裝置)	PRC	Utility model	ZL201220366958.9	26 July 2012 to 25 July 2022
Novel simulation fireplace (一種新型仿真壁爐)	PRC	Utility model	ZL201220296770.1	21 June 2012 to 20 June 2022
Infrared electric fireplace (一種紅外線電壁爐)	PRC	Utility model	ZL201220745511.2	29 December 2012 to 28 December 2022
Fireplace (EL1229) (壁爐(EL1229))	PRC	Design	ZL201230643123.9	20 December 2012 to 19 December 2022
Fireplace (EL1118) (壁爐(EL1118))	PRC	Design	ZL201230643170.3	20 December 2012 to 19 December 2022
Fireplace (EL1201) (壁爐 (EL1201))	PRC	Design	ZL201230643308.X	20 December 2012 to 19 December 2022
Fireplace (EL1235) (壁爐(EL1235))	PRC	Design	ZL201230643709.5	20 December 2012 to 19 December 2022
Liquid atomizer (1) (液體霧化器(1))	PRC	Design	ZL201230342773.X	26 July 2012 to 25 July 2022
Liquid atomizer (2) (液體霧化器(2))	PRC	Design	ZL201230342911.4	26 July 2012 to 25 July 2022
Liquid atomizer (3) (液體霧化器(3))	PRC	Design	ZL201230343054.X	26 July 2012 to 25 July 2022
Liquid atomizer (4) (液體霧化器(4))	PRC	Design	ZL201230391981.9	17 August 2012 to 16 August 2022
Liquid atomizer (charm of the East-plum) (液體霧化器(東方韻-梅))	PRC	Design	ZL201230392157.5	17 August 2012 to 16 August 2022

Patent	Place of registration	Type	Patent number	Effective period
Liquid atomizer (charm of the East-bamboo) (液體霧化器(東方韻-竹))	PRC	Design	ZL201230392299.1	17 August 2012 to 16 August 2022
Liquid atomizer (charm of the East-orchid) (液體霧化器(東方韻-蘭))	PRC	Design	ZL201230392278.X	17 August 2012 to 16 August 2022
Reflection component of simulated fireplace (一種仿真壁爐的反光 組件)	Germany	Utility model	202009005184.6	26 August 2009 to 25 August 2019

(ii) As of the Latest Practicable Date, our Group has applied for registration of the following patents:

Patent	Place of registration	Type	Application number	Application date
Wall-hanging ultrathin electric fireplace (壁掛式超薄電壁爐)	PRC	Invention	ZL201110100041.4	15 April 2011

(c) **Domain names**

As at the Latest Practicable Date, our Group is a registered proprietor of the following domain names:

Domain name	Registered proprietor	Expiry Date
allenfireplace.com	China Allen	2 December 2018
allenfireplace.cn	China Allen	2 December 2018
allengroup.cn	China Allen	7 December 2018
亚伦股份.com	China Allen	7 December 2014
亚伦集团.公司	China Allen	7 December 2014
亚伦集团.com	China Allen	7 December 2014
亚伦股份.中国	China Allen	8 December 2014
亚伦股份.cn	China Allen	8 December 2014
亚伦.公司	China Allen	8 December 2014
allengroupchina.com	China Allen	21 August 2014
chinaallen.cn	China Allen	9 November 2014
chinaallen.com	China Allen	10 November 2014
allengroupusa.com	China Allen	1 December 2014
allengroup.com.cn	China Allen	9 March 2020

C FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

1. Directors

(a) *Disclosure of interest - interests and short positions of our Directors and the chief executives of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations*

Immediately following completion of the Global Offering and the Capitalisation Issue without taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the interest or short position of Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were 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, pursuant to Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to our Company and Stock Exchange, once the Shares are listed are as follows:

Interest in our Company

Name of Director	Capacity/ Nature of Interest	Number of Shares	Approximate percentage of shareholding in our Company
Chen Fanglin (<i>note</i>)	Interest of a controlled corporation	1,248,651,180 Shares (long position)	69.4%

Note: The Shares are held by China Wisdom, 65% shareholding of which is owned by Central Profit. Central Profit is wholly-owned by Chen Fanglin, and Chen Fanglin is deemed to be interested in the Shares held by China Wisdom under the SFO.

Interest in our associated corporation

Name of associated corporation	Name of Director	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholding
Central Profit	Chen Fanglin	Beneficial owner	one share of US\$1.00	100%
China Wisdom	Chen Fanglin	Interest of a controlled corporation	21,500 shares of US\$1.00 each	65%

(b) Particulars of our Directors' service contracts

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, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of our Directors as set out in the Articles of Association.

Each of the executive Directors is entitled to a director's fee. Each executive Director shall be paid a remuneration on the basis of twelve months in a year. In addition, each of the executive Directors is also entitled to bonus as determined by our Board based on the recommendations made by the remuneration committee of our Board. The current annual director's fees and remuneration of the executive Directors are as follows:

Name of Directors	Approximate annual Director's fee RMB'000
Mr. Chen Fanglin	35
Mr. Chen Hongming	310
Mr. Shen Jianzhong	300

The independent non-executive Directors have been appointed for a term of three years. Our Company intends to pay a director's fee of HK\$120,000 per annum to each of the independent non-executive Directors.

Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to our Directors for the year ending 31 December 2013 will be approximately HK\$835,000.

2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering and Capitalisation issue without taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the following persons (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 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 the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of shareholder	Capacity	Number of Shares	Approximate percentage of issued Shares
China Wisdom (<i>note 1</i>)	Beneficial owner	1,248,651,180 Shares (long position)	69.4%
Central Profit (<i>note 2</i>)	Interest of a controlled corporation	1,248,651,180 Shares (long position)	69.4%
Chen Xiangqun (<i>note 3</i>)	Interest of spouse	1,248,651,180 Shares (long position)	69.4%
Ocean Equity (<i>note 4</i>)	Beneficial owner	95,674,410 Shares (long position)	5.3%
Clear Zone (<i>note 5</i>)	Beneficial owner	95,674,410 Shares (long position)	5.3%

Notes:

1. China Wisdom is a company incorporated in the BVI, the entire issued share capital of which is held by Central Profit as to 65%, Regal One as to 20% and Glory Alliance as to 15%.
2. Central Profit is a company incorporated in the BVI, the entire issued share capital of which is held by Chen Fanglin, the chairman and an executive Director of our Company. Central Profit and Chen Fanglin are deemed to be interested in the Shares held by China Wisdom under the SFO.
3. Chen Xiangqun is the spouse of Chen Fanglin and she is deemed to be interested in the Shares interested by Chen Fanglin under the SFO.
4. Ocean Equity is an exempted limited partnership registered in the Cayman Islands, to the knowledge of our Directors, the limited partners of which are Independent Third Parties.
5. Clear Zone is a company incorporated in the BVI, the entire issued share capital is held by Independent Third Parties.

3. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our Group.

4. Disclaimers

Save as disclosed herein:

- (a) none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning 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 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 once the Shares are listed;
- (b) none of our Directors or experts referred to under the section headed “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be issued upon the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, none of our Directors are aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering and the Capitalisation Issue, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, 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 our Group;

- (f) none of the experts referred to under the heading “Consents of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (g) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group; and
- (h) none of our Directors has any direct or indirect interest in the promotion of, or 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 any member of our Group.

D OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the resolutions in writing of our Shareholders of our Company 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) 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) motivate the Eligible Participants to optimise their performance efficiency for the benefit of our Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship 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 (e) below to:

- (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; and
- (iii) any advisers, consultants, suppliers, customers and agents to our Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant. 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 of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the 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.

(c) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 180,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to the Over-allotment Option and 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 our 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% of the Shares in issue as at the date of the approval by our Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by our Board. The circular issued by our Company to our 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% of the Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% 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 (q) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(d) *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 and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of Options in excess of this 1% 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 our 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 our 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.

(e) *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 official 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 official 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.

(f) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company 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) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules 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 official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by our Company and the approval of our 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 our 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 our Shareholders' meeting and the date of 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.

(g) 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 published 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 our Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results, 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 its annual results 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.

(h) Rights are personal to grantee

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. 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.

(i) 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 10 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 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. 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 10 years from the date of its adoption. There is no minimum period for which an option must be held before it can be exercised.

(j) 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.

(k) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (l) 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 from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months 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.

(l) Rights on dismissal

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of our Group (if so determined by our Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

(m) Rights on takeover

If a general offer is made to all our 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 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.

(n) Rights on winding-up

In the event 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.

(o) *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 jurisdictions 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 not 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.

(p) *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* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully paid Shares in issue on the date of exercise.

(q) *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, consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option 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 issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made 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.

(r) *Expiry of option*

An option shall lapse automatically and 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 (k), (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of our Company referred to in paragraph (o) becomes effective;
- (iv) subject to paragraph (n), the date of commencement of the winding-up of our Company;
- (v) the date on 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 any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of our Group (if so determined by our Board) or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. 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 on which our Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (h) above or the options are cancelled in accordance with paragraph (t) below.

(s) *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; and
- (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 our 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 and any adjustment to be made to the exercise price of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules, the supplemental guidance of 5 September 2005 and any future guidance or interpretation of the Listing Rules from time to time 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.

(t) *Cancellation of Options*

Subject to paragraph (h) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing.

(u) *Termination of the Share Option Scheme*

Our Company may by resolution in general meeting or our Board 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.

(v) *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.

(w) *Condition 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 Agreements becoming unconditional (including, if relevant, as result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (iii) the approval of the rules of the Share Option Scheme by our Shareholders in general meeting; and
- (iv) the commencement of dealings in the Shares on the Stock Exchange.

(x) *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.

(y) *Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme. The Share Option Scheme complies with the Listing Rules, and any adjustment to be made to the exercise price of, and/or the number of shares subject to, any options to be granted under the scheme will comply with the Listing Rules, the supplemental guidance of 5 September 2005 and any future guidance or the interpretation of the Listing Rules from time to time.

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 180,000,000 Shares in total.

2. Estate duty, tax and other indemnities

China Wisdom, Central Profit, Chen Fanglin, Regal One and Chen Xiangqun have entered into a deed of indemnity on 2 December 2013 with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters, Hong Kong estate duty which might be payable by any member of our Group, by reason of any transfer of property (within the meaning of Section 35 of the Estate

Duty Ordinance, Chapter 111 of the Laws of Hong Kong, as amended by the Revenue (Abolition of Estate Duty) Ordinance) to any member of our Group on or before the Listing Date (the “**Effective Date**”).

The Deed of Indemnity also contain, amongst other things, indemnities in respect of taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which our Company may be subject on or before the Effective Date which might be payable by any member of our Group.

3. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

4. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$57,000 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

6. Qualification of experts

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

Name	Qualifications
Guotai Junan Capital Limited	A corporation licenced to engage in type 6 (advising on corporate finance) regulated activity under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Beijing Tian Yuan Law Firm	PRC legal advisers
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuers

7. Consents of experts

Each of the experts referred to in paragraph 6 above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, 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.

9. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) our Group has no outstanding convertible debt securities or debentures;
 - (iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (v) no founders, management or deferred shares of our Company or, any of its subsidiaries have been issued or agreed to be issued;
 - (vi) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries;
- (b) none of the persons named in the paragraph headed “Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;

- (c) 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 audited consolidated financial statements of our Group were made up);
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (e) the principal register of members of our Company will be maintained in Cayman Islands by Codan Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in Cayman Islands;
- (f) no member of our Group is presently listed on any stock exchange or traded on any trading system;
- (g) there is no arrangement under which future dividends are waived or agreed to be waiver;
- (h) all necessary arrangement have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

10. Bilingual prospectus

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