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## APPENDIX VI

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### 1. FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES

#### A. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 15 February 2008 with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a nominal value of HK\$0.01 per Share. Our Company has established a place of business in Hong Kong at 40/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 18 April 2008. Mr. Tsoi Ka Ho has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

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

#### B. Change in share capital

- (a) The authorized share capital of our Company as at the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each.
- (b) On 15 February 2008, one subscriber Share with a par value of HK\$0.01 of our Company was transferred to Mr. Xu Jingnan.
- (c) On 26 June 2008, the authorised share capital of our Company was increased to HK\$50,000,000 divided into 5,000,000,000 Shares.
- (d) Immediately following completion of the [●], the issued share capital of our Company will be [●] divided into [●] Shares, all fully paid or credited as fully paid and [●] Shares will remain unissued.
- (e) Save for the aforesaid and as mentioned in the paragraph headed “Resolutions in writing of all the shareholders of our Company passed on 8 September 2009” below, there has been no alteration in the share capital of our Company since its incorporation.

#### C. Resolutions in writing of all the shareholders of our Company passed on 8 September 2009

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### 2. CORPORATE REORGANIZATION

In preparation for the [●] on the [●], the companies comprising the Group underwent the Reorganization to rationalize the structure of our Group. The following are the steps taken by our Group:

- (i) on 15 February 2008, the Company with an authorized share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each was incorporated in the Cayman Islands as an exempted company with limited liability, and one subscriber Share in the Company was transferred to Mr. Xu Jingnan;
- (ii) on 17 January 2008, Peak Investment was incorporated in the BVI as a shelf company and on 15 February 2008, the Company became the sole shareholder of Peak Investment;
- (iii) on 26 June 2008, the authorized share capital of the Company was increased to HKD50,000,000 divided into 5,000,000,000 shares;
- (iv) on 30 June 2008, Peak Investment acquired the entire issued share capital of Peak Hong Kong from Mr. Xu Jingnan, Ms. Wu Tigao, Mr. Xu Zhihua, Mr. Xu Zhida, Haojia and the First Round Financial Investors, and in consideration thereof, a total of 1,499,999,999 shares in the capital of our Company were issued and allotted to Mr. Xu Jingnan, Ms. Wu Tigao, Mr. Xu Zhihua, Mr. Xu Zhida, Haojia and the First Round Financial Investors in the same proportion to their respective shareholding interests in Peak Hong Kong (save that Mr. Xu Jingnan received one Share less);
- (v) on 7 January 2009, at the request of World Fund Pte Limited (one of the Second Round Financial Investors), Mr. Xu Jingnan and Ms. Wu Tigao purchased all the Shares held by World Fund Pte Limited;
- (vi) on 2 April 2009, the Second Round Financial Investors (except for SCGC, CCBIAM, Charalambos Papas, Freddie John Paul, Christakis Potamitis and Hanna Nicola Abulaitah) exercised their put option rights and Mr. Xu Jingnan and Ms. Wu Tigao purchased all the shareholdings interests held by them;
- (vii) on 2 April 2009, Mr. Xu Jingnan and Ms. Wu Tigao transferred all their shareholding interests in the Company to Ever Sound. On the same date, Mr. Xu Zhihua and Mr. Xu Zhida transferred all their shareholding interests in the Company to Alpha Top and Brilliant Lead respectively;
- (viii) on 7 April 2009, the Company allotted and issued certain number of Shares to the Third Round Financial Investors, details of which are set out in the paragraph headed “6. Details of the Third Round Financial Investors” of this section. On the same date, Ever Sound transferred 48,018,979 Shares and 5,197,001 Shares to CCBIAM and SCGC respectively; and
- (ix) on 3 June 2009, Charalambos Papas, Freddie John Paul, Christakis Potamitis and Hanna Nicola Abulaitah exercised their put option rights and Ever Sound repurchased all their shareholdings in the Company.

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### 3. DETAILS OF THE FIRST ROUND FINANCIAL INVESTORS AND HAOJIA

The table below sets out details of the First Round Financial Investors and Haojia, the number of shares of Peak Hong Kong transferred from Mr. Xu Jingnan and Ms. Wu Tigao, the number of shares allotted by Peak Hong Kong, their respective shareholdings interests in Peak Hong Kong before the share swap as described in paragraph 2(iv) above and also the shareholdings interests before and after the completion of the [●]:

Name	Number of shares transferred from Xu Family	Number of shares allotted by Peak Hong Kong	Total number of shares held	Percentage of shareholding interests in Peak Hong Kong	Percentage of shareholding interests in the Company (before the completion of the [●])
Haojia Global Capital Limited. . . .	3,686	0	3,686	1.8430%	1.6472%
Pre IPO Capital Partners Limited (優勢資本(私募投資)有限公司).	0	2,639	2,639	1.3195%	1.1793%
Sequoia Capital China Principals Fund I, LP . . . . .	0	1,589	1,589	0.7945%	0.7100%
Sequoia Capital China I, LP . . . . .	0	10,266	10,266	5.1330%	4.5876%
Sequoia Capital China Partners Fund I, LP . . . . .	0	1,180	1,180	0.5900%	0.5273%
<b>TOTAL:</b>			<b>19,360</b>	<b>9.6800%</b>	<b>8.6514%</b>

### 4. DETAILS OF THE SECOND ROUND FINANCIAL INVESTORS

The table below sets out the names of the Second Round Financial Investors, the number of Shares transferred from Mr. Xu Jingnan and Ms. Wu Tigao, and their respective shareholdings interests in the Company before the majority of them exercised the put option in January 2009, April 2009 and June 2009:

Name	Number of Shares transferred from Mr. Xu Jingnan	Number of Shares transferred from Ms. Wu Tigao	Total number of Shares held	Percentage of shareholding interests in the Company (after the completion of the respective transfers)
CCBIAM (建銀國際資產管理有限公司) <sup>1</sup>	10,400,000	10,400,000	20,800,000	1.3867%
Sparkle Day Investments Limited <sup>2</sup> . . . . .	10,000,000	10,000,000	20,000,000	1.3333%
Hong Yuren (洪育仁) <sup>9</sup> . . . . .	1,150,000	1,150,000	2,300,000	0.1533%

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<u>Name</u>	<u>Number of Shares transferred from Mr. Xu Jingnan</u>	<u>Number of Shares transferred from Ms. Wu Tigao</u>	<u>Total number of Shares held</u>	<u>Percentage of shareholding interests in the Company (after the completion of the respective transfers)</u>
Superb Great Technology Limited <sup>3</sup> . . . . .	1,000,000	1,000,000	2,000,000	0.1333%
Tao Teok Chon (邱躍進) <sup>10</sup> . . . . .	150,000	150,000	300,000	0.0200%
Wong Po Nei (黃波泥) <sup>9</sup> . . . . .	3,250,000	3,250,000	6,500,000	0.4333%
World Fund Pte Limited <sup>4</sup> . . . . .	5,167,000	5,167,000	10,334,000	0.6889%
To Chun (陶晉) <sup>9</sup> . . . . .	50,000	50,000	100,000	0.0067%
Ng Chung Yu (吳重如) <sup>9</sup> . . . . .	100,000	100,000	200,000	0.0133%
Charalambos Papas <sup>7</sup> . . . . .	103,500	103,500	207,000	0.0138%
Freddie John Paul <sup>7</sup> . . . . .	628,395	628,395	1,256,790	0.0838%
Christakis Potamitis <sup>7</sup> . . . . .	103,500	103,500	207,000	0.0138%
Hanna Nicola Abulaitah <sup>8</sup> . . . . .	103,200	103,200	206,400	0.0138%
SCGC (SCGC資本控股有限公司) <sup>5</sup> . . . . .	1,600,000	1,600,000	3,200,000	0.2133%
Chang Wing Chiu (張榮超) <sup>9</sup> . . . . .	250,000	250,000	500,000	0.0333%
Chan Kam Tsan (陳金燦) <sup>9</sup> . . . . .	500,000	500,000	1,000,000	0.0667%
Cai Zhubiao (蔡祝標) <sup>9</sup> . . . . .	400,000	400,000	800,000	0.0533%
Cheung Kam Lin (張金蓮) <sup>9</sup> . . . . .	500,000	500,000	1,000,000	0.0667%
Shi Aiyu (施愛瑜) <sup>9</sup> . . . . .	800,000	800,000	1,600,000	0.1067%
Ho Yi Piu (何宜標) <sup>9</sup> . . . . .	750,000	750,000	1,500,000	0.1000%
Chan Loi (陳來) <sup>9</sup> . . . . .	139,000	139,000	278,000	0.0185%
Hong Zhaorong (洪昭榕) <sup>9</sup> . . . . .	30,000	30,000	60,000	0.0040%
Siu Kwok Ching (蕭國禎) <sup>9</sup> . . . . .	300,000	300,000	600,000	0.0400%

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<u>Name</u>	<u>Number of Shares transferred from Mr. Xu Jingnan</u>	<u>Number of Shares transferred from Ms. Wu Tigao</u>	<u>Total number of Shares held</u>	<u>Percentage of shareholding interests in the Company (after the completion of the respective transfers)</u>
Ke Chun Li (柯遵力) <sup>9</sup> . . . . .	300,807	300,807	601,614	0.0401%
Shiny Fly Limited <sup>6</sup> (晴飛有限公司) . . . . .	250,000	250,000	500,000	0.0333%
Hui Kam Chuk (許金煉) <sup>9</sup> . . . . .	632,500	632,500	1,265,000	0.0844%
Wong Wai Leung (黃偉良) <sup>9</sup> . . .	2,000,000	2,000,000	<u>4,000,000</u>	0.2667%
		<b>TOTAL:</b>	<b><u>81,315,804</u></b>	<b>5.4210%</b>

Notes:

1. Based on the information provided to the Company and to the best knowledge of the Directors, it is incorporated in Hong Kong and is a wholly-owned subsidiary of CCB International (Holding) Limited, which in turn is a wholly-owned subsidiary of China Construction Bank Corporation. It is a licenced corporation under the SFO for Type 9 regulated activity (asset management). Its major business includes direct investment, conducting mergers and acquisitions, providing portfolio management services and fixed income services.
2. Based on the information provided to the Company and to the best knowledge of the Directors, Sparkle Day Investments Limited is an investment holding company incorporated in the BVI.
3. Based on the information provided to the Company and to the best knowledge of the Directors, Superb Great Technology is an investment holding company incorporated in the BVI.
4. Based on the information provided to the Company and to the best knowledge of the Directors, World Fund Pte Limited is a private investment holding company incorporated in Singapore.
5. Based on the information provided to the Company and to the best knowledge of the Directors, SCGC is incorporated in BVI and is a wholly owned subsidiary of Shenzhen Capital (Hong Kong) Co., Limited. Its major business includes provision of consultation services for investment projects, laws and regulations consultation services, project management services, listing planning services and exploration of investment opportunities services.
6. Based on the information provided to the Company and to the best knowledge of the Directors, Shiny Fly Limited is a private company incorporated in Hong Kong and is mainly engaged in trading businesses.
7. Based on the information provided to the Company and to the best knowledge of the Directors, they are nationals of Republic of Cyprus.
8. Based on the information provided to the Company and to the best knowledge of the Directors, he is a national of Canada.
9. Based on the information provided to the Company and to the best knowledge of the Directors, they are resident of Hong Kong.

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10. Based on the information provided to the Company and to the best knowledge of the Directors, he is a resident of Macau.

### 5. DETAILS OF THE REMAINING SECOND ROUND FINANCIAL INVESTORS

The table below sets out the names of the Second Round Financial Investors (except those whose shares have been repurchased by Mr. Xu Jingnan and Ms. Wu Tigao in January 2009, April 2009 and June 2009), the number of Shares transferred from Mr. Xu Jingnan and Ms. Wu Tigao in June 2008 and from Ever Sound in April 2009, and their respective shareholdings interests in the Company before and after the completion of the [●]:

Name	Number of Shares transferred from Mr. Xu Jingnan	Number of Shares transferred from Ms. Wu Tigao	Number of Shares transferred from Ever Sound	Total number of Shares held	Percentage of shareholding interests in the Company (before the completion of the [●])
CCBIAM (建銀國際資產管理有限公司) . . .	10,400,000	10,400,000	48,018,979	68,818,979	4.1005%
SCGC (SCGC資本控股有限公司) . . . . .	1,600,000	1,600,000	5,197,001	<u>8,397,001</u>	<u>0.5003%</u>
			<b>TOTAL:</b>	<b><u>77,215,980</u></b>	<b><u>4.6008%</u></b>

### 6. DETAILS OF THE THIRD ROUND FINANCIAL INVESTORS

Name	Total number of Shares held	Percentage of shareholding interests in the Company (before the completion of the [●])
Sequoia Capital China Growth Fund I, L.P., . . . . .	80,031,885	4.7685%
Sequoia Capital China Growth Partners Fund I, L.P., . . . . .	1,908,580	0.1137%
Sequoia Capital China GF Principals Fund I, L.P., . . . . .	9,818,174	0.5850%
LC Fund IV, L.P., . . . . .	64,923,566	3.8684%
Right Lane Limited, . . . . .	<u>21,641,189</u>	<u>1.2895%</u>
<b>TOTAL:</b>	<b><u>178,323,394</u></b>	<b><u>10.6251%</u></b>

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### 7. CHANGES IN SHARE CAPITAL OF SUBSIDIARIES

Our Company’s subsidiaries are referred to in the Accountants’ Report, the text of which is set out in Appendix I to this document. There were no changes in the share capital made by the subsidiaries of our Company during the two years preceding the date of this document.

Save for the subsidiaries mentioned in Appendix I to this document, our Company has no other subsidiaries.

### 8. PARTICULARS OF SUBSIDIARIES

The Group has interests in a number of major PRC subsidiaries. Set out below is a summary of the corporate information of these PRC subsidiaries:

#### **Quanzhou Peak Shoes Company Limited (泉州匹克鞋業有限公司)**

Date of Establishment and date of commencement of business	:	23 July 1994
Place of Establishment	:	PRC
Nature	:	Enterprise with Investment of Taiwan, Hong Kong, Macau and overseas in the PRC
Legal Representative	:	Xu Jingnan
Registered Capital	:	RMB20,880,000
Shareholder	:	Peak (Hong Kong) International Company Limited (匹克(香港)國際有限公司)

#### **Peak (Jiangxi) Industry Company Limited (匹克(江西)實業有限公司)**

Date of Establishment and date of commencement of business	:	6 April 2006
Place of Establishment	:	PRC
Nature	:	Enterprise with Investment of Taiwan, Hong Kong, Macau and overseas in the PRC
Legal Representative	:	Xu Jingnan
Registered Capital	:	US\$20,000,000
Shareholder	:	Peak (Hong Kong) International Company Limited (匹克(香港)國際有限公司)

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### Peak (China) Company Limited (匹克(中國)有限公司)

Date of Establishment and : 29 January 2007  
date of commencement  
of business  
Place of Establishment : PRC  
Nature : Enterprise with Investment of Taiwan, Hong Kong, Macau and  
overseas in the PRC  
Legal Representative : Xu Zhida  
Registered Capital : RMB100,000,000  
Shareholder : Peak (Hong Kong) International Company Limited (匹克(香港)國際  
有限公司)

### Fujian Quanzhou Peak Sports Products Co. Ltd (福建泉州匹克體育用品有限公司)

Date of Establishment and : 10 August 2004  
date of commencement  
of business  
Place of Establishment : PRC  
Nature : Enterprise with Investment of Taiwan, Hong Kong, Macau and  
overseas in the PRC  
Legal Representative : Xu Jingnan  
Registered Capital : US\$3,000,000  
Shareholder : Peak (Hong Kong) International Company Limited (匹克(香港)國際  
有限公司)

## 9. REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

The [●] permit companies whose [●] to repurchase their securities on the [●] subject to certain restrictions, the most important of which are summarized below:

### (a) Shareholders' approval

The [●] provide that all on-market repurchases of securities by a company with [●] must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchases.

### (b) Connected parties

The [●] prohibit a company from knowingly purchasing securities on the [●] from a connected person (as defined in the [●]) and a connected person is prohibited from knowingly selling his/her securities to the company. No connected persons (as defined in the [●]) of our Company have notified it of a present intention to sell securities to our Company and no such persons have undertaken not to sell any such securities to our Company in the event that the Repurchase Mandate is granted by the shareholders.

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### **(c) Exercise of Repurchase Mandate**

[●]

### **(d) Reasons for repurchases**

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

### **(e) Funding of repurchases**

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of our Company legally permitted to be utilized in this connection, including profits of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, 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, out of capital of our Company.

### **(f) Impact on repurchases**

There may be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this document) in the event that the Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of our Company or its gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

### **(g) Share repurchases made by our Company**

No repurchase of Shares has been made by our Company since its incorporation.

### **(h) General**

None of our Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates, has any present intention, in the event that the Repurchase Mandate is granted by the shareholders, to sell any Shares to our Company or its subsidiaries. Our Directors have undertaken to the [●] to exercise the power of our Company to make repurchases pursuant to the Repurchase Mandate only in accordance with the [●] and the laws of the Cayman Islands.

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### (i) Takeovers Code

If as a result of a repurchase of Shares, a Shareholders’ proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code) depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made immediately after [●].

Save as aforesaid, our Directors are not aware of any other consequence under the Takeovers Code as a result of a repurchase of Shares made immediately after the [●].

## 10. FURTHER INFORMATION ABOUT THE BUSINESS

### A. 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 document and are or may be material:

- (1) a patent licence agreement dated 1 April 2008 entered into by Peak Sports and Fujian Peak pursuant to which Fujian Peak granted a licence to Peak Sports to use two patents;
- (2) a patent transfer agreement dated 7 May 2008 entered into by Peak Sports and Fujian Peak pursuant to which Fujian Peak transferred a patent (patent number: 200720006291.0) to the Peak Sports at a consideration of RMB1,000;
- (3) a patent transfer agreement dated 7 May 2008 entered into by Peak Sports and Fujian Peak pursuant to which Fujian Peak transferred a patent (patent number: 200630180813.X) to the Peak Sports at a consideration of RMB1,000;
- (4) a share transfer agreement dated 15 November 2007 entered into by CCBIAM, Peak Hong Kong and the Xu Family, as amended by an equity transfer deed entered into amongst the same parties on 30 June 2008, pursuant to which Mr. Xu Jingnan and Ms. Wu Tigao agreed to transfer 20,800,000 Shares to CCBIAM for a consideration of HK\$78,000,000;
- (5) a share transfer agreement dated 30 October 2007 entered into by Sparkle Day Investments Limited, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 20,000,000 shares in Peak Hong Kong to Sparkle Day Investments Limited for a consideration of HK\$75,000,000;
- (6) a share transfer agreement dated 27 October 2007 entered into by Hong Yuren, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 2,300,000 shares in Peak Hong Kong to Hong Yuren for a consideration of HK\$8,625,000;

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- (7) a share transfer agreement dated 31 October 2007 entered into by Superb Great Technology Limited, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 2,000,000 shares in Peak Hong Kong to Superb Great Technology Limited for a consideration of US\$967,700;
- (8) a share transfer agreement dated 28 October 2007 entered into by Tao Teok Chon, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 300,000 shares in Peak Hong Kong to Tao Teok Chon for a consideration of HK\$1,125,000;
- (9) a share transfer agreement dated 25 October 2007 entered into by Wong Po Nei, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 6,500,000 shares in Peak Hong Kong to Wong Po Nei for a consideration of HK\$24,375,000;
- (10) a share transfer agreement dated 30 October 2007 entered into by World Fund Pte Limited, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 10,334,000 shares in Peak Hong Kong to World Fund Pte Limited for a consideration of US\$5,000,000;
- (11) a share transfer agreement dated 23 October 2007 entered into by To Chun, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 100,000 shares in Peak Hong Kong to To Chun for a consideration of HK\$375,000;
- (12) a share transfer agreement dated 30 October 2007 entered into by Ng Chung Yu, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 200,000 shares in Peak Hong Kong to Ng Chung Yu for a consideration of HK\$750,000;
- (13) an agreement dated 30 October 2007 entered into by Charalambos Papas, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 207,000 shares in Peak Hong Kong to Charalambos Papas at HK\$3.75 per share;
- (14) an agreement dated 30 October 2007 entered into by Freddie John Paul, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,256,790 shares in Peak Hong Kong to Freddie John Paul at HK\$3.75 per share;
- (15) an agreement dated 30 October 2007 entered into by Christakis Potamitis, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 207,000 shares in Peak Hong Kong to Christakis Potamitis at HK\$3.75 per share;
- (16) an agreement dated 30 October 2007 entered into by Hanna Nicola Abulaitah, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 206,400 shares in Peak Hong Kong to Hanna Nicola Abulaitah at HK\$3.75 per share;
- (17) a share transfer agreement dated 30 October 2007 entered into by SCGC, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 3,200,000 shares in Peak Hong Kong to SCGC for a consideration of HK\$12,000,000;

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- (18) a share transfer agreement dated 30 October 2007 entered into by Cheung Wing Chiu, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 500,000 shares in Peak Hong Kong to Cheung Wing Chiu for a consideration of HK\$1,875,000;
- (19) a share transfer agreement dated 27 October 2007 entered into by Chan Kam Tsan, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,000,000 shares in Peak Hong Kong to Chan Kam Tsan for a consideration of HK\$3,750,000;
- (20) a share transfer agreement dated 27 October 2007 entered into by Cai Zhubiao, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 800,000 shares in Peak Hong Kong to Cai Zhubiao for a consideration of HK\$3,000,000;
- (21) a share transfer agreement dated 22 October 2007 entered into by Cheung Kam Lin, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,000,000 shares in Peak Hong Kong to Cheung Kam Lin for a consideration of HK\$3,750,000;
- (22) a share transfer agreement dated 30 October 2007 entered into by Shi Aiyu, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,600,000 shares in Peak Hong Kong to Shi Aiyu for a consideration of HK\$6,000,000;
- (23) a share transfer agreement dated 30 October 2007 entered into by Ho Yi Piu, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,500,000 shares in Peak Hong Kong to Ho Yi Piu for a consideration of HK\$5,625,000;
- (24) a share transfer agreement dated 30 October 2007 entered into by Chan Loi, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 278,000 shares in Peak Hong Kong to Chan Loi for a consideration of HK\$1,042,500;
- (25) a share transfer agreement dated 25 October 2007 entered into by Hong Zhaorong, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 60,000 shares in Peak Hong Kong to Hong Zhaorong for a consideration of HK\$225,000;
- (26) a share transfer agreement dated 27 October 2007 entered into by Siu Kwok Ching, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 600,000 shares in Peak Hong Kong to Siu Kwok Ching for a consideration of HK\$2,250,000;
- (27) a share transfer agreement dated 27 October 2007 entered into by Ke Chun Li, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 601,614 shares in Peak Hong Kong to Ke Chun Li for a consideration of HK\$2,256,052.5;
- (28) a share transfer agreement dated 27 October 2007 entered into by Shiny Fly Limited, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 500,000 shares in Peak Hong Kong to Shiny Fly Limited for a consideration of HK\$1,875,000;
- (29) a share transfer agreement dated 27 October 2007 entered into by Hui Kam Chuk, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 1,265,000 shares in Peak Hong Kong to Hui Kam Chuk for a consideration of HK\$4,743,750;

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- (30) a share transfer agreement dated 24 November 2007 entered into by Wong Wai Leung, Peak Hong Kong and the Xu Family pursuant to which the Xu Family agreed to transfer 4,000,000 shares in Peak Hong Kong to Wong Wai Leung for a consideration of HK\$15,000,000;
- (31) a lease agreement dated 31 May 2008 entered into between Fujian Peak and Peak Shoes pursuant to which Fujian Peak leased to Peak Shoes four buildings in Fujian Province, the PRC having a gross floor area of approximately 37,644.3 sq. m. from 1 June 2008 to 31 December 2018 at a rate of approximately RMB2.3 million per annum.
- (32) an agreement on adjustment of subscription price dated 6 August 2008 entered into between Peak Hong Kong, Peak Sports, Peak Shoes, Peak Jiangxi, Peak China, the Xu Family and the First Round Financial Investors pursuant to which the First Round Financial Investors paid an additional sum of US\$1,739,472.12 to the Xu Family as required under an agreement entered into amongst the same parties dated 7 July 2007.
- (33) a share sale and purchase agreement dated 30 June 2008 entered into by Peak Investment, the Company, the Xu Family, the First Round Financial Investors, Haojia and Peak Hong Kong regarding the transfer by the Xu Family, Haojia and the First Round Financial Investors of their entire respective interest in Peak Hong Kong to Peak Investment in exchange for an aggregate of 1,499,999,999 Shares;
- (34) the Shareholders’ Agreement dated 30 June 2008 entered into among the Company and its subsidiaries, the First Round Financial Investors and the Xu Family setting out certain rights and obligations of the First Round Financial Investors and the Xu Family, and it has been superseded by the Amended and Restated Shareholders Agreement dated 4 April 2009 (as amended by a supplemental amended and restated shareholders agreement dated 24 June 2009 and a second supplemental amended and restated shareholders agreement dated 27 August 2009);
- (35) the Share Purchase Agreement dated 4 April 2009 entered into amongst the Company and its subsidiaries, the Controlling Shareholders, the Third Round Financial Investors and CCBIAM as amended by a supplementary share purchase agreement entered into amongst the same parties on 24 June 2009, pursuant to which Sequoia Capital China Growth Fund I, L.P. subscribed for 80,031,885 Shares from the Company at a consideration of US\$17,444,000, Sequoia Capital China Growth Partners Fund I, L.P. subscribed for 1,908,580 Shares from the Company at a consideration of US\$416,000, Sequoia Capital China GF Principals Fund I, L.P. subscribed for 9,818,174 Shares from the Company at a consideration of US\$2,140,000, LC Fund IV, L.P. subscribed for 64,923,566 Shares from the Company at a consideration of US\$15,000,000, and Right Lane Limited subscribed for 21,641,189 Shares from the Company at a consideration of US\$5,000,000. In addition, pursuant to the Share Purchase Agreement, CCBIAM additionally acquired 48,018,979 Shares from Ever Sound at a consideration of US\$5,000,000;
- (36) the Amended and Restated Shareholders Agreement dated 4 April 2009 entered into among the Company and its subsidiaries, the Controlling Shareholders, Haojia, the First Round Financial Investors, CCBIAM and the Third Round Financial Investors as amended by a supplemental amended and restated shareholders agreement dated 24 June 2009 and a second supplemental amended and restated shareholders agreement dated 27 August 2009, both

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entered into amongst the same parties and setting out certain rights and obligations of the Controlling Shareholders, Haojia, the First Round Financial Investors, CCBIAM and the Third Round Financial Investors;

- (37) the Investment Agreement dated 3 April 2009 entered into between the Company and SCGC, as supplemented by a supplementary agreement dated 24 June 2009 entered into by the Company, the Controlling Shareholders and SCGC increased the investment amount from HK\$12 million to HK\$14,188,767;
- (38) a deed of non-competition dated 8 September 2009 entered into between the Controlling Shareholders and Fujian Peak as covenantors and the Company (for itself and on behalf of its subsidiaries) pursuant to which each of the covenantors undertook not to engage in competing business with the Company; and
- (39) a deed of undertaking dated 8 September 2009 given by Fujian Peak to the Company pursuant to which Fujian Peak undertakes that, amongst other matters, it will not breach the agreement dated 11 October 2007 entered into between Peak Shoes, Peak Sports, Fujian Peak and NBA Properties, Inc. and the agreement dated 23 April 2008 entered into between the Company, Fujian Peak, Tido Sports Co., Ltd, Clutch City Sports & Entertainment, L.P. and Rocketball, Ltd.
















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### B. Intellectual property rights of our Group


















#### (a) Trademarks

As at the Latest Practicable Date, our Group has registered for the registration of the following trademarks:

Trademark	Place of registration	Class	Registration number	Expiry Date
	PRC	25	676992	2014.2.6
	PRC	18	726347	2015.1.20
	PRC	18	726348	2015.1.20
	PRC	25	730203	2015.2.13
	PRC	25	1164671	2018.4.6
	PRC	35	1958783	2013.2.13
	PRC	17	3414898	2014.9.27
	PRC	12	3414901	2014.7.27
	PRC	11	3414902	2014.7.27
	PRC	8	3414903	2014.7.27
	PRC	4	3414904	2014.11.20
	PRC	3	3414905	2014.11.20
	PRC	2	3414932	2014.8.27
	PRC	25	3414936	2014.11.20
	PRC	41	3414937	2014.6.6















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Trademark	Place of registration	Class	Registration number	Expiry Date
	PRC	34	3414938	2014.3.13
	PRC	30	3414939	2014.8.6
	PRC	29	3414940	2013.12.20
	PRC	27	3414941	2014.8.6
	HK	25	199404885	2013.4.30
	HK	25	300067554	2013.8.22
	HK	3, 9, 18, 25, 28	300948754	2017.9.5
	HK	3, 9, 18, 28	300948772	2017.9.5
	PRC	24	3414943	2014.10.27
	PRC	23	3414944	2014.6.6
	PRC	21	3414945	2014.10.13
	PRC	25	3414975	2015.5.20
	PRC	25	546731	2011.3.19
	PRC	25	546732	2011.3.19
	PRC	15	3414900	2015.1.6
	PRC	16	3414899	2015.1.6
	PRC	19	3414897	2015.1.6
















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Trademark	Place of registration	Class	Registration number	Expiry Date
	PRC	26	3414942	2014.10.20
	PRC	28	3317343	2014.2.27
	PRC	28	3317342	2014.2.27
	PRC	18	3968201	2017.8.20
	PRC	28	1942117	2015.2.27
	PRC	38	4795846	2019.2.27
	PRC	6	4798233	2018.10.13
	PRC	7	4798234	2018.8.20
	PRC	10	4798236	2018.8.20
	PRC	13	4798237	2018.8.20
	PRC	45	4798255	2019.2.27
	PRC	44	4798347	2019.2.27
	PRC	42	4798349	2019.2.27
	PRC	14	4798238	2019.2.27




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Trademark	Place of registration	Class	Registration number	Expiry Date
	PRC	1	4798231	2019.4.6
	PRC	18	4798256	2019.2.27
	PRC	22	4798240	2019.4.13
	PRC	39	4795845	2019.2.13
	PRC	40	4798350	2019.2.27
	PRC	36	4795848	2019.2.27
	Taiwan	28	01358451	2019.4.15
	Taiwan	18	01360379	2019.4.30
	Myanmar	18, 28	2104/2009	2012.3.22
	PRC	25	4209238	2018.3.13
	PRC	43	4798348	2019.6.27
	PRC	9	4798235	2019.5.20
	PRC	5	4798232	2019.6.13
	PRC	21	5087688	2019.7.13
	PRC	28	3968200	2017.10.27

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Trademark	Place of registration	Class	Registration number	Expiry Date
	PRC	14	5087687	2019.4.27
	PRC	37	4795847	2019.6.27
	PRC	31	4795850	2018.6.13

As at the Latest Practicable Date, our Group has applied for the registration of the following trademarks in PRC:

Trademark	Class	Application Number	Application Date
	18	4971746	2005.10.31
	11	5087686	2005.12.28
	20	4798239	2005.7.25
	25	5087689	2005.12.28
	25	4971745	2005.10.31
	3	5957791	2007.3.23
	3	5957792	2007.3.23
	3	6045822	2007.5.14
	3	6045820	2007.5.14
	35	6045819	2007.5.14
	35	6045818	2007.5.14

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Trademark	Class	Application Number	Application Date
	9	6045817	2007.5.14
	9	6045816	2007.5.14
	18	6198803	2007.8.2
	25	6198802	2007.8.2
	28	6198801	2007.8.2
	35	6198800	2007.8.2
	25	6255756	2007.9.3
	25	6255757	2007.9.3
	18	6255758	2007.9.3
	28	6255759	2007.9.3
	41	6259204	2007.9.5
	40	6259205	2007.9.5
	39	6259206	2007.9.5
	36	6259207	2007.9.5
	35	6259208	2007.9.5
	33	6259209	2007.9.5
	30	6259210	2007.9.5











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Trademark	Class	Application Number	Application Date
	29	6259211	2007.9.5
	27	6259213	2007.9.5
	44	6259254	2007.9.5
	26	6259265	2007.9.5
	24	6259266	2007.9.5
	23	6259267	2007.9.5
	22	6259268	2007.9.5
	20	6259269	2007.9.5
	19	6259270	2007.9.5
	18	6259271	2007.9.5
	16	6259272	2007.9.5
	12	6259273	2007.9.5
	9	6259274	2007.9.5
	7	6259275	2007.9.5
	6	6259276	2007.9.5
	3	6259277	2007.9.5
	1	6259278	2007.9.5
peak	18	6582162	2008.3.7



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Trademark	Class	Application Number	Application Date
peak	24	6582163	2008.3.7
peak	25	6582164	2008.3.7
peak	28	6582165	2008.3.7
ALPEAK	18	6659457	2008.4.15
	25	6747525	2008.5.27
	24	6747526	2008.5.27
	22	6747527	2008.5.27
	21	6747528	2008.5.27
	20	6747529	2008.5.27
	18	6747530	2008.5.27
	16	6747531	2008.5.27
	14	6747532	2008.5.27
	9	6747533	2008.5.27
	3	6747534	2008.5.27













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Trademark	Class	Application Number	Application Date
	41	6747535	2008.5.27
	35	6747536	2008.5.27
	34	6747537	2008.5.27
	33	6747538	2008.5.27
	32	6747539	2008.5.27
	31	6747540	2008.5.27
	30	6747541	2008.5.27
	29	6747542	2008.5.27
	28	6747543	2008.5.27
	26	6747544	2008.5.27
	25	6747545	2008.5.27
	24	6747546	2008.5.27
	22	6747547	2008.5.27






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Trademark	Class	Application Number	Application Date
	21	6747548	2008.5.27
	20	6747549	2008.5.27
	18	6747550	2008.5.27
	16	6747551	2008.5.27
	14	6747552	2008.5.27
	9	6747553	2008.5.27
	3	6747554	2008.5.27
	41	6747555	2008.5.27
	35	6747556	2008.5.27
	34	6747557	2008.5.27
	33	6747558	2008.5.27
	32	6747559	2008.5.27

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Trademark	Class	Application Number	Application Date
	31	6747560	2008.5.27
	30	6747561	2008.5.27
	29	6747562	2008.5.27
	28	6747563	2008.5.27
	26	6747564	2008.5.27

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As at the Latest Practicable Date, our Group has registered the following trademarks under the Madrid Agreement and Protocol:

Trademark	Place of registration	Class	Registration number	Expiry date
	Designations under the Madrid Agreement and Protocol ( <i>Note 1</i> )	18, 28	887957	2016.3.15
	Designations under the Madrid Agreement and Protocol ( <i>Note 2</i> )	25	794347	2012.12.30
	Designations under the Madrid Agreement and Protocol ( <i>Note 3</i> )	18	951920	2018.1.23
	Designations under the Madrid Agreement and Protocol ( <i>Note 4</i> )	18, 25, 28	1006460	2019.4.21
	Designations under the Madrid Agreement and Protocol ( <i>Note 5</i> )	25	584801	2012.4.29

Notes:


- (1) This mark has been registered in, through designations under the Madrid Agreement: Albania, Algeria, Armenia, Austria, Azerbaijan, Belarus, Benelux, Bhutan, Bosnia and Herzegovina, Bulgaria, Croatia, Cuba, Cyprus, Czech Republic, Democratic People’s Republic of Korea, Egypt, France, Germany, Hungary, Islamic Republic of Iran, Italy, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Monaco, Mongolia, Morocco, Mozambique, Namibia, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, San Marino, Serbia and Montenegro, Sierra Leone, Slovakia, Slovenia, Spain, Sudan, Swaziland, Switzerland, Syrian Arab Republic, Tajikistan, The former Yugoslav Republic of Macedonia, Ukraine, Uzbekistan, Vietnam; and through designations under the Madrid Protocol: Antigua and Barbuda, Australia, Denmark, Estonia, Finland, Georgia, Greece, Iceland, Ireland, Japan, Kingdom of Bahrain, Lithuania, Netherlands Antilles, Norway, Republic of Korea, Singapore, Sweden, Turkey, Turkmenistan, United Kingdom, United States of America, Zambia.
- (2) This mark has been registered in, through designations under the Madrid Agreement: Albania, Algeria, Armenia, Austria, Azerbaijan, Belarus, Benelux, Bhutan, Bosnia and Herzegovina, Bulgaria, Croatia, Cuba, Czech Republic, Democratic People’s Republic of Korea, Egypt, Hungary, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Monaco, Mongolia, Mozambique, Poland, Republic of Moldova, Romania, San Marino, Sierra Leone, Slovakia, Slovenia, Sudan, Swaziland, Tajikistan, The former Yugoslav Republic of Macedonia, Ukraine, Uzbekistan, Yugoslavia; and through designations under the Madrid Protocol: Antigua and Barbuda, Australia, Denmark, Estonia, Finland, Georgia, Greece, Iceland, Lithuania, Norway, Singapore, Sweden, Turkey, Turkmenistan, United Kingdom.

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- (3) This mark has been registered in, through designations under the Madrid Agreement: Algeria, Armenia, Austria, Azerbaijan, Benelux, Bhutan, Bosnia and Herzegovina, Bulgaria, Croatia, Cuba, Cyprus, Czech Republic, Democratic People’s Republic of Korea, Egypt, France, Germany, Hungary, Italy, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Poland, Portugal, Russian Federation, San Marino, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, Sudan, Swaziland, Switzerland, Syrian Arab Republic, Tajikistan, The former Yugoslav Republic of Macedonia, Ukraine, Vietnam; and through designations under the Madrid Protocol: Antigua and Barbuda, Bahrain, Botswana, Denmark, Georgia, Iceland, Ireland, Lithuania, Netherlands Antilles, Turkmenistan, Uzbekistan, Zambia.
- (4) This mark has been designated in Czech Republic under the Madrid Protocol by virtue of Article 9sexies.
- (5) This mark has been registered in, through designations under the Madrid Agreement: France, Germany, Italy, Morocco, Portugal, Russian Federation, Spain, Switzerland, Vietnam.

As at the Latest Practicable Date, our Group has applied for the following trademarks in Hong Kong:

Trademark	Class	Application Number	Application Date
	3, 9, 18, 28	300948772	2007.9.6

(b) *Domain Name*

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

No.	Domain name	Place of registration	Expiry date
1. ....	www.chinapeak.com	PRC	2015.12.19
2. ....	www.chinapeak.com.cn	PRC	2011.6.20
3. ....	www.chinapeak.cn	PRC	2013.3.17
4. ....	www.peaksport.com.hk	HK	2010.3.26
5. ....	www.epeaksport.com	HK	2009.12.30

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### (c) *Patents*

The following are utility models and design patents that have been granted to our Group in China as at the Latest Practicable Date which we consider is or may be material to our business activities:

<u>Title</u>	<u>Type</u>	<u>Patent No.</u>	<u>Application Date</u>	<u>Publication Date</u>
Basketball Shoe (Peak:E7213A) . . . . .	Design	200630180813.X	2006.12.7	2008.2.13
Sports shoe sole with three levels of shock absorption . . . . .	Utility Model	200720006291.0	2007.7.5	2008.1.16
Air permeable shoe sole . .	Utility Model	200820045998.7	2008.4.2	2009.1.7
Dual core air cushion shock absorption shoe sole. . . . .	Utility Model	200820045997.2	2008.4.2	2009.1.7

Pursuant to PRC laws, a granted utility model or design patent has a validity period of 10 years from the date of its application.

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### 11. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### A. Directors

- (a) *Disclosure of interest* — interests and short positions of the 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 [●] and [●], 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 seven and eight 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 [●] are as follows:

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares directly or indirectly held immediately following completion of the [●]</u>	<u>Approximate percentage of issued Share immediately following completion of the [●]</u>
Xu Jingnan <sup>(1)</sup> . .	Interest of a controlled corporation	[●]	[●]
Wu Tigao <sup>(1)</sup> . . .	Interest of a controlled corporation	[●]	[●]
Xu Zhihua <sup>(2)</sup> . . .	Interest of a controlled corporation	[●]	[●]
Xu Zhida <sup>(3)</sup> . . .	Interest of a controlled corporation	[●]	[●]

Notes:

(1) Each of Mr. Xu Jingnan and Ms. Wu Tigao holds 50% of the entire issued share capital of Ever Sound.

(2) Mr. Xu Zhihua holds 100% of the entire issued share capital of Alpha Top.

(3) Mr. Xu Zhida holds 100% of the entire issued share capital of Brilliant Lead.

- (b) *Particulars of 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 date of [●], which may be terminated by not less than three months’ notice in writing served by either party on the other.

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### (c) *Directors’ remuneration*

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 a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of our Company may not exceed 10 per cent. of the audited combined or consolidated net profit of our Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of our Company. An Executive Director may not vote on any resolution of the Directors regarding the amount of the bonus payable to him. The current annual director’s fees and remuneration of the executive Directors are as follows:

Name	Annual Amount (RMB)
Mr. Xu Jingnan . . . . .	1,200,000
Mr. Xu Zhihua . . . . .	1,000,000
Mr. Xu Zhida . . . . .	900,000

The non-executive Directors have been appointed for a term of three years and the independent non-executive Directors have been appointed for a term of three years. Our Company intends to pay a director’s fee of RMB180,000 and RMB180,000 per annum to each of the non-executive Directors and the independent non-executive Directors (except for Mr. Wang Mingquan who will receive a director’s fee of RMB100,000 per annum) respectively.

Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to the Directors for the year ending 31 December 2009 will be approximately RMB1,083,000.

Further details of the terms of the above service contracts are set out in the paragraph headed “Particulars of service contracts” in this Appendix.

### B. Substantial Shareholders

So far as the Directors are aware, immediately following the completion of the [●], the following persons (other than the Directors and chief executives 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 two and three of Part XV of the SFO:

Name	Capacity/Nature of interest	Number of Shares directly or indirectly held immediately following completion of the [●]	Approximate percentage of issued Share immediately following completion of the [●]
Ever Sound <sup>(1)</sup> . . . .	Registered and beneficial owner	[●]	[●]
Alpha Top <sup>(2)</sup> . . . .	Registered and beneficial owner	[●]	[●]
Brilliant Lead <sup>(3)</sup> . .	Registered and beneficial owner	[●]	[●]

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Notes:

- (1) Each of Mr. Xu Jingnan and Ms. Wu Tigao holds 50% of the entire issued share capital of Ever Sound.
- (2) Mr. Xu Zhihua holds 100% of the entire issued share capital of Alpha Top.
- (3) Mr. Xu Zhida holds 100% of the entire issued share capital of Brilliant Lead.

### C. Personal guarantees

None of our Directors has provided any personal guarantee in favour of any banks for banking facilities granted to any member of our Group.

### D. Agency fees or commissions

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

### E. Disclaimers

Save as disclosed herein:

- (a) none of the 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 seven and eight 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 [●];
- (b) none of the Directors or experts referred to under the paragraph 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 document 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 the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) none of the 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 taken up under the [●], none of the Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [●], have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company

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under the provisions of Divisions two and three of Part XV of SFO or be interested, directly or indirectly, in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;

- (f) none of the experts referred to under the paragraph headed “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; and
- (g) so far as is known to the Directors, none of the Directors, their respective associates (as defined under the [●]) or shareholders of our Company who are interested in more than five per cent. of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

### 12. OTHER INFORMATION

#### A. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme approved and adopted by the written resolutions of all the shareholders of our Company passed on 8 September 2009. The Directors confirm that the terms of the Share Option Scheme are fully complied with the requirements under [●].

##### (a) *Purpose*

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons (as defined in paragraph (b) below) for their contribution to, and continuing efforts to promote the interests of, our Company and to enable our Company and its subsidiaries to recruit and retain high-calibre employees.

##### (b) *Who may join*

The Board may, at its discretion, offer eligible persons (being full time or part time employees, executive, non-executive Directors and independent non-executive Directors of our Group) (the “Eligible Persons”) who the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below.

##### (c) *Maximum number of Shares*

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of our Company must not in aggregate exceed 10.0% of the Shares in issue, which is equivalent to [●]. Options lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10.0% limit. 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 [●] from time to time, the Board may:

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- (i) refresh this limit at any time up to 10.0% of the Shares in issue as at the date of the approval of the limit as refreshed by the Shareholders in general meeting (options previously granted under any share option schemes of our Company including those outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed); and
- (ii) grant options beyond the 10.0% limit to Eligible Persons specifically identified by the Board whereupon our Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose.

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 scheme(s) of our Company at any time shall not in aggregate exceed 30.0% of the total number of Shares in issue from time to time. No options shall be granted under any scheme(s) of our Company or any of its subsidiaries if this will result in the 30.0% limit being exceeded.

**(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 scheme(s) of our Company (including exercised, cancelled and outstanding options) to each Eligible Person 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 the issue of a circular by our Company and the approval of the Shareholders in general meeting with such Eligible Persons and his associate (as defined in the [●]) abstaining from voting and the number and terms (including the subscription price) of such options are fixed before such general meeting and other requirements prescribed under the [●] from time to time.

**(e) *Price of Shares***

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board shall determine, save that such price must not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the [●] shall be used as the closing price for any business day falling within the period before [●]; and (iii) the nominal value of a Share. A consideration of RMB26,600 is payable on acceptance of the Offer of the first of an option.

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### **(f) *Granting options to connected persons***

Any grant of options to a Director, chief executive or substantial shareholder of our Company or any of their respective associates 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 Company proposes to grant options to a substantial shareholder (as defined in the [●]) or an independent non-executive Director of our Company or their respective associates which will result in the number and value of Shares issued and to be issued upon exercise of all 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 the offer of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares at the date of each offer, such further grant of options will be subject to the issue of a circular by our Company in accordance with the relevant provisions of the [●] and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the [●]) of our Company shall abstain from voting, and such other requirements prescribed under the [●] from time to time.

### **(g) *Restrictions on the time of grant of options***

An offer to grant option may not be made after a price-sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price-sensitive information has been announced pursuant to the requirements of the [●]. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the [●]); and (ii) the deadline for our Company to publish an announcement of its results for any year or half year under the [●], or quarterly or any other interim period (whether or not required under the [●]) 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 shall not be assignable nor transferable, and the grantee may not 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.

### **(i) *Time of exercise of option***

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry giving

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notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral number thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. 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, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

### **(j) *Performance target***

The Board may from time to time require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Share Option Scheme can be exercised. There are no specific performance targets stipulated under the terms of the Share Option Scheme and the Board is currently unable to determine such restriction on the exercise of the options granted under the Share Option Scheme.

### **(k) *Rights on ceasing to be an Eligible Person***

In the event of the grantee ceasing to be an Eligible Person for any reason other than ceasing (1) by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (2) by death, the option may be exercised within one month after the date of such cessation, which date shall be (i) if he is an employee of our Company or any subsidiary, his last actual working day with our Company or any subsidiary whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of our Company or any subsidiary, the date on which the relationship constituting him an Eligible Person ceases.

### **(l) *Rights on death***

In the event that the grantee of an outstanding option dies before exercising the option in full or at all, the option may be exercised up to the entitlement of such grantee or, if appropriate, in the circumstances described in (n), (o) and (q), an election made by his personal representatives within twelve months after the date of his death.

### **(m) *Lapse of option on misconduct, bankruptcy or dismissal etc.***

If a grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his

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creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty, the right to exercise the option (to the extent not already exercised) shall terminate immediately.

**(n) *Rights on general offer by way of a take-over***

If a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the grantee (or his personal representatives) may by notice in writing to our Company within 21 days after such offer becoming or being declared unconditional exercise the option to its full extent or to the extent specified in such notice.

**(o) *Rights on general offer by way of a scheme of arrangement***

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the grantee (or his personal representatives) may thereafter (but before such time as shall be notified by our Company) by notice in writing to our Company exercise the option to its full extent or to the extent specified in such notice.

**(p) *Rights on a compromise or arrangement***

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it dispatches the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement become effective, all options shall lapse except insofar as previously exercised under this Scheme. Our Company may require the grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**(q) *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 on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each grantee (or his personal

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representatives) shall be entitled to exercise all or any of his options at any time not later than two business days prior to the proposed general meeting of our Company 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 referred to above, allot the relevant Shares to the grantee credited as fully paid.

**(r) *Lapse of the options***

The right to exercise an option granted under the Share Option Scheme (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraph (k), (l) or (n);
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (o);
- (iv) subject to the compromise or arrangement referred to in paragraph (p);
- (v) the date on which the grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (vi) subject to paragraph (q), the date of the commencement of the voluntary winding-up of our Company;
- (vii) the date on which the grantee commits a breach of paragraph (h);
- (viii) the date on which the option is cancelled by the Board as provided in paragraph (v); or
- (ix) the non-fulfillment of any condition referred to in paragraph (x) on or before the date specified therein.

Our Company shall owe no liability to any grantee for the lapse of any option under this paragraph (r).

**(s) *Ranking of Shares***

The Shares to be allotted upon the exercise of an option granted under the Share Option Scheme shall be subject to our Company’s Memorandum and Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of our Company as at the date of allotment and will entitle the holders to participate in all dividends or

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other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be on or before the date of allotment.

**(t) *Effect of alterations to share capital***

In the event of any alteration to the capital structure of our Company whilst any option granted under the Share Option Scheme remains exercisable, arising from capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party. Adjustment (if any) shall be made to (a) the number or nominal amount of Shares subject to the option so far as unexercised; (b) the subscription price for the Shares subject to the option so far as unexercised; (c) the Shares to which the option relates; and (d) the method of exercise of the option, or any combination thereof as the auditors of our Company or the independent financial adviser to our Company shall at the request of our Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with [●].

Any such adjustments must give a grantee the same proportion of the equity capital of our Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the [●] but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors of our Company or the independent financial adviser to our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees.

**(u) *Alteration of Share Option Scheme***

The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme as to:

- (i) the definitions of “Eligible Person” and “grantee” in the Share Option Scheme; and
- (ii) the provisions relating to the matters set out in [●], shall not be altered to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the Articles of Association for the time being of our Company for a variation of the rights attached to the Shares. Any change to the authority of the Board in relation to any alterations to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

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Any alterations to the provisions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the Share Option Scheme. Any amended terms of the Scheme or the options must comply with [●].

**(v) *Cancellation of options***

The Board may cancel an option granted under the Share Option Scheme but not exercised with the approval of the grantee of such option. No options may be granted to an Eligible Person in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the limit set out in paragraph (c) above from time to time.

**(w) *Termination of the Share Option Scheme***

Our Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

**(x) *Conditions of the Share Option Scheme***

The Share Option Scheme is conditional upon:

- (i) the passing of the necessary resolution to adopt the scheme by the Shareholders in an extraordinary general meeting or by way of a written resolution signed by all shareholders;
- (ii) [●]
- (iii) [●]

**(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, vesting period and (if appropriate) a valuation of options granted during the financial year/period in the annual/interim reports in accordance with the [●] in force from time to time.

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

As at the date of this document, no option has been granted or agreed to be granted under the Share Option Scheme. [●].

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### **B. Litigation**

As at the Latest Practicable Date, save as disclosed in this document in the section headed “Our business — legal compliance and proceedings”, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

### **C. [●]**

### **D. Preliminary expenses**

The preliminary expenses of our Company are estimated to be approximately US\$3,650 and are payable by our Company.

### **E. Promoter**

There are no promoters of our Company.

### **F. Taxation of holders of Shares**

#### *(a) Hong Kong*

The sale, purchase and transfer of Shares registered with our Company’s Hong Kong register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1 per cent. of the consideration of, if higher, of the fair 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) Cayman Islands*

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

#### *(c) Consultation with professional advisers*

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, the Directors or the other parties involved in the [●] 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 exercise of any rights attaching to them.

### **G. Indemnities**

Our Controlling Shareholders (the “Indemnifiers”) have entered into a deed of indemnity in favor of our Group (being a material contract referred to in the paragraph headed “A. Summary of material contracts” of this section) to provide the following indemnities in favor of the Company (for itself and as trustee for its subsidiaries).

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Under the deed of indemnity, amongst others, each of the Indemnifiers irrevocably, jointly and severally agrees, covenants and undertakes with each of the member of the Group that he/she/it will indemnify and at all times keep them and each of them fully indemnified on demand (a) against taxation falling on any member of our Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the date when the [●] becomes unconditional (the "Effective Date") whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company; (b) against all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines suffered or incurred or may suffer or incur by any member of the Group directly or indirectly as a result of or in connection with the social insurance, housing fund and work-related injury insurance contributions due or payable for employees of the Group prior to the Effective Date that any member of the Group failed to make (if any); (c) against all claims, actions, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines suffered or incurred or may suffer or incur by any member of the Group directly or indirectly as a result of or in connection with the LCL Complaint, the Convertible Bond Agreement and the Litigation which the members of the Group or any of them may hereafter become liable to pay; (d) against all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines of whatever nature suffered or incurred by any member of the Group directly or indirectly as a result of or in connection with any non-compliance with the applicable laws, rules or regulations in respect of the manufacturing of the products by any member of the Group on or before the [●]; (e) against all claims, actions, proceedings, judgments, losses, liabilities, damages, costs, charges and expenses suffered or incurred or may suffer or incur by any member of the Group directly or indirectly as a result of or in connection with any infringement of the intellectual property rights belonging to third parties that committed, occurred or happened before the Effective Date which the members of the Group or any of them may hereafter become liable to pay (f) against all claims, actions, proceedings, judgments, losses, liabilities, damages, costs, charges, penalty, fines, fees and expenses suffered or incurred or may suffer or incur by any member of the Group directly or indirectly as a result of or in connection with any advances from any members of the Group to its or their respective related party(ies) before the Effective Date which the members of the Group or any of them may hereafter become liable to pay; and (g) against all claims, actions, proceedings, judgments, losses, liabilities, damages, costs, charges and expenses suffered or incurred or may suffer or incur by any member of the Group directly or indirectly as a result of or in connection with any investments or purported investments made or to be made by potential investors to the members of the Group before the [●] that are arranged or agreed by the Indemnifies or their respective associates on behalf of the members of the Group which the members of the Group or any of them may hereafter become liable to pay.

The Indemnifiers will, however, not be liable under the deed of indemnity for taxation where, among others, (a) provision reserve or allowance has been made for such taxation in the audited accounts of our Group for each of the three financial years ended 31 December 2008 and the six months ended 30 June 2009 as set out in the Accountants' Report in Appendix I to this document; and (b) the taxation arises or is incurred as a result of a retrospective change in law or practice coming into force after the Effective Date or to the extent that the taxation arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect.

The Directors have been advised that no material liability for estate duty is likely to fall on any member of the Group in the Cayman Islands.

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### H. Qualification of experts

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

<u>Name</u>	<u>Qualification</u>
Credit Suisse (Hong Kong) Limited. . . . .	Licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
CCB International Capital Limited. . . . .	A licensed corporation under the SFO for Type 1 regulated activity (dealing in securities) and Type 6 regulated activity (advising on corporate finance)
King & Wood PRC Lawyers. . . . .	PRC legal advisers
Conyers Dill & Pearman. . . . .	Cayman Islands attorneys-at-law
KPMG. . . . .	Certified Public Accountants
Vigers . . . . .	Chartered surveyors and valuers

### I. [●]

### J. [●]

### K. [●]

### L. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
  - (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) 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;

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- (iv) 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) save as disclosed in this document, there are no founder, management or deferred shares nor any debentures in our Company or any of its subsidiaries;
- (c) none of the persons named in the paragraph headed “[●]” in this section 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;
- (d) the Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2009 (being the date to which the latest audited combined financial statements of our Group were made up);
- (e) 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 document;
- (f) the register of members of our Company will be maintained in Hong Kong by [●]. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company’s Hong Kong Share Registrar in Hong Kong and may not be lodged in the Cayman Islands;
- (g) no company within our Group is presently listed on any stock exchange or traded on any trading system; and
- (h) the Directors have been advised that, under the Companies Law, the use of a Chinese name by our Company for identification purposes only does not contravene the Companies Law.