

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

### ORIGIN OF OUR BUSINESS

Our business originated from the establishment of Wuzhou Protein Factory, a State-owned factory, in July 1989. Wuzhou Protein Factory was principally engaged in the manufacture of edible collagen sausage casing products, and was owned as to 80% by SASAC Wuzhou and 20% by Wuzhou Zhongheng prior to our acquisition of its entire ownership rights, including all assets and liabilities, in November 2004.

On 5 November 2004, SASAC Wuzhou and Wuzhou Zhongheng, as transferors, entered into the First Acquisition Agreement with Exceltech and C.T. Company, as transferees, for the transfer of the entire ownership rights, including all the assets and liabilities of Wuzhou Protein Factory, for a consideration of RMB75,000,000. The consideration was arrived at with reference to the auction price of Wuzhou Protein Factory of RMB75,000,000 which was approved by the Wuzhou Government on 27 July 2004.

On 30 November 2004, the Second Acquisition Agreement was entered into between Exceltech, C.T. Company and Wuzhou Shenguan, pursuant to which Wuzhou Shenguan agreed to purchase the entire ownership rights, including all the assets and liabilities of Wuzhou Protein Factory, for a consideration of RMB75,000,000. The consideration of the Second Acquisition Agreement was arrived at after arm's length negotiations between the parties with reference to the original consideration of RMB75,000,000 under the First Acquisition Agreement.

In order to clarify certain aspects of the acquisition of Wuzhou Protein Factory by Wuzhou Shenguan, a supplemental agreement dated 23 February 2006 was entered into between SASAC Wuzhou, Wuzhou Zhongheng, Exceltech, C.T. Company and Wuzhou Shenguan, pursuant to which the parties thereto affirmed the following: (i) Exceltech and C.T. Company, as investors of Wuzhou Shenguan, entered into the First Acquisition Agreement on behalf of Wuzhou Shenguan, and all rights and obligations of Exceltech and C.T. Company under the First Acquisition Agreement belonged to Wuzhou Shenguan; (ii) the consideration under the First Acquisition Agreement paid by Exceltech and C.T. Company was paid for and on behalf of Wuzhou Shenguan; and (iii) all ownership rights, including all the assets and liabilities of Wuzhou Protein Factory acquired by Exceltech and C.T. Company were under the ownership of Wuzhou Shenguan.

As advised by C&F, the acquisition of the entire ownership rights of Wuzhou Protein Factory by Wuzhou Shenguan is legal, valid and enforceable.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

### WUZHOU SHENGUAN

Wuzhou Shenguan is a sino-foreign equity joint venture enterprise established in Wuzhou, the PRC, on 26 November 2004 with a registered capital of RMB30,000,000. The initial joint venture agreement dated 5 November 2004 and the articles of association of Wuzhou Shenguan were approved by the Wuzhou Government on 26 November 2004. Since the establishment of Wuzhou Shenguan, Ms. Zhou, Mr. Low and Mr. Wei have been the directors of Wuzhou Shenguan.

At the time of its establishment, the ownership structure of Wuzhou Shenguan was as follows:

Name	<b>Registered capital contributed (RMB)</b>	<b>Equity interest</b>
Exceltech	13,500,000	45.00%
C.T. Company	9,990,000	33.30%
Xiansheng Division	6,510,000	21.70%
<b>Total</b>	30,000,000	100.00%

Exceltech is a sole proprietorship registered in Malaysia which is principally engaged in export and trading, and has been owned by Mr. Low at relevant times. Mr. Low is a non-executive Director and has nearly 17 years of experience in the collagen sausage casing industry. Prior to the establishment of Wuzhou Shenguan, Mr. Low, through Exceltech, started his business relationship with Wuzhou Protein Factory for the resale of edible collagen sausage casing products in Malaysia in 1993, and has maintained the relationship with Wuzhou Shenguan after the acquisition of the entire ownership rights of Wuzhou Protein Factory by Wuzhou Shenguan in November 2004. Based on the non-competition undertaking entered into by Mr. Low in favor of our Company and the confirmation issued by Mr. Low and Exceltech regarding their future commitment in purchasing edible collagen sausage casing products only from our Group, our Directors are of the view that there is no competition between our Group and Exceltech. For more information on the non-competition undertaking made by Mr. Low, please refer to the paragraph headed “Non-competition undertaking” under the section headed “Relationship with our Controlling Shareholders” in this prospectus.

C.T. Company is an entity registered in California, the United States which is principally engaged in international trading, and has been owned by Mr. Wei at relevant times. Mr. Wei has been in the export and trading industry for over 10 years. Prior to the establishment of Wuzhou Shenguan, Mr. Wei, through C.T. Company, started his business relationship with Wuzhou Protein Factory as an agent to locate new customers and for the resale of edible collagen sausage casing products in South America in 1996. The business relationship between Mr. Wei and Wuzhou Shenguan has continued since the acquisition of the entire ownership rights of Wuzhou Protein Factory by Wuzhou Shenguan in November 2004. Based on the non-competition undertaking entered into by Mr. Wei in favor of our Company and the confirmation issued by Mr. Wei and C.T. Company regarding their future commitment in purchasing edible collagen sausage casing products only from our Group, our Directors are of the view that there is no competition between our Group and C.T. Company. For more information on the non-competition undertaking made by Mr. Wei, please refer to the paragraph headed “Non-competition undertaking” under the section headed “Relationship with our Controlling Shareholders” in this prospectus.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

Xiansheng Division was a partnership established in the PRC on 24 November 2004, which was owned as to 95.40% by Ms. Zhou and 4.60% by Ms. Cai Yueqing (蔡月卿女士), both our executive Directors, before its de-registration on 8 October 2006.

Pursuant to an equity transfer agreement dated 31 May 2006 entered into between Exceltech and Hong Kong Shenguan, Exceltech agreed to transfer its 24.79% equity interest in Wuzhou Shenguan to Hong Kong Shenguan in consideration that Hong Kong Shenguan should pay the attributable registered capital of Wuzhou Shenguan not yet paid by Exceltech in an amount of RMB7,437,597.24. The equity transfer was approved by the Wuzhou Government on 12 June 2006.

Pursuant to an equity transfer agreement dated 31 May 2006 entered into between C.T. Company and Hong Kong Shenguan, C.T. Company agreed to transfer its 20.00% equity interest in Wuzhou Shenguan to Hong Kong Shenguan in consideration that Hong Kong Shenguan should pay the attributable registered capital of Wuzhou Shenguan not yet paid by C.T. Company in an amount of RMB6,000,000. The equity transfer was approved by the Wuzhou Government on 12 June 2006.

Pursuant to an equity transfer agreement dated 31 May 2006 entered into between Xiansheng Division and Wuzhou Xiansheng, Xiansheng Division agreed to transfer its 21.70% equity interest in Wuzhou Shenguan to Wuzhou Xiansheng for an aggregate consideration of RMB6,510,000, of which RMB3,050,000 was paid by Wuzhou Xiansheng to Xiansheng Division and the rest of the consideration was paid by the transfer of the attributable registered capital of Wuzhou Shenguan not yet paid by Xiansheng Division in an amount of RMB3,460,000 to Wuzhou Xiansheng. The equity transfer was approved by the Wuzhou Government on 12 June 2006.

After this equity transfers, the ownership structure of Wuzhou Shenguan was as follows:

<b>Name</b>	<b>Registered capital contributed (RMB)</b>	<b>Equity interest</b>
Hong Kong Shenguan	13,438,000	44.79%
Exceltech	6,062,000	20.21%
C.T. Company	3,990,000	13.30%
Wuzhou Xiansheng	6,510,000	21.70%
<b>Total</b>	30,000,000	100.00%

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

On 13 November 2006, Wuzhou Shenguan and Wuzhou Dongxu State-owned Assets Management Co., Ltd. (梧州市東旭國有資產經營有限公司) entered into a sale and purchase agreement, pursuant to which Wuzhou Shenguan agreed to acquire certain assets (which mainly comprised land and buildings) owned by Wuzhou Aquatic Products Company (梧州市水產公司), which was controlled by Wuzhou Dongxu State-owned Assets Management Co., Ltd. (梧州市東旭國有資產經營有限公司), for a consideration of RMB2,000,000 for the expansion of our old production site in Wuzhou. For further details of our production premises, please refer to the paragraphs headed “Production” and “Property Interests” under the section headed “Business” in this prospectus.

On 27 June 2008, the Wuzhou Government approved the increase in the registered capital of Wuzhou Shenguan from RMB30,000,000 to RMB73,300,000 by the conversion of capital reserves in the amount of RMB35,911,884.10 and reserve funds in the amount of RMB7,388,115.90 into registered capital. Each of Hong Kong Shenguan, Exceltech, C.T. Company and Wuzhou Xiansheng contributed RMB19,394,070, RMB8,750,930, RMB5,758,900 and RMB9,396,100, respectively, by capitalizing their share in the capital reserves and reserve funds of Wuzhou Shenguan in proportion to their respective capital contribution to Wuzhou Shenguan. Their respective percentage of capital contribution in Wuzhou Shenguan remained unchanged.

After this increase in registered capital, the ownership structure of Wuzhou Shenguan was as follows:

<b>Name</b>	<b>Registered capital contributed (RMB)</b>	<b>Equity interest</b>
Hong Kong Shenguan	32,832,070	44.79%
Exceltech	14,812,930	20.21%
C.T. Company	9,748,900	13.30%
Wuzhou Xiansheng	15,906,100	21.70%
<b>Total</b>	73,300,000	100.00%

On 1 June 2009, the Wuzhou Government approved the increase in the registered capital of Wuzhou Shenguan from RMB73,300,000 to RMB84,300,000 by the conversion of capital reserves in the amount of RMB752,447 and reserve funds in the amount of RMB10,247,553 into registered capital. Each of Hong Kong Shenguan, Exceltech, C.T. Company and Wuzhou Xiansheng contributed RMB4,926,900, RMB2,223,100, RMB1,463,000 and RMB2,387,000, respectively, by capitalizing their share in the capital reserves and reserve funds of Wuzhou Shenguan in proportion to their respective capital contribution to Wuzhou Shenguan. Their respective percentage of capital contribution in Wuzhou Shenguan remained unchanged.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

After this increase in registered capital, the ownership of Wuzhou Shenguan was as follows:

Name	Registered capital contributed (RMB)	Equity Interest
Hong Kong Shenguan	37,758,970	44.79%
Exceltech	17,036,030	20.21%
C.T. Company	11,211,900	13.30%
Wuzhou Xiansheng	18,293,100	21.70%
<b>Total</b>	<b>84,300,000</b>	<b>100.00%</b>

Pursuant to an equity transfer agreement dated 26 May 2009 entered into between Hong Kong Shenguan and Wuzhou Xiansheng, Wuzhou Xiansheng agreed to transfer its 18.70% equity interest in Wuzhou Shenguan to Hong Kong Shenguan for a consideration of RMB15,764,100 with reference to the valuation of Wuzhou Shenguan as at 31 December 2008 assessed by an independent PRC valuer. The equity transfer was approved by the Wuzhou Government on 1 June 2009. Pursuant to a supplemental agreement dated 12 July 2009 entered into between Hong Kong Shenguan and Wuzhou Xiansheng, Hong Kong Shenguan and Wuzhou Xiansheng agreed that the consideration of RMB15,764,100 under the equity transfer agreement dated 26 May 2009 would be settled in Hong Kong Dollars in the amount of HK\$17,879,210.62. Save for Mr. He Xiangji (何祥吉先生), all the shareholders of Wuzhou Xiansheng have been involved in the management and day-to-day operations of Wuzhou Shenguan. As such shareholders of Wuzhou Xiansheng intend to continue to provide support to Wuzhou Shenguan after the aforesaid equity transfer in Wuzhou Shenguan from Wuzhou Xiansheng to Hong Kong Shenguan, Wuzhou Xiansheng remained a minority equity holder owning 3.00% equity interest in Wuzhou Shenguan.

Pursuant to an equity transfer agreement dated 27 May 2009 entered into between Exceltech and Excel Gather, Exceltech agreed to transfer its 20.21% equity interest in Wuzhou Shenguan to Excel Gather for a consideration of RMB17,036,030 with reference to the valuation of Wuzhou Shenguan as at 31 December 2008 assessed by an independent PRC valuer. The equity transfer was approved by the Wuzhou Government on 1 June 2009. Pursuant to a supplemental agreement dated 12 July 2009 entered into between Exceltech and Excel Gather, Exceltech and Excel Gather agreed that the consideration of RMB17,036,030 under the equity transfer agreement dated 27 May 2009 would be settled in Hong Kong dollars in the amount of HK\$19,321,798.80.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

Pursuant to an equity transfer agreement dated 27 May 2009 entered into between C.T. Company and Excel Gather, C.T. Company agreed to transfer its 13.30% equity interest in Wuzhou Shenguan to Excel Gather for a consideration of RMB11,211,900 with reference to the valuation of Wuzhou Shenguan as at 31 December 2008 assessed by an independent PRC valuer. The equity transfer was approved by the Wuzhou Government on 1 June 2009. Pursuant to a supplemental agreement dated 12 July 2009 entered into between C.T. Company and Excel Gather, C.T. Company and Excel Gather agreed that the consideration of RMB11,211,900 under the equity transfer agreement dated 27 May 2009 would be settled in Hong Kong dollars in the amount of HK\$12,716,230.01.

Pursuant to an equity transfer agreement dated 27 May 2009 entered into between Hong Kong Shenguan and Forever Gather, Hong Kong Shenguan agreed to transfer its 63.49% equity interest in Wuzhou Shenguan to Forever Gather for a consideration of RMB53,523,070 with reference to the valuation of Wuzhou Shenguan as at 31 December 2008 assessed by an independent PRC valuer. The equity transfer was approved by the Wuzhou Government on 1 June 2009. Pursuant to a supplemental agreement dated 12 July 2009 entered into between Hong Kong Shenguan and Forever Gather, Hong Kong Shenguan and Forever Gather agreed that the consideration of RMB53,523,070 under the equity transfer agreement dated 27 May 2009 would be settled in Hong Kong dollars in the amount of HK\$60,704,400.59.

After these equity transfers, the ownership structure of Wuzhou Shenguan was as follows:

<b>Name</b>	<b>Registered capital contributed (RMB)</b>	<b>Equity Interest</b>
Forever Gather	53,523,070	63.49%
Excel Gather	28,247,930	33.51%
Wuzhou Xiansheng	2,529,000	3.00%
<b>Total</b>	84,300,000	100.00%

According to various capital verification reports issued by independent PRC accounting firms, all the registered capital of Wuzhou Shenguan of RMB84,300,000 has been fully paid for. C&F also confirmed that the capital contribution to the registered capital of Wuzhou Shenguan, including the subsequent increase in registered capital, by each of the equity holders of Wuzhou Shenguan has been fully paid for within the stipulated time frame.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

### Wuzhou Xiansheng – A Minority Shareholder of Wuzhou Shenguan

Wuzhou Xiansheng is a company established in the PRC with limited liability on 28 May 2006 with a registered capital of RMB500,000. Wuzhou Xiansheng is principally engaged in the provision of consultancy services in respect of collagen and other biotechnologies.

At the time of its establishment, the ownership structure of Wuzhou Xiansheng was as follows:

Name	Registered capital contributed (RMB)	Equity interest
Ms. Zhou	362,000	72.40%
Ms. Cai Yueqing (蔡月卿女士)	23,000	4.60%
Mr. Shi Guicheng (施貴成先生)	23,000	4.60%
Mr. Mo Yunxi (莫運喜先生)	23,000	4.60%
Mr. Li Baowei (黎保偉先生)	23,000	4.60%
Mr. Ru Xiquan (茹希全先生)	23,000	4.60%
Ms. Li Ying (李瑩女士)	23,000	4.60%
<b>Total</b>	<b>500,000</b>	<b>100.00%</b>

Pursuant to an equity transfer agreement dated 18 March 2008 entered into between Ms. Zhou and Mr. He Xiangji (何祥吉先生), Mr. He agreed to purchase 36.80% of the equity interest in Wuzhou Xiansheng owned by Ms. Zhou for a consideration of RMB184,000. The equity transfer was approved by the Administration for Industry and Commerce, Wuzhou (梧州市工商行政管理局) on 24 March 2008.

After this equity transfer, the ownership structure of Wuzhou Xiansheng was as follows:

Name	Registered capital contributed (RMB)	Equity interest
Mr. He Xiangji (何祥吉先生)	184,000	36.80%
Ms. Zhou	178,000	35.60%
Ms. Cai Yueqing (蔡月卿女士)	23,000	4.60%
Mr. Shi Guicheng (施貴成先生)	23,000	4.60%
Mr. Mo Yunxi (莫運喜先生)	23,000	4.60%
Mr. Li Baowei (黎保偉先生)	23,000	4.60%
Mr. Ru Xiquan (茹希全先生)	23,000	4.60%
Ms. Li Ying (李瑩女士)	23,000	4.60%
<b>Total</b>	<b>500,000</b>	<b>100.00%</b>

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

Mr. He Xiangji (何祥吉先生) owns 90% of the registered capital of Zhongshan Defu Meat Products Co., Ltd. (中山市得福肉食製品有限公司), a company established in the PRC with limited liability on 29 August 2006, which is principally engaged in the processing and sales of dried meat products. Mr. He Xiangji (何祥吉先生) has been in the processed food industry for over 10 years. Mr. He Xiangji (何祥吉先生) started his business relationship with Wuzhou Protein Factory in 2003 as a purchaser of our edible collagen sausage casing products and has maintained the relationship with Wuzhou Shenguan since the acquisition of the entire ownership rights of Wuzhou Protein Factory by Wuzhou Shenguan in November 2004.

Each of Ms. Cai Yueqing (蔡月卿女士), Mr. Shi Guicheng (施貴成先生), Mr. Mo Yunxi (莫運喜先生) and Mr. Li Baowei (黎保偉先生) is a Deputy General Manager of Wuzhou Shenguan. Mr. Ru Xiquan (茹希全先生) is the Chief Accountant of Wuzhou Shenguan. Ms. Li Ying (李瑩女士) is an employee of Wuzhou Shenguan. Ms. Cai Yueqing (蔡月卿女士), Mr. Shi Guicheng (施貴成先生) and Mr. Ru Xiquan (茹希全先生) are also our executive Directors.

Save as disclosed above and in the paragraph headed “Investment in Wuzhou Shenguan Real Estate Development Co., Ltd. (梧州市神冠房地產開發有限公司)” under the section headed “Relationship with Our Controlling Shareholders” in this prospectus, each of Ms. Cai Yueqing (蔡月卿女士), Mr. Shi Guicheng (施貴成先生), Mr. Mo Yunxi (莫運喜先生), Mr. Ru Xiquan (茹希全先生), Mr. Li Baowei (黎保偉先生), Ms. Li Ying (李瑩女士) and Mr. He Xiangji (何祥吉先生) has no other relationship with our Company and our connected persons.

Mr. He Xiangji (何祥吉先生) has not been involved in the management and operation of Wuzhou Xiansheng. Since the date of Wuzhou Xiansheng’s establishment, Ms. Zhou has been the sole director and legal representative of Wuzhou Xiansheng.

### SUBSIDIARIES

#### **Shenguan Biological**

Shenguan Biological is a company established in the PRC with limited liability on 8 April 2008 with a registered capital of RMB10,000,000. It has been a wholly-owned subsidiary of Wuzhou Shenguan since its establishment. On 22 May 2009, its sole equity holder, Wuzhou Shenguan, resolved to increase the registered capital of Shenguan Biological from RMB10,000,000 to RMB30,000,000. As at 31 May 2009, Wuzhou Shenguan had fully settled the increased amount of RMB20,000,000 in the registered capital of Shenguan Biological. Shenguan Biological is principally engaged in the manufacture and sales of collagen sausage casing, and the construction of standard industrial plants.

#### **Shensheng Jiaoyuan**

Shensheng Jiaoyuan is a company established in the PRC with limited liability on 29 April 2009 with a registered capital of RMB10,000,000. It has been a wholly-owned subsidiary of Wuzhou Shenguan since its establishment. Shensheng Jiaoyuan is principally engaged in the provision of consultancy services in respect of collagen technology, and the investment and construction of industrial plants.



## HISTORY, REORGANIZATION AND GROUP STRUCTURE

### **Wuzhou Xingke**

Wuzhou Xingke was a company established in the PRC with limited liability on 31 December 2005 with a registered capital of RMB500,000. Pursuant to an equity transfer agreement dated 3 June 2008 entered into between Shenguan Biological and Wuzhou Xingke, Shenguan Biological agreed to purchase the entire equity interest in Wuzhou Xingke and its land use rights in respect of the land located at Wuzhou Industrial Park (梧州市工業園) for a consideration of RMB1,750,000, which was arrived at after arm's length negotiations between the parties. Each of the then shareholders of Wuzhou Xingke, all of whom are Independent Third Parties, had signed an equity transfer agreement dated 8 July 2008 confirming the transfer of the entire equity interest in Wuzhou Xingke to Shenguan Biological. As Wuzhou Xingke has conducted no substantial operation since its establishment, we decided to cease the operation of Wuzhou Xingke. The de-registration application of Wuzhou Xingke was accepted by the Administration for Industry and Commerce, Wuzhou (梧州市工商行政管理局) on 24 March 2009. As at the Latest Practicable Date, Wuzhou Xingke was still under the de-registration process.

### **Wuzhou Huaqiang**

Wuzhou Huaqiang was a sino-foreign cooperative joint venture established in the PRC on 26 May 1993 with a registered capital of RMB578,180. Before Wuzhou Shenguan's acquisition of the entire ownership rights in Wuzhou Protein Factory in 2004, the registered capital of Wuzhou Huaqiang was owned as to 75% by Wuzhou Protein Factory and 25% by Exceltech. As a result of the acquisition, Wuzhou Huaqiang became a subsidiary of Wuzhou Shenguan. As Wuzhou Huaqiang has conducted no substantial operation since 2004, we did not proceed with the registration procedures at the local administration for industry and commerce to reflect the change of ownership in Wuzhou Huaqiang. Subsequently, we decided to cease the operation of Wuzhou Huaqiang. The de-registration of Wuzhou Huaqiang was approved by the Administration for Industry and Commerce, Wuzhou (梧州市工商行政管理局) on 31 December 2006.

## **PRC REGULATORY ISSUES**

According to the "Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors" (《關於外國投資者併購境內企業的規定》) (the "M&A Rules"), which came into force on 8 September 2006, and other relevant laws and regulations in the PRC, any equity transfer from a domestic equity holder to a foreign equity holder in an existing foreign-invested company, regardless whether the domestic equity holder and the foreign equity holder are connected or whether the foreign equity holder is an existing or new equity holder, is not subject to the M&A Rules. Such equity transfers shall be subject to the relevant provisions in the "Provisions for the Alteration of Investors' Equities in Foreign-Invested Enterprises" (《外商投資企業投資者股權變更的若干規定》).

Wuzhou Shenguan is a sino-foreign equity joint venture enterprise established in the PRC on 26 November 2004 and its equity ownership changes set out in the paragraphs headed "Wuzhou Shenguan" above were approved by the Wuzhou Government, which is the principal authority for approving such equity transfers. Accordingly, C&F is of the opinion that the M&A Rules do not apply to the Reorganization, and the Listing is not subject to approval of the MOFCOM or the China Securities Regulatory Commission.

## HISTORY, REORGANIZATION AND GROUP STRUCTURE

According to the “Notice on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and in Return Investment via Overseas Special Purpose Companies” (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the “Circular 75”) implemented on 1 November 2005, a PRC domestic resident legal person or a PRC domestic resident natural person is required to effect foreign exchange registration with the local foreign exchange bureau when such domestic resident uses its/his/her enterprise assets or interests in the PRC to establish or take control of an overseas special purpose company and its/his/her domestic enterprises receive round-trip investments from funds raised by such overseas special purpose company.

As advised by C&F, Ms. Zhou, as a PRC domestic resident, had completed the relevant registration procedures and subsequent registration for changes at the Wuzhou bureau of the SAFE in compliance with the requirements under the Circular 75 on 1 March 2008 and 22 June 2009, respectively. C&F also confirmed that Mr. Low and Mr. Wei, being non-PRC nationals residing overseas, are not subject to the provisions of the Circular 75.

### REORGANIZATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 24 February 2009.

Our Company completed the Reorganization on 18 September 2009 in preparation for the Listing pursuant to which our Company became the ultimate holding company of our Group. Details of the Reorganization are set out in the paragraph headed “Corporate reorganization” in Appendix VII to this prospectus.

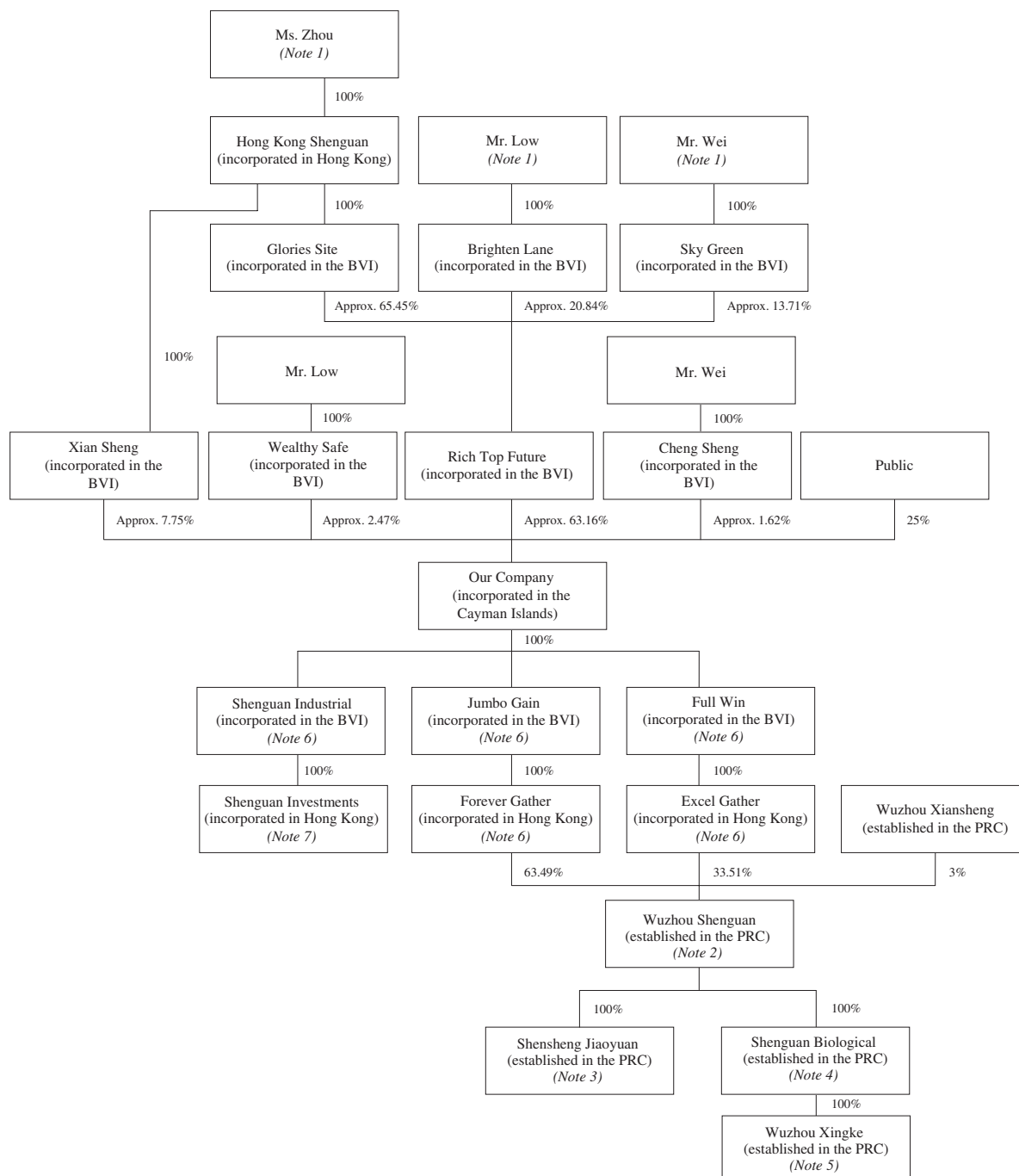
C&F has confirmed that we have obtained all necessary approvals, licences and permits under relevant PRC laws and regulations in connection with the Reorganization.

After completion of the Reorganization and before the Global Offering and Capitalization Issue, Rich Top Future transferred approximately 10.34%, 3.29% and 2.17% interests in our Company to Xian Sheng, Wealthy Safe and Cheng Sheng, respectively, each at a consideration of HK\$1, on 19 September 2009.

# HISTORY, REORGANIZATION AND GROUP STRUCTURE

## OUR CORPORATE STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately after completion of the Capitalization Issue and the Global Offering (without taking into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme or pursuant to exercise of the Over-allotment Option):



## HISTORY, REORGANIZATION AND GROUP STRUCTURE

*Notes:*

- (1) Save as disclosed in this section and in the paragraph headed “Investment in Wuzhou Shenguan Real Estate Development Co., Ltd. (梧州市神冠房地產開發有限公司)” under the section headed “Relationship with our Controlling Shareholders” in this prospectus, there is no other relationship among Ms. Zhou, Mr. Low and Mr. Wei, including any arrangement or agreement in respect of their interests in or control of our Company.
- (2) Wuzhou Shenguan is our principal operating subsidiary. The business scope of Wuzhou Shenguan under its business license includes: manufacture and sale of collagen sausage casings and dried meat, storage of frozen food, manufacture and processing of leather goods, manufacture and processing of animal skins, primary processing of agricultural products and sales of own products.
- (3) The business scope of Shensheng Jiaoyuan under its business license includes: provision of consultancy services in respect of collagen technology and investment, and construction of industrial plants.
- (4) The business scope of Shenguan Biological under its business license includes: manufacture and sale of collagen sausage casings, and construction of standard industrial plants.
- (5) Wuzhou Xingke was under de-registration process as at the Latest Practicable Date.
- (6) Shenguan Industrial, Jumbo Gain, Full Win, Forever Gather and Excel Gather are investment holding companies.
- (7) Shenguan Investments is intended to serve administrative functions to our Group in Hong Kong.