

A. FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 30 August 2006. The Company has established a place of business in Hong Kong at Unit A, 10th Floor, China Overseas Building, No.139 Hennessy Road and No.138 Lockhart Road, Wan Chai, Hong Kong and is registered in Hong Kong as a non-Hong Kong Company under Part XI of the Companies Ordinance on 13 March 2008, with AU-YEUNG Kam Ling Celeste of G/F, No 51, Ka Choi Lane, Nim Wan, Tuen Mun, N.T., Hong Kong, appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong. As the Company is incorporated in the Cayman Islands, it operates subject to the Companies Law and to its constitution, which comprises the Memorandum and the Articles. A summary of various provisions of the constitution of the Company and relevant aspects of the Companies Law is set out in Appendix VII to this prospectus.

2. Change in share capital

The authorised share capital of the Company as of the date of its incorporation was HK\$350,000 divided into 35,000,000 Shares of HK\$0.01 each.

On 1 February 2010, the authorised share capital of the Company was increased from HK\$350,000 to HK\$20,000,000 by the creation of additional 1,965,000,000 Shares.

Pursuant to the Reorganisation Agreement, on 1 February 2010, the Company acquired the entire issued share capital of Tongrui from its then shareholders, and Tongrui became a member of our Group. In consideration for the aforesaid acquisition, the Company issued and allotted a total of 749,999,900 new Shares to the then shareholders of Tongrui and 100 Shares were transferred from Tongrui to Furui. Furui then transferred 20,000,000 Shares to Strong Ally Limited.

Save for the aforesaid and as mentioned in the section headed “Resolutions in writing of the sole Shareholder passed on 1 February 2010” below, there has been no alteration in the share capital of the Company since its incorporation.

3. Resolutions in writing of the sole Shareholder passed on 1 February 2010

Pursuant to the resolutions in writing passed by the sole Shareholder on 1 February 2010 :

- (a) the increase of the authorised share capital of the Company from HK\$350,000 to HK\$20,000,000 by the creation of additional 1,965,000,000 Shares of HK\$0.01 each in the capital of the Company to rank *pari passu* in all respects with the then existing issued Shares of HK\$0.01 each in the capital of the Company was approved;
- (b) conditional on (i) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue (including the Sale Shares) and to be issued as mentioned herein (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option or options which were granted under the Pre-IPO Share Option Scheme and options which may be granted under the Share Option Scheme); and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any

condition(s) by the Sole Global Coordinator acting for themselves and on behalf of the Underwriters) and not being terminated in accordance with the terms of such agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

- (i) the International Offering and the Hong Kong Public Offering were approved and the Directors were authorised to effect the same and to allot and issue the new Shares in the International Offering and the Hong Kong Public Offering;
 - (ii) the Over-allotment Option was approved, and the Directors were authorised to effect the same and to allot and issue the Over-allotment Shares upon the exercise of the Over-allotment Option; and
 - (iii) the rules of the Share Option Scheme (the principal terms of which are set out in the section headed “Other Information — Share Option Scheme” below) were approved and adopted and the Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme;
- (c) a general unconditional mandate was given to the Directors to exercise all the powers of the Company to allot, issue and deal in, otherwise than by way of rights issue or an issue of Shares upon the exercise of options which may be granted under the Share Option Scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of Shares or rights to acquire Shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not exceeding 20% of the total nominal value of the share capital of the Company in issue immediately following completion of the International Offering and the Hong Kong Public Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, options that were granted under the Pre-IPO Share Option Scheme and options that may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (d) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares with a total nominal value

not exceeding 10% of the aggregate of the total nominal amount of the share capital of the Company in issue immediately following completion of the International Offering and the Hong Kong Public Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, options that were granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above provided that such extended amount shall not exceed 10% of the total nominal value of the share capital of the Company in issue immediately following the completion of the International Offering and the Hong Kong Public Offering (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, options that were granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme); and
- (f) the Company approved and adopted the Articles.

4. Reorganisation

The companies comprising the Group underwent the Reorganisation in preparation for the listing of the Shares on the Stock Exchange. The Reorganisation involved the following:

On 1 February 2010, the authorised share capital of the Company was increased from HK\$350,000 to HK\$20,000,000 by the creation of additional 1,965,000,000 Shares.

Pursuant to the Reorganisation Agreement, on 1 February 2010, the Company acquired the entire issued share capital of Tongrui from its then shareholders, and Tongrui became a member of our Group. In consideration for the aforesaid acquisition, the Company issued and allotted a total of 749,999,900 new Shares to the then shareholders of Tongrui, and Tongrui transferred 100 Shares to Furui. Furui then transferred 20,000,000 Shares to Strong Ally Limited.

As part of the Reorganisation, Furui provided an interest-free loan of US\$8.5 million to Tongrui. The loan is repayable on demand by Furui at any time but in any event by the Listing Date.

Our Group will repay this loan immediately before the Listing in cash.

On completion of the Reorganisation but immediately prior to the completion of the Global Offering, the Company had in issue a total of 750,000,000 Shares, of which Furui owned 389,529,734 Shares (representing approximately 51.94% of the entire issued share capital of the Company), Strong Ally Limited owned 20,000,000 Shares (representing approximately 2.66%), Lingrui owned 19,281,687 Shares (representing approximately 2.57%), Raffles owned 64,795,333 Shares (representing approximately 8.64%), Turrence owned 110,446,390 Shares (representing approximately 14.73%), Templeton owned 50,252,065 Shares (representing approximately 6.70%), Tetrad owned 81,249,040 Shares (representing approximately 10.83%) and CCBI owned 14,445,751 (representing approximately 1.93%).

5. Changes in share capital of subsidiaries

The Company's subsidiaries are referred to in the accountant's report, the text of which is set out in Appendix I to this prospectus. The following sets out the changes to the share capital made by the subsidiaries of the Company during the two years preceding the date of this prospectus:

(a) Tongrui Holdings Limited

- (i) On 17 August 2007, Furui subscribed for an additional 3,953.5 shares of US\$0.10 each in Tongrui for a total consideration of HK\$40 million in cash. The issued share capital of Tongrui was increased from US\$1,000.00 to US\$1,395.35 made up of 13,953.5 shares of US\$0.10 each. After such subscription, Tongrui was owned by Furui as to 13,518.5 shares (representing approximately 96.88% of the then issued share capital of Tongrui) and Lingrui as to 435 shares (representing approximately 3.12%).
- (ii) On 17 December 2007, Lehman Brothers subscribed for 1,133.7 new shares of US\$0.10 each in Tongrui for a total consideration of HK\$117 million in cash. The issued share capital of Tongrui was increased from US\$1,395.35 to US\$1,508.72 made up of 15,087.2 shares of US\$0.10 each. After completion of the said subscription, Tongrui was owned by Furui as to 9,565 shares (representing approximately 63.40% of the then issued share capital of Tongrui), Lingrui as to 435 shares (representing approximately 2.88%), Raffles as to 1,461.8 shares (representing approximately 9.69%), Turrence as to 2,491.7 shares (representing approximately 16.52%) and Lehman Brothers as to 1,133.7 shares (representing approximately 7.51%).
- (iii) On 8 January 2008, Tetrad subscribed for 1,833 new shares of US\$0.10 each in Tongrui for a total consideration of HK\$195 million in cash. The issued share capital of Tongrui was increased from US\$1,508.72 to US\$1,692.02 made up of 16,920.2 shares of US\$0.10 each. After completion of the said subscription, Tongrui was owned by Furui as to 9,239.1 shares (representing approximately 54.60% of the then issued share capital of Tongrui), Lingrui as to 435 shares (representing approximately 2.57%), Raffles as to 1,461.8 shares (representing approximately 8.64%), Turrence as to 2,491.7 shares (representing approximately 14.73%), Lehman Brothers as to 1,133.7 shares (representing approximately 6.70%), Tetrad as to 1,833 shares (representing approximately 10.83%) and CCBI as to 325.9 shares (representing approximately 1.93%).

(b) Jet Bright International Holdings Limited

On 22 August 2006, Jet Bright acquired the entire equity interests in Ruinian Industry from Ruinian Hong Kong (as to approximately 86.52% of the equity interest) and Ruinian Group (as to approximately 13.48% of the equity interest) for a total consideration of RMB 150 million. Jet Bright issued and allotted one share of HK\$1.00 in its share capital to Tongrui in satisfaction of the consideration for the said acquisition from Ruinian Hong Kong and paid Ruinian Group RMB20.2 million in cash. The issued share capital of Jet Bright was increased from HK\$1.00 to HK\$2.00 made up of 2 shares of HK\$1.00 each.

(c) Wuxi Ruinian Industry & Commerce Co., Ltd.

- (i) On 26 July 2006, the registered capital of Ruinian Industry was increased from RMB115.58 million to RMB150 million and was owned as to approximately 86.52% by Ruinian Hong Kong and as to approximately 13.48% by Ruinian Group.
- (ii) On 16 July 2007, the registered capital of Ruinian Industry was increased from RMB150 million to RMB190 million and was wholly owned by Jet Bright, a wholly owned subsidiary of the Company.
- (iii) On 4 February 2008, the registered capital of Ruinian Industry was increased from RMB190 million to RMB290 million and was wholly owned by Jet Bright, a wholly owned subsidiary of the Company.
- (iv) On 4 March 2008, the registered capital of Ruinian Industry was increased from RMB290 million to RMB380 million and is now wholly owned by Jet Bright, a wholly owned subsidiary of the Company.

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

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

6. Repurchase by the Company of Shares

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

(a) *Regulations of the Listing Rules*

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

(i) *Shareholders' approval*

All repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transaction.

(Note: Pursuant to the written resolutions of the sole Shareholder passed on 1 February 2010, a general unconditional mandate (the “Repurchase Mandate”) was given to the Directors authorising any repurchase by the Company of Shares on the Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange of such number of Shares with a total nominal value as will represent up to 10% of the total nominal value of the share capital of the Company in issue immediately following the completion of the International Offering and the Hong Kong Public Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the options that were granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme) at any time until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Cayman Islands to be held or the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing such mandate, whichever occurs first.)

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange prevailing from time to time.

(b) *Reasons for repurchases*

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

(c) *Funding of repurchases*

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

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company. However, there might be a material adverse impact on the

working capital or gearing position of the Company as compared with the position disclosed in this prospectus in the event that the Repurchase Mandate is exercised in full.

(d) ***Share capital***

Exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after the completion of the International Offering and the Hong Kong Public Offering without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option or options that were granted under the Pre-IPO Share Option Scheme or options that may be granted under the Share Option Scheme, would result in up to 100,000,000 Shares being repurchased by the Company during the period prior to the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles and applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting.

(e) ***General***

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates, have any present intention if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

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

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

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

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made immediately after the listing of the Shares on the Stock Exchange. Save as aforesaid, the Directors are not aware of any other consequences which would arise under the Takeovers Code as a consequence of any repurchases made pursuant to the Repurchase Mandate immediately after the Listing.

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

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

1. a share purchase agreement dated 14 November 2008 between Ruinian Industry, Jet Bright, Ruinian Group and Ruinian Hong Kong in relation to the transfer of 75% of the equity interests of Nanjing Ruinian from Ruinian Group to Ruinian Industry and the remaining 25% from Ruinian Hong Kong to Jet Bright for an aggregate consideration of RMB255 million (as supplemented by a supplemental agreement on 30 September 2009 for an adjusted aggregate consideration of RMB211 million, with the consideration of RMB158.25 million from Ruinian Industry and RMB52.75 million from Jet Bright);
2. a shareholders agreement dated 1 February 2010 entered into among Furui, Lingrui, Raffles, Turrence, Templeton, CCBI and Tetrad as shareholders of Tongrui and Tongrui for the purpose of regulating the business, affairs and management of the group companies of Tongrui and the relationship between the aforesaid shareholders of Tongrui and Tongrui;
3. the Reorganisation Agreement made between the Company, the then shareholders of Tongrui and Tongrui on 1 February 2010 relating to the sale and purchase of the entire issued capital of Tongrui by the Company;
4. the Deed of Non-Competition dated 1 February 2010 entered into between the Company, Furui and Mr. WANG Fucui in which Furui and Mr. WANG Fucui have given certain undertakings to the Company, details of which are set out in the section headed “Relationship with the Controlling Shareholders — Non-competition undertaking from Mr. WANG Fucui and Furui”;
5. a deed of indemnity dated 1 February 2010 entered into between Furui, Mr. WANG Fucui and the Company whereby Furui and Mr. WANG Fucui have provided certain indemnities in favour of the Company, details of the taxation and estate duty related indemnities are set out in the section headed “Estate duty and tax indemnity” in Appendix VIII to this prospectus; and
6. the Hong Kong Underwriting Agreement dated 5 February 2010, details of which are set out in the section headed “Underwriting” in this prospectus.


2. Intellectual Property Rights

(a) Trademarks

(i) As of the Latest Practicable Date, the Group had been the registrant of the following trademarks:

Trademark	Place of registration	Registrant	Class	Registration No.	Validity Period (DD/MM/YYYY)
“瑞蓮”字樣 和圖標 	PRC	Ruinian Industry	30	1296353	21/07/2009 to 20/07/2019
“瑞年”字樣	PRC	Ruinian Industry	30	1296355	21/07/2009 to 20/07/2019
“靈兒”字樣	PRC	Ruinian Industry	30	1316401	21/09/2009 to 20/09/2019
“瑞年”圖標 	PRC	Ruinian Industry	30	1444661	14/09/2000 to 13/09/2010
盾牌、“瑞年” 字樣、拼音 	PRC	Ruinian Industry	30	4064812	07/06/2006 to 06/06/2016
“質寶”字樣	PRC	Ruinian Industry	30	4896609	14/06/2008 to 13/06/2018
“瑞年血康”字樣	PRC	Ruinian Industry	30	4278180	28/01/2009 to 27/01/2019
“骨質寶”字樣	PRC	Ruinian Industry	30	4896566	07/04/2009 to 06/04/2019
“氟易”字樣	PRC	Nanjing Ruinian	5	4976437	21/09/2009 to 20/09/2019
“瑞珈”字樣	PRC	Nanjing Ruinian	5	4976440	28/03/2009 to 27/03/2019
“瑞服寧”字樣	PRC	Nanjing Ruinian	5	4976441	28/06/2009 to 27/06/2019
“瑞享寧”字樣	PRC	Nanjing Ruinian	5	4976442	28/03/2009 to 27/03/2019
“瑞澤”字樣	PRC	Nanjing Ruinian	5	4976438	07/07/2009 to 06/07/2019
“金瑞氟”字樣	PRC	Nanjing Ruinian	5	4976439	28/10/2009 to 27/10/2019
Ruinian Tea extractant 瑞年 茶玉精 	Hong Kong	Jierui	5	300231227	11/06/2004 to 10/06/2014

Trademark	Place of registration	Registrant	Class	Registration No.	Validity Period (DD/MM/YYYY)
Ruinian 瑞年 A  B  C 	Hong Kong	Jierui	3, 5, 11, 32, 44	300435933	09/06/2005 to 08/06/2015
Linger 靈兒 A  B  C 	Hong Kong	Jierui	3, 5, 32	300447499	29/06/2005 to 28/06/2015
Linger 灵儿 A  B  C 	Hong Kong	Jierui	3, 5, 32	300447507	29/06/2005 to 28/06/2015
K-BEST 健全  	Hong Kong	Jierui	5, 30	300657928	13/06/2006 to 12/06/2016
Ruinian Group. 瑞年集团 A  B  C  D 	Hong Kong	Jierui	5, 30, 32, 44	300728091	25/09/2006 to 24/09/2016
順牌 	Hong Kong	Jierui	30, 32	301300292	10/03/2009 to 09/03/2019

Trademark	Place of registration	Registrant	Class	Registration No.	Validity Period (DD/MM/YYYY)
順 	Hong Kong	Jierui	30, 32	301300300	10/03/2009 to 09/03/2019

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

Trademark	Place of registration	Applicant	Class	Application No.	Application Acceptance Date (DD/MM/YYYY)
“瑞年清脂”字樣	PRC	Ruinian Industry	30	4235328	05/11/2004 ^{Note}
“瑞年骨質寶”字樣	PRC	Ruinian Industry	30	4235329	05/11/2004 ^{Note}
嬌緣美	PRC	Ruinian Industry	30	6077412	12/09/2007
驕媛美	PRC	Ruinian Industry	30	6077413	12/09/2007
嬌源美	PRC	Ruinian Industry	30	6077430	12/09/2007
嬌原美	PRC	Ruinian Industry	30	6077431	12/09/2007
盾牌、瑞年、 Ruinian	PRC	Ruinian Industry	30	6161092	18/09/2007
甘心	PRC	Ruinian Industry	32	6416626	08/01/2008
盾牌、靈兒、Linger	PRC	Ruinian Industry	30	6511374	19/02/2008
莓爽	PRC	Ruinian Industry	32	6416625	08/01/2008
清靈靈	PRC	Ruinian Industry	32	6416623	08/01/2008
瑞美菊	PRC	Ruinian Industry	30	6511375	19/02/2008
心甘	PRC	Ruinian Industry	32	6416624	08/01/2008
最佳拍檔	PRC	Ruinian Industry	32	6416622	08/01/2008
瑞美菊	PRC	Ruinian Industry	30	6645146	22/04/2008
瑞美菊	PRC	Ruinian Industry	32	6645147	22/04/2008
順應	PRC	Ruinian Industry	32	6738062	16/06/2008
順應	PRC	Ruinian Industry	30	6738063	16/06/2008
盾牌、瑞年、 Ruinian	PRC	Ruinian Industry	32	6762586	07/07/2008
瑞年	PRC	Ruinian Industry	32	6762587	07/07/2008
瑞年	PRC	Ruinian Industry	30	6762588	07/07/2008
長江瑞年	PRC	Ruinian Industry	30	6591431	12/03/2008
長江瑞年	PRC	Ruinian Industry	5	6591432	12/03/2008
辛通肽	PRC	Ruinian Industry	30	7022624	17/11/2008
玫瑰健	PRC	Ruinian Industry	30	7101490	22/12/2008
逸君健	PRC	Ruinian Industry	30	7101608	22/12/2008
享樂美	PRC	Ruinian Industry	30	7385433	01/06/2009
享美妍	PRC	Ruinian Industry	30	7385434	01/06/2009
享妍	PRC	Ruinian Industry	30	7385435	01/06/2009
Shainny	PRC	Ruinian Industry	30	7385436	01/06/2009
SHAINNY	PRC	Ruinian Industry	30	7403322	08/06/2009
享妍	PRC	Ruinian Industry	30	7403343	08/06/2009
歲德好	PRC	Ruinian Industry	30	7455873	22/06/2009
學思	PRC	Ruinian Industry	30	7455874	22/06/2009
瑞年學優	PRC	Ruinian Industry	30	7455875	22/06/2009
“順牌”字樣和圖標	PRC	Ruinian Industry	30	6755778	01/04/2009
“順”字樣	PRC	Ruinian Industry	30	6755781	01/04/2009
“順牌”字樣和圖標	PRC	Ruinian Industry	32	6755785	01/04/2009
“順”字樣	PRC	Ruinian Industry	32	6755788	01/04/2009

Note:

As advised by the Company's PRC legal advisers, according to the Trademark Law and its implementation regulations of the PRC, there is no time limit for registration application of trademarks or review of the applications by the PRC Trademark Office of State Administration for Industry and Commerce. Hence, the PRC Trademark Office has sole discretion to decide the period of time for approval. As such, even if the trademark has been applied for more than three years yet pending approval, it does not necessarily mean that there are difficulties in obtaining approval for the applications.

For the purpose of this section, a brief description of the classes of the relevant trademarks is set out as follows:

- Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.
- Class 5 Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.
- Class 11 Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
- Class 30 Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
- Class 32 Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
- Class 44 Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

(b) *Patents*

- (i) As of the Latest Practicable Date, the Group had been the registered owner of the following patents:

<u>Patent name</u>	<u>Place of registration</u>	<u>Registrant</u>	<u>Certificate No.</u>	<u>Validity Period (DD/MM/YYYY)</u>	<u>Type</u>
由蜂王漿和卵磷脂組成的複合物以及包括該複合物的營養組合物	PRC	Ruinian Industry	ZL03152476.1	31/07/2003 to 30/07/2023	Invention
氨基酸片1 包裝盒	PRC	Ruinian Industry	ZL200630008482.1	28/03/2006 to 27/03/2016	Design
氨基酸片2 包裝盒	PRC	Ruinian Industry	ZL200630008481.7	28/03/2006 to 27/03/2016	Design
骨質寶沖劑手提袋	PRC	Ruinian Industry	ZL200630008462.4	28/03/2006 to 27/03/2016	Design
骨質寶沖劑包裝盒	PRC	Ruinian Industry	ZL200630008480.2	28/03/2006 to 27/03/2016	Design
包裝盒(蜂皇漿 1)	PRC	Ruinian Industry	ZL200830008337.2	27/02/2008 to 26/02/2018	Design
包裝盒(蜂皇漿 2)	PRC	Ruinian Industry	ZL200830008336.8	27/02/2008 to 26/02/2018	Design
包裝盒(蛋白粉 1)	PRC	Ruinian Industry	ZL200830008335.3	27/02/2008 to 26/02/2018	Design
包裝盒(蛋白粉 2)	PRC	Ruinian Industry	ZL200830008334.9	27/02/2008 to 26/02/2018	Design

- (ii) As of the Latest Practicable Date, the Group had applied for the registration of the following patent(s):

Patent name	Place of registration	Applicant	Application No.	Application Date (DD/MM/YYYY)	Type
製備水解膠原蛋白加鈣製劑的方法及由此制得產品和應用	PRC	Ruinian Industry	200610072940.7	06/04/2006	Invention

Save as disclosed herein, there are no other trade or service marks, patents, other intellectual or industrial property rights which are material to the business of the Group.

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

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

Immediately following completion of the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option is not exercised, the interest or short position of Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including 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 to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules once the Shares are listed are as follows:

Interest in the Company

Name of Director	Capacity	Number and class of securities	Number of Shares subject to options granted under the Pre-IPO Share Option Scheme	Approximate shareholding percentage (%) ⁽¹⁾
Mr. WANG Fucai ⁽²⁾	interest of a controlled corporation	399,529,734 Shares		39.95%
	short position	20,000,000 Shares		2.00%
Mr. YU Yan	beneficial owner		1,500,000 Shares	0.15%
Mr. LI Lin	beneficial owner		1,500,000 Shares	0.15%
Mr. YI Lin	beneficial owner		1,500,000 Shares	0.15%
Mr. ZHANG Yan	beneficial owner		1,500,000 Shares	0.15%
Ms. AU-YEUNG Kam Ling Celeste	beneficial owner		710,000 Shares	0.07%

Notes:

- (1) The relevant percentages are calculated based the Shares in issue on the Listing Date immediately after the completion of the Global Offering, assuming the Over-allotment Option is not exercised and not taking into account of any Shares issued pursuant to the exercise of the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme or any person who subscribes for the Shares pursuant to the Global Offering.
- (2) Furui owns the entire issued share capital of Strong Ally Limited and will be deemed to be interested in the 20,000,000 Shares held by Strong Ally Limited and the short position over 20,000,000 Shares as a result of grant of options by Strong Ally Limited under the Pre-IPO Share Option Scheme, and Mr. WANG Fucai owns the entire issued share capital of Furui and will be deemed to be interested in the 399,529,734 Shares held by Furui and Strong Ally Limited and the short position over 20,000,000 Shares as a result of grant of options by Strong Ally Limited under the Pre-IPO Share Option Scheme.

- (b) *Particulars of service contracts*

Each of the executive Directors has entered into a service contract with the Company for a term of two years commencing from the Listing Date subject to termination by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors and the independent non-executive Directors has entered into a service contract with the Company for a term of one year commencing from the

Listing Date subject to termination by not less than one month's notice in writing served by either party on the other. The appointments are subject to the provisions of retirement by rotation of Directors under the Articles.

(c) *Directors' remuneration*

An aggregate of approximately RMB0.7 million (excluding discretionary bonus) was paid to the Directors as remuneration for the year ended 31 December 2009. The current annual Director's fees and remuneration of the Directors are as follows:

<u>Director</u>	<u>Remuneration</u> (per annum)
Mr. WANG Fucai	HK\$4,560,000
Mr. YU Yan	HK\$ 240,000
Mr. LI Lin	HK\$ 240,000
Mr. YI Lin	HK\$ 240,000
Mr. ZHANG Yan	HK\$ 240,000
Ms. AU-YEUNG Kam Ling Celeste	HK\$ 960,000
Mr. IP Tak Chuen Edmond	HK\$ 180,000
Mr. WONG Lung Tak Patrick, J.P.	HK\$ 180,000
Dr. FONG Chi Wah	HK\$ 180,000
Mr. Bernard Ban-yew YAW	HK\$ 180,000

Under the arrangement currently in force, the estimated aggregate amount of emoluments payable by the Group to the Directors for the year ending 31 December 2010 will be approximately RMB5.8 million.

Further details of the terms of the above service contracts are set out in the paragraph headed "Particulars of service contracts" above.

2. Substantial Shareholders

So far as the Directors are aware, immediately following the completion of the International Offering and the Hong Kong Public Offering (but without taking into account Shares to be issued pursuant to the exercise of the Over-allotment Option or options granted under the Pre-IPO Share Option Scheme), the following persons other than a Director or chief executive of the Company will have an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Interest in the Company

<u>Shareholder</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding</u>
Furui ⁽¹⁾	beneficial owner and interest in a controlled corporation	399,529,734	39.95%
	short position	20,000,000	2.00%
Qin Shifeng (秦士豐) ⁽²⁾	interest of spouse	399,529,734	39.95%
	short position	20,000,000	2.00%
Turrence	beneficial owner	93,222,161	9.32%
Pyrope Assets Limited (“PAL”) ⁽³⁾	interest in a controlled corporation	93,222,161	9.32%
CK Life Sciences ⁽³⁾	interest in controlled corporations	93,222,161	9.32%
Gold Rainbow Int’l Limited (“GRIL”) ⁽⁴⁾	interest in controlled corporations	93,222,161	9.32%
Gotak Limited (“GL”) ⁽⁴⁾	interest in controlled corporations	93,222,161	9.32%
Cheung Kong (Holdings) Limited (“CKHL”) ⁽⁴⁾	interest in controlled corporations	93,222,161	9.32%
Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of The Li Ka-Shing Unity Trust (“UT1”) ⁽⁵⁾	trustee	93,222,161	9.32%
Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) ⁽⁶⁾	trustee & beneficiary of a trust	93,222,161	9.32%
Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”) ⁽⁶⁾	trustee & beneficiary of a trust	93,222,161	9.32%
LI Ka-Shing (“Mr. LI”) ⁽⁷⁾	founder of discretionary trusts & interest of controlled corporations	93,222,161	9.32%
Templeton	beneficial owner	50,252,065	5.03%
Templeton Asset Management Limited ⁽⁸⁾	investment manager	50,252,065	5.03%
Tetrad ⁽⁹⁾	beneficial owner	68,578,168	6.86%
Government of Singapore Investment Corporation (Ventures) Pte. Ltd.	interest in a controlled corporation	68,578,168	6.86%
Raffles	beneficial owner	54,690,434	5.47%
Raffles Partner ⁽¹⁰⁾	interest in a controlled corporation	54,690,434	5.47%
Tang Tsz Kit ⁽¹⁰⁾	interest in a controlled corporation	54,690,434	5.47%
Win Direct ⁽¹¹⁾	interest in a controlled corporation	54,690,434	5.47%

Notes:

- (1) Furui owns the entire issued share capital of Strong Ally Limited and will be deemed to be interested in the 20,000,000 Shares held by Strong Ally Limited and the short position over 20,000,000 Shares as a result of grant of options by Strong Ally Limited under the Pre-IPO Share Option Scheme.
- (2) Qin Shifeng (秦士豐) is the spouse of Mr. WANG Fucui and will be deemed to be interested in the 399,529,734 Shares which Mr. WANG Fucui is interested in through Furui and Strong Ally Limited and the short position over 20,000,000 Shares as a result of grant of options by Strong Ally Limited under the Pre-IPO Share Option Scheme.

- (3) PAL directly owns the entire issued share capital of Turrence and will be deemed to be interested in the 93,222,161 Shares held by Turrence. CK Life Sciences directly owns the entire issued share capital of PAL and will be deemed to be interested in the 93,222,161 Shares held by PAL.
- (4) GRIL holds one third or more of the issued share capital of CK Life Sciences and will be deemed to be interested in the 93,222,161 Shares held by CK Life Sciences. By virtue of the above, GRIL is therefore taken to have a duty of disclosure in relation to the interest in the relevant share capital of the Company held by or in which Turrence, PAL or CK Life Sciences is taken as interested as a substantial shareholder of the Company under the SFO. Since GRIL is wholly-owned by GL, GL is deemed to be interested in the same number of Shares in which GRIL is interested under the SFO. Since GL is wholly-owned by CKHL, CKHL is deemed to be interested in the same number of Shares in which GL is interested under the SFO.
- (5) TUT1, as trustee of UT1, together with certain companies which TUT1 as trustee of UT1 was entitled to exercise or control the exercise of one third or more of the voting power at their general meetings (“related companies”), hold more than one third of the issued share capital of CKHL. By virtue of the above and the interest of TUT1 as trustee of UT1 and its related companies in the shares in CKHL, TUT1 as trustee of UT1 is therefore taken to have a duty of disclosure in relation to the interest in the relevant share capital of the Company held by or in which Turrence, PAL, CK Life Sciences, GRIL, GL or CKHL will be taken as interested as a substantial shareholder of the Company under the SFO.
- (6) Each of TDT1 as trustee of DT1 and TDT2 as trustee of DT2 holds units in UT1. By virtue of the above and its interest of holding units in UT1, each of TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is taken to have a duty of disclosure in relation to the interest in the relevant share capital of the Company held by or in which Turrence, PAL, CK Life Sciences, GRIL, GL or CKHL will be taken as interested as a substantial shareholder of the Company under the SFO.
- (7) Mr Li is the settlor of each of DT1 and DT2 and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO. Mr Li is also interested in one third of the entire issued share capital of a company owning the entire issued share capital of TUT1, TDT1 and TDT2. By virtue of the above and as a director of CKHL, Mr Li is taken to have a duty of disclosure in relation to the interest in the relevant share capital of the Company held by or in which Turrence, PAL, CK Life Sciences, GRIL, GL or CKHL will be taken as interested as a substantial shareholder of the Company under the SFO.
- (8) Templeton Asset Management Limited is the investment manager of Templeton and will be deemed to be interested in the 50,252,065 Shares held by Templeton.
- (9) Government of Singapore Investment Corporation (Ventures) Pte. Ltd. owns the entire issued share capital of Tetrad and will be deemed to be interested in the 68,578,168 Shares held by Tetrad.
- (10) Raffles Partners owns approximately 35.23% of the entire issued share capital of Raffles and Mr. TANG Tsz Kit owns the entire issued share capital of Raffles Partners and each of them will be deemed to be interested in the 54,690,434 Shares held by Raffles.
- (11) Win Direct owns approximately 36.36% of the entire issued share capital of Raffles and will be deemed to be interested in the 54,690,434 Shares held by Raffles.

Save as disclosed above, taking no account of Shares which may be taken up under the International Offering and the Hong Kong Public Offering, none of the Directors knows of any person (not being a Director or chief executive of the Company) who will, immediately following completion of the International Offering and the Hong Kong Public Offering, have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. Directors and Shareholders interests in suppliers and customers of the Company

As at the Latest Practicable Date, none of the persons who are (1) Directors; (2) their associates; or (3) Shareholder which to the knowledge of the Directors will own more than 5% of the Company’s issued share capital immediately upon completion of the International Offering and the Hong Kong Public Offering (assuming the Over-allotment Option is not exercised) had interest in the five largest customers and suppliers of the Group.

4. Disclaimers

Save as disclosed herein and as at the Latest Practicable Date:

- (a) none of the Directors or experts referred to under the heading “Consents of experts” in this Appendix had any direct or indirect interest in the promotion of the Company, or in

- any assets which had within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (b) none of the Directors or experts referred to under the heading “Consents of experts” in this Appendix had been materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group;
 - (c) none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
 - (d) none of the experts referred to under the heading “Consents of experts” in this Appendix was interested beneficially or otherwise in any shareholding in any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
 - (e) so far as is known to the Directors, none of the Directors, their respective associates or Shareholders who are interested in more than 5% of the issued share capital of the Company had any interests in the five largest customers or the five largest suppliers of the Group.

D. OTHER INFORMATION

1. Pre-IPO Share Option Scheme

In order to retain and attract key employees, we have implemented the Pre-IPO Share Option Scheme. The Pre-IPO Share Option Scheme consists of two parts. The first part of the Pre-IPO Share Option Scheme is conditional upon the occurrence of the Listing and is granted by Strong Ally Limited, a wholly-owned subsidiary of Furui incorporated in the BVI. Under the first part of the Pre-IPO Share Option Scheme, selected employees and other individuals may be granted the rights to purchase from Strong Ally Limited an aggregate number of 20,000,000 Shares, representing approximately 2% of our issued share capital as of the Listing Date (assuming that the Over-allotment Option, options granted under the Pre-IPO Share Option Scheme or to be granted under the Share Option Scheme are not exercised). Under the second part of the Pre-IPO Option Scheme, our Company will grant rights to selected employees and other individuals to purchase an aggregate number of 20,000,000 Shares, representing approximately 2% of our total issued share capital as of the Listing Date (assuming that the Over-allotment Option, options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme are not exercised), or approximately 1.96% of our issued share capital as of the Listing Date as enlarged by the issue of additional new Shares upon exercise of all options granted by us under the Pre-IPO Share Option Scheme. The following is a summary of the principal terms of the Pre-IPO Share Option Scheme as adopted by Strong Ally Limited on 29 January 2010, and adopted by our Company by way of written resolutions of the sole Shareholder dated 29 January 2010:

- (1) The purpose of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme seeks to provide an incentive for the Qualified Participants (as defined below) to work with commitment towards enhancing the value of the Company and the Shares for the benefit of the Shareholders, and to maintain or attract business

relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of the Group.

(2) Who may join

The Board may at its discretion grant options to: (i) any executive Director, or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest (“Invested Entity”); (ii) any sales personnel employed in the form of labour dispatch by the Company, any member of the Group or any Invested Entity; (iii) any personnel such as business consultant who contributes to the business of the Company, any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity; (v) any mid- to high- level management personnel being supervisor and above of the Company, any member of the Group or any Invested Entity; (vi) employees working at the headquarters of the Group for more than two years; (vii) management personnel or part of the sales elites serving as manager or above of the regional marketing departments of the Company, any member of the Group or any Invested Entity; (viii) experts, advisors specially engaged by the Company or employees making special contribution of the Company; (ix) the trustee for the trust in favour of the PRC citizens referred to in paragraphs (i) to (viii) above as beneficiaries (collectively, “Qualified Participants”).

(3) Grant of Option

An offer of the grant of an option under the first part of our Pre-IPO Share Option Scheme shall be made to the Qualified Participants by Strong Ally Limited through a letter, and an offer of the grant of an option under the second part of our Pre-IPO Share Option Scheme shall be made to the Qualified Participants by us through a letter in such form as the Board may from time to time determine, requiring the Qualified Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Pre-IPO Share Option Scheme. The offer shall remain open for acceptance for a period of five business days from the date on which it is made.

(4) Payment on acceptance of option offer

HK\$1.00 is payable by the Qualified Participant to the Company on acceptance of the option offer as consideration for the grant.

(5) Exercise Price

The exercise price per option shall be the Offer Price.

(6) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall not in aggregate exceed the number of Shares that shall represent 4% of the total number of Shares in issue as at the Listing Date (assuming that the Over-allotment Option and options granted under the Pre-IPO Share Option Scheme are not exercised), which is expected to be 40,000,000 Shares.

(7) Timing and condition for exercise of options

During the period between the expiry of six months after the Listing Date and the expiry date of the Pre-IPO Share Option Period, one-third of the options granted under our Pre-IPO Share Option Scheme may be exercised; and 1/36th of the options granted under our Pre-IPO

Share Option Scheme will become exercisable at the end of each calendar month beginning 12 months after the Listing Date until the expiry date of the Pre-IPO Share Option Period in 24 tranches. The options granted under the Pre-IPO Share Option Scheme shall lapse on the date when a grantee ceases to be a Qualified Participant.

(8) Rights attaching to the Shares

The Shares to be allotted upon exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment. Accordingly, the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment provided that the record date for the dividend or distribution is a date after the date of allotment.

(9) Termination

The Controlling Shareholders may at any time terminate the operation of the first part of the Pre-IPO Share Option Scheme. The Company may at any time terminate the operation of the second part of the Pre-IPO Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting and in such event no further options will be offered but the provisions of the Pre-IPO Share Option Scheme shall remain in force in all other respects. In particular, all options granted and accepted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the Pre-IPO Share Option Scheme.

The Pre-IPO Share Option Scheme is conditional upon the following:

- (a) the Listing Committee of the Stock Exchange granting an approval for the listing of, and a permission to deal in, any Shares to be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme;
- (b) the Global Offering becoming unconditional (including, if relevant, as a result of the waiver of any condition(s)) and not being terminated according to the terms thereof; and
- (c) the commencement of dealings of the Shares on the Stock Exchange.

As of the Latest Practicable Date, options to subscribe for an aggregate of 20,000,000 Shares had been granted by us, and options to purchase for an aggregate of 20,000,000 Shares had been granted by Strong Ally Limited, to a total of 104 Qualified Participants under the Pre-IPO Share Option Scheme.

A full list of all the grantees (including the 5 Directors and 3 senior management staff), who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under rule 17.02 (1)(b) and paragraph 27 of Appendix IA to the Listing Rules and paragraph 10 of Part I of the Third Schedule of the Companies Ordinance, is made available for public inspection as referred to the section headed “— Documents Available for Inspection” in Appendix IX to this prospectus.

The relevant information of grantees who are Directors, senior management members or who have been granted options to subscribe for 2,000,000 Shares or more is set out below:

Name of grantee	Registered/Residential address	Position in/relation with our Group	Number of Shares subject to the options	Approximate percentage of shareholding held upon exercise of all the options on the Listing Date (assuming the Over-allotment Option has not been exercised) (%)
YU Yan (于岩)	Room C9-1403 Yangguang Chengshi Garden, Nan Chang District, Wuxi City, Jiangsu Province, PRC	Executive Director and deputy general manager	1,500,000	0.15%
LI Lin (李林)	No.10, 5/F, No.57-3 Minzhu Er Road, Wuchang District, Wuhan City, Hubei Province, PRC	Executive Director and deputy general manager	1,500,000	0.15%
YI Lin (伊林)	Room 201, Unit 1, Block Q, Taishan Xiaoqu, Nangangqu Harbin City, Heilongjiang Province, PRC	Executive Director and deputy general manager	1,500,000	0.15%
ZHANG Yan (張宴)	Room 501, No.62, Mashan Leshanxincun, Binhuqu, Wuxi City, Jiangsu Province, PRC	Executive Director and deputy general manager	1,500,000	0.15%
AU-YEUNG Kam Ling Celeste (歐陽錦玲)	G/F, No. 51, Ka Choi Lane, Nim Wan Tuen Mun, N.T., Hong Kong	Executive Director	710,000	0.07%
POON Yick Pang, Philip (潘翼鵬)	Unit A, 8/F, Tower A, Hollywood Terrace, 268 Queen's Road Central, Hong Kong	Chief Financial Officer and Company Secretary	5,000,000	0.49%
QUAN Guangde (全廣德)	West Section, Meiliangqiao, Meiliang Road, Mashan District, Wuxi City, Jiangsu Province, PRC	Manager of Production Department and assistant to chief executive officer	100,000	0.01%
YUAN Jianjun (袁建軍)	West Section, Meiliangqiao, Meiliang Road, Mashan District, Wuxi City, Jiangsu Province, PRC	Manager of Sales Auditing Department and assistant to chief executive officer	100,000	0.01%

Name of grantee	Registered/Residential address	Position in/relation with our Group	Number of Shares subject to the options	Approximate percentage of shareholding held upon exercise of all the options on the Listing Date (assuming the Over-allotment Option has not been exercised) (%)
TSANG Kin Hung (曾建雄)	Room 1013, King Tsui Court, Chai Wan, Hong Kong	Consultant	5,000,000	0.49%
TSANG Chiu Lan (曾翠蘭)	Flat 5, 1/F, Golden Fullness Court, Golden Lion Garden Phase 2, Tai Wai, Shatin, N.T., Hong Kong	Consultant	4,500,000	0.44%
TSANG Kin Wai (曾健偉)	Suite No. 1, 6/F, Queen's Place, 74 Queen's Road Central, Hong Kong	Consultant	5,000,000	0.49%
93 other persons			<u>13,590,000</u>	<u>1.32%</u>
Total			<u>40,000,000</u>	<u>3.92%</u>

In addition to the above grantees, 93 other persons, including employees of our Group and selected individuals, have been granted options to subscribe for an aggregate number of 13,590,000 Shares, with individual grant ranging from 3,000 to 1,500,000 Shares. Except for our Directors, none of the grantees disclosed above is a connected person of our Group as defined in the Listing Rules.

The options granted under the Pre-IPO Share Option Scheme are personal to the grantees and not transferable. Exercise of any options granted under the Pre-IPO Share Option Scheme will have a dilution effect on the shareholdings of the Shareholders.

If all options granted under our Pre-IPO Share Option Scheme are exercised, an additional 20,000,000 Shares will be issued, representing 1.96% our issued share capital as of the Listing Date as enlarged by the issue of additional Shares upon exercise of all such options. Assuming we have had the number of Shares expected to be in issue following the Global Offering (assuming the Over-allotment Option is not exercised), namely 1,000,000,000 Shares, as of 30 September 2009, our earnings per Share for the nine months ended 30 September 2009 would have been reduced from RMB17.6 cents to RMB13.2 cents, and then further down to RMB13.0 cents if all options granted under the Pre-IPO Share Option Scheme are also assumed to have been exercised in full as of 30 September 2009.

We have obtained an undertaking from the grantees of the Pre-IPO Share Option Scheme who are connected persons of our Company that they will not exercise the options granted under the Pre-IPO Share Option Scheme if the Shares held by the public Shareholders of our Company after the issuance of the Shares upon such exercises are to fall below 25% of the total issued share capital of our Company. However, if any options granted under the Pre-IPO Share Option Scheme are exercised by a grantee of such options leading to the number of the Shares held by the public falling below the minimum requirement under Rule 8.08(1)(a) of the Listing Rules, our Controlling Shareholders shall sell such number of Shares to the public in order to ensure that the minimum requirement under Rule 8.08(1)(a) of the Listing Rules is satisfied.

Save for the above, no further options has been offered under the Pre-IPO Share Option Scheme and no further options will be offered thereunder on or after the Listing Date.

We have applied for (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under rule 17.02 (1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies Ordinance from the SFC in strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance, on the grounds that the exemption would not prejudice the interests of the investing public and that strict compliance with the relevant rules would be unduly burdensome. It is estimated that a complete disclosure of the name, address and options granted to each grantee would require approximately 15 pages of this prospectus, significantly increasing the cost for drafting and printing. Furthermore, full disclosure may also negatively impact our relationships with the grantees, as some grantees may become dissatisfied with the options granted to them after comparing with other grantees.

The Stock Exchange has granted the waiver to us, subject to the following conditions:

- (a) full disclosure in this prospectus on all options under the Pre-IPO Share Option Scheme granted to each of the Directors, senior management, connected persons and grantees who will be granted options for 2,000,000 Shares or more, including all particulars required under paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance, rule 17.02(1)(b) and paragraph 27 of Appendix IA to the Listing Rules;
- (b) disclose in this prospectus, for the remaining grantees on an aggregate basis:
 - (i) their aggregate number and the number of Shares underlying the options granted;
 - (ii) the considerations paid for the options;
 - (iii) the exercise period of each option; and
 - (iv) the exercise price for the options;
- (c) disclose in this prospectus (i) the aggregate number of Shares underlying the options under the Pre-IPO Share Option Scheme, (ii) the percentage of our issued share capital represented by such Shares and (iii) the dilution effect and impact on earnings per share upon full exercise of the options under the Pre-IPO Share Option Scheme; and
- (d) a full list of all the grantees (including the persons referred to in paragraph (a) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under rule 17.02 (1)(b) and paragraph 27 of Appendix IA to the Listing Rules and paragraph 10 of Part I of the Third Schedule of the Companies Ordinance, is made available for public inspection as referred to the section headed “— Documents Available for Inspection” in Appendix IX to this prospectus.

The SFC (pursuant to section 342A of the Companies Ordinance) has granted the certificate of exemption to us on the following conditions:

- (a) full details of the options granted by the Company under the Pre-IPO Share Option Scheme to each of the Directors, senior management and grantees who will be granted options for 2,000,000 Shares or more, are disclosed in this prospectus, which shall include all particulars required under paragraph 10 of Part I of the Third Schedule to the Companies Ordinance;

- (b) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme to grantees other than those referred in paragraph (a) above, the following details are disclosed in this prospectus:
- (i) aggregate number of grantees and the number of Shares subject to the options;
 - (ii) the considerations paid for the grant of the options;
 - (iii) the exercise period of the options;
 - (iv) the exercise price for the options; and
- (c) a full list of all the grantees (including the persons referred to in paragraph (a) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required under paragraph 10 of Part I of the Third Schedule of the Companies Ordinance, is made available for public inspection as referred to the section headed “— Documents Available for Inspection” in Appendix IX to this prospectus.

2. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme approved by the written resolutions of the sole Shareholder passed on 1 February 2010:

(1) The purpose of the Share Option Scheme

The Share Option Scheme seeks to provide an incentive for the Qualified Participants (as defined below) to work with commitment towards enhancing the value of the Company and the Shares for the benefit of the Shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of the Group.

(2) Who may join

The Board may at its discretion grant options to: (i) any executive Director, or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest (“Invested Entity”); (ii) any non-executive Directors (including independent non-executive Directors) of the Company, any member of the Group or any Invested Entity; (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any person or entity that provides research, development or technological support to the Company, any member of the Group or any Invested Entity (collectively, “Qualified Participants”).

(3) Grant of Option

An offer of the grant of an option shall be made to the Qualified Participants by letter in such form as the Board may from time to time determine, requiring the Qualified Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme (including any operational rules). The offer shall remain open for acceptance for a period of twenty business days from the date on which it is made. Subject to the terms of the offer letter, there shall be no general performance target to or minimum holding period for the vesting or exercise of options. An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the option-holder together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance as set out in the offer letter.

The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Qualified Participant.

(4) Payment on acceptance of option offer

HK\$1.00 is payable by the Qualified Participant to the Company on acceptance of the option offer as consideration for the grant.

(5) Subscription Price

The subscription price (“Subscription Price”) shall, subject to any adjustment pursuant to paragraph (15), be a price determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date on which the option is offered to a Qualified Participant (“Offer Date”); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares.

(6) Maximum number of Shares

(i) Scheme Mandate

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as at the Listing Date, which is expected to be 80,000,000 Shares for the Share Option Scheme, assuming that the Over-allotment Option is not exercised and that none of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme are exercised, subject to the provisions of the Share Option Scheme and the Listing Rules permitting grant of options to subscribe for Shares in excess of 80,000,000 Shares under the Share Option Scheme. For the purpose of calculating the scheme mandate (“Scheme Mandate”), options which have been lapsed in accordance with the terms of the relevant scheme shall not be counted.

(ii) Refreshment of the Scheme Mandate

The Company may seek approval by the Shareholders in general meeting for refreshing the general mandate provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company under the general mandate as refreshed must not exceed 10% of the total number of Shares in issue as at the date of Shareholders’ approval. For the foregoing purpose, options previously granted under the Share Option Scheme and any other share option schemes of the Company, whether outstanding, cancelled or lapsed in accordance with its applicable rules or already exercised, will not be counted.

(iii) Grant of options to specifically identified Qualified Participants

The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the general mandate provided the options in excess of the general mandate are granted only to Qualified Participants who are specifically identified before such approval is sought. A circular will be sent by the Company to the Shareholders in accordance with the Listing Rules.

(iv) Overriding limit

Notwithstanding any provisions to the contrary, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed such number of Shares as shall represent 30% of the Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

(7) Maximum entitlement of Shares of each Qualified Participant

Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any option-holder if the acceptance of those options would result in the total number of Shares issued and to be issued to that Qualified Participant on exercise of his options (including both exercised and outstanding options) during any 12-month period exceeding 1% of the total Shares then in issue.

(8) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme (“Option Period”) shall be a period of time to be notified by the Board to each option-holder, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date.

(9) Rights personal to option-holder

An option is personal to the option-holder and shall not be transferable or assignable. No option-holder shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so (except that the option-holder may nominate a nominee, of which the option-holder is the sole beneficial owner, in whose name the Shares issued pursuant to the Share Option Scheme may be registered provided that evidence of such trust arrangement between the option-holder and the nominee has been provided to the satisfaction of the Board).

(10) Rights on ceasing employment

If the option-holder who is a director or an employee (whether full time or part time) of the Company or any member of the Group or any Invested Entity (“Eligible Employee”) ceases to be so engaged by reason other than his death or the termination of his employment on one or more of the grounds under sub-paragraph (v) of paragraph (18) below or retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement, the option-holder shall be entitled to exercise the option up to his entitlement at the date of cessation (to the extent not already exercised) within a period of 1 month from the date of such cessation, which date shall be the last day on which the option-holder was at work with the Company, the relevant member of the Group or Invested Entity (whether salary is paid in lieu of notice or not) (or within such longer period as the Board may determine).

(11) Rights on death

In the event of death of the option-holder (being an individual) before exercising the option in full, where none of the events which would be a ground for termination of his employment under sub-paragraph (v) of paragraph (18) below have arisen, and such option-holder is an Eligible Employee, his legal personal representatives may exercise the option up to the option-holder’s entitlement (to the extent exercisable as at the date of his death and not exercised) within the period of 12 months following his death or such longer period as the Board may determine.

(12) Rights on retirement

If the option-holder being an Eligible Employee ceases to be so engaged by reason of retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his employment as specified in sub-paragraph (v) of paragraph (18) below has arisen, the option-holder shall be entitled within a period of 12 months from the date of retirement (or such longer period as the Board may determine) to exercise the option up to the option-holder's entitlement (to the extent not already exercised).

(13) Rights on termination of business relation

If the option-holder being a non-Eligible Employee in the absolute opinion of the Board ceases to be qualified as a Qualified Participant by reason of termination of its business relation with the relevant member of the Group or otherwise, such option-holder shall be entitled within a period of one month from the date of termination (or such other period as the Board may determine) to exercise the option up to its entitlement (to the extent not already exercised).

(14) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to all option-holder on the same day as it gives notice of the meeting to the Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the option-holder may, during the period commencing on the date of the notice and ending on the earlier of: (i) the date two calendar months thereafter; and (ii) the date on which such compromise or arrangement is sanctioned by the court, exercise the option (whether in full or in part), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all option-holder to exercise their respective options shall forthwith be suspended. The Company may require the option-holder 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 option-holder in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms present to the court or upon any other terms as may be approved by such court) the rights of option-holders to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any option-holder as a result of the aforesaid suspension.

(15) Effect of capital alteration

In the event of any alteration in the capital structure of the Company while any option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, Share sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the option-holder) such corresponding alterations (if any) in:

- (i) the number of Shares subject to any option so far as such option remains unexercised;

- (ii) the Subscription Price; and/or
- (iii) the number of Shares subject to the Share Option Scheme,

as the auditors shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustment shall be made on the basis that the proportion of the Company's issued share capital to which an option-holder is entitled after such alteration shall remain the same as that to which he was entitled before such alteration, but so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value.

(16) Rights on voluntary winding up

In the event a notice is given by the 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 the Company, the Company shall on the same day as or soon after it despatches such notice to each member of the Company give notice thereof to all option-holders (together with a notice of the existence of this provision) and thereupon, each option-holder (or his legal personal representative(s)) 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 the Company by giving notice in writing to the 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 the 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, issue and allot the relevant Shares to the option-holder credited as fully paid.

(17) Rights on general offer

If a general offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to all the holders of Shares (or all holders other than the offeror and its concert parties and persons controlled by the offeror) and the offer becomes or is declared unconditional during the Option Period of an outstanding option, the option-holder (or his legal personal representatives) shall be entitled to exercise the option (to the extent not already exercised) at any time before the expiry of the period of ten business days following the date on which the offer becomes or is declared unconditional.

(18) Lapse of options

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

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs (10), (11), (12), (13), (14), (16) or (17);
- (iii) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in paragraph (16);
- (iv) the date of the scheme or compromise referred to in paragraph (14) becomes effective;

- (v) the date on which the option-holder being an Eligible Employee ceases to be a Qualified Participant by reason of the termination of his employment on any one or more of the grounds:
 - (a) that he has been guilty of misconduct; or
 - (b) that he has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally; or
 - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
 - (d) on any other ground on which an employer would be entitled to terminate his employment pursuant to applicable laws or under the option-holder's employment contract;
- (vi) the date on which the option-holder commits a breach of paragraph (9);
- (vii) if an option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the option-holder has failed to satisfy or comply with such conditions, restrictions or limitations;
- (viii) in respect of the option-holder being a consultant or adviser (whether individual or corporation), the date on which the Board resolves that the consultant or adviser fails to comply with any provisions of the relevant contracts, or breaches its fiduciary duty under the common law; and
- (ix) the occurrence of such event or expiry of such period as may have been specifically provided for in the offer letter, if any.

(19) Ranking of Shares

The Shares to be allotted upon exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment. Accordingly, the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment provided that the record date for the dividend or distribution is a date after the date of allotment.

(20) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing from the date on which the Share Option Scheme is deemed to take effect in accordance with its terms, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the Share Option Scheme.

(21) Alterations of the Share Option Scheme

The Share Option Scheme may be altered by the Board except that any material alteration to its terms and conditions or any change to the terms of options granted (except where such alterations take effect automatically under the existing terms of the Share Option Scheme) shall first be approved by the Shareholders in general meeting and the provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the option-holders except with the prior sanction of a

resolution of the Company in general meeting. Any adjustment to be made to the Subscription Price of, and/ or the number of Shares subject to, any options to be granted under the Share Option Scheme will comply with Chapter 17 of the Listing Rules, the supplemental guidance issued by the Stock Exchange on 5 September 2005 and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(22) Administration

The Share Option Scheme shall be administered by the Board or the scheme administrator appointed by the Board. The Board may appoint a scheme administrator to manage the Share Option Scheme. The decision of the Board as to all matters relating to the Share Option Scheme or its interpretation or effect (save as otherwise provided) shall be final and binding on all parties affected thereby. In particular, the Board shall determine whether a person is eligible to participate in the Share Option Scheme and its decision shall be final and binding. Without prejudice to any of the provisions of the Share Option Scheme, the Board may from time to time adopt such operational rules as it may deem fit for the purpose of giving effect to or implementing the Share Option Scheme (including without limitation rules which may restrict the exercise of the options granted or to be granted or otherwise impose restrictions on the option-holder) provided that such operational rules do not conflict with the Share Option Scheme or contravene any of the provisions of the Listing Rules. Any change to the authority of the Board or the administrators of the Share Option Scheme shall be approved by the Shareholders in general meeting.

(23) Options to Related Persons

- (i) Any grant of options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (“Related Person”) must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is also a proposed grantee of such options).
- (ii) Any grant of options to a substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon the exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12-month period up to and including the proposed Offer Date: (a) would represent in aggregate more than 0.1% of the Shares then in issue; and (b) would have an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as shall be permissible under the Listing Rules from time to time).
- (iii) At the general meeting to approve the proposed grant of options pursuant to this paragraph (23), all connected persons of the Company must abstain from voting unless intending to vote against the proposed grant. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

(24) Restrictions on grant of Options

No grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. Without prejudice to the foregoing, no option shall be granted during a period during which no option may be granted.

(25) Cancellation of Options

Options granted but not exercised or lapsed may be cancelled by the Board at its discretion with the consent of the relevant option-holder. The option-holders whose options are cancelled may be issued new options in accordance with the provisions of the Share Option Scheme, provided that there are sufficient available unissued options (excluding such cancelled options) for such re-issuance under the Scheme Mandate.

(26) Termination

The Company may at any time terminate the operation of the Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting and in such event no further options will be offered but the provisions of the Share Option Scheme shall remain in force in all other respects. In particular, all options granted and accepted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

The Share Option Scheme is conditional upon the Listing Committee granting approval of the Share Option Scheme and any options which may be granted thereunder and the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of any options to be granted under the Share Option Scheme.

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme.

3. Estate duty and tax indemnity

Mr. WANG Fucui and Furui (collectively, the “Indemnifiers”) have entered into a deed of indemnity with and in favour of the Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in the section headed “Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of (1) Hong Kong estate duty which might be payable by any member of the Group, by reason of any transfer of property by virtue of section 35 or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) to any member of the Group on or before the date of commencement of trading in the Shares on the Stock Exchange; (2) taxation falling on any of the Group companies resulting from or by reference to any income, profits or gains earned, accrued or received on or before the date of commencement of trading in the Shares on the Stock Exchange which might be payable by any member of the Group; and (3) all possible losses incurred by the Group from trade financing arrangements.

The Indemnifiers will, however, not be liable under the deed of indemnity:

- (i) to the extent that provision or allowance has been made for such taxation or taxation claims in the audited combined accounts of the Group for the three years ended 31 December 2008 and nine months ended 30 September 2009 (the “Accounts”); or
- (ii) to the extent that such taxation falling on any member of the Group companies in respect of any period commencing on or after 30 June 2009 unless liability for such

taxation would not have arisen but for some act or omission of, or transactions entered into by any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the ordinary course of business after the date on which trading in the Shares on the Stock Exchange commences (other than pursuant to a binding commitment existing at the date of this deed of indemnity); or

- (iii) to the extent provisions or reserve made such taxation in the Accounts is finally established to be an over-provision or an excessive reserve; or
- (iv) to the extent that the taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law coming into force after the date of the deed of indemnity or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after such date with retrospective effect.

The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in the Cayman Islands, Hong Kong, BVI or PRC.

4. Litigation

As of the Latest Practicable Date, no member of the Group had been engaged in any litigation or arbitration of material importance and no litigation or claim of material importance had been known to the Directors to be pending or threatened against any member of the Group.

5. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Committee for a listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including any Shares falling to be issued pursuant to the Pre-IPO Share Option Scheme, the Share Option Scheme and the exercise of the Over-allotment Option).

6. Preliminary expenses

The preliminary expenses of the Company are estimated to be approximately HK\$28,000 and are payable by the Company.

7. Qualification of experts

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

<u>Name</u>	<u>Qualifications</u>
HSBC	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 5 (advising on future contracts) and type 6 (advising on corporate finance) regulated activities as defined under the SFO and is also a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).
Deloitte Touche Tohmatsu	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Grandall Legal Group (Shanghai)	PRC lawyers
DTZ Debenham Tie Leung Limited	Property valuer
American Appraisal China Limited	Business and intangible asset valuer
Protiviti Shanghai Co., Ltd.	Internal control adviser

8. Consents of experts

Each of the experts whose names are set out in paragraph 7 above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or reference to its name included herein in the form and context in which they are respectively included.

9. Binding effect

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

10. Miscellaneous

- (a) Save as disclosed in this prospectus, and, where applicable, as at the Latest Practicable Date:
- (i) within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries was 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 the Company or any of its subsidiaries had been under option or had been agreed conditionally or unconditionally to be put under option;
 - (iii) within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;

- (iv) within the two years preceding the date of this prospectus, no commission had been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in the Company or any of its subsidiaries; and
- (v) no founder, management or deferred shares of the Company or any of its subsidiaries had been issued or agreed to be issued and no amount or benefit had been paid or given within two preceding years or is intended to be paid or given to any promoter.
- (b) None of the persons named in the section headed “Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of the 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 the Group.
- (c) The branch register of members of the Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Company’s share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS.
- (d) No company within the Group is presently listed on any stock exchange or traded on any trading system.

11. Bilingual prospectus

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

12. Particulars of the Selling Shareholders

Name	Description	Registered office	Number of Sale Shares
Furui	Corporation	P.O. Box 957, Road Town, Offshore Incorporations Centre, Tortola, British Virgin Islands	10,000,000
Turrence	Corporation	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	17,224,229
Tetrad	Corporation	168 Robinson Road, #37-01 Capital Tower, Singapore 068912	12,670,872
Raffles	Corporation	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	10,104,899
Total			50,000,000

Mr. WANG Fucai, is the sole legal and beneficial owner of the entire issued share capital of Furui.

13. No Promoter

We have no promoter for the purpose of the Listing Rules.

14. No Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company since 30 September 2009, being the last date of our latest audited financial results as set out in Appendix I “Accountants’ Report of the Company” to this prospectus.