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## REORGANISATION

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### INTRODUCTION

In contemplation of Listing, members of our Group have undergone certain restructuring steps whereby a coherent corporate structure of our Group has been established. The Reorganisation involved the following principal steps:–

- (1) acquisition of 5% equity interest in Sinoref (Yixing) by Sinoref International;
- (2) incorporation of Sinoref (BVI) and Sinoref (HK);
- (3) acquisition of entire equity interest in Sinoref (Yixing) by Sinoref (HK);
- (4) incorporation of our Company; and
- (5) acquisition of entire issued share capital in Sinoref (BVI) by our Company.

### DETAILED PROCEDURES

Prior to the Reorganisation, Sinoref (Yixing) was held by Sinoref International and Sino Super as to 95% and 5% respectively. For the purpose of Listing, the following Reorganisation steps have been implemented:

**(1) Acquisition of 5% equity interest in Sinoref (Yixing) by Sinoref International**

On 2 February 2010, Sino Super and Sinoref International entered into an equity transfer agreement, pursuant to which Sino Super transferred its 5% equity interest in Sinoref (Yixing) to Sinoref International in consideration of Sinoref International allotting and issuing 263,158 shares of US\$0.01 each in its share capital credited as fully paid to Sino Super. Sino Super had directed such shares to be issued to Dr. Zhang, being the sole shareholder of Sino Super, on 5 March 2010 (after the share subdivision as referred to in the paragraph below). Upon completion of the above procedures, Sinoref (Yixing) has become a wholly-owned subsidiary of Sinoref International. As at the Latest Practicable Date, the shareholding of Sinoref International was as follows:

| Shareholder                         | Approximate shareholding % |
|-------------------------------------|----------------------------|
| Mr. Xu                              | 40                         |
| Mr. Gao Zhilong                     | 25                         |
| Dr. Zhang                           | 10                         |
| Mr. Gu Aoxing                       | 4                          |
| Mr. Wang Zhizhong                   | 2                          |
| Mr. Fu Chengzheng ( <i>Note 1</i> ) | 3                          |
| Mr. Chai Xishu ( <i>Note 2</i> )    | 16                         |

*Notes:*

1. Mr. Fu Chengzheng is an investment shareholder in Sinoref International. He has been a shareholder of Sinoref International since its incorporation.
2. Mr. Chai Xishu is an investment shareholder in Sinoref International and has been a shareholder of Sinoref International since 1 August 2008. He is a personal friend of Mr. Xu and he was engaged in the business of sales of detergent and other cleaning agents. Mr. Xu introduced our business to him and he invested in Sinoref International due to his personal interest in the business.

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On 4 March 2010, each of the then issued shares of Sinoref International having a par value of US\$1.00 each was subdivided into 100 subdivided shares having a par value of US\$0.01 each, thereby the number of the then issued shares was increased from 50,000 shares of US\$1.00 each to 5,000,000 shares of US\$0.01 each. On the same date, the authorised share capital of Sinoref International was increased from US\$50,000 divided into 5,000,000 shares of US\$0.01 each to US\$55,000 divided into 5,500,000 shares of US\$0.01 each.

### **(2) Incorporation of Sinoref (BVI) and Sinoref (HK)**

On 12 January 2010, Sinoref (BVI) was incorporated in the BVI for the purpose of acting as the intermediate company of our Group with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On the same date, Sinoref (BVI) allotted and issued one share to Sinoref International.

On 17 February 2010, Sinoref (HK) was incorporated under the Companies Ordinance in Hong Kong for the purpose of acting as the intermediate company of our Group with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On the same date, Sinoref (HK) allotted and issued one share to Sinoref (BVI).

### **(3) Acquisition of the entire equity interest in Sinoref (Yixing) by Sinoref (HK)**

On 8 March 2010, Sinoref International and Sinoref (HK) entered into an equity transfer agreement, pursuant to which Sinoref International transferred its entire equity interest in Sinoref (Yixing) to Sinoref (HK) in consideration of Sinoref (HK) procuring Sinoref (BVI) allotting and issuing one share of US\$1.00 each in its share capital credited as fully paid to Sinoref International. Upon completion of the equity transfer agreement, Sinoref (Yixing) has become a wholly-owned subsidiary of Sinoref (HK).

### **(4) Incorporation of our Company**

On 4 February 2010, our Company was incorporated under the Companies Law as an exempted company with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each. On 4 February 2010, our Company allotted and issued one nil-paid Share to Codan Trust Company (Cayman) Limited, which was transferred to Sinoref International on the same date. Our Company also allotted and issued another 999,999 nil-paid Shares to Sinoref International on the same date. The said 1,000,000 Shares were transferred to the shareholders of Sinoref International in proportion to their respective shareholdings in Sinoref International, at nil consideration, immediately prior to completion of the share purchase agreement referred to in paragraph (5) below and were subsequently paid up in the manner described therein.

On 11 February 2010, the name of our Company changed from Sinoref Holdings Ltd. to Sinoref Holdings Limited 華耐科技控股有限公司. On 11 May 2010, the name of our Company changed from Sinoref Holdings Limited 華耐科技控股有限公司 to Sinoref Holdings Ltd., and from Sinoref Holdings Ltd. to Sinoref Holdings Limited 華耐控股有限公司, which is our current company name.

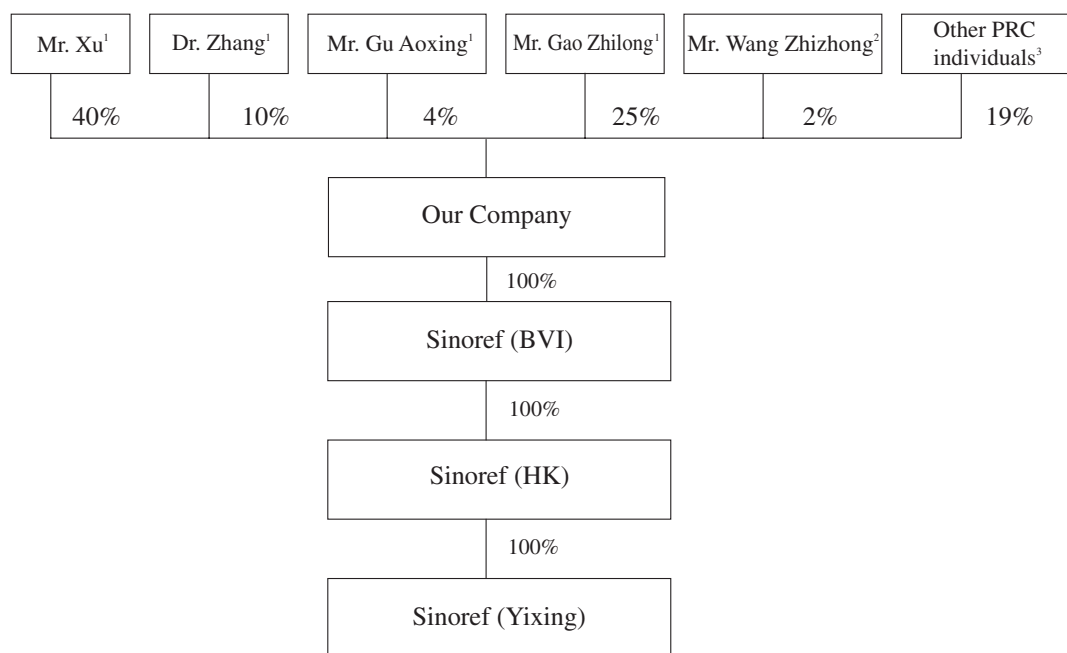
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### (5) Acquisition of the entire issued share capital in Sinoref (BVI) by our Company

On 7 June 2010, the authorised share capital of our Company was increased from HK\$100,000 to HK\$300,000,000. Pursuant to a share purchase agreement dated 7 June 2010 and entered into by, among other parties, Sinoref International as vendor and our Company as purchaser for the acquisition of the entire issued share capital of Sinoref (BVI), being two shares of US\$1.00 each, in consideration of and in exchange for which our Company (i) credited as fully paid at par the 1,000,000 nil-paid Shares then held by the shareholders of Sinoref International; and (ii) allotted and issued, at the direction of Sinoref International, 1,000,000 Shares credited as fully paid to the shareholders of Sinoref International in proportion to their respective shareholdings in Sinoref International.

### CORPORATE STRUCTURE

Set out below is the shareholding structure of our Group after the Reorganisation and immediately prior to the Global Offering and the Capitalisation Issue:

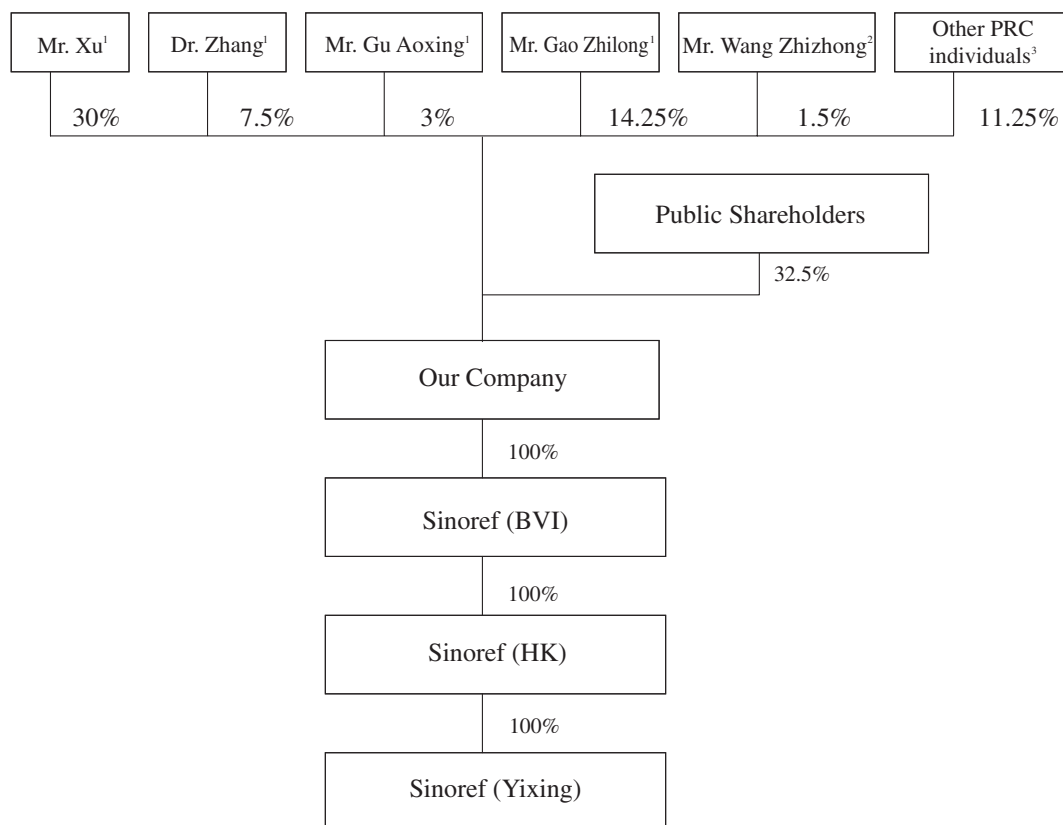


*Notes:*

- <sup>1</sup> Each of Mr. Xu, Dr. Zhang, Mr. Gu Aoxing and Mr. Gao Zhilong is our Director.
- <sup>2</sup> Mr. Wang Zhizhong is one of our senior management staff.
- <sup>3</sup> To the best knowledge of our Directors, these two PRC individuals (i.e. Mr. Fu Chengzheng who held 3% of the total issued share capital of our Company and Mr. Chai Xishu who held 16% of the total issued share capital of our Company) were Independent Third Parties.
- <sup>4</sup> The percentage shareholdings shown in this chart are rounded up to the nearest integral number, where applicable.

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Set out below is the shareholding structure of our Group following completion of the Capitalisation Issue and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares have been issued pursuant to the exercise of any option which may be granted under the Share Option Scheme):



*Notes:*

1. Each of Mr. Xu, Dr. Zhang, Mr. Gu Aoxing and Mr. Gao Zhilong is our Director.
2. Mr. Wang Zhizhong is one of our senior management staff.
3. To the best knowledge of our Directors, these two PRC individuals (i.e. Mr. Fu Chengzheng who held 2.25% of the total issued share capital of our Company and Mr. Chai Xishu who held 9% of the total issued share capital of our Company) were Independent Third Parties.
4. The percentage shareholdings shown in this chart are rounded up to the nearest integral number, where applicable.