

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

The Company has established its principal place of business in Hong Kong at Suite 1906, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon. The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 22 February 2010.

As the Company is incorporated in the Cayman Islands, its operations are subject to the Cayman Islands law and to its constitution, which comprises the memorandum of association of the Company and the Articles. A summary of certain relevant parts of its constitution and certain relevant aspects of the Cayman Islands company law are set out in Appendix V to this prospectus.

The Company was registered with the Hong Kong Companies Registry as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 17 December 2010. Ng Kin Sun of Suite 1906, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon has been appointed as the agent of the Company for the acceptance of service of process in Hong Kong.

**2. Changes in share capital**

- (a) As at the date of incorporation of the Company, its authorised share capital was HK\$380,000 divided into 3,800,000 Shares of HK\$0.1 each. One Share was issued to Codan Trust Company (Cayman) Limited as subscriber for cash at par on 22 February 2010 and such Share was transferred to Mr. Lin on the same day.
- (b) Pursuant to written resolutions passed by the then sole shareholder of the Company on 17 December 2010:–
  - (i) the authorised share capital of the Company was increased from HK\$380,000 to HK\$400,000,000 by the creation of an additional 3,996,200,000 Shares, such new Shares to rank pari passu with the then existing Shares in all respects; and
  - (ii) the Directors were authorised to allot and issue 2,674, 697, 400, 450, 450, 328 Shares nil paid to Mr. Lin, Mr. Lin Genghua, Success Dragon, Golden Prince, King & Queen and Robust China (together the “Existing Shareholders”) respectively.

- (c) Pursuant to the resolutions of the Board passed on 20 December 2010, it was resolved that in exchange and as consideration for the acquisition of the entire issued share capital of 5,000 shares of US\$1 each in the capital of Sumpo Holdings from the Existing Shareholders, the Company would apply the sum of HK\$499.90 to pay up in full at par the 4,999 Shares which were issued to the Existing Shareholders nil-paid on 17 December 2010.
- (d) Immediately following the Share Offer becoming unconditional and the issue of the Offer Shares, the authorised share capital of the Company will be HK\$400,000,000 divided into 4,000,000,000 Shares and the issued share capital of the Company will be HK\$160,000,000 divided into 1,600,000,000 Shares, all of which will be fully paid or credited as fully paid. 2,400,000,000 Shares will remain unissued. Other than pursuant to the exercise of any options granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and no issue of Shares which would effectively alter the control of the Company will be made without the prior approval of the members of the Company in general meeting.
- (e) Save as aforesaid, there has been no alteration in the share capital of the Company since its incorporation.

### **3. Shareholders' resolutions of the Company passed on 17 December 2010**

Pursuant to the written resolutions passed by the then sole shareholder of the Company on 17 December 2010, (apart from the resolutions relating to the changes in share capital of the Company referred to in the paragraph headed "Changes in share capital") resolutions were passed pursuant to which:–

- (a) the Company approved and adopted its Articles;
- (b) conditional on the same conditions as stated in the paragraph headed "Conditions of the Share Offer" under the section headed "Structure of the Share Offer" in this prospectus having been fulfilled:–
  - (i) the Share Offer was approved and the Directors were authorised to allot and issue the Offer Shares pursuant thereto;
  - (ii) subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the issue of Offer Shares under the Share Offer, the Directors were authorized to allot and issue a total of 1,599,995,000 Shares credited as fully paid at par to the holders of Shares on the register of members of our Company at 8:00 a.m. on the Listing Date, pro-rata to their then shareholdings in the Company, and the Shares to be allotted and issued under this resolution shall rank pari passu in all respects with the existing issued Shares;

- (iii) the terms of the Share Option Scheme were approved and adopted and the Directors were authorised to grant options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of subscription rights under any options granted under the Share Option Scheme;
- (iv) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights or pursuant to the exercise of subscription rights attaching to options under the Share Option Scheme, Shares with an aggregate nominal value not exceeding the sum of (i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Share Offer (such share capital being inclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and (ii) the aggregate nominal amount of the share capital of the Company which may be repurchased by the Company pursuant to the authority granted to the Directors as referred to in sub-paragraph (v) below, 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 to be held by the Articles or the Companies Law or any other applicable laws or the date of passing of an ordinary resolution by the Shareholders at general meeting revoking or varying the authority given to the Directors, whichever occurs first;
- (v) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase Shares listed on the Stock Exchange or any other stock exchange recognised by the SFC and by the Stock Exchange for this purpose having an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the completion of the Share Offer (such share capital being inclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option) 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 to be held by the Articles or the Companies Law or any other applicable laws or the date of passing of an ordinary resolution by the Shareholders at general meeting revoking or varying the authority given to the Directors, whichever occurs first; and
- (vi) the general unconditional mandate referred to in sub-paragraph (iv) above was extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of Shares repurchased by the Company since the granting of the general mandate referred to in sub-paragraph (v) above, provided that such amount shall

not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Share Offer (such share capital being inclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

#### **4. Corporate reorganization**

The companies comprising the Group underwent a reorganisation in preparation for the Share Offer. Following the reorganisation, the Company became the holding company of the Group. The reorganisation involved the following:

- (a) On 22 February 2010, the Company was incorporated in the Cayman Islands.
- (b) On 17 December 2010, the Company increased its authorised share capital from HK\$380,000 to HK\$400,000,000.
- (c) On 17 December 2010, the Company allotted and issued 2,674, 697, 400, 450, 450, 328 Shares nil paid to Mr. Lin, Mr. Lin Genghua, Success Dragon, Golden Prince, King & Queen and Robust China (together the “Existing Shareholders”) respectively.
- (d) On 20 December 2010, in exchange and as consideration for the acquisition of the entire issued share capital of 5,000 shares of HK\$0.1 each in the capital of Sumpo Holdings from the Existing Shareholders, the Company applied the sum of HK\$499.90 to pay up in full at par the 4,999 Shares which were issued to the Existing Shareholders nil paid on 17 December 2010.

#### **5. Changes in share capital of subsidiaries**

The subsidiaries of the Company are referred to in note 22 of the accountants’ report, the text of which is set out in Appendix I to this prospectus.

The following alterations in the share capital of the Company’s subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

- (a) On 28 April 2009, Mr. Ng Leung Ho transferred 15 shares in Sumpo Holdings to Mr. Lin at the consideration of HK\$43,650,000.
- (b) On 11 September 2009, Winner Sea Limited transferred 10 shares in Sumpo Holdings to Mr. Lin at the consideration of HK\$38,204,545.
- (c) On 18 November 2009, Sumpo Holdings allotted and issued 3,000, 680 and 320 shares to Mr. Lin, Mr. Lin Genghua and Success Dragon respectively.

- (d) Pursuant to a subscription agreement dated 20 November 2009, Sumpo Holdings allotted and issued to each of Golden Prince and King & Queen 450 shares for consideration from each of them of HK\$20,250,000.
- (e) Pursuant to an equity transfer agreement dated 1 December 2009, Fujian Sumpo and Longyan Baotai transferred 98% and 2% of the registered capital of Fujian Sumhua to Xiamen Sumpo at the consideration of RMB98,000,000 and RMB2,000,000 respectively.
- (f) Pursuant to an equity transfer agreement dated 18 December 2009, Fujian Sumpo transferred 70% of the registered capital of Fujian Sumhui to Fujian Sumhua at the consideration of RMB21,000,000.
- (g) Pursuant to a share transfer agreement dated 5 February 2010, Mr. Lin transferred his 328 shares in Sumpo Holdings to Robust China at the consideration of HK\$24,928,000.
- (h) Pursuant to a share transfer agreement dated 5 February 2010, Mr. Lin transferred his 72 shares in Sumpo Holdings to Success Dragon at the consideration of HK\$5,472,000.
- (i) On 8 June 2010, Fujian Hetai was established as a wholly owned subsidiary of Fujian Sumpo with a registered capital of RMB20,000,000.
- (j) On 14 July 2010, Fujian Baojiashun was established with a registered capital of RMB120,000,000, which was owned by Fujian Sumpo and Fujian Sumhua as to 32% and 68% respectively.
- (k) Pursuant to an equity transfer agreement dated 13 August 2010, Fujian Sumhua transferred its 68% equity interest in Fujian Baojiashun to Fujian Sumpo at a consideration of RMB81,600,000.

Save as mentioned herein, 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 its own securities

### *Introduction*

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

### *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 restrictions contained in the Listing Rules are summarised below:–

#### *(a) Shareholders' approval*

The Listing Rules provide that all proposed securities repurchases (which must be fully paid up in case of shares) on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate or by a special approval in relation to a specific transaction.

*Note:* Pursuant to the written resolutions passed by the then sole shareholder of the Company on 17 December 2010, a general unconditional mandate (the “Repurchase Mandate”) was given to the Directors authorising the repurchase of Shares by the Company on the Stock Exchange or any other recognised stock exchange on which the securities of the Company may be listed and recognised by the SFC and by the Stock Exchange for this purpose, up to an aggregate nominal value not exceeding 10% of the aggregate nominal amount of its issued share capital (such share capital being inclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option). The Repurchase Mandate will be exercisable upon Listing and will expire at 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 the Companies Law or any other applicable laws to be held, or when revoked or varied by ordinary resolution of the Shareholders, whichever shall first occur.

#### *(b) Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles and the applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under Cayman Islands law, any repurchases by the Company may be made out of profits of the Company or out of the proceeds 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 and, in case of any premium payable

on the repurchase, out of 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.

*(c) Trading restrictions*

A listed company may not issue or announce an issue of new shares of the type that has been repurchased for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, all repurchases of securities on the Stock Exchange in any calendar month are limited to a maximum of 25 per cent of the trading volume of such securities on the Stock Exchange in the immediately preceding calendar month. The Listing Rules also prohibit a company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

*(d) Status of repurchased shares*

The Listing Rules provide that the listing of all repurchased securities shall be automatically delisted upon repurchase irrespective of whether or not such repurchase takes place on the Stock Exchange, and that the relevant share certificates must be cancelled and destroyed.

*Note:* Under Cayman Islands law, the Company's repurchased shares will be treated as cancelled.

*(e) Suspension of repurchases*

The Listing Rules require any share repurchase programme to be suspended after the directors have made any decision in respect of a price sensitive development until the price sensitive information has been made publicly available. In addition, the Stock Exchange reserves the right to suspend share repurchases on the Stock Exchange if a company has breached the Listing Rules.

*(f) Connected parties*

The Listing Rules prohibit a company from knowingly repurchasing securities on the Stock Exchange from a Connected Person and a Connected Person shall not knowingly sell his securities to the company.

*Exercise of the Repurchase Mandate*

Exercise in full of the Repurchase Mandate, on the basis of 1,600,000,000 Shares in issue immediately after the Share Offer becomes unconditional, but taking no account of any Shares which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option, could accordingly result in up to 160,000,000 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting of the Company.

*Reasons for repurchases*

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

*Funding of repurchases*

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Articles and the applicable laws and regulations of Hong Kong (including the Listing Rules) and the Cayman Islands.

On the basis of the combined net tangible assets of the Group as at 30 June 2010, and taking into account the estimated net proceeds of the Share Offer and the current working capital position of the Group, the Directors consider that there may be material adverse effect on the working capital requirements and gearing position of the Group in the event that the Repurchase Mandate was to be exercised in full during the period before the Repurchase Mandate expires. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time not appropriate for the Company.

*General*

None of the Directors, or to the best of their knowledge having made all reasonable enquires, any associate of any Director, have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.



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, the Memorandum of Association and Articles and the applicable laws of the Cayman Islands.

If, as the result of a share repurchase, 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. As a result, a shareholder or a group of shareholders acting in concert, could, depending on the level of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Immediately following the Share Offer but taking no account of any Shares which may be taken up under the Share Offer, Mr. Lin and Mr. Lin Genghua held 642,000,000 Shares and 167,280,000 Shares representing approximately 40.12% and 10.46% of the issued share capital of the Company respectively. By virtue of their relationship of father and son, Mr. Lin and Mr. Lin Genghua are presumed to be acting in concert with each other for the purpose of the Takeovers Code and their collective shareholding will amount to 50.58%.

The decrease of issued Shares resulted from the full exercise of the Repurchase Mandate will cause the percentage shareholding of Mr. Lin on his own account to increase to approximately 44.58%. In the event of such increase, Mr. Lin may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code as his shareholding would increase by more than 2% of the voting rights of the Company.

Saved as disclosed, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who will become obliged to make a mandatory offer as a result of a repurchase of Shares if the Repurchase Mandate is exercised in full. The Board currently has no intention to exercise the Repurchase Mandate to the extent which will trigger a mandatory offer under Rule 26 of the Takeovers Code.

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

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

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years preceding the date of this prospectus and are or may be material in relation to the business of the Group taken as a whole:–








- (a) the share transfer agreement dated 2 April 2009 entered into between Longyan Baotai and Longyan Huizhi, pursuant to which Longyan Baotai agreed to purchase 2% equity interest in Fujian Sumhua at a consideration of RMB2,000,000;
- (b) a subscription agreement dated 20 November 2009 (as supplemented by a supplemental deed dated 28 September 2010) entered into among Sumpo Holdings, Golden Prince, King & Queen, Mr. Lin, Lin Genghua and Success Dragon, pursuant to which Sumpo Holdings allotted and issued to each of Golden Prince and King & Queen 450 shares and received from each of them the consideration of HK\$20,250,000;
- (c) an equity transfer agreement dated 1 December 2009 pursuant to which Fujian Sumpo and Longyan Baotai transferred 98% and 2% of the registered capital of Fujian Sumhua to Xiamen Sumpo at the consideration of RMB98,000,000 and RMB2,000,000 respectively;
- (d) an equity transfer agreement dated 18 December 2009 entered into between Fujian Sumpo and Fujian Sumhua, pursuant to which Fujian Sumpo transferred 70% of the registered capital of Fujian Sumhui to Fujian Sumhua at the consideration of RMB21,000,000;
- (e) an equity transfer agreement dated 13 August 2010 entered into between Fujian Sumhua and Fujian Sumpo, pursuant to which Fujian Sumhua transferred 68% of the registered capital of Fujian Baojiashun to Fujian Sumpo at the consideration of RMB81,600,000;
- (f) three service agreements all dated 17 December 2010 each made between the Company and each of the executive Directors under which the executive Directors agreed to serve for a term of 3 years commencing from 17 December 2010 and renewable for another 1 year upon expiry with an undertaking that for so long as he is an executive Director and for a period of 12 months after his ceasing to be an executive Director, he will not engage in any business which either directly or indirectly competes with the business of the Group;
- (g) a deed of covenant dated 17 December 2010 made between the Company on the one hand and Mr. Lin and Mr. Lin Genghua on the other hand, under which each of Mr. Lin and Mr. Lin Genghua has undertaken to the Company

that for so long as their aggregate direct or indirect shareholding in the Company is 30 per cent. or more, each of them will not engage, invest, be interested or otherwise be involved in any business which either directly or indirectly competes with the business of the Group;

- (h) a share exchange agreement dated 20 December 2010 made between the Existing Shareholders and the Company relating to the corporate reorganisation of the Group referred to in paragraph headed “Corporate Reorganisation” of this Appendix;
- (i) a deed of indemnity dated 17 December 2010 executed by Mr. Lin and Mr. Lin Genghua in favour of the Company containing indemnities in respect of taxation referred to in paragraph headed “Estate duty, tax and other indemnity” of this Appendix;
- (j) an agreement dated 29 December 2010 made among, among the others, the Company and the Underwriters being the Underwriting Agreement.

## 2. Intellectual property

The Group is the owner and/or applicant of the following trademarks:

Trademark	Registration/ Application Number	Applicant	Place of Registration	Class (Note 3)
	1447856	Fujian Sumpo (Note 1)	PRC	29
	1447858	Fujian Sumpo (Note 1)	PRC	29
	1447859	Fujian Sumpo (Note 1)	PRC	29
	5321249	Fujian Sumpo (Note 2)	PRC	29
	1458804	Fujian Sumpo (Note 2)	PRC	31
	1458805	Fujian Sumpo (Note 2)	PRC	31
	5321250	Fujian Sumpo (Note 2)	PRC	31

Trademark	Registration/ Application Number	Applicant	Place of Registration	Class (Note 3)
	301574460	Company	Hong Kong	29, 31
	301559746	Company	Hong Kong	29, 31
	301559728	Company	Hong Kong	29, 31
	301559737	Company	Hong Kong	29, 31
	301699354	Company	Hong Kong	29, 31

*Note 1:* Fujian Sumhua, Xiamen Sumpo, Mr. Lin and Fujian Sumpo were/are the owners of the trademarks. Applications have been made for transferring the trademarks to the sole name of Fujian Sumpo. The relevant authority has already accepted the relevant applications for such transfers of trademarks and the renewal applications of the trademarks have also been submitted by Fujian Sumpo.

*Note 2:* Fujian Sumhua, Longyan Baoshun Poultry Technology Company Limited, Xiamen Sumpo and Mr. Lin were/are the owners of the trademarks. Applications have been made for transferring the trademarks to the sole name of Fujian Sumpo. The relevant authority has already accepted the relevant applications for such transfers of trademarks and the renewal applications of the trademarks have also been submitted by Fujian Sumpo.

*Note 3:* Class 29 generally relates to meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats. Our trademarks relate more specifically to the products under the category of meat, poultry and meat extracts.

Class 31 generally relates to agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt. Our trademarks relate more specifically to the products under the category of agricultural products and grains not included in other classes and foodstuffs for animals.

There are no other trade or service marks, registered designs, patents or other intellectual property rights owned or used by any company within the Group.

**C. FURTHER INFORMATION ABOUT SHAREHOLDERS, DIRECTORS, MANAGEMENT AND STAFF**

**1. Disclosure of Interests of Directors**

- (a) Mr. Lin is interested in the corporate reorganisation transactions as set out in paragraph headed “Corporate reorganisation” of this Appendix.
- (b) Immediately following the Share Offer and subject to the terms and conditions of this prospectus, the interests and short positions of the Directors and chief executive in the Shares, underlying Shares and debentures in the Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which a Director or chief executive is taken or deemed to have under such provisions of SFO) once the Shares are listed, or will be required pursuant to Section 352 of the SFO to be entered in the register referred to therein, once the Shares are listed, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, once the Shares are listed will be as follows:–

**Interests or short positions in the Company**

<b>Name</b>	<b>Long/Short Position</b>	<b>Nature of Interest</b>	<b>Number and Percentage of the issued Shares (assuming no exercise of the Over-allotment Option and any options granted under the Share Option Scheme)</b>	<b>Class of share capital of the Company (Note 1)</b>
Mr. Lin	Long	Beneficial Interest	642,000,000 (40.12%)	Ordinary

## 2. Disclosure of Interest of Substantial Shareholders

Immediately following the Share Offer but taking no account of any Shares which may be taken up under the Share Offer, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) are expected to 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 the SFO:–

Name	Number and Class of Shares	Nature of Interests	Percentage of issued share capital of the Company (assuming no exercise of the Over-allotment Option and any options granted under the Share Option Scheme)
Lin Genghua	167,280,000 (Ordinary)	Beneficial interest	10.46%
Chau Gam Jaak	96,000,000 (Ordinary)	Corporate Interest <i>(Note 2)</i>	6.00%
Ho Kam Hung	108,000,000 (Ordinary)	Corporate Interest <i>(Note 3)</i>	6.75%
Ng Leung Ho	108,000,000 (Ordinary)	Corporate Interest <i>(Note 4)</i>	6.75%

Immediately following the Share Offer but taking no account of any Shares or which may be taken up under the Share Offer, so far as is known to any Director or chief executive of the Company, the following persons are expected to, directly or indirectly, be 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:–

<b>Name</b>	<b>Name of group Members</b>	<b>Approximate percentage of shareholding (assuming no exercise of the Over-allotment Option and any options granted under the Share Option Scheme)</b>
Longyan Investment	Fujian Sumpo	10%

*Notes:*

1. The percentage of the issued share capital of the Company (assuming that the Over-allotment Option is not exercised).
2. Chau Gam Jaak is deemed to be interested in 96,000,000 Shares held by Success Dragon, a company wholly owned by him.
3. Ho Kam Hung is deemed to be interested in 108,000,000 Shares held by King & Queen, a company wholly owned by him.
4. Ng Leung Ho is deemed to be interested in 108,000,000 Shares held by Golden Prince, a company wholly owned by him.

Save as disclosed herein, none of the Directors or any chief executive of the Company has an interest or short position in any 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 the SFO.

### **3. Particulars of service agreements**

- (a) Each of the executive Directors has entered into a service agreement with the Company for an initial term of 3 years commencing from 17 December 2010 and is automatically renewed for another 1 year upon expiry, subject to the compliance of the Listing Rules. Each of the service agreements may be terminated by not less than 3 months' notice in writing served by either party on the other.

- (b) Save as disclosed herein, no other Directors have entered into any service agreement with any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### **4. Executive directors' remuneration**

It is estimated that under the arrangements in force at the date of this prospectus, the aggregate remuneration payable to, and benefits in kind receivable by, the Directors or proposed Directors by any member of the Group for the year ending 31 December 2010 will be approximately RMB0.5 million.

An aggregate of approximately RMB0.2 million was paid to the Directors as remuneration paid and benefits in kind granted in respect of the year ended 31 December 2009.

#### **5. Agency fees or commissions received**

The Underwriters will receive a commission of 2.5% of the Offer Price of the Offer Shares, out of which they will pay any sub-underwriting commissions. The Sponsor will receive a documentation fee and will be reimbursed for its expenses. Such commission, documentation fee and expenses, together with the Stock Exchange listing fees, legal and other professional fees, and printing and other expenses relating to the Share Offer which are estimated to amount in aggregate to approximately HK\$22.00 million, will be payable by the Company.

Within the two years prior to the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or capital of the Company or any of its subsidiaries.

#### **6. Related party transactions**

The related party transactions entered into by the members of the Group within the two years immediately preceding the date of this prospectus are mentioned in note 42 of the accountants' report, the text of which is set out in Appendix I to this prospectus.

#### **7. Disclaimers**

- (a) Save as disclosed in this prospectus but taking no account of Shares which may be taken up pursuant to the Share Offer, the Directors are not aware of any person who will, immediately following the completion of the Share Offer, have an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be 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 the Group.



- (b) Save as disclosed in this prospectus:
- (i) none of the directors or partners, as the case may be, of the Company or expert as referred to in the section headed “Qualifications of experts” of this appendix is interested in the promotion of the Company, or in any assets which have been within the two years immediately preceding the issue of this prospectus 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;
  - (ii) no Director or expert as referred to in the section headed “Qualifications of experts” of this appendix is 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 taken as a whole;
  - (iii) no expert as referred to in the section headed “Qualifications of experts” of this appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
  - (iv) none of the Directors has 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. SHARE OPTION SCHEME**

The following is a summary of the principal terms of the Share Option Scheme adopted pursuant to the resolution(s) passed by the then sole Shareholder on 17 December 2010. For the purpose of this section, references to “Board” shall mean the Board or a duly authorised committee thereof, references to “Employee” shall mean any full time or part time employee (including any executive and non-executive Director or proposed executive and non-executive Director) of the Group, references to “Participant” shall mean any Employee, advisor, consultant, agent, contractor, client and supplier who in the sole discretion of the Board has contributed or is expected to contribute to the Group. Unless the context otherwise requires, references to “Shares” in this section include shares in the Company of any other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

##### **1. Participants of the Share Option Scheme**

The Participants of the Share Option Scheme to whom options may be granted by the Board shall include any Employee, consultant, advisor, agent, contractor, client or supplier who in the sole discretion of the Board has contributed or is expected to contribute to the Group.

## **2. Purpose of the Share Option Scheme**

The purpose of the Share Option Scheme is to recognise and motivate the contribution of the Participants and to provide incentives and help the Company in retaining its existing Employees and recruiting additional Employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company.

## **3. Life of the Share Option Scheme**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption of the Share Option Scheme, 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.

## **4. Subscription Price**

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Board in its absolute discretion at the time of the grant of the relevant option and notified to each grantee but in any case will not be less than the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; or (3) the nominal value of a Share, provided that for the purpose of calculating the subscription price, where the Company has been listed for less than 5 trading days, the issue price under the Share Offer shall be used as the closing price for any trading day falling within the period before listing. In the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

## **5. Restriction on the Time of Grant of Option**

No offer of options shall be made after a price sensitive development or 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. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the board meeting for approval of the Company's interim or annual results or (b) the failure of the Company to publish its interim or the annual results announcement under the Listing Rules and ending on the date of the results announcement, no option should be granted.

## 6. Maximum Number of Shares

- 6.1 The total number of the Shares which may be issued upon exercise of all options which may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue immediately following completion of the Share Offer, being 160,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). (the “Scheme Mandate Limit”) (including any Shares that may be issued pursuant to the exercise of the Over-allotment Option), unless the Company obtains a fresh approval from its Shareholders pursuant to paragraph 6.2 below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- 6.2 The Company may seek approval of the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the issued share capital of the Company at the date of the approval of the renewal by the Shareholders of the Company. Upon any such renewal, all options granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.
- 6.3 The Company may grant options to Participant(s) beyond the Scheme Mandate Limit if the grant of such options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the specified Participants, the number and terms of the options to be granted, the purpose of granting options to the specified Participants, and how these options serve such purpose.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.

## 7. Option Shares Entitled by Each Grantee

No Participant shall be granted an option if the total number of the Shares issued and to be issued upon exercise of the options granted and to be granted (including both exercised, cancelled and outstanding options) in any 12 months period up to and including the date of grant to such Participant would exceed 1% of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed grantee and his associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed grantee, the number and terms of the options granted and to be granted and other information required by the Listing Rules. The number and terms of options to be granted to such proposed grantee must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

## 8. Requirements on Granting Options to Connected Persons

- 8.1 Any grant of option to a director, chief executive, substantial shareholder or connected person of the Company, or any of their respective associates under the Scheme must be approved by the independent non-executive directors of the Company (excluding any independent non-executive Director who is the grantee of the option).
- 8.2 Where a grant of option is to a substantial shareholder of the Company or an independent non-executive director of the Company or any of their respective associates and the proposed grant of option, when aggregated with the options already granted and to be granted (including both exercised, cancelled and outstanding options) to such person(s) in the past twelve (12) months period, would entitle such person(s) to subscribe for over 0.1% of the total issued share capital of the Company for the time being and having an aggregate value in excess of HK\$5 million based on the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet at the date of grant, then the proposed grant of option must be subject to approval by the Shareholders on a poll in a general meeting where all Connected Persons of the Company must abstain from voting in favour (except where such Connected Person(s) intends to vote against the proposed grant of option and his intention to do so has been stated in the circular). A shareholders' circular must be prepared by the Company explaining the proposed grant of option, disclosing the number and terms of the option proposed to be granted and the recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the grantee of the option) as to voting and all information required under the Listing Rules. The Shareholders' approval as described above will also be required for any change in the terms of any options granted to a substantial shareholder of the Company or an independent non-executive director of the Company or any of their respective associates.

The requirements for the granting of options to a Director set out in sub-paragraphs 8.1 and 8.2 above shall not apply where the Participant is only a proposed executive or non-executive Director.

- 8.3 Disclosures will be made in the annual and interim reports of the Company including details of the options granted to the following persons: (i) a director, chief executive, substantial shareholder or connected person of the Company, or any of their respective associates; (ii) each Participant with options granted in excess of the individual limit referred to in paragraph 7 above or in the Listing Rules; (iii) aggregate figures for the Employees; (iv) aggregate figures for suppliers of goods or services; and (v) other Participants in aggregate.

### **9. Time of Exercise of Option**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not be more than ten (10) years from the date on which an option is granted to any Participant and the Board may provide restrictions on the exercise of an option during the period an option may be exercised.

### **10. Rights are Personal to Grantee**

An option shall be personal to the grantee and shall not be assignable and no grantee 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.

### **11. Rights on Ceasing Employment**

In the event of the grantee, being an Employee at the date on which an option is granted, ceasing to be an Employee for any reason other than his death or the termination of employment on any of the grounds referred to in paragraph 13 below, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not or, if any of the events referred to in paragraphs 15, 16 or 17 occurs during such period, the grantee may exercise the option within the period stipulated in paragraph 15, 16 or 17 instead of the period referred to in this paragraph 11 (provided that the retirement of director(s) of the Group by rotation pursuant to the constitution of the relevant member of the Group at annual general meeting of such member who is/are re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph).

**12. Rights on Death**

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in paragraph 13 below arises prior to the death, in the case the grantee is an Employee at the date of grant), the legal personal representative(s) of the grantee shall be entitled within a period of twelve (12) months from the date of death or, if any of the events referred to in paragraphs 15, 16 or 17 occurs during such period, within the period stipulated in paragraphs 15, 16 or 17 instead of the period referred to in this paragraph 12 to exercise the option up to the entitlement of such grantee as at the date of death (to the extent which has become exercisable and not already exercised).

**13. Rights on Dismissal**

In the event the grantee, being an Employee at the date of grant, ceases to be an Employee by reason of termination of employment on the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary, his option shall lapse automatically (to the extent not already exercised) on the date on which the grantee ceases to be an Employee.

**14. Effect of Alterations to Capital**

In the event of any alteration in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company whilst any option remains exercisable, such corresponding alterations (if any) certified by an independent financial advisor or the auditors of the Company for the time being in writing to the Board as fair and reasonable and in accordance with the requirements set out in this paragraph shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription price provided that no alteration shall be made so that a Share would be issued at less than its nominal value or which would give a grantee a different proportion of the issued share capital of the Company as that to which he was previously entitled or would be to the advantage of scheme participants without specific prior approval by the Shareholders. In case of any alterations other than an alteration made on a capitalisation issue, a written confirmation from an independent financial advisor or the auditors of the Company for the time being to the Director is required to confirm that the above proviso has been satisfied.

**15. Rights on a General Offer**

If a general offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the grantee (or, as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent which has become exercisable and not already exercised) at any time within fourteen (14) days after the date on which the offer becomes or is declared unconditional.

**16. Rights on 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 date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees (together with a notice of existence of the provisions of this paragraph) and thereupon, each grantee (or, as permitted under paragraph 12, his legal personal representatives) shall be entitled to exercise all or any of his options at any time not later than two (2) business days prior to the proposed general meeting of the Company to consider the voluntary winding-up (to the extent which has become exercisable and not already exercised) 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 allot the relevant Shares to the grantee credited as fully paid.

**17. Rights on a Compromise or Arrangement**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or 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 thereof to all grantees (together with a notice of the existence of the provisions of this paragraph 17) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options in whole (or in part) (to the extent not already lapsed or exercised) at any time no later than two (2) business days prior to the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement by notice in writing to 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 practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised,

lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of the grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) (provided that the period within which an option can be exercised shall accordingly be extended by the length of the period of the suspension) 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 grantee as a result of the aforesaid suspension, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.

#### **18. Effects of Sale, Separate Listing, Reorganisation and Consolidation of the Company**

If the Board considers that a grantee is ceased to be an Employee due to the sale, or separate listing, of the company he is serving, or if the Company is merged reorganised or consolidated with another entity, the Board may at its sole discretion (a) arrange for substitute options or share purchase rights of no less than their equivalent fair value in the purchasing, surviving or newly listed company; (b) provide cash compensation equivalent to their fair value; (c) waive any conditions as to vesting; or (d) permit the continuation of the option to its original terms. If the Board does not make any of the arrangements specified in (a) to (d), the option shall lapse.

#### **19. Lapse of Option**

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

- 19.1 the expiry of the option period;
- 19.2 the expiry of any of the periods referred to in paragraphs 11, 12, 15 or 16 above;
- 19.3 subject to paragraph 16 above, the date of the commencement of the winding-up of the Company;
- 19.4 the date on which the grantee ceases to be an Employee by reason of paragraph 13 above;
- 19.5 subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 17 above;
- 19.6 the date on which the grantee commits a breach of paragraph 10 above;



19.7 the Board does not make any of the arrangements specified in paragraph 18 above; or

19.8 the date on which the option is cancelled by the Board in accordance with paragraph 22.

## **20. Ranking of Shares**

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the memorandum of association and the articles of association of the Company 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 and accordingly will entitle the holders of options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

## **21. Alteration to Share Option Scheme**

The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants; (ii) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Share Option Scheme; or (iii) the terms and conditions of the Share Option Scheme which are of a material nature (except where such alterations take effect automatically under the existing terms of the Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of grantees as shall together hold options in respect of not less than 50 per cent in nominal value of all Shares then subject to options granted under the Share Option Scheme.

The amended terms of the scheme or the options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

## **22. Cancellation of Options Granted**

Any cancellation of options granted but not exercised must be approved by the relevant grantees unless the grantees sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

## **23. Performance Target**

There is no performance target that must be achieved before the options can be exercised except otherwise imposed by the Board and stated in the offer of grant of an option.

**24. Conditions of Share Option Scheme**

The Share Option Scheme is conditional upon (1) the passing of the necessary resolutions by the Shareholders in general meeting to approve and adopt the Share Option Scheme; (2) the Listing Committee granting approval of the Share Option Scheme and the granting of options thereunder, of listing of, and permission to deal in, the Shares as mentioned herein, and any Shares to be issued pursuant to the exercise of options under the Share Option Scheme and (3) the commencement of dealings in the Shares on the Stock Exchange.

**25. Present Status of the Share Option Scheme**

As at the date of this prospectus, no option has been granted or agreed to be granted.

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

**E. OTHER INFORMATION****1. Estate duty, tax and other indemnity**

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

Having taken independent tax advice, the Directors are of the view that the provision for taxation included in the audited accounts of the Group is sufficient.

Mr. Lin and Mr. Lin Genghua have under the terms of a deed of indemnity (material contract no. (i)), given an indemnity to the Group in respect of taxation falling on the Company or on any of its subsidiaries up to and including the Listing Date, save in certain circumstances including where provision has been made in the audited accounts of the Company or its subsidiaries, for the period up to 30 June 2010 and taxation which has been taken into account for the purpose of arriving at the profit forecast in Appendix II.

**2. Litigation**

As of the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

### 3. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for listings of and permission to deal in the Shares in issue and to be issued as mentioned herein and pursuant to the exercise of the options granted under the Share Option Scheme. All necessary arrangements have been made enabling the securities to be admitted into CCASS.

Kingston Corporate Finance Limited has declared its independence from the Company pursuant to Rules 3A.07 and 3A.08 of the Listing Rules.

### 4. Preliminary expenses

The preliminary expenses of the Company are approximately US\$10,000 and are payable by the Company.

### 5. Promoter

The promoter of the Company is Mr. Lin. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters in connection with the Share Offer or the related transactions described in this prospectus.

### 6. Qualifications of experts

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

<b>Name</b>	<b>Qualification</b>
Kingston Corporate Finance Limited	A corporation licensed to carry out type 6 regulated activities under the SFO
HLB Hodgson Impey Cheng	Chartered Accountants Certified Public Accountants
Asset Appraisal Limited	Property valuer
Jun He Law Offices	PRC legal advisors
GFE Law Offices	PRC legal advisors
Conyers Dill & Pearman	Cayman Islands attorneys-at-law

### 7. Interests of experts in our Company

None of the persons named in the paragraph headed “Qualification of experts” of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

**8. Consents of experts**

Kingston Corporate Finance Limited, HLB Hodgson Impey Cheng, Asset Appraisal Limited, Jun He Law Offices, GFE Law Offices and Conyers Dill & Pearman have given and have not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their letters, reports, and/or valuation certificate opinion and/or references to their names (as the case may be) in the form and context in which they respectively appear.

**9. Share Register**

Subject to the provisions of the Companies Law, the principal register of members will be maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a branch register of members of the Company will be maintained in Hong Kong by Tricor Investor Services Limited.

**10. Taxation of holders of Shares*****(a) Hong Kong***

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability for estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

***(b) Cayman Islands***

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

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

Prospective holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

**11. 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.

**12. Compliance Advisor**

The Company has appointed Kingston Corporate Finance Limited as its compliance advisor upon Listing in compliance with Rule 3A.19 of the Listing Rules.

**13. Miscellaneous**

- (a) Save as disclosed herein:–
  - (i) Within the two years immediately preceding the date of this prospectus:–
    - (aa) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and
    - (bb) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.
  - (ii) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) There has been no material adverse change in the financial position or trading position or prospects of the Group since 30 June 2010.
- (c) The Company has no founders shares, management shares or deferred shares.
- (d) There has not been any interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.
- (e) This prospectus is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language version of this prospectus and the Chinese translation, the English language version of this prospectus shall prevail.