

**A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES****1. Incorporation**

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on July 27, 2007. The registered office of our Company as at the date of this prospectus is situated at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. We have established a principal place of business in Hong Kong at Unit 3401, 34/F, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong and have been registered as an oversea company under Part XI of the Hong Kong Companies Ordinance on March 14, 2011. Mr. Teoh Chun Ming has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Cayman Companies Law and its constitutional documents, which comprise the Memorandum and the Articles. A summary of certain relevant provisions of its constitution and relevant aspects of Cayman Companies Law is set out in Appendix VII to this prospectus.

**2. Changes in share capital of our Group*****The Company***

At the date of incorporation of our Company, the authorized share capital of our Company was US\$50,000.00 divided into 50,000 ordinary shares of US\$1.00 each.

The following changes in the share capital of our Company have taken place since the date of incorporation of our Company up to the date of this prospectus:

- (a) On July 27, 2007, one ordinary share of US\$1.00 was allotted and issued, credited as fully paid, to Marcia Donaldson.
- (b) On July 27, 2007, Marcia Donaldson transferred her one ordinary share of US\$1.00 to Mr. Se Hok Pan.
- (c) On July 27, 2007, 24,999 ordinary shares of US\$1.00 each were allotted and issued, credited as fully paid, to Mr. Se Hok Pan.
- (d) On July 27, 2007, 25,000 ordinary shares of US\$1.00 each were allotted and issued, credited as fully paid, to Ms. Un Son I.
- (e) On May 7, 2008, each issued and unissued ordinary share of US\$1.00 each was sub-divided into 1,000 Shares and following the subdivision of share capital, the authorized share capital of our Company was increased from US\$50,000 to US\$200,000 by the creation of an additional 108,000,000 Shares, the creation of an additional 41,999,999 preferred shares of US\$0.001 each and one Special Share.
- (f) On May 7, 2008, 10,000,000 Shares were allotted and issued, credited as fully paid, to Mr. Se Hok Pan. On the same day, Mr. Se Hok Pan transferred his 35,000,000 Shares to Freewings.

- (g) On May 7, 2008, 10,000,000 Shares were allotted and issued, credited as fully paid, to Ms. Un Son I. On the same day, Ms. Un Son I transferred her 35,000,000 Shares to Freewings.
- (h) On May 8, 2008, one Special Share was allotted and issued, credited as fully paid, to MS Flooring.
- (i) On May 21, 2008, the authorized share capital of the Company was increased from US\$200,000 to US\$406,000 divided into (i) 282,000,000 Shares; (ii) 123,999,999 convertible preferred shares with a par value of US\$0.001 each, (83,999,999 of which are Preferred Shares and 40,000,000 of which are non-voting preferred shares) and (iii) one Special Share.
- (j) On June 30, 2010, Freewings transferred 298,212 Shares to MS Flooring and transferred 119,285 Shares to IFC.
- (k) On June 30, 2010, 29,999,999 Preferred Shares were allotted and issued, credited as fully paid, to MS Flooring.
- (l) On June 30, 2010, 12,000,000 Preferred Shares were allotted and issued, credited as fully paid, to IFC.
- (m) On September 30, 2010, Freewings transferred 2,307,827 Shares to Headland HAV3.

The following changes in the share capital of our Company will take place after the date of this prospectus:

- (a) Prior to completion of the Global Offering, MS Flooring and IFC will convert all of their 29,999,999 and 12,000,000 Preferred Shares into 29,999,999 and 12,000,000 Shares, respectively, and the one Special Share will be redeemed and cancelled.
- (b) Prior to completion of the Global Offering, MS Flooring and IFC will transfer 3,298,212 Shares and 1,319,285 Shares, respectively to Freewings.

Assuming that the Global Offering becomes unconditional, the authorized share capital of our Company will be increased from US\$406,000 to US\$4,000,000 divided into 4,000,000,000 Shares on the Listing Date, and assuming further that the Capitalization Issue is completed and the Offer Shares are issued but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme, the issued share capital of our Company will be US\$1,493,339.99 divided into 1,493,339,990 Shares fully paid or credited as fully paid, with 2,506,660,010 Shares remaining unissued.

On the basis that the Over-allotment Option is exercised in full, 1,549,340,990 Shares will have been allotted and issued fully paid or credited as fully paid, and 2,450,659,010 Shares will remain unissued.

Save as disclosed herein and as mentioned in the paragraph headed "Written resolutions of all our Shareholders passed on May 3, 2011" below, there has been no other alteration in the share capital of our Company since the date of its incorporation.

***Our Subsidiaries***

The list of our subsidiaries is set out in the section headed “Appendix I — Accountants’ Report” in this prospectus. The following alterations in the share capital (or registered capital as the case may be) of our subsidiaries have taken place within two years preceding the date of this prospectus.

***Sun Pine Investment Limited***

On March 10, 2009, GNL09 Limited established Sun Pine Investment Limited in Hong Kong. The authorized share capital of Sun Pine Investment Limited is HK\$10,000 divided into 10,000 shares of HK\$1.00 each, among which one share of HK\$1.00 was allotted and issued to GNL09 Limited.

On June 17, 2009, GNL09 Limited transferred its one share of HK\$1.00 to China Wood Flooring Holding Company Limited.

***Jiangxi Yingran Forest Development Co., Ltd.*** (江西盈然林業發展有限公司)

On June 30, 2009, Sun Pine Investment Limited established Jiangxi Forest in the PRC. The registered capital of Jiangxi Forest upon its establishment was US\$1,200,000, which Sun Pine Investment Limited had contributed in full.

The registered capital of Jiangxi Forest increased from US\$1,200,000 to US\$5,000,000 on August 27, 2010.

***Nature America S.A.C.***

On October 19, 2009, Nature America S.A.C. allotted and issued 494,010 and 4,990 shares of S/. 1 each to Asia Legend Industrial Limited and Mr. Chow Chi Keung Savio, respectively and the shareholdings of Asia Legend Industrial Limited and Mr. Chow Chi Keung Savio in Nature America S.A.C. were therefore increased to 495,000 shares and 5,000 shares, respectively.

On December 31, 2010, Mr. Chow Chi Keung Savio transferred his 5,000 shares in Nature America S.A.C. to Fortune Team International Limited.

***Nature Wood (Peru) S.A.C.***

On October 19, 2009, Nature Wood (Peru) S.A.C. allotted and issued 494,010 and 4,990 shares of S/. 1 each to Fortune Team International Limited and Mr. Chow Chi Keung Savio, respectively and the shareholdings of Fortune Team International Limited and Mr. Chow Chi Keung Savio in Nature Wood (Peru) S.A.C. were therefore increased to 495,000 shares and 5,000 shares, respectively.

On December 31, 2010, Mr. Chow Chi Keung Savio transferred his 5,000 shares in Nature Wood (Peru) S.A.C. to Asia Legend Industrial Limited.

***Nature Flooring (China) Co., Ltd.*** (大自然地板 (中國) 有限公司)

On December 18, 2009, Nature Flooring Holding Company Limited established Nature Flooring (China) Co., Ltd. (大自然地板 (中國) 有限公司) in the PRC. The registered capital of Nature Flooring (China) Co., Ltd. (大自然地板 (中國) 有限公司) is RMB50,000,000, which Nature Flooring Holding Company Limited has contributed in full.

***YS Nature International Trading Co., Ltd.***

On December 21, 2010, Mr. Se Hok Pan transferred the quota with a nominal value of MOP1,000 in YS Nature International Trading Co., Ltd. to Cheerway Industrial Limited.

***Great Nature Investments and Holdings Company Limited***

On December 21, 2010, Mr. Se Hok Pan transferred the quota with a nominal value of MOP1,000 in Great Nature Investments and Holdings Company Limited to China Flooring Trading Company Limited.

***Nature Casa Holding Company Limited***

On November 19, 2010, Nature Casa Holding Company Limited (formerly known as Richfield Glory Limited) was incorporated in Hong Kong. The authorized share capital of Nature Casa Holding Company Limited is HK\$10,000 divided into 10,000 shares of HK\$1.00 each, among which one share of HK\$1.00 was allotted and issued to Company Kit Secretarial Services Limited.

On December 9, 2010, Company Kit Secretarial Services Limited transferred its one share of HK\$1.00 to China Wood Flooring Holding Company Limited.

Save as disclosed herein, there has been no other alteration in the share capital or registered capital of our subsidiaries in the two years preceding the date of this prospectus.

**3. Written resolutions of all our Shareholders passed on May 3, 2011**

On May 3, 2011, written resolutions of all our shareholders were passed pursuant to which, inter alia:

- (a) the conversion, re-designation and re-classification of all the issued Preferred Shares as Shares was approved;
- (b) the redemption of the Special Share upon conversion of all the issued Preferred Shares was approved;
- (c) the re-conversion of Shares converted pursuant to (a) above and the re-issue of the Special Share if the Global Offering fails to complete were approved;
- (d) conditional on:
  - the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and to be issued as described in this prospectus, and such listing

and permission not having been subsequently revoked prior to the commencement of dealings in our Shares on the Hong Kong Stock Exchange;

- the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Global Coordinators, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective agreements; and
- the authorized share capital of the Company being increased in accordance with paragraph (e)(ii) below,
  - (i) the Global Offering was approved and the Directors were authorized to approve the allotment and issue of the Offer Shares pursuant to the Global Offering;
  - (ii) the rules of the Share Option Scheme were approved and adopted and the Board was authorized at its discretion to implement the same, grant options to subscribe for Shares thereunder up to the limit referred to in the Share Option Scheme, and to allot, issue and deal with Shares pursuant to the exercise of any options granted thereunder and do all such acts and things as our Board may consider necessary, desirable or expedient to give effect to the Share Option Scheme;
  - (iii) conditional on the share premium account of the Company being credited as a result of the Global Offering, the Directors were authorized to capitalize an amount of US\$1,007,999.991 from the amount standing to the credit of the share premium account of the Company and that the said sum be applied in paying up in full at par 1,007,999,991 Shares, such Shares to be allotted and issued, credited as fully paid at par to the shareholders of our Company appearing on the register of members of our Company at the close of business on the date immediately after completion of the Share Adjustments (or as such holders may direct) in proportion (as nearly as possible without fractions) to their then respective shareholdings in our Company and so that such Shares to be allotted and issued shall rank *pari passu* in all respects with the then existing issued Shares;
  - (iv) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make an offer or agreement or grant an option which would or might require such Shares to be allotted and issued, whether during the continuance of such mandate or thereafter (otherwise than pursuant to a rights issue, any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend on Shares in accordance with the Articles of Association or pursuant to the exercise of

any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares in issue prior to the date of the passing of the relevant resolution or pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme or to be granted under the Share Option Scheme or pursuant to the Global Offering or the Capitalization Issue or pursuant to a specific authority granted by our shareholders in general meeting, on behalf of our Company), provided that the aggregate nominal value of our Shares allotted or agreed conditionally or unconditionally to be allotted shall not exceed 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue, such mandate to remain in effect until whichever is the earliest of:

- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our shareholders in a general meeting revoking or varying such mandate;
- (v) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of our Company to repurchase the Shares on the Hong Kong Stock Exchange or on any other approved stock exchange(s) on which the securities of our Company may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue, such mandate to remain in effect until whichever is the earliest of:
- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our shareholders in a general meeting revoking or varying such mandate;
- (vi) subject to the passing of resolutions set out in paragraph (iv) and (v) above, the unconditional general mandate mentioned in paragraph (iv) above was extended to include the aggregate nominal value of Shares repurchased by us pursuant to the mandate to repurchase Shares referred to in paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital

of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue, was approved;

- (e) conditional on:
- the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and to be issued as described in this prospectus, and such listing and permission not having been subsequently revoked prior to the commencement of dealings in our Shares on the Hong Kong Stock Exchange;
  - the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Global Coordinators, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective agreements; and
  - the conversion of the issued Preferred Shares and the redemption of the Special Share as approved in paragraphs (a) and (b) above, respectively, having been effected, and the re-conversion and re-issue, respectively, of the Shares and Special Share as approved in paragraph (c) above not being given effect:
    - (i) the Memorandum and the Articles were approved and adopted as the new memorandum of association and articles of association of our Company in substitution for and to the exclusion of the existing memorandum of association and articles of association of our Company with effect from the Listing Date;
    - (ii) the authorized share capital of our Company was increased from US\$406,000 to US\$4,000,000 divided into 4,000,000,000 Shares, effective upon adoption of the Memorandum as the new memorandum of association of our Company.

#### **4. Repurchase by our Company of Shares**

The Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their shares on the Hong Kong Stock Exchange subject to certain restrictions, the most important of which are summarized below:

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

All proposed repurchases of shares on the Hong Kong Stock Exchange by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

Pursuant to a written resolution passed by all our Shareholders on May 3, 2011, a general unconditional mandate ("repurchase mandate") was granted to the Directors authorizing them to exercise all the powers of our Company to repurchase the Shares on the Hong Kong Stock Exchange, or on any other approved stock exchange(s) on which the securities of our Company may be listed and

which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue, such mandate to expire at the conclusion of our next annual general meeting, or the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held, or when revoked or varied by an ordinary resolution of our shareholders in a general meeting, whichever is the earliest.

Under the Listing Rules, the shares which are proposed to be repurchased by a company must be fully paid up.

***(b) Reasons for repurchases***

Our Directors believe that it is in the best interests of our Company and its shareholders as a whole for the Directors to have a general authority from shareholders to enable our 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 of our Company and/or our earnings per Share and will only be made when the Directors believe that such repurchases will benefit our Company and its Shareholders as a whole.

***(c) Funding of repurchases***

In repurchasing Shares, we may only apply funds legally available for such purpose in accordance with the Memorandum of Association and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. We shall not repurchase our own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, the Directors consider that, if the repurchase mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this prospectus. However, 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 our working capital requirements or our gearing position which, in the opinion of the Directors, are from time to time appropriate for our Company.

***(d) Directors' undertaking***

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, the Memorandum of Association and the Articles of Association.

***(e) Disclosure of interests***

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention, if the repurchase mandate is exercised, to sell any Shares to our Company or our subsidiaries.



No connected person of our Company has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

*(f) Takeovers Code consequences*

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. Our Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase under the repurchase mandate.

*(g) Share capital*

Exercise in full of the repurchase mandate, on the basis of 1,493,339,990 Shares in issue immediately after completion of the Global Offering and the Capitalization Issue, but taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme, could accordingly result in up to 149,333,999 Shares being repurchased by us during the course of the period prior to the date on which such repurchase mandate expires or being terminated as mentioned in the section headed "Further Information about Our Company and Our Subsidiaries — Written resolutions of all our Shareholders passed on May 3, 2011" in this appendix.

## **B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY**

### **1. Summary of material contracts**

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

- (a) a supplemental mortgage contract made on July 27, 2009 between Kunshan Nature and IFC, pursuant to which Kunshan Nature provided certain collaterals to IFC as security for the repayment of the loan of US\$3.5 million from IFC and other secured obligations;
- (b) a supplemental mortgage contract made on July 27, 2009 between Zhongshan Nature and IFC, pursuant to which Zhongshan Nature provided certain collaterals to IFC as security for the repayment of the loan of US\$3 million from IFC and other secured obligations;
- (c) a supplemental mortgage contract dated July 27, 2009 between Jiangxi Nature and IFC, pursuant to which Jiangxi Nature provided certain collaterals to IFC as security for the repayment of the loan of US\$6.5 million from IFC and other secured obligations;
- (d) (i) a first amendment agreement dated September 18, 2009 between Kunshan Nature and IFC, amending certain terms of a loan agreement dated May 21, 2008 between Kunshan Nature and IFC; and (ii) a letter dated July 7, 2009 from IFC to Kunshan

- Nature, waiving certain terms of the loan agreement dated May 21, 2008 between Kunshan Nature and IFC;
- (e) (i) a first amendment agreement dated September 18, 2009 between Zhongshan Nature and IFC, amending certain terms of a loan agreement dated May 21, 2008 between Zhongshan Nature and IFC; and (ii) a letter dated July 7, 2009 from IFC to Zhongshan Nature waiving certain terms of the loan agreement dated May 21, 2008 between Zhongshan Nature and IFC;
  - (f) (i) a first amendment agreement dated September 18, 2009 between Jiangxi Nature and IFC, amending certain terms of a loan agreement dated May 21, 2008 between Jiangxi Nature and IFC; and (ii) a letter dated July 7, 2009 from IFC to Jiangxi Nature Wood-Based Panels Co., Ltd., waiving certain terms of the loan agreement dated May 21, 2008 between Jiangxi Nature and IFC;
  - (g) a land use right transfer agreement dated August 28, 2010 between Jiangxi Yingran and Shangrao Land Resources Administration Bureau (上饒市國土資源局), pursuant to which Jiangxi Yingran acquired the land use right of a parcel of land of 123,308 sq.m. in Shangrao Economic Development Zone Huangyuan District (上饒經濟開發區黃源片區) for a consideration of RMB11.89 million;
  - (h) an addendum to forest concession for timber contract dated December 3, 2009 between the Ministry of Agriculture, A&A Peru S.A.C. and Nature America S.A.C., pursuant to which Nature America S.A.C. assumed all the rights and obligations in relation to a forest concession for timber contract for a total area of 21,974.41 hectares;
  - (i) an addendum to forest concession for timber contract dated December 3, 2009 between the Ministry of Agriculture, A&A Peru S.A.C. and Nature America S.A.C., pursuant to which Nature America S.A.C. assumed all the rights and obligations in relation to a forest concession for timber contract for a total area of 24,372.56 hectares;
  - (j) an agency agreement dated November 11, 2009 between Jiangxi Forest and Beijing Zhongxing Taifu Investment Management Co., Ltd (北京中興泰富投資管理有限公司) (“ZXTF”), pursuant to which Jiangxi Forest engaged ZXTF as its agent in relation to the acquisition of forestry resources in the PRC with a total area of 24,129.6 mu for a total consideration of RMB14,477,760 (inclusive of the acquisition cost of the forestry resources and the agency fees);
  - (k) an agency agreement dated February 9, 2010 between Jiangxi Forest and ZXTF, pursuant to which Jiangxi Forest engaged ZXTF as its agent in relation to the acquisition of forestry resources in the PRC with a total area of 18,332.6 mu for a total consideration of RMB10,999,560 (inclusive of the acquisition cost of the forestry resources and the agency fees);
  - (l) a contract dated June 30, 2010 entered into between Nature Flooring (China) Co., Ltd. (大自然地板(中國)有限公司) and Liaoning Tai’an Weilibang Wood Co., Ltd. (遼寧台安威利邦木業有限公司) in relation to the joint establishment of Liaoning Tai’an pursuant to which Nature Flooring (China) Co., Ltd. (大自然地板(中國)有限公司) and Liaoning Tai’an Weilibang Wood Co., Ltd. (遼寧台安威利邦木業有限公司) agreed to

contribute RMB7.6 million and RMB32.4 million to the registered capital of Liaoning Tai'an, representing 19% and 81% of the registered capital of Liaoning Tai'an, respectively;

- (m) a contract dated June 30, 2010 entered into between Nature Flooring (China) Co., Ltd. (大自然地板(中國)有限公司) and Hubei Weilibang Wood Co., Ltd. (湖北威利邦木業有限公司) in relation to the joint establishment of Hubei Xiangfan pursuant to which Nature Flooring (China) Co., Ltd. (大自然地板(中國)有限公司) and Hubei Weilibang Wood Co., Ltd. (湖北威利邦木業有限公司) agreed to contribute RMB7.6 million and RMB32.4 million to the registered capital of Hubei Xiangfan, representing 19% and 81% of the registered capital of Hubei Xiangfan, respectively;
- (n) an agency agreement dated July 3, 2010 between Jiangxi Forest and ZXTF, pursuant to which Jiangxi Forest engaged ZXTF as its agent in relation to the acquisition of forestry resources in the PRC with a total area of 7,761.8 mu for a total consideration of RMB4,657,080 (inclusive of the acquisition cost of the forestry resources and the agency fees);
- (o) an agency agreement dated July 3, 2010 between Jiangxi Forest and ZXTF, pursuant to which Jiangxi Forest engaged ZXTF as its agent in relation to the acquisition of forestry resources in the PRC with a total area of 8,822.8 mu for a total consideration of RMB5,293,680 (inclusive of the acquisition cost of the forestry resources and the agency fees);
- (p) an agency agreement dated July 3, 2010 between Jiangxi Forest and ZXTF, pursuant to which Jiangxi Forest engaged ZXTF as its agent in relation to the acquisition of forestry resources in the PRC with a total area of 7,635.3 mu for a total consideration of RMB4,581,180 (inclusive of the acquisition cost of the forestry resources and the agency fees);
- (q) a guarantee agreement dated June 7, 2010 between Guangdong Yingran and Guangdong Development Bank Company Ltd., Shunde branch (廣東發展銀行股份有限公司順德分行) in relation to a loan facility of up to RMB20,000,000;
- (r) a guarantee agreement dated June 7, 2010 between Zhongshan Nature and Guangdong Development Bank Company Ltd., Shunde branch (廣東發展銀行股份有限公司順德分行) in relation to a loan facility of up to RMB20,000,000;
- (s) a mortgage agreement dated June 10, 2010 between Industrial and Commercial Bank of China Limited, Shunde, Foshan branch (中國工商銀行股份有限公司佛山順德支行) and Zhangjiagang Nature, pursuant to which Zhangjiagang Nature granted to Industrial and Commercial Bank of China Limited, Shunde, Foshan branch (中國工商銀行股份有限公司佛山順德支行) certain security interest to secure a loan of up to RMB15,979,273;
- (t) a mortgage agreement dated June 10, 2010 between Industrial and Commercial Bank of China Limited, Shunde, Foshan branch (中國工商銀行股份有限公司佛山順德支行) and Zhangjiagang Nature, pursuant to which Zhangjiagang Nature granted to Industrial and Commercial Bank of China Limited, Shunde, Foshan branch

(中國工商銀行股份有限公司佛山順德支行) certain security interest to secure a loan of up to RMB30,860,905;












- (u) a deed of guarantee and indemnity dated October 1, 2009 from the Company in favor of BNP Paribas to guarantee the liabilities of YS Nature International Trading Co., Ltd.;
- (v) a letter of guarantee dated March 25, 2010 from the Company to The Hongkong and Shanghai Banking Corporation Limited for HK\$80,000,000;
- (w) a cross guarantee dated May 27, 2010 from YS Nature International Trading Company Limited and Cheerway Industrial Limited for HK\$80,000,000;
- (x) a deed of guarantee and indemnity dated July 1, 2010 from the Company in favor of BNP Paribas to guarantee the liabilities of Cheerway Industrial Limited;
- (y) a deed of guarantee and indemnity dated July 1, 2010 from Grace Glory Limited in favor of BNP Paribas to guarantee the liabilities of YS Nature International Trading Co., Ltd. and Cheerway Industrial Limited;
- (z) a deed of guarantee and indemnity dated July 1, 2010 from Prime World International Investment Limited in favor of BNP Paribas to guarantee the liabilities of YS Nature International Trading Co., Ltd. and Cheerway Industrial Limited;
- (aa) a security agreement over bank account (all moneys) dated July 16, 2010 between Cheerway Industrial Limited and Standard Chartered Bank (Hong Kong) Limited pursuant to which Cheerway Industrial Limited granted to Standard Chartered Bank (Hong Kong) Limited certain security interests;
- (bb) a pledge over deposit and account management agreement dated July 16, 2010 amongst Cheerway Industrial Limited, Standard Chartered Bank (China) Limited Guangzhou Branch and Standard Chartered Bank (Hong Kong) Limited pursuant to which Cheerway Industrial Limited granted to Standard Chartered Bank (Hong Kong) Limited certain security interests;
- (cc) the share transfer agreement dated December 9, 2010 entered into between China Wood Flooring Holding Company Limited (中國木地板控股有限公司) and Jumbo Hawk Immigration Consultancy Limited (鵬王移民顧問有限公司) pursuant to which China Wood Flooring Holding Company Limited (中國木地板控股有限公司) transferred its entire shareholding interest in Asia Hero Enterprises Limited to Jumbo Hawk Immigration Consultancy Limited (鵬王移民顧問有限公司) for a consideration of HK\$48,000,000;
- (dd) a compliance adviser agreement dated March 7, 2011 entered into between the Company and Guangdong Securities Limited pursuant to which the Company agreed to appoint Guangdong Securities Limited as its compliance adviser for the purpose of Rule 3A.19 of the Listing Rules at a monthly advisory fee of HK\$45,000;
- (ee) a supplemental deed dated May 6, 2011 entered into between the Company, MS Flooring, IFC and the Controlling Shareholders to amend the provisions of the Shareholders' Agreement; and
- (ff) the Hong Kong Underwriting Agreement.


## 2. Our intellectual property rights















As of the Latest Practicable Date, our Group has registered or has applied for the registration of the following intellectual property rights which are material in relation to our Group's business.














### (a) Trademarks

- (i) As of the Latest Practicable Date, our Group had registered the following trademarks which are material in relation to our Group's business:









<u>Trademark</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry Date</u>
	China	Cheerway Industrial Limited	1	7470704	10/20/2020
	China	Cheerway Industrial Limited	2	7470714	10/20/2020
	China	Cheerway Industrial Limited	3	7470728	12/20/2020
	China	Cheerway Industrial Limited	4	7470766	10/20/2020
	China	Cheerway Industrial Limited	5	7470793	10/20/2020
	China	Cheerway Industrial Limited	8	7470824	02/20/2021
	China	Cheerway Industrial Limited	10	7473901	01/20/2021
	China	Cheerway Industrial Limited	11	7470886	02/20/2021
	China	Cheerway Industrial Limited	12	7488471	01/06/2021
	China	Cheerway Industrial Limited	13	7470914	01/20/2021
	China	Cheerway Industrial Limited	14	7508914	10/27/2020

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry Date</u>
	China	Cheerway Industrial Limited	15	7473931	10/13/2020
	China	Cheerway Industrial Limited	17	7473942	09/20/2020
	China	Cheerway Industrial Limited	18	7473956	02/27/2021
	China	Cheerway Industrial Limited	19	7473980	09/27/2020
	China	Great Nature Investments and Holdings Limited	19	4587249	09/06/2018
	Hong Kong	Great Nature Investments and Holdings Limited	19	300756090AB	11/07/2016
	China	Cheerway Industrial Limited	20	7508996	10/27/2020
	China	Cheerway Industrial Limited	21	7473997	03/13/2021
	China	Cheerway Industrial Limited	22	7488486	02/13/2021
	China	Cheerway Industrial Limited	23	7488500	11/20/2020
	China	Cheerway Industrial Limited	24	7488519	02/13/2021
	China	Cheerway Industrial Limited	26	7484003	01/06/2021
	China	Cheerway Industrial Limited	27	7488551	11/20/2020

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry Date</u>
	China	Cheerway Industrial Limited	28	7488566	11/20/2020
	China	Cheerway Industrial Limited	29	7474025	10/27/2020
	China	Cheerway Industrial Limited	30	7474040	09/06/2020
	China	Cheerway Industrial Limited	31	7483905	11/06/2020
	China	Cheerway Industrial Limited	32	7483911	10/20/2020
	China	Cheerway Industrial Limited	33	7483922	10/06/2020
	China	Cheerway Industrial Limited	34	7483930	11/06/2020
	China	Cheerway Industrial Limited	35	7483939	02/27/2021
	China	Cheerway Industrial Limited	36	7483948	11/06/2020
	China	Cheerway Industrial Limited	37	7483961	11/06/2020
	China	Cheerway Industrial Limited	38	7483984	11/06/2020
	China	Cheerway Industrial Limited	40	7508831	11/06/2020
	China	Cheerway Industrial Limited	44	7508869	02/27/2021
	China	Cheerway Industrial Limited	45	7508890	11/27/2020

Trademark	Territory of Registration	Registered Owner	Class	Registration Number	Expiry Date
	China	Cheerway Industrial Limited	19	6743607	04/06/2020
	China	Cheerway Industrial Limited	8	7511672	02/06/2021
	China	Cheerway Industrial Limited	9	7511690	02/20/2021
	China	Cheerway Industrial Limited	18	7511722	12/27/2020
	China	Cheerway Industrial Limited	28	7514667	12/27/2020
	China	Great Nature Investments and Holdings Limited	19	7511733	12/27/2020
	China	Great Nature Investments and Holdings Limited	19	5326609	10/13/2020
	China	Cheerway Industrial Limited	43	7518146	02/27/2021
	China	Cheerway Industrial Limited	45	7518156	02/27/2021
	Australia	Cheerway Industrial Limited	19	1216924	12/21/2017
	Columbia	Cheerway Industrial Limited	19	404265	07/14/2020
	Japan	Cheerway Industrial Limited	19	5399318	03/18/2021
	European Union	Cheerway Industrial Limited	19, 20, 27	008466088	08/03/2019









Trademark	Territory of Registration	Registered Owner	Class	Registration Number	Expiry Date
	Kuwait	Cheerway Industrial Limited	19	85619	11/03/2019
	Macau	Cheerway Industrial Limited	19	N/045682	03/24/2017
	Member States of African Intellectual Property Organization (OAPI)	Cheerway Industrial Limited	19, 20, 27	62409	05/27/2020
	Hong Kong	Great Nature Investments and Holdings Limited	19	300756090AA	11/07/2016
	Turkey	Cheerway Industrial Limited	19	2009/48222	09/10/2019
	United Arab Emirates	Cheerway Industrial Limited	19	135780	11/11/2019
	Canada	Cheerway Industrial Limited	<i>Note 1</i>	TMA794112	03/29/2026
	USA	Great Nature Investments and Holdings Limited	19	3794177	05/25/2020
Nature Flooring	USA	Great Nature Investments and Holdings Limited	19	3794176	05/25/2020
大自然	China	Cheerway Industrial Limited	1	7518166	01/13/2021
大自然	China	Cheerway Industrial Limited	4	7525610	12/20/2020
大自然	China	Cheerway Industrial Limited	11	7518181	02/06/2021

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry Date</u>
大自然	China	Cheerway Industrial Limited	18	7522484	12/27/2020
大自然	China	Cheerway Industrial Limited	20	7522504	03/13/2021
大自然	China	Cheerway Industrial Limited	22	7525577	12/27/2020
大自然	China	Great Nature Investments and Holdings Limited	19	4587176	08/06/2018
大自然	China	Great Nature Investments and Holdings Limited	19	3453872	11/13/2015
我爱大自然	China	Great Nature Investments and Holdings Limited	19	6183056	02/20/2020
大自然自家	China	Great Nature Investments and Holdings Limited	19	6220988	02/20/2020
大自然阿莫林	China	Great Nature Investments and Holdings Limited	19	7757416	11/27/2020
大自然阿莫林	China	Great Nature Investments and Holdings Limited	30	7757442	12/06/2020
大自然阿莫林	China	Great Nature Investments and Holdings Limited	33	7757483	12/06/2020
大自然第一空间	China	Great Nature Investments and Holdings Limited	19	6183016	03/06/2020

Trademark	Territory of Registration	Registered Owner	Class	Registration Number	Expiry Date
	China	Great Nature Investments and Holdings Limited	19	7403065	12/27/2020
	China	Great Nature Investments and Holdings Limited	19	7403063	12/27/2020
盈彬大自然	China	Great Nature Investments and Holdings Limited	36	3674063	11/20/2015
盈彬大自然	China	Great Nature Investments and Holdings Limited	20	3674065	08/20/2015
	China	Great Nature Investments and Holdings Limited	19	1564804 (Note 2)	05/06/2011
	China	Great Nature Investments and Holdings Limited	19	1761140	05/06/2012
	China	Great Nature Investments and Holdings Limited	5	3193454	10/27/2013
	China	Great Nature Investments and Holdings Limited	19	3229641	10/20/2013
盈彬新时空	China	Great Nature Investments and Holdings Limited	19	6189860	02/20/2020

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry Date</u>
盈彬宜家	China	Great Nature Investments and Holdings Limited	19	6189861	02/20/2020
万钻地板	China	Great Nature Investments and Holdings Limited	19	7757567	11/27/2020
迪考	China	Cheerway Industrial Limited	19	6757948	04/06/2020
80后	China	Cheerway Industrial Limited	19	6757962	04/13/2020
采封井	China	Cheerway Industrial Limited	19	6757963	06/27/2020
德狮堡	China	Nature Flooring Industries, Inc.	19	6183058	02/20/2020

- (ii) As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks, the registration of which has not been granted:

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
	China	Cheerway Industrial Limited	6	7470804
	China	Cheerway Industrial Limited	7	7508947
	China	Cheerway Industrial Limited	9	7470845
	China	Cheerway Industrial Limited	16	7473919
	China	Cheerway Industrial Limited	25	7474007
	China	Cheerway Industrial Limited	39	7508824
<b>Nature</b>	China	Great Nature Investments and Holdings Limited	19	7403064













<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
<b>Nature</b>	China	Cheerway Industrial Limited	1	7498425
<b>Nature</b>	China	Cheerway Industrial Limited	11	7511703
<b>Nature</b>	China	Cheerway Industrial Limited	21	7511757
<b>Nature</b>	China	Cheerway Industrial Limited	25	7514661
<b>Nature</b>	China	Cheerway Industrial Limited	30	7514677
<b>Nature</b>	China	Cheerway Industrial Limited	35	7514709
<b>Nature</b>	China	Cheerway Industrial Limited	36	7514714
<b>Nature</b>	China	Cheerway Industrial Limited	37	7514718
<b>Nature</b>	China	Cheerway Industrial Limited	42	7518144
<b>Nature</b>	China	Cheerway Industrial Limited	44	7518153
<b>○Nature</b>	India	Cheerway Industrial Limited	19	01875084
<b>○Nature</b>	Brazil	Cheerway Industrial Limited	19	901959324
<b>○Nature</b>	Thailand	Cheerway Industrial Limited	19	748232
<b>WOODSBÜR</b>	China	Great Nature Investments and Holdings Limited	19	9269992
<b>WOODSBÜR</b>	China	Great Nature Investments and Holdings Limited	20	9270001
<b>大自然</b>	China	Cheerway Industrial Limited	3	7518170
<b>大自然</b>	China	Cheerway Industrial Limited	30	7522510
<b>大自然</b>	China	Cheerway Industrial Limited	35	7522573
<b>大自然</b>	China	Cheerway Industrial Limited	37	7522531

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
大自然	China	Cheerway Industrial Limited	41	7522535
大自然	China	Cheerway Industrial Limited	42	7522548
大自然	China	Cheerway Industrial Limited	43	7525477
大自然	China	Cheerway Industrial Limited	45	7525465
德狮堡	China	Great Nature Investments and Holdings Limited	1	8604118
德狮堡	China	Great Nature Investments and Holdings Limited	2	8604136
德狮堡	China	Great Nature Investments and Holdings Limited	6	8604150
德狮堡	China	Great Nature Investments and Holdings Limited	19	8604164
德狮堡	China	Great Nature Investments and Holdings Limited	20	8604333
德狮堡	China	Great Nature Investments and Holdings Limited	24	8604361
德狮堡	China	Great Nature Investments and Holdings Limited	27	8604383
德狮堡	China	Great Nature Investments and Holdings Limited	35	8604413
德狮堡	China	Great Nature Investments and Holdings Limited	37	8604438
德狮堡	China	Great Nature Investments and Holdings Limited	40	8604466
德森堡	China	Great Nature Investments and Holdings Limited	19	8994104
温莎堡	China	Great Nature Investments and Holdings Limited	20	8994231
大自然宜家	China	Great Nature Investments and Holdings Limited	1	8643343
大自然宜家	China	Great Nature Investments and Holdings Limited	2	8643453
大自然宜家	China	Great Nature Investments and Holdings Limited	6	8643483
大自然宜家	China	Great Nature Investments and Holdings Limited	19	8643523

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
大自然宜家	China	Great Nature Investments and Holdings Limited	20	8643569
大自然宜家	China	Great Nature Investments and Holdings Limited	24	8643587
大自然宜家	China	Great Nature Investments and Holdings Limited	27	8643657
大自然宜家	China	Great Nature Investments and Holdings Limited	35	8645950
大自然宜家	China	Great Nature Investments and Holdings Limited	37	8646149
大自然宜家	China	Great Nature Investments and Holdings Limited	40	8646198
大自然温莎	China	Great Nature Investments and Holdings Limited	20	8994301
大自然拉菲	China	Great Nature Investments and Holdings Limited	19	9248949
大自然·拉菲	China	Great Nature Investments and Holdings Limited	19	9248983
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	1	8608752
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	2	8608788
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	6	8608964
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	19	8608986
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	20	8609076
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	24	8609111
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	27	8609142
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	35	8609216
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	37	8609253
大自然·德狮堡	China	Great Nature Investments and Holdings Limited	40	8609293
大自然德狮堡	China	Great Nature Investments and Holdings Limited	1	8599777
大自然德狮堡	China	Great Nature Investments and Holdings Limited	2	8599815

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
大自然德狮堡	China	Great Nature Investments and Holdings Limited	6	8599839
大自然德狮堡	China	Great Nature Investments and Holdings Limited	19	8599860
大自然德狮堡	China	Great Nature Investments and Holdings Limited	20	8599884
大自然德狮堡	China	Great Nature Investments and Holdings Limited	24	8599907
大自然德狮堡	China	Great Nature Investments and Holdings Limited	27	8600014
大自然德狮堡	China	Great Nature Investments and Holdings Limited	35	8600028
大自然德狮堡	China	Great Nature Investments and Holdings Limited	37	8600036
大自然德狮堡	China	Great Nature Investments and Holdings Limited	40	8600056
大自然阿莫林	China	Great Nature Investments and Holdings Limited	27	7757427
大自然德森堡	China	Great Nature Investments and Holdings Limited	19	8994183
大自然温莎堡	China	Great Nature Investments and Holdings Limited	20	8994242
大自然第一空间	China	Great Nature Investments and Holdings Limited	1	8637098
大自然第一空间	China	Great Nature Investments and Holdings Limited	2	8637142
大自然第一空间	China	Great Nature Investments and Holdings Limited	6	8637188
大自然第一空间	China	Great Nature Investments and Holdings Limited	19	8637228
大自然第一空间	China	Great Nature Investments and Holdings Limited	20	8637271
大自然第一空间	China	Great Nature Investments and Holdings Limited	24	8637321
大自然第一空间	China	Great Nature Investments and Holdings Limited	27	8637357
大自然第一空间	China	Great Nature Investments and Holdings Limited	35	8641750



Trademark	Territory of Registration	Applicant	Class	Application Number
大自然第一空间	China	Great Nature Investments and Holdings Limited	37	8641789
大自然第一空间	China	Great Nature Investments and Holdings Limited	40	8641831
	China	Cheerway Industrial Limited	19	6829952
	China	Great Nature Investments and Holdings Limited	19	6857585
	China	Cheerway Industrial Limited	35	6890606
	China	Great Nature Investments and Holdings Company Limited	19	7531594
	China	Cheerway Industrial Limited	35	7551161
	China	Great Nature Investments and Holdings Limited	19	8768489
	Hong Kong	Cheerway Industrial Limited	19, 35, 37	301748278
	Hong Kong	Cheerway Industrial Limited	19, 35, 37	301748269
	China	Great Nature Investments and Holdings Limited	19	6829951
	China	Great Nature Investments and Holdings Limited	19	6857586
	China	Great Nature Investments and Holdings Limited	19	6857587
	China	Great Nature Investments and Holdings Limited	19	6878446

Trademark	Territory of Registration	Applicant	Class	Application Number
	China	Great Nature Investments and Holdings Limited	7	8742947
	China	Great Nature Investments and Holdings Limited	11	8743004
	China	Great Nature Investments and Holdings Limited	19	8743018
	China	Great Nature Investments and Holdings Limited	20	8743050
	China	Great Nature Investments and Holdings Limited	21	8743061
	China	Great Nature Investments and Holdings Limited	24	8745518
	China	Great Nature Investments and Holdings Limited	27	8745573
	China	Great Nature Investments and Holdings Limited	35	8784438
大自然家居	China	Great Nature Investments and Holdings Limited	7	8742935
大自然家居	China	Great Nature Investments and Holdings Limited	11	8742994
大自然家居	China	Great Nature Investments and Holdings Limited	19	8743025
大自然家居	China	Great Nature Investments and Holdings Limited	20	8743041
大自然家居	China	Great Nature Investments and Holdings Limited	21	8745418
大自然家居	China	Great Nature Investments and Holdings Limited	24	8745493
大自然家居	China	Great Nature Investments and Holdings Limited	27	8745606
大自然家居	China	Great Nature Investments and Holdings Limited	35	8784427
	China	Great Nature Investments and Holdings Limited	19	8779547
大自然创意	China	Great Nature Investments and Holdings Limited	19	7466182

Trademark	Territory of Registration	Applicant	Class	Application Number
大自然精彩	China	Great Nature Investments and Holdings Limited	19	7488580
大自然绘彩	China	Great Nature Investments and Holdings Limited	19	7466192
大自然居家	China	Great Nature Investments and Holdings Limited	35	8832404
大自然美饰	China	Great Nature Investments and Holdings Limited	35	8832382
大自然饰家	China	Great Nature Investments and Holdings Limited	35	8832395
大自然饰界	China	Great Nature Investments and Holdings Limited	35	8832388
创意	China	Cheerway Industrial Limited	19	7466188
绘彩	China	Cheerway Industrial Limited	19	7466199
万钻	China	Great Nature Investments and Holding Company Limited	2	8076100
可速	China	Great Nature Investments and Holdings Limited	19	9269955
速材	China	Great Nature Investments and Holdings Limited	19	9269968
可速生	China	Great Nature Investments and Holdings Limited	19	9269962
速升材	China	Great Nature Investments and Holdings Limited	19	9269938
	China	Great Nature Investments and Holding Limited	19	8994405
	China	Great Nature Investments and Holding Limited	20	8994384
	China	Great Nature Investments and Holding Limited	35	8994437
大自然品味元素	China	Great Nature Investments and Holding Limited	1	8994501
大自然品味元素	China	Great Nature Investments and Holding Limited	2	8994531

<u>Trademark</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Class</u>	<u>Application Number</u>
大自然品味元素	China	Great Nature Investments and Holding Limited	3	8997453
大自然品味元素	China	Great Nature Investments and Holding Limited	4	8997658
大自然品味元素	China	Great Nature Investments and Holding Limited	6	8997711
大自然品味元素	China	Great Nature Investments and Holding Limited	7	8997742
大自然品味元素	China	Great Nature Investments and Holding Limited	11	8997773
大自然品味元素	China	Great Nature Investments and Holding Limited	14	8997809
大自然品味元素	China	Great Nature Investments and Holding Limited	16	8997849
大自然品味元素	China	Great Nature Investments and Holding Limited	19	8997876
大自然品味元素	China	Great Nature Investments and Holding Limited	20	8997901
大自然品味元素	China	Great Nature Investments and Holding Limited	21	9002508
大自然品味元素	China	Great Nature Investments and Holding Limited	24	9002540
大自然品味元素	China	Great Nature Investments and Holding Limited	25	9002566
大自然品味元素	China	Great Nature Investments and Holding Limited	26	9002611
大自然品味元素	China	Great Nature Investments and Holding Limited	27	9002632
大自然品味元素	China	Great Nature Investments and Holding Limited	31	9002670
大自然品味元素	China	Great Nature Investments and Holding Limited	35	9002727
大自然品味元素	China	Great Nature Investments and Holding Limited	39	9002757

Class 1: Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

Class 2: Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.

- 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 4: Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles and wicks for lighting.
- 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 6: Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
- Class 7: Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.
- Class 8: Hand tools and implements (hand-operated); cutlery; side arms; razors.
- Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.
- Class 10: Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.
- Class 11: Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
- Class 12: Vehicles; apparatus for locomotion by land, air or water.
- Class 13: Firearms; ammunition and projectiles; explosives; fireworks.
- Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
- Class 15: Musical instruments.
- Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.
- Class 17: Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.
- Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
- Class 19: Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
- Class 20: Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.
- Class 21: Household or kitchen utensils and containers; combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.
- Class 22: Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.

- Class 23: Yarns and threads, for textile use.
- Class 24: Textiles and textile goods, not included in other classes; bed and table covers.
- Class 25: Clothing, footwear, headgear.
- Class 26: Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
- Class 27: Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
- Class 28: Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.
- Class 29: 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.
- 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 31: 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.
- 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 33: Alcoholic beverages (except beers).
- Class 34: Tobacco; smokers' articles; matches.
- Class 35: Advertising; business management; business administration; office functions.
- Class 36: Insurance; financial affairs; monetary affairs; real estate affairs.
- Class 37: Building construction; repair; installation services.
- Class 38: Telecommunications.
- Class 39: Transport; packaging and storage of goods; travel arrangement.
- Class 40: Treatment of materials.
- Class 41: Education; providing of training; entertainment; sporting and cultural activities.
- Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.
- Class 43: Services for providing food and drink; temporary accommodation.
- Class 44: Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.
- Class 45: Legal services; security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals.
- Note 1: Floor boards; Floor tiles; Flooring namely solid wood flooring, multi layer flooring use of plywood as base with wood veneer laminated, three layer flooring use of plywood or solid wood as base with wood veneer laminated, laminated flooring use of fiber board as base with wood veneer laminated; Non-metal building materials namely lumber and wood; Non-metal construction materials namely lumber and wood; Building timber.
- Note 2: Our Group has applied for the renewal of the trademark of registration number 1564804 within the required time period.

*(b) Domain names*

As at the Latest Practicable Date, our Group had registered the following domain names:

<u>Domain name</u>	<u>Registered Owner</u>	<u>Expiry Date</u>
china-flooring.com.hk	Ever Sharp Industrial Limited	04/27/2012
nature-hk.hk	Ever Sharp Industrial Limited	07/22/2011 (Note 1)
nature-1.cn	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2013
nature-cn.cn	China Flooring (PRC) Company Limited (大自然地板 (中國) 有限公司)	09/01/2014
nature-intl.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
space-1.cn	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2013
yeka-cn.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
東方宜家.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
東方宜家.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
中國地板控股.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
中國地板控股.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
中國地板控股.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
中國地板控股.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
中國地板控股.網絡	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
大自然地板.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
大自然木業.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
大自然木業.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
大自然木業.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
大自然木業.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012

<u>Domain name</u>	<u>Registered Owner</u>	<u>Expiry Date</u>
宜家地板.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
宜家地板.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
宜家地板.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡地板.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡地板.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡地板.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
德獅堡地板.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬大自然.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬大自然.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬大自然.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬大自然.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬木業.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
盈彬木業.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
第一空間地板.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
第一空間地板.net	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
第一空間地板.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
第一空間地板.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012



<u>Domain name</u>	<u>Registered Owner</u>	<u>Expiry Date</u>
美迪亞地板.com	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
美迪亞地板.中國	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012
美迪亞地板.公司	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	12/27/2012

Note:

- (1) Our Company intends to renew this domain name when it expires on July 22, 2011. The type of domain names registered in Hong Kong which our Company purchases must be renewed annually.

### (c) Patents

- (i) As at the Latest Practicable Date, our Group has registered the following patents:

<u>Patent</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Patent Number</u>	<u>Expiry Date</u>
The production method and equipment for anti-slip wood flooring (一種防滑木地板的生產方法及其生產裝置)	China	Cheerway Industrial Limited	200510033240.2	02/06/2025
A type of wood flooring (一種木地板)	China	Cheerway Industrial Limited	200520060719.0	06/24/2015
Wood flooring (木地板)	China	Cheerway Industrial Limited	200520062761.6	08/07/2015
Wood flooring (木地板)	China	Cheerway Industrial Limited	200530063916.3	07/06/2015
A type of wood flooring with laser carving pattern (一種帶有激光雕刻圖案的木地板)	China	Cheerway Industrial Limited	200620057252.9	03/28/2016
A type of wood flooring (一種木地板)	China	Cheerway Industrial Limited	200620064781.1	09/17/2016
Component for installing baseboard (一種地腳線安裝構件)	China	Cheerway Industrial Limited	200710026992.5	02/13/2027
Film cutting machine and its inching device (一種切膜機及其寸動裝置)	China	Cheerway Industrial Limited	200710027220.3	03/16/2027
Production method of active ecological paint (一種活性生態漆的生產方法)	China	Cheerway Industrial Limited	200710028442.7	05/30/2027
A type of wood flooring (一種木地板)	China	Cheerway Industrial Limited	200720048846.8	02/13/2017
Baseboard (地腳線)	China	Cheerway Industrial Limited	200720049492.9	03/15/2017
Multi-layered engineered flooring (多層實木複合地板)	China	Cheerway Industrial Limited	200720052391.7	05/30/2017

## APPENDIX IX

## STATUTORY AND GENERAL INFORMATION

<u>Patent</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Patent Number</u>	<u>Expiry Date</u>
Pure wood engineered flooring (純木複合地板)	China	Cheerway Industrial Limited	200720059415.1	11/05/2017
Bedroom flooring (臥室地板)	China	Cheerway Industrial Limited	200720059774.7	11/13/2017
A type of solid wood flooring (一種實木地板)	China	Cheerway Industrial Limited	200820045861.1	03/27/2018
A type of wood flooring (一種木地板)	China	Cheerway Industrial Limited	200820045862.6	03/27/2018
Wood flooring with tree's annual growth ring pattern on the surface (一種年輪紋表面木地板)	China	Cheerway Industrial Limited	200820045863.0	03/27/2018
Transfer printing abrasion-proof flooring (一種轉印耐磨地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200820051170.2	07/18/2018
A type of engineered flooring with heating system (一種複合地面供暖體)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200820205221.2	12/08/2018
A type of wood flooring with health benefits (一種健康木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920051225.4	02/10/2019
Balancing and enhancement chamber for wood planks (板材平衡養生室)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920051541.1	02/17/2019
An improved structure for wood flooring (木地板的改良結構)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02248518.X	10/08/2012
A type of wood flooring (一種木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02271086.8	06/16/2012
Craftwork flooring (工藝地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02271461.8	07/02/2012
Improved wood flooring (改良木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02272371.4	08/08/2012
Composite structure for wood flooring (一種木地板的組合結構)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02272852.X	08/29/2012
Craftwork flooring (工藝地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	02357697.9	07/02/2012

<u>Patent</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Patent Number</u>	<u>Expiry Date</u>
An improved structure for wood flooring (木地板的改良結構)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03225194.7	04/15/2013
Engineered flooring (複合地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03225195.5	04/15/2013
Moisture-resistant wood flooring (防潮木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03225345.1	04/21/2013
Ventilation engineered flooring (透氣複合地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03267412.0	07/09/2013
Stickers (wood flooring) (標貼(木地板))	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03321021.7	03/20/2013
Board rack (展架(大字型))	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	03364955.3	09/27/2013
Engineered flooring (實木複合木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200320118698.4	11/25/2013
Wood flooring (engineered) (木地板(實木複合))	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200330117907.9	11/25/2013
A type of wood flooring (一種木地板)	China	Cheerway Industrial Limited	200420071542.X	07/11/2014
Anti-slip wood flooring (一種防滑木地板)	China	Cheerway Industrial Limited	200520054884.5	02/06/2015
A soundproof tongue and groove flooring (一種無聲企口地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920058082.X	06/05/2019
Engineered flooring (複合地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920237930.3	10/22/2019
Production method of laminated wood planks and laminating machine (板材覆膜生產工藝方法及覆膜機)	China	Cheerway Industrial Limited	200710027233.0	03/16/2027
A type of decorative board (一種裝飾板材)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920268548.9	10/14/2019

<u>Patent</u>	<u>Territory of Registration</u>	<u>Registered Owner</u>	<u>Patent Number</u>	<u>Expiry Date</u>
Automatic painting device for floorboard edges and its paint manufacturing equipment (地板側面自動噴漆裝置及其噴漆生產設備)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200920276416.0	12/01/2019
Active ecological wood flooring and its production method (活性生態木地板及其製造方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910038290.8	03/24/2029

(ii) As at Latest Practicable Date, we had applied for the registration of the following patents, the registration of which has not been granted:

<u>Patent</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Application Number</u>
Balancing and enhancement chamber for wood planks and enhancement method for wood planks (板材平衡養生室及板材養生方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910037330.7
Elastic flooring and its production method (彈性地板及其生產方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910302905.3
Printed flooring and its production method (印刷地板及其生產方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910302906.8
A soundproof tongue and groove flooring (一種無聲企口地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910040084.0
A type of decorative board (一種裝飾板材)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910208576.6
Automatic painting device for floorboard edges, paint production equipment and automatic painting method (地板側面自動噴漆裝置、噴漆生產設備及自動噴漆方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910252981.8
A type of flooring and its installation structure (一種地板及其安裝結構)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910214334.8
A type of interlocking flooring (一種內鎖式鎖扣地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910214333.3
A type of laminated wood flooring (一種強化木地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	200910214332.9
A security alarm system and decorative board with burglar alarm function (一種防盜報警系統及帶防盜報警功能的裝飾板材)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020264163.8

<u>Patent</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Application Number</u>
A type of laminated wood flooring with solid wood characteristics (一種實木型強化木質地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020518524.7
A type of flooring with pest repellent function (一種具有驅避有害生物功能的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010539023.1
A type of flooring with pest repellent function (一種具有驅避有害生物功能的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020600715.8
A type of radiation-proof board, its production method and flooring using such radiation-proof board (一種防輻射板材及其製造方法及應用該防輻射板材的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010539037.3
A type of radiation-proof flooring (一種防輻射地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020600762.2
A type of flooring with self-cleaning function (一種具有自潔功能的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580389.3
A type of flooring with self-cleaning function (一種具有自潔功能的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649673.7
UV hydra topcoat and flooring using such topcoat (UV水潤面漆及應用該面漆生產的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580421.8
Hydra flooring (水潤地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649663.3
A type of flooring with natural vegetable oil finish and its production method (一種天然植物油飾面地板及其製造方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580399.7
A type of flooring with natural vegetable oil finish (一種天然植物油飾面地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649668.6
A type of tongue and groove adhesive flooring (一種膠粘企口地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580430.7
A type of tongue and groove adhesive flooring (一種膠粘企口地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649682.6
A type of flooring with imprinted design and its production method (一種燙印藝術地板及其製造方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580425.6

<u>Patent</u>	<u>Territory of Registration</u>	<u>Applicant</u>	<u>Application Number</u>
A type of flooring with imprinted design (一種燙印藝術地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649651.0
A type of wood-and-stone mosaic flooring (一種木石拼花地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201010580443.4
A type of wood-and-stone mosaic flooring (一種木石拼花地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020649647.4
A new type of anti-bacteria flooring (一種新型抗菌健康地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201020608232.2
Magnetic health care board and flooring using such magnetic health care board (磁性保健板材及其應用的地板)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201120006024.X
Magnetic health care board, flooring using such magnetic health care board and the production method of the board or flooring (磁性保健板材及其應用的地板以及板材或地板的製造方法)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201110004152.5
A type of poplar wood modifier, method of applying such modifier to modify poplar wood and a type of modified poplar wood (一種楊木改性劑及應用其進行楊木改性的方法及一種改性楊木)	China	Guangdong Yingran Wood Industry Co. Ltd. (廣東盈然木業有限公司)	201110097966.8

We are not aware of any legal impediment to the registration of the above trademarks and patents which are pending registration.

## C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of our Company or its associated corporation

Immediately following completion of the Global Offering and the Capitalization Issue (without taking into account Shares to be allotted and issued upon the exercise of the Over-allotment Option any options granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), our Directors and chief executive will have the following interests and/or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to us and the Hong Kong Stock Exchange once the Shares are listed:

<u>Name</u>	<u>Nature of interest</u>	<u>Number of Shares held immediately after the Global Offering</u>	<u>Approximate percentage of shareholding immediately after the Global Offering</u>
Mr. Se Hok Pan . . . . .	Interest of controlled corporation	718,921,730 <sup>(Note 1)</sup>	48.14%
Ms. Un Son I . . . . .	Interest of controlled corporation	718,921,730 <sup>(Note 1)</sup>	48.14%

Notes:

- These 718,921,730 Shares represent the interest which will be beneficially owned by Freewings immediately after completion of the Global Offering. Freewings is owned as to 44.92% by Team One Investments, 39.81% by Trader World, 8.69% by Mr. She Jian Bin, 4.39% by Mr. Chow Chi Keung Savio and 2.19% by Mr. Nam Cheung Ming Louis.

The entire issued share capital of Team One Investments is held by Mr. Se Hok Pan.

The entire issued share capital of Trader World is held by Ms. Un Son I.

Mr. Se Hok Pan and Ms. Un Son I are deemed under the SFO to be interested in all the Shares registered in the name of Freewings.

- All interests stated are long positions.

### 2. Interests and short positions of the substantial shareholders in the Shares and underlying Shares

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company which, once the Shares are listed, would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, 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 member of our Group.

### 3. Particulars of Directors' service agreements

Each of our executive Directors has entered into a service agreement with our Company on March 26, 2009 for an initial fixed period of five years commencing from January 1, 2009 unless and until terminated by the parties in accordance with the terms of the service agreements.

Pursuant to the service agreements, each of our executive Directors is entitled to an annual basic salary set out below as well as a discretionary annual bonus as may be determined by the Board based on the performance of our Group:

<u>Director</u>	<u>Annual Basic Salary (pre-tax)</u>
Mr. Se Hok Pan .....	MOP123,600 and RMB201,600
Ms. Un Son I .....	MOP240,000
Mr. She Jian Bin .....	MOP80,000 and RMB134,400
Mr. Chow Chi Keung Savio .....	MOP228,660

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

### 4. Directors' remuneration

The aggregate amounts of remuneration (including directors' fees, salaries, allowances, discretionary bonus, and other benefits in kind and, for the year ended December 31, 2008, including equity settled share-based payment expenses) which were paid to the Directors for the years ended December 31, 2008, 2009 and 2010 were approximately RMB7.4 million, RMB6.3 million and RMB6.3 million, respectively.

It is estimated that remuneration (excluding any discretionary bonus which may be paid) and benefits in kind (including the retirement benefit contribution) equivalent to approximately RMB7.0 million in aggregate will be payable to the Directors by our Company for the year ending December 31, 2011 under the arrangement in force as at the date of this prospectus.

### 5. Fees or commissions received

The Underwriters will receive a commission as mentioned in the paragraph headed "Underwriting — Underwriting Arrangements and Expenses — Commission and Expenses" in this prospectus.

Save as disclosed in this prospectus, none of our Directors or any of the persons whose names are listed in the paragraph headed "Consents of experts" in this appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years preceding the date of this prospectus.



## 6. Disclaimers

Save as disclosed in this prospectus:

- (i) so far as our Directors are aware, none of the Directors or chief executive of our Company has any interest and/or short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to us and the Hong Kong Stock Exchange once our Shares are listed;
- (ii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix has any direct or indirect interest in the promotion of our Company or any of our subsidiaries, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (iii) none of our Directors and the experts referred to under the heading “Consents of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business taken as a whole;
- (iv) none of our Directors has any existing or proposed service contracts with our Company or any of our subsidiaries, excluding contracts which are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation);
- (v) taking no account of any Shares which may be taken up under the Global Offering, none of the Directors or chief executive of our Company knows of any person, not being a Director or chief executive of our Company, who will, immediately following completion of the Global Offering, have an interest or short position in the Shares and underlying Shares of our Company which, once the Shares are listed, would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, 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 our Group;
- (vi) none of the experts referred to under the heading “Consents of experts” in this appendix has any shareholding in our Company or any of our subsidiaries or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries; and
- (vii) none of the Directors, their respective associates (as defined under the Listing Rules), or shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company’s five largest customers and five largest suppliers.

## D. Share Option Schemes

### 1. Pre-IPO Share Option Scheme

#### *Summary of terms*

The Pre-IPO Share Option Scheme was approved and adopted by a written resolution passed by our then shareholders on December 16, 2008, and was subsequently amended pursuant to a written resolution passed by our then shareholders on June 30, 2010 and a written resolution of the Board on April 26, 2011.

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme:

#### *(a) Purpose*

The purpose of the Pre-IPO Share Option Scheme is to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

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

Eligible persons of the Pre-IPO Share Option Scheme include any employee (full-time or part-time) of our Company or any of our subsidiaries or investee companies.

#### *(c) Maximum number of Shares in respect of which options may be granted*

The maximum number of Shares that may be issued pursuant to the options granted under the Pre-IPO Share Option Scheme shall not exceed 4,666,667 Shares (pre-Capitalization Issue and the Global Offering), representing approximately 4.17% of the issued share capital of our Company immediately before the Capitalization Issue and the Global Offering (assuming that all the Preferred Shares have been converted into Shares on a one for one basis), or 46,666,670 Shares (post-Capitalization Issue and the Global Offering), representing approximately 3.12% of the issued share capital of our Company immediately after the Capitalization Issue and the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised).

#### *(d) Acceptance of grant*

An amount of HK\$1.00 (or any equivalent amount in RMB) is payable by the option-holder upon acceptance of the grant of options.

#### *(e) Subscription price*

The subscription price for Shares issued upon the exercise of options granted under the Pre-IPO Share Option Scheme shall be determined by our Board, which shall be subject to adjustment in the

event of any alteration to the capital structure of our Company. The subscription price shall be 120% of the fair market price per Shares as determined by an independent valuer appointed by our Company.

***(f) Duration of the Pre-IPO Share Option Scheme***

The Pre-IPO Share Option Scheme will remain in force from the date on which the Pre-IPO Share Option Scheme was adopted to the Listing Date. After the expiry of the duration of the Pre-IPO Share Option Scheme, no further options shall be offered but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in force. Options (to the extent not already exercised) granted prior to such expiry shall continue to be valid and exercisable in accordance with the terms of the Pre-IPO Share Option Scheme.

***(g) Time of vesting and exercise of options***

Our Board may, when offering the grant of an option, specify the vesting period of the option and the performance targets that must be achieved before the option can be vested. There is a minimum period of 18 months from the Listing Date before a vested option can be exercised (the “Lock-up Period”).

Any option shall lapse if not exercised within 10 years from the date of grant.

***(h) Conditions of exercise of options***

Any exercise of an option granted under the Pre-IPO Share Option Scheme is conditional upon:

- (i) the Company not having received any objections from the Listing Committee before the Listing Date in relation to any provisions of the Pre-IPO Share Option Scheme;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme; and
- (iii) the commencement of dealings in the Shares on the Hong Kong Stock Exchange.

In the event that any of the above conditions is not fulfilled on or before December 31, 2012 or such other date as determined by our shareholders in general meeting, the Pre-IPO Share Option Scheme shall be terminated and the options granted, or agreed to be granted, thereunder (whether vested or not) shall lapse.

***(i) Ranking of the Shares***

The Shares to be allotted and issued upon exercise of an option shall rank *pari passu* in all respects with the fully-paid Shares in issue on the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment, other than any dividend or other distributions the record date of which is on or before the date of allotment.

***(j) Rights are personal to the option-holders***

An option is personal to the option-holder and shall not be transferable or assignable. No option-holder shall in any way sell, transfer, charge, mortgage, encumber or otherwise create any legal or beneficial interest in favor of any third party over or in relation to any option. Any breach of the foregoing by an option-holder shall entitle the Company to cancel any option granted to such option-holder to the extent not already exercised.

***(k) Rights on cessation of employment***

If an option-holder ceases to be an employee of our Group for any reason other than his death, serious misconduct or other grounds referred to in sub-paragraph (n) below, or his retirement or cessation of employment referred to in sub-paragraph (m) below, his options shall lapse on the date of his cessation of employment if such date falls within the Lock-up Period. If the date of his cessation of employment falls after the expiry of the Lock-up Period, the option-holder may, at any time within one month (or such longer period as determined by our Board) from the date of his cessation of employment, which date shall be his last working day with our Company or any subsidiaries or investee companies of our Company (regardless of whether salary is paid in lieu of notice), exercise his vested options (to the extent not already exercised).

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

If an option-holder dies and that none of the grounds for dismissal as set out in sub-paragraph (n) below has occurred, his personal representative(s) may, at any time within one month from the expiry of the Lock-up Period (or such longer period as determined by the Board), exercise the options granted to such option-holder (to the extent vested and not already exercised on the date of death of such option-holder). If the date of death occurs after the expiry of the Lock-up Period, the personal representative(s) of the option-holder may, at any time within one month from the date of death of such option-holder (or such longer period as determined by the Board), exercise his options (to the extent vested and not already exercised on the date of death of such option-holder).

***(m) Rights on retirement or cessation of employment as a result of illness, physical disability, etc.***

If an option-holder retires or ceases to be employed pursuant to the terms of his employment contract or the law due to reasons such as illness, physical disability or injury and that none of the grounds for dismissal as set out in sub-paragraph (n) below has occurred, the option-holder may, at any time within one month from the expiry of the Lock-up Period (or such longer period as determined by the Board), exercise his options (to the extent vested and not already exercised on the date of his retirement or cessation of employment). If the date of his retirement or cessation of employment occurs after the expiry of the Lock-up Period, the option-holder may, at any time within one month from the date of his retirement or cessation of employment (or such longer period as determined by the Board), exercise his options (to the extent vested and not already exercised on the date of his retirement or cessation of employment).

***(n) Lapse of options on serious misconduct, bankruptcy or summary dismissal, etc.***

If an option-holder ceases to be employed by our Company or any subsidiaries or investee companies of our companies on the grounds that he has been guilty of serious misconduct or abuse of

authority, has breached the confidence with our Company, is unable to pay his debts or becomes bankrupt, has made any arrangement or compromise with his creditors generally, has been convicted of any criminal offense, has seriously breached the discipline or the internal policy of our Company, has not accomplished or is not able to accomplish the reasonable duties assigned by our Company and such circumstances not being remedied after receiving the relevant notice from our Company, or has been summarily dismissed on any other grounds pursuant to his employment contract or the applicable law, his options (to the extent not already exercised and irrespective of whether they are vested or not) will lapse immediately on the date of his cessation of employment. To the extent the options that have already been exercised, our Company reserves the right to repurchase the Shares so issued at the exercise price.

The resolution of the Board or the board of directors of the relevant subsidiaries or investee companies of our Company to the effect that the employment of an option-holder has or has not been terminated on one or more grounds specified in this sub-paragraph shall be conclusive.

***(o) Rights on a general offer***

In the event that a general offer (whether by way of a takeover, scheme of arrangement or otherwise) is made to all the shareholders of our Company (or all such shareholders other than the offeror, any person controlled by the offeror and any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the unexercised options, if the Lock-up Period has already expired, an option-holder (or his personal representative(s)) may, at any time within ten business days from the date on which the offer becomes or is declared unconditional, exercise his vested options (in whole or in part, and to the extent not already exercised). If the Lock-up Period has not yet expired, no options (whether they are vested or not) shall be exercisable.

***(p) Rights on winding up***

In the event that a resolution approving the voluntary winding up of our Company has been passed or that the court has ordered the winding up of our Company, an option-holder may, within 15 business days from the passing of such resolution, give a notice to our Company requesting our Company to treat his options (to the extent not already exercised and irrespective of whether they are vested or not) as having been exercised before the passing of such resolution. Such notice shall specify the number of Shares and be accompanied by the remittance of the exercise price for the Shares in respect of which the notice is given. Upon receiving such notice, the option-holder shall enjoy the same rights as the other shareholders of our Company and shall be entitled to receive the distribution of assets upon winding up of the Company, which amount shall be equivalent to the amount which holders of voting Shares are entitled to receive.

***(q) Rights on restructuring or amalgamation***

If our Company, for the purposes of restructuring or amalgamation with any other company or companies, proposes a compromise or arrangement to the shareholders or creditors of our Company, our Company shall give written notice thereof to all the option-holders on the same day as it gives notice to the shareholders or creditors summoning the meeting to consider such a compromise or

arrangement. An option-holder may, forthwith and until the expiry of one calendar month from the issuance of notice by the Company or the sanction of the compromise or arrangement by the court (whichever is earlier), exercise his vested options (in whole or in part, and to the extent not already exercised and that the Lock-Up Period has already expired) on the condition that the compromise or arrangement be sanctioned by the court and becoming effective. Any vested Options which are still subject to the Lock-up Period shall not be exercisable.

With effect from the date of the aforesaid meeting, the rights of all option-holders to exercise their respective options shall forthwith be suspended. Our Company may require an 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 such compromise or arrangement. If for any reason such compromise or arrangement is not sanctioned by the court, the rights of the option-holders to exercise their respective options shall be restored and the options shall subject to the other terms of the Pre-IPO Share Option Scheme be continued to be exercisable, as if our Company has never proposed such compromise or arrangement.

***(r) Lapse of option***

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

- (i) the expiry of the options;
- (ii) the expiry of any of the periods referred to in sub-paragraphs (k), (l), (m) and (o);
- (iii) subject to and under the circumstances referred to in sub-paragraph (p), the date of the commencement of winding up of our Company;
- (iv) the date on which the compromise or arrangement referred to in sub-paragraph (q) becomes effective;
- (v) the date on which an option-holder ceases to be an eligible person of the Pre-IPO Share Option Scheme by any reason referred to in sub-paragraph (n);
- (vi) the date on which an option-holder is in breach of sub-paragraph (j);
- (vii) if the options are granted to an option-holder subject to certain conditions, limitations or restrictions, the date on which the Board considers the option-holder to have failed to comply with such conditions, limitations or restrictions; and
- (viii) the date on which the events referred to in the grant letter take place or the expiry of the period referred to in the grant letter.

***(s) Effect of alteration to capital***

In the event of any alteration to the capital structure of our Company while any option remains exercisable, whether by way of capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of our Company (other than the issue of shares as consideration by our

Company), such corresponding adjustments (if any) shall be made to the number of Shares subject to any outstanding options, the exercise price, the way that the options are to be exercised and/or the number of Shares subject to the Pre-IPO Share Option Scheme as the financial advisors of our Company shall certify in writing to our Board to be in their opinion fair and reasonable, provided that any such adjustments shall give an option-holder the same proportion of share capital of our Company to which he would have been entitled prior to such adjustments and no such adjustments shall be made the effect of which would enable a Share to be allotted and issued at less than its nominal value. No adjustments shall be made to the exercise price or the number of Shares to the benefits of any eligible persons without the approval of the shareholders of our Company.

The capacity of the financial advisors of our Company within the meaning of this subparagraph(s) is that of experts and not arbitrators and their certification shall be final and conclusive and binding on our Company and the option-holders.

***(t) Cancellation of options***

With the consent of the option-holder, our Board may cancel any options granted which have not yet been exercised nor lapsed. Any lapsed options shall also be cancelled. The Board may, at its discretion, grant to the option-holder new options to replace the cancelled options, provided that the Pre-IPO Share Option Scheme has not yet expired and that there is sufficient number of options which have not already been granted.

***(u) Termination of the Pre-IPO Share Option Scheme***

Our Company may at any time terminate the Pre-IPO Share Option Scheme with the approval of the Board or the shareholders of our Company. In such event, no further options shall be granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in force. Options granted and accepted prior to such termination but not yet exercised shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

***(v) Alteration of the Pre-IPO Share Option Scheme***

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

- (i) any alteration to the advantage of the option-holders or prospective option-holders in relation to such matters as the purpose and duration of the Pre-IPO Share Option Scheme, the grant of options under the Pre-IPO Share Option Scheme, the exercise price, the exercise of options, the lapse of options, the maximum number of shares subject to the Pre-IPO Share Option Scheme, the cancellation of options, the effect of alteration to capital and the alteration of the Pre-IPO Share Option Scheme;
- (ii) any alteration to the authority of the Board or the administrator of the Pre-IPO Share Option Scheme;
- (iii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of the options granted (other than such alteration or change which shall automatically take effect under the existing terms of the Pre-IPO Share Option Scheme),

shall be approved by the shareholders of our Company in general meeting. No such alteration shall be made if it will adversely affect the terms of any options granted or agreed to be granted prior to such alteration except with the consent or approval of the option-holders of not less than 50% of the Shares fall to be issued pursuant to the options granted under the Pre-IPO Share Option Scheme.

***Outstanding options granted under the Pre-IPO Share Option Scheme***

As at the date of this prospectus, options to subscribe for an aggregate of 3,231,543 Shares (pre-Capitalization Issue and the Global Offering) or 32,315,430 Shares (post-Capitalization Issue and the Global Offering), representing approximately 2.16% of the issued share capital of our Company immediately after the Capitalization Issue and the Global Offering (assuming the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised) have been granted to 100 option-holders by our Company at a consideration of HK\$1.00 each (or equivalent amount in RMB) under the Pre-IPO Share Option Scheme.

All the options granted under the Pre-IPO Share Option Scheme were granted either on December 17, 2008 or July 1, 2010. For the options granted on December 17, 2008, the exercise price per Share shall be HK\$2.35, representing a discount of approximately 44.05% to the high-end and a discount of approximately 20.34% to the low-end of the Offer Price, respectively. For the options granted on July 1, 2010, the exercise price per Share shall be HK\$3.38, representing a discount of approximately 19.52% to the high-end and a premium of approximately 14.58% over the low-end of the Offer Price, respectively.

Subject to the satisfactory performance of the option-holders, the options granted to each of the option-holders shall be vested in accordance with the following schedule:

***For the options granted on December 17, 2008***

<u>Vesting period</u>	<u>Maximum cumulative percentage of options vested</u>
December 30, 2008 .....	10%
December 30, 2009 .....	10%
December 30, of the year of the Listing Date .....	20%
December 30, of the year 12 months from the Listing Date .....	30%
December 30, of the year 24 months from the Listing Date .....	30%

***For the options granted on July 1, 2010***

<u>Vesting period</u>	<u>Maximum cumulative percentage of options vested</u>
December 30, 2010 .....	20%
December 30, of the year of the Listing Date .....	20%
December 30, of the year 12 months from the Listing Date .....	30%
December 30, of the year 24 months from the Listing Date .....	30%



Each option granted under the Pre-IPO Share Option Scheme has a ten-year exercise option provided that none of the options (whether they are vested or not) shall be exercisable before the expiry of 18 months from the Listing Date.

As at date of this prospectus, none of the options granted under the Pre-IPO Share Option Scheme has been exercised. No further options will be granted under the Pre-IPO Share Option Scheme prior to the Listing Date.

The options have been granted based on the performance of the option-holders who have made important contributions to and are important to the long term growth and profitability of our Group. Such 100 option-holders include a director of the subsidiaries of our Company, an Ultimate Controlling Shareholders (who is also a former Director), seven members of the senior management of our Company and 91 other employees of our Group.

We have applied for, and have been granted an exemption from the SFC from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Hong Kong Companies Ordinance, and a waiver from the Hong Kong Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules in connection with the information of the options granted under the Pre-IPO Share Option Scheme on the ground that full compliance with such disclosure requirements in setting out the names and addresses of, and the number of Shares represented by options granted under the Pre-IPO Share Option Scheme to, the employees of our Group and who are neither directors, former directors, members of senior management of our Group, connected persons of our Company nor employees of our Group with options to subscribe for 250,000 Shares (post-Capitalization Issue and the Global Offering) each or more, would be unduly burdensome for our Company and would be of little significance or relevance to potential investors for the following reasons:

- (a) the options granted under the Pre-IPO Share Option Scheme are considered as part of each grantee's remuneration package, and therefore information on options granted to each individual grantee is highly sensitive and confidential among the grantees. Disclosing such highly sensitive and confidential information in this prospectus would prejudice the interests of our Company and therefore be unduly burdensome on our Company;
- (b) the grant and exercise in full of the options granted under the Pre-IPO Share Option Scheme will not cause any material adverse impact in the financial position of our Company and in any event the total number of Shares to be issued upon exercise of the options granted under the Pre-IPO Share Option Scheme and the potential dilution effect will be set out in this prospectus;
- (c) non-compliance with the disclosure requirements does not prevent our Company from providing an informed assessment of our Company's activities, assets and liabilities, financial position, management and prospects to its potential investors;
- (d) the important information, that is, the aggregate number of options outstanding, exercise price, vesting period, exercise period and the potential dilution effect on the shareholdings of our Company upon Listing and the impact on the earnings per Share

upon full exercise of the options granted under the Pre-IPO Share Option Scheme, is disclosed in this prospectus and such information, together with other information contained in this prospectus regarding the Pre-IPO Share Option Scheme, provides potential investors with sufficient information to make a relevant assessment of our Company in their investment decision-making process; and

- (e) setting out the names, addresses and numbers of Shares represented by options for all 100 grantees on an individual basis would increase the number of pages in the prospectus by about 30 pages (English and Chinese versions included) and therefore would be costly and unduly burdensome on our Company in light of the increase in cost for prospectus printing.

A summary of the option-holders who have been granted options under the Pre-IPO Share Option Scheme is set out below.

<b>Name of Option-holder</b>	<b>Position held within our Group</b>	<b>Address</b>	<b>Exercise price (HK\$)</b>	<b>Date of grant</b>	<b>Number of Shares subject to the options (post-Capitalization Issue and the Global Offering)</b>	<b>Approximate percentage of shareholding upon the Global Offering (%) (Note)</b>
<i>Director of our subsidiaries</i>						
Liang Zhihua (梁志華)	General Manager of the Production Department	No. 5, Lane Seven, Taigen Garden, Taigen Road, Daliang Town, Shunde City, Guangdong Province, PRC	(i) 2.35	(i) December 17, 2008	(i) 576,780	—
			(ii) 3.38	(ii) July 1, 2010	(ii) 7,000,000	—
					7,576,780	0.51
<i>Ultimate Controlling Shareholder and Former Director of the Company</i>						
Nam Cheung Ming Louis (藍祥明)	Director of Assets Management Centre	2B, Block 34, Laguna City, Cha Kwo Ling, Kowloon, Hong Kong	2.35	December 17, 2008	1,887,640	0.13
<i>Senior Management of the Group</i>						
Teoh Chun Ming (張振明)	Chief Financial Officer and Company Secretary	Flat D, 18/F, Block 6, Verbena Heights, 8 Mau Tai Road, Tseung Kwan O, Hong Kong	(i) 2.35	(i) December 17, 2008	(i) 1,677,900	—
			(ii) 3.38	(ii) July 1, 2010	(ii) 1,500,000	—
					3,177,900	0.21

Name of Option-holder	Position held within our Group	Address	Exercise price (HK\$)	Date of grant	Number of Shares subject to the options (post-Capitalization Issue and the Global Offering)	Approximate percentage of shareholding immediately upon the Global Offering (%) (Note)
Meng Qingyan (孟慶堯)	Director of the Planning and Management Department	No. 806, Liulin Road, Jingui Garden, Daliang, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	603,000	0.04
Lin Hao (林皓)	Executive Deputy General Manager of the Sales and Distribution Department	Unit 306, No. 103 Shihua East Road, Xiangzhou District, Zhuhai City, Guangdong Province, PRC	2.35	December 17, 2008	603,000	0.04
Shen Naiqiang (沈乃強)	Director of the Quality Assurance Centre	No. 163, Qiyong Road, Dayong Town, Zhongshan City, Guangdong Province, PRC	2.35	December 17, 2008	314,610	0.02
Li Zhengliang (李正亮)	General Manager of the Jiangxi Shangrao Project Department (江西上饒項目部)	No. 89, Sanqing Shanxi Avenue, Shangrao City, Jiangxi Province, PRC	2.35	December 17, 2008	262,170	0.02
Yang Shulin (楊樹林)	General Manager of the South America Department	Unit 1103, West Tower, No. 6 Xibahe South Road, Chaoyang District, Beijing, PRC	2.35	December 17, 2008	209,740	0.01
Rao Haiqing (饒海清)	Assistant to the General Manager of Sales and Distribution Department and Director of the Channel Department	Unit 502, Block A, Sunny Palace, Xinghua Road, Lecong Town, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	262,170	0.02
<b>Subtotal of options granted to Senior Management of the Group:</b>					<b>5,432,590</b>	<b>0.36</b>
<i>Other option-holders whose options would entitle each of them to subscribe 250,000 Shares (post-Capitalization Issue and Global Offering) or more</i>						
Lei Sun (李璇)	Finance Manager	Em Macau, Rua Da Bacia Sul, The Praia Block 4, 24/F, Unit X, Macau	(i) 2.35 (ii) 3.38	(i) December 17, 2008 (ii) July 1, 2010	(i) 167,790 (ii) 2,000,000	—
					2,167,790	0.15

Name of Option-holder	Position held within our Group	Address	Exercise price (HK\$)	Date of grant	Number of Shares subject to the options (post-Capitalization Issue and the Global Offering)	Approximate percentage of shareholding immediately upon the Global Offering (%) (Note)
Choi Weng Ha (蔡穎霞)	Finance Manager	No. 101 Rua De Paris EDF. Hil Fung (Tai Fung) 11-ANDAR-N Macau	(i) 2.35	(i) December 17, 2008	(i) 428,810	—
			(ii) 3.38	(ii) July 1, 2010	(ii) 1,500,000	—
					1,928,810	0.13
Pei Xinmin (裴新民)	Director of the Financial Management Centre	Unit 706, Building. 11, Rongchao Garden, Buji Town, Shenzhen City, Guangdong Province, PRC	2.35	December 17, 2008	576,780	0.04
Yang Weiming (楊偉明)	General Manager of the Sales Department	No. 806 Liulin Road, Jingui Garden, Daliang, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	576,780	0.04
Liu Ruxin (劉儒新)	Director of the Sales Department	No. 8, Longpan West Road, New District, Shende District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	364,370	0.02
Zhu Qinghai (朱清海)	Manager of the Products Department	Unit 102, Building 83, Chengshizhixin, Longwang Road, Huzhou City, Zhejiang Province, PRC	2.35	December 17, 2008	288,390	0.02
Jiang Wencho (蔣文超)	Deputy Factory Director	Unit 511, Building. 5, Shangya Court, Nanguo Middle Road, Daliang, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	262,170	0.02
Fu Zhongzhi (付忠芝)	Manager of the Products Department	Unit 102, Building. 8, Guanghao Huating, Shalang Town, West Area, Zhongshan City, Guangdong Province, PRC	2.35	December 17, 2008	262,170	0.02

Name of Option-holder	Position held within our Group	Address	Exercise price (HK\$)	Date of grant	Number of Shares subject to the options (post-Capitalization Issue and the Global Offering)	Approximate percentage of shareholding immediately upon the Global Offering (%) (Note)
Yang Gang (楊剛)	Director of the Sales Department	B1506, Cuiming Court, Baocui Garden, Nanguo East Road, Daliang, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	262,170	0.02
Zhang Kunming (張坤明)	Director of the Operations Department	No. 14, Wusha Hecheng Avenue, Daliang, Shunde District, Foshan City, Guangdong Province, PRC	2.35	December 17, 2008	262,160	0.02
<b>Subtotal of holders with options to subscribe for 250,000 Shares or more:</b>					<b>6,951,590</b>	<b>0.47</b>
<i>Other option-holders</i>						
81 other employees of the Group			2.35	December 17, 2008	10,466,830	0.70
<b>Grand Total:</b>					<b>32,315,430</b>	<b>2.16</b>

Note: These percentages are calculated on the basis of 1,493,339,990 Shares in issue immediately after the completion of the Global Offering and the Capitalization Issue without taking into account any Shares which may fall to be allotted and issued upon the exercise of the Over-allotment Option and any options granted under the Pre-IPO Share Option Scheme.

Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full during the six months ending June 30, 2011 and that 1,525,655,420 Shares, comprising 1,493,339,990 Shares to be in issue immediately upon the Global Offering and 32,315,430 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the six months ending June 30, 2011, but not taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option, there will be a dilution effect of approximately 1.85% on the pro-forma forecast earnings per Share for the six months ending June 30, 2011 from RMB0.054 to RMB0.053.

The options granted under the Pre-IPO Share Option Scheme represent approximately 2.16% of the enlarged issued share capital of our Company immediately after the Global Offering and the Capitalization Issue (assuming the Over-allotment Option is not exercised). If all the options are exercised, there would be a dilution effect on the shareholdings of our shareholders of approximately 2.12%.

As no options granted under the Pre-IPO Share Option Scheme will be exercisable before the expiry of 18 months from the Listing Date, there will not be any dilutive effect on shareholding structure or impact on earnings per Shares due to the exercise of such options for the year ending December 31, 2011. In addition, as the options are exercisable over a ten years' period, any such dilutive effect on earnings per Share will be staggered over several years.

Application has been made to the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may be allotted and issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

## 2. Share Option Scheme

### *Summary of terms*

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by a written resolution passed by our Shareholders on May 3, 2011. The terms of the Share Option Scheme comply with the provisions of Chapter 17 of the Listing Rules.

#### *(a) Purpose of the Share Option Scheme*

The purpose of the Share Option Scheme is to incentivize and reward the Eligible Persons (as defined in sub-paragraph (b) below) for their contribution to our Company and the subsidiaries and associated companies of our Company and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

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

The Board may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to:

- (i) an employee (whether full-time or part-time) or a director who is holding salaried office or employment with our Company or any subsidiaries or associated companies of our Company (“Eligible Employee”);
- (ii) a non-executive director of our Company or any subsidiaries or associated companies of our Company (including independent non-executive Director);
- (iii) any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any subsidiaries or associated companies of our Company who is an individual; or
- (iv) any full-time employee of any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any subsidiaries or associated companies of our Company,

who the Board considers, in its sole discretion, has contributed or will contribute to our Company or any subsidiaries or associated companies of our Company (collectively, the “**Eligible Persons**”).

#### *(c) Maximum number of Shares in respect of which options may be granted*

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options granted under any other share option schemes of our Company (including but not limited to the Pre-IPO Share Option Scheme) must not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”), excluding

for this purpose options lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Company, provided that:

- (i) the Board may, with the approval of the shareholders of our Company in general meeting, refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any options to be granted under any other share option schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date on which the shareholders of our Company approve the refreshment of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our Company shall send to our shareholders a circular containing the information required under Chapter 17 of the Listing Rules;
- (ii) the Board may, with the approval of the shareholders of our Company in general meeting, grant options to any Eligible Person specifically identified by them which would cause the Scheme Mandate Limit to be exceeded. Our Company shall send to our shareholders a circular containing, among other things, a generic description of the specified Eligible Person who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Person with an explanation as to how the terms of the options serve such purpose and such other information required under Chapter 17 of the Listing Rules; and
- (iii) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any other share option schemes of our Company to Eligible Persons must not exceed 30% of the Shares in issue from time to time.

The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or independent financial advisor appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of our Company whether by way of capitalization of profits or reserves, rights issue, consolidation or subdivision of shares, or reduction of the share capital of our Company provided that no such adjustment shall be made in the event of any issue of Shares as consideration in respect of a transaction.

***(d) Maximum entitlement of each individual***

No options shall be granted to any Eligible Person which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of offer, exceeds 1% of the Shares in issue at such date. Any further grant of options in excess of this 1% limit shall be subject to the approval of our shareholders in general meeting with such Eligible Person and his associates (as defined in the Listing Rules) abstaining from voting. Our

Company shall send to our shareholders a circular containing the identity of the Eligible Person, the numbers and terms of the options to be granted (and options previously granted to such Eligible Participant) and such other information required under Chapter 17 of the Listing Rules.

The number and terms (including the exercise price) of the options to be granted to such Eligible Person must be fixed before our shareholders' approval and the date of the Board meeting approving such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.

***(e) Grant of options to connected persons***

Any grant of options to a Director (including an independent non-executive Director), chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules), under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director of the Company, or any of their respective associates (as defined in the Listing Rules), will result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of options by the Board must be approved by the shareholders of our Company in general meeting (the vote on such approval to be taken on a poll). Any shareholder of our Company who is a connected person (as defined in the Listing Rules) of our Company must abstain from voting on the resolution to approve such further grant of options, except that such a connected person (as defined in the Listing Rules) may vote against such resolution subject to the requirements under Chapter 17 of the Listing Rules. Our Company shall send to our shareholders a circular containing the details of the number and terms (including the exercise price) of the options to be granted to each Eligible Person, which must be fixed before the shareholders' meeting, and the date of the Board meeting for approving such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.

***(f) Acceptance of an offer of options***

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of options and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.



*(g) Exercise price*

Subject to any adjustment made as described in sub-paragraph (u) below, the exercise price in respect of any option shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

- (i) the closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of offer;
- (ii) the average closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer; and
- (iii) the nominal value of the Shares.

*(h) Duration of the Share Option Scheme*

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

*(i) Time of vesting and exercise of options*

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options. Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed 10 years from the offer date of the option (the "**Option Period**").

An option shall be subject to such terms and conditions (if any) as may be determined by the Board at the date of offer and specified in the offer of the option. Such terms and conditions must not be contrary to the purpose of the Share Option Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the shareholders of our Company. Notwithstanding the above, there is no minimum period for which any option must be held before it can be exercised and no performance target which need to be achieved by an option-holder before the option can be exercised.

If an option-holder is transferred to work in the PRC or another country and still continues to hold a salaried office or employment under a contract with our Company or any of the subsidiaries or associated companies of our Company, and as a result of that transfer, he either (i) suffers a tax disadvantage in relation to his options (this being shown to the satisfaction of the Board); or (ii) becomes subject to restrictions on his ability to exercise his options or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise because of the security laws or exchange control laws of the PRC or the country to which he is transferred, then the Board may allow him to exercise his options during the period starting three months before and ending three months after the transfer takes place.

No option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

***(j) Restriction on the time of grant of options***

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no option may be granted. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

***(k) Ranking of the Shares***

No dividends (and distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. Shares allotted and issued on the exercise of an option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

***(l) Rights are personal to the option-holders***

Except for the transmission of an option on the death of an option-holder to his personal representatives, neither the option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any option-holder to any other person or entity. If an option-holder transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant option will immediately lapse.

***(m) Rights on voluntary resignation***

If an option-holder ceases to be an Eligible Employee by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of options shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Employee, and all options (to the extent not already exercised) will continue to be exercisable for such period as the Board may determine at its absolute discretion and notify to such Eligible Employee on the date of cessation of employment of such Eligible Employee.

***(n) Rights on cessation of employment***

If an option-holder ceases to be an Eligible Employee by reason of (i) his employer terminating his contract of employment in accordance with its terms or any right conferred on his employer by law, or (ii) his contract of employment, being a contract for a fixed term, expiring and not being renewed, or (iii) his employer terminating his contract for serious or gross misconduct, then any outstanding offer of an option and all options (to the extent not already exercised) will lapse on the date the option-holder ceases to be an Eligible Employee.

***(o) Rights on death, disability, retirement and transfer***

If an option-holder ceases to be an Eligible Employee by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the option-holder unfit to continue performing the duties under his contract of employment for the following 12 months provided such illness or injury is not self-inflicted; or
- (iii) his retirement in accordance with the terms of an option-holder's contract of employment; or
- (iv) his early retirement by agreement with the option-holder's employer; or
- (v) his employer terminating his contract of employment by reason of redundancy; or
- (vi) his employer ceasing to be our Company or a subsidiary or an associated company of our Company or under the control of our Company; or
- (vii) a transfer of the business, or the part of the business, in which the option-holder works to a person who is neither our Company or any of its subsidiaries or associated companies nor under the control of our Company; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of the Share Option Scheme to treat an option-holder whose options would otherwise lapse so that such options do not lapse but continue to subsist in accordance with (and subject to) the provisions of the Share Option Scheme,

then, any outstanding offer of an option which has not been accepted will lapse and the option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.

If the Board determines that an option-holder who ceased to be an Eligible Employee in circumstances such that his options continue to subsist in accordance with (viii) above:

- (aa) is guilty of any misconduct which would have justified the termination of his contract of employment for cause but which does not become known to our Company until after he has ceased employment with our Company or any of our subsidiaries or associated companies; or
- (bb) is in breach of any material term of contract of employment (or other contract or agreement related to his contract of employment), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and our Company or any of our subsidiaries or associated companies; or
- (cc) has disclosed trade secrets or confidential information of our Company or any of our subsidiaries or associated companies; or
- (dd) has entered into competition with our Company or any of our subsidiaries or associated companies or breached any non-solicitation provisions in his contract of employment,

then it may, in its absolute discretion, determine that any unexercised options held by the option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the option-holder has been notified of the determination).

***(p) Rights on cessation to be a customer, business or joint venture partner, consultant, etc.***

In the event that any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider ceases to be a customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any of our subsidiaries or associated companies, our Company shall, as soon as practicable thereafter, give notice to the relevant option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an option which has not been accepted will lapse on the date the option-holder ceases to be an Eligible Person. The option-holder (or his personal representative) may exercise all his options (to the extent not already exercised) within a period of three months of the date of the notification by the Board. Any option not exercised prior to the expiry of this period shall lapse.

In the event that an option-holder ceases to be an Eligible Person by reason of his ceasing to be a full-time employee of a customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any of our subsidiaries or associated companies (for any reason other than his death), any outstanding offer of an option which has not been accepted and all options (to the extent not already exercised) will lapse on the date the option-holder ceases to be an Eligible Person.

In the event that an option-holder who is a customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any of our subsidiaries or associated companies or a full-time employee of any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of our Company or any of our subsidiaries or associated companies ceases to be an Eligible Person by reason of his death, any outstanding offer of an option which has not been accepted will lapse and the personal

representative of the option-holder may exercise all options of the option-holder (to the extent not already exercised) within a period of three months of the date of death of the option-holder. Any option not exercised prior to the expiry of this period shall lapse.

***(q) Rights on a general offer***

If as a result of any general offer made to the holders of Shares, the Board becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of our Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror (“**Change of Control**”), the Board will notify every option-holder of this within 14 days of becoming so aware or as soon as practicable after any legal or regulatory restriction on such disclosure no longer applies. Each option-holder will be entitled to exercise his options (to the extent not already exercised) during the one months starting on the later of (i) the date of the Board’s notification to the option-holders; and (ii) the date on which the person making the offer obtains control of the Company. All options not exercised before the end of such period will lapse.

***(r) Rights on winding up***

In the event a notice is given by our Company to its shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving the voluntarily winding up of our Company, our Company shall on the same date as or soon after it despatches such notice to its Shareholders give notice thereof to all option-holders and each option-holder (or his personal representative) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time no later than seven days prior to the proposed general meeting of our Company, and subject to the Company receiving the exercise notice and the exercise price, our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such options. Any options not so exercised will lapse.

***(s) Rights on company reconstructions***

In the event of a compromise or arrangement, our Company shall give notice to all option-holders on the same date as it gives notice of the meeting to its shareholders or creditors to consider such a compromise or arrangement and each option-holder (or his personal representative) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his options (to the extent not already exercised), and subject to our Company receiving the exercise notice and the exercise price, our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such options. Any options not so exercised will lapse.

***(t) Lapse of option***

An option will lapse on the earlier of:

- (i) the expiry of the option period as determined by the Board; or

- (ii) the date on which an option-holder is in breach of sub-paragraph (l); or
- (iii) the expiry of the time provided for in the applicable rule where any of the circumstances provided in sub-paragraphs (m) to (s) above apply.

***(u) Effect of alteration to capital***

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalization of profits or reserves, further rights issues of Shares, consolidation or subdivision of shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to the number of Shares, the subject matter of the option (insofar as it is unexercised) and/or the price at which the options are exercisable, as the auditors our Company or an independent financial advisor appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable. Notice of any adjustments shall be given by our Company to an option-holder.

Any such adjustments shall be made on the basis that an option-holder shall have the same proportion of the issued share capital of our Company as that to which he was entitled prior to such adjustments. No such adjustments shall be made the effect of which would enable any Share to be issued at less than its nominal value or to increase the proportion of the issued share capital of our Company for which any option-holder would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustments.

The auditors of our Company or the independent financial advisor selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Hong Kong Stock Exchange (including without limitation the supplementary guidance attached to the letter from the Hong Kong Stock Exchange dated September 5, 2005 to all issuers relating to share option scheme), except where such adjustment is made on a capitalization issue.

The capacity of the auditors or independent financial advisor is that of experts and not arbitrators and their certification shall be final and conclusive and binding on our Company and the option-holders in the absence of fraud or manifest error. The costs of the auditors or independent financial advisors shall be borne by our Company.

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

Unless an option-holder agrees, the Board may only cancel an option (which has been granted but not yet exercised) if, at the election of the Board, either:

- (i) the Company pays to the option-holder an amount equal to the fair market value of the option at the date of cancellation as determined by the Board at its absolute discretion, after consultation with the auditors of our Company or an independent financial advisor appointed by the Board;

- (ii) the Board offers to grant to the option-holder replacement options (or options under any other share option scheme) or makes such arrangements as the option-holder may agree to compensate him for the loss of the option; or
- (iii) the Board makes such arrangements as the option-holder may agree to compensate him for the cancellation of the option.

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

The Share Option Scheme will expire automatically on the day immediately preceding the tenth anniversary of the Listing Date. The Board may terminate the Share Option Scheme at any time without shareholders' approval by resolving that no further options shall be granted under the Share Option Scheme and in such case, no new offers to grant options under the Share Option Scheme will be made and any options which have been granted but not yet exercised shall either (i) continue subject to the Share Option Scheme; or (ii) be cancelled in accordance with sub-paragraph (v).

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

The Board may amend any of the provisions of the Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any option-holder at that date) except that amendments which are to the advantage of present or future option-holders in respect of matters contained in Rule 17.03 of the Listing Rules must be approved by our shareholders in general meeting.

Any amendments to the terms and conditions of the Share Option Scheme which are of a material nature or any amendments to the terms of any options granted may only be made with the approval of the shareholders of our Company save where the amendments take effect automatically under the existing terms of the Share Option Scheme.

Any amendments to the terms of options granted to an option-holder who is a substantial shareholder (as defined in the Listing Rules) of our Company or an independent non-executive Director, or any of their respective associates (as defined in the Listing Rules) must be approved by our shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any connected person (as defined in the Listing Rules) of our Company must abstain from voting on the resolution to approve such amendment, except that such a connected person may vote against such resolution.

Any change to the authority of the Board in relation to any amendment of the rules of the Share Option Scheme may only be made with the approval of the shareholders of our Company in general meeting.

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

The adoption of the Share Option Scheme is conditional upon:

- (i) the Listing Committee granting (or agreeing to grant) approval (subject to such conditions as the Hong Kong Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme; and
- (ii) the commencement of the dealings in the Shares on the Hong Kong Stock Exchange.

If the conditions above are not satisfied on or before the date following six months after the date the Share Option Scheme was conditionally adopted:

- (aa) the Share Option Scheme shall forthwith determine;
- (bb) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (cc) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Share Option Scheme or any option.

***Present status of the Share Option Scheme***

As at the date of this prospectus, no option has 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 fall to be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

**E. OTHER INFORMATION****1. Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

**2. Litigation**

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries were engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any of our subsidiaries, in either case that would have a material adverse effect on our results of operations or financial condition.



### 3. Joint Sponsors

The Joint Sponsors has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus, including any Shares falling to be issued pursuant to the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme. All necessary arrangements have been made enabling the Shares to be admitted to CCASS.

MS Flooring will hold approximately 18.08% of the issued share capital of our Company immediately following completion of the Capitalization Issue and the Global Offering (but without taking into account the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme).

MS Flooring, being associates of Morgan Stanley Asia Limited, are regarded as members of the sponsor group of Morgan Stanley Asia Limited as defined in the Listing Rules. Accordingly, Morgan Stanley Asia Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Securities (Hong Kong) Limited satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

### 4. Preliminary expenses

The estimated preliminary expenses are approximately US\$8,000 and are payable by our Company.

### 5. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

### 6. Qualifications of experts

The following are the qualifications of the experts which have given their opinion or advice which are contained in, or referred to in, this prospectus:

<u>Expert</u>	<u>Qualification</u>
Morgan Stanley Asia Limited	Licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities as defined under the SFO

<u>Expert</u>	<u>Qualification</u>
The Hongkong and Shanghai Banking Corporation Limited	Registered institution under the SFO, registered to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities as defined under the SFO and also a licensed bank under the Banking Ordinance (Chapter 155 of Laws of Hong Kong)
Standard Chartered Securities (Hong Kong) Limited	Licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
KPMG	Certified public accountants
BMI Appraisals Limited	Property valuer
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Haiwen & Partners	Legal advisors on PRC law to our Company
Muñiz, Ramírez, Pérez-Taiman & Olaya	Legal advisors on Peruvian law to our Company
Pöyry	Forestry Consultant

## 7. Consents of experts

Each of the Joint Sponsors, KPMG, BMI Appraisals Limited, Conyers Dill & Pearman, Haiwen & Partners, Muñiz, Ramírez, Pérez-Taiman & Olaya and Pöyry has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its reports, letters, valuation certificate, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

## 8. Binding effect

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

## 9. Compliance advisor

We have appointed Guangdong Securities Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us on the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any estimate, or other information in this prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

#### **10. Bilingual prospectus**

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

#### **11. Miscellaneous**

- (a) Save as disclosed in this prospectus:
- (i) within the two years immediately preceding the date of this prospectus, neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
  - (ii) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;
  - (iv) no founder, management or deferred shares nor any debentures of our Company or any of our subsidiaries have been issued or agreed to be issued;
  - (v) our Company has no outstanding convertible debt securities or debentures; and
  - (vi) there is no arrangement under which future dividends are waived or agreed to be waived.
- (b) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (c) All necessary arrangements have been made enabling our Shares to be admitted into CCASS for clearing and settlement.

- (d) Our Directors confirm that since December 31, 2010 (being the date on which the latest audited consolidated financial statements of the Group was made up), there has been no material adverse change in our financial or trading position or prospects.
- (e) Our Directors confirm that there has not been any interruption in the business of our Company which may have or have had a material and adverse effect on the financial position of our Company in the twelve months immediately preceding the date of this prospectus.