

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

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 11 January 2011 under the name of Prince Frog International Holdings Limited (青蛙王子國際控股有限公司). Our Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 11 May 2011 and our Company's principal place of business in Hong Kong is at 36th Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Ms. Sy Mei Ling of 36th Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, a Hong Kong resident, has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the relevant laws of the Cayman Islands and its constitution which comprises a memorandum of association and an articles of association. A summary of the relevant aspects of the Companies Law and certain provisions of the Articles of Association is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company

As of the date of incorporation of our Company, its authorised share capital was HK\$50,000 divided into 5,000,000 shares of HK\$0.01 each. The following sets out the changes in the share capital of our Company since the date of its incorporation:

- (1) On 11 January 2011, 1 share was allotted and issued, nil paid, to Codan Trust Company (Cayman) Limited as the initial subscriber, which was transferred to Prince Frog International on the same day.
- (2) On 11 January 2011, 99 shares were allotted and issued, nil paid, to Prince Frog International.
- (3) On 22 February 2011, 445,100 shares were allotted and issued, credited as fully paid, to Prince Frog International and the 100 nil-paid Shares registered in the name of Prince Frog International were credited as fully paid at par as consideration of our Company's acquisition of Prince Frog Investment.
- (4) On 13 June 2011, 14,100, 94,200, 18,800 and 427,700 Shares was allotted and issued, credited as fully paid, to Joyful, CCBIAM, Paramount and Jinlin Investment, respectively.
- (5) On 20 June 2011, 1 Share was allotted and issued, credited as fully paid, to Prince Frog International.

Immediately following completion of the Global Offering and the Capitalisation Issue and assuming that the Over-allotment Option is not exercised or any options which may be granted under the Share Option Scheme are not exercised, the authorised share capital of our Company will be HK\$50,000,000 divided into 5,000,000,000 Shares, of which 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 4,000,000,000 Shares will remain unissued. Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed "A. Further Information about our Company — 4. Written resolutions of the shareholders of our

Company passed on 22 June 2011” in this Appendix and pursuant to the Share Option Scheme, our Directors do not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this prospectus, there has been no alteration in the share capital of our Company since its incorporation.

3. Changes in share capital of our subsidiaries

The following alterations in the share capital or registered capital of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

(1) Prince Frog Investment

- (a) Prince Frog Investment, a direct wholly-owned subsidiary of our Company, was incorporated in BVI on 3 December 2010 with an authorised share capital of US\$5,000 divided into 50,000 ordinary shares of US\$0.1 each.
- (b) On 3 December 2010, 100 shares were allotted and issued, credited as fully paid, to Prince Frog International for a consideration of US\$10. Prince Frog Investment then became wholly owned by Prince Frog International.
- (c) On 6 January 2011, 100 shares were allotted and issued, credited as fully paid, to Prince Frog International as the consideration for the acquisition of equity interest in Prince Frog (HK) from Prince Frog International.
- (d) On 20 June 2011, 100 shares in Prince Frog Investment were allotted and issued, credited as fully paid, to our Company.

(2) Prince Frog (HK)

- (a) On 20 June 2011, 100 shares in Prince Frog (HK) were allotted and issued, credited as fully paid, to Prince Frog Investment.

Save as set out above and in the paragraph headed “Reorganisation” under this section in this Appendix, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this Prospectus.

4. Written resolutions of our Shareholders passed on 22 June 2011

Pursuant to the written resolutions of all Shareholders entitled to vote at general meetings of our Company, which were passed on 22 June 2011:

- (a) the authorised share capital of our Company was increased from HK\$50,000 divided into 5,000,000 Shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by the creation of 4,995,000,000 Shares of HK\$0.01 each, which shall rank *pari passu* in all respects with the Shares in issue as at the date of passing of this written resolutions;
- (b) conditional on the share premium account of our Company being credited as a result of the Global Offering, the sum of HK\$7,489,999.99 would be capitalised and be applied

towards paying up in full at par 748,999,999 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company as at 8:00 a.m. on 14 July 2011 (or such other date and time as may be agreed between the Sole Global Coordinator and our Company in writing, being the latest time for the Global Offering becoming unconditional) in proportion (as nearly as possible without involving fractions) to its (their) then existing shareholdings in our Company and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares;

- (c) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Main Board, the Shares in issue and to be issued (pursuant to the Global Offering, the Capitalisation Issue, the Over-allotment Option and the Share Option Scheme) as mentioned in this prospectus; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Global Coordinator (on behalf of the Underwriters) and the Underwriting Agreements not being terminated in accordance with their terms or otherwise:
- (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares and the Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option on and subject to the terms and conditions stated in this prospectus and in the relevant application forms and the Directors were authorised to do all things and execute all documents in connection with or incidental to the Global Offering with such amendments or modifications (if any) as the Directors may consider necessary or appropriate; and
- (ii) the rules of the Share Option Scheme were approved and adopted, and the Directors or any committee thereof established by the Board were authorised, at their sole discretion, to: (i) administer the Share Option Scheme; (ii) modify/amend the Share Option Scheme from time to time as requested by the Stock Exchange; (iii) grant options to subscribe for Shares under the Share Option Scheme up to the limits referred to in the Share Option Scheme; (iv) allot, issue and deal with Shares pursuant to the exercise of any option which may be granted under the Share Option Scheme; (v) make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme; and (vi) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the Share Option Scheme;
- (d) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than by way of Rights Issue, or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or pursuant to the exercise of options which may be granted under the Share Option Scheme or any other option scheme(s) or similar arrangement for the time being adopted for the grant or issue to directors and/ or officers and/or employees of our Company and/or any of its subsidiaries or rights to acquire Shares or

pursuant to a specific authority granted by the Shareholders in general meeting, the Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but before any exercise of the Over-allotment Option;

For the purpose of this paragraph, “Rights Issue” means an offer of shares in our Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by our Directors to holders of shares in our Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as our Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to our Company, or any recognised regulatory body or any stock exchange applicable to our Company);

- (e) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but before the exercise of the Over-allotment Option;
- (f) the extension of the general mandate to allot, issue and deal with Shares as mentioned in paragraph (d) above by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company actually repurchased by our Company pursuant to paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following the Global Offering and the Capitalisation Issue but before the exercise of the Over-allotment Option be and is approved; and
- (g) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued (pursuant to the Global Offering, the Capitalisation Issue, the Over-allotment Option and the Share Option Scheme) as mentioned in this prospectus; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Global Coordinator (on behalf of the Underwriters)) and the Underwriting Agreements not being terminated in accordance with their terms or otherwise, the Memorandum and Articles of Association be approved and adopted as the new memorandum and articles of association of our Company in substitution for and to the exclusion of the existing memorandum and articles of association of our Company with effect from the date on which the Shares are listed on the Stock Exchange.

Each of the general mandates referred to in paragraphs (d), (e) and (f) above will remain in effect until whichever is the earliest of:

- (i) the conclusion of our next annual general meeting of our Company, unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting of our Company varying or revoking the authority given to our Directors.

5. Repurchase of our Shares

This section includes information relating to the repurchases of securities, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(1) *Provisions of the Listing Rules*

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarized below:

(i) *Shareholders' approval*

All proposed repurchases of Shares must be approved in advance by an ordinary resolution of the Shareholders in a general meeting, either by way of general mandate or by specific approval in relation to a particular transaction.

Pursuant to the written resolutions passed on 22 June 2011 by all our shareholders, a general unconditional mandate (the "Repurchase Mandate") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but before the exercise of the Over-allotment Option (without taking into account of Shares under the Share Option Scheme), details of which have been described above in the paragraph headed "Written resolutions of our shareholders passed on 22 June 2011".

(ii) *Source of funds*

Any repurchases of Shares by us must be paid out of funds legally available for the purpose in accordance with our Articles of Association, the Listing Rules and the Companies Law. We are not permitted to repurchase our Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(iii) *Shares to be repurchased*

The Listing Rules provide that the Shares which are proposed to be repurchased by us must be fully-paid up.

(2) *Reasons for repurchases*

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

(3) *Funding of repurchases*

In repurchasing Shares, we may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of our Company's current financial position as disclosed in this prospectus and taking into account its current working capital position, our Directors consider that, if the Repurchase Mandate is exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this prospectus. However, our 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 the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(4) *Share capital*

Exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue following completion of the Global Offering (but taking no account of Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or pursuant to any options which may be granted under the Share Option Scheme), could accordingly result in up to 100,000,000 Shares being repurchased by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company, unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting,

whichever occurs first.

Exercise in full of the Repurchase Mandate, on the basis of 1,045,000,000 Shares in issue following completion of the Global Offering (taking into account of Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option but not taking into account of Shares which may be allotted and issued pursuant to any options which may be granted under the Share Option Scheme), could accordingly result in up to 104,500,000 Shares being repurchased by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company, unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting,

whichever occurs first.

(5) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to us.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands. If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

We have not made any repurchases of our own securities in the past six months.

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

B. REORGANISATION

The Reorganisation which was effected in preparation for the Listing, whereby our Company became the holding company of our Group, includes the following major steps:

- (i) from December 2009 to January 2010, Fujian Shuangfei entered into a series of agreements with Prince Frog (China), under which the baby, children, adult and OEM business was transferred from Fujian Shuangfei to Prince Frog (China). For further details, please refer to the paragraph headed "History and Reorganisation —

Reorganisation and Financial Investments — Reorganisation — (1) Onshore Restructuring” of this prospectus;

- (ii) on 10 March 2010, Zhenfei Investment with 50,000 authorised shares of US\$ 0.1 par value per share was incorporated in BVI with limited liability, and one share in Zhenfei Investment was allotted and issued, credited as fully paid, to Mr. Li on 18 March 2010;
- (iii) on 10 March 2010, Jinlin Investment with 50,000 authorised shares of US\$0.1 par value per share was incorporated in BVI with limited liability, one share in Jinlin Investment was allotted and issued, credited as fully paid, to Mr. Xie on 18 March 2010;
- (iv) on 12 March 2010, Prince Frog International with 50,000 authorised shares was incorporated in BVI with limited liability, and 51 shares and 49 shares in Prince Frog International were allotted and issued, credited as fully paid, to Zhenfei Investment and Jinlin Investment, respectively on 18 March 2010;
- (v) on 12 April 2010, Mr. Li, Mr. Xie and Prince Frog International entered into a share transfer agreement, pursuant to which Mr. Li and Mr. Xie agreed to transfer 5,100 shares and 4,900 shares, respectively, representing all of the issued shares of Prince Frog (HK), to Prince Frog International;
- (vi) on 29 July 2010, Prince Frog International, Prince Frog (HK), Prince Frog (China), Mr. Li, Mr. Xie, Zhenfei Investment and Jinlin Investment entered into share purchase agreements with each of CCBIAM, Joyful and Paramount, pursuant to which each of CCBIAM, Joyful and Paramount subscribed for 10,785 shares, 1,618 shares and 2,157 shares in Prince Frog International at a consideration of US\$10 million, US\$1.5 million and US\$2.0 million, respectively;
- (vii) on 3 December 2010, Prince Frog Investment with 50,000 authorised shares was incorporated in BVI with limited liability, and on the same day, 100 shares in Prince Frog Investment were allotted and issued, credited as fully paid, to Prince Frog International;
- (viii) on 6 January 2011, Prince Frog International and Prince Frog Investment entered into a share transfer agreement, pursuant to which Prince Frog International agreed to transfer its equity interests in Prince Frog (HK) to Prince Frog Investment;
- (ix) on 11 January 2011, our Company with an authorised share capital of HK\$50,000 divided into 5,000,000 shares of HK\$0.01 par value per share was incorporated in the Cayman Islands as an exempted company with limited liability to act as the ultimate holding company of the subsidiaries in our Group;
- (x) on 11 January 2011, one nil-paid Share was issued to Codan Trust Company (Cayman) Limited and such Share was transferred to Prince Frog International on the same day;
- (xi) on 11 January 2011, an additional 99 nil-paid Shares were issued to Prince Frog International;
- (xii) on 22 February 2011, our Company and Prince Frog International entered into a share transfer agreement, pursuant to which Prince Frog International agreed to transfer its entire equity interests in Prince Frog Investment to our Company;

- (xiii) on 13 June 2011, our Company, Zhenfei Investment, Jinlin Investment, CCBIAM, Joyful and Paramount entered into a share transfer agreement, pursuant to which each of Jinlin Investment, CCBIAM, Joyful and Paramount transferred all the shares held by them in Prince Frog International to Zhenfei Investment, in consideration of Prince Frog International procuring our Company to issue and above 427,700 Shares, 94,200 Shares, 14,100 Shares and 18,900 Shares to each of Jinlin Investment, CCBIAM, Joyful and Paramount at nominal value of HK\$4,277, HK\$942, HK\$141 and HK\$188, respectively; and
- (xiv) on 20 June 2011, our Company, Prince Frog International, Prince Frog Investment and Prince Frog (HK) entered into a share subscription agreement, pursuant to which our Company agreed to allot and issue, credited as fully paid, one Share to Prince Frog International for setting off certain liability of Prince Frog (HK) owed to Prince Frog International.

C. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in our ordinary course of business) were entered into by our Group within the two years preceding the date of this prospectus and are or may be material:

- (1) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer two trademarks to Prince Frog (China) at a consideration of USD500,000 (equivalent to RMB3,427,572.3);
- (2) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer 19 trademarks to Prince Frog (China) at nil consideration;
- (3) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer 14 trademarks to Prince Frog (China) at nil consideration;
- (4) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer 59 trademarks to Prince Frog (China) at nil consideration;
- (5) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer three trademarks to Prince Frog (China) at a consideration of RMB160,000;
- (6) a trademark transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer four trademarks to Prince Frog (China) at nil consideration;
- (7) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to

- transfer a patent (patent number: ZL200830213299.4) to Prince Frog (China) at nil consideration;
- (8) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830212800.5) to Prince Frog (China) at nil consideration;
 - (9) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213297.5) to Prince Frog (China) at nil consideration;
 - (10) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213295.6) to Prince Frog (China) at nil consideration;
 - (11) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830212801.X) to Prince Frog (China) at nil consideration;
 - (12) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200630061899.4) to Prince Frog (China) at nil consideration;
 - (13) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200630061897.5) to Prince Frog (China) at nil consideration;
 - (14) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200630061900.3) to Prince Frog (China) at nil consideration;
 - (15) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200630061898.X) to Prince Frog (China) at nil consideration;
 - (16) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830112292.3) to Prince Frog (China) at nil consideration;
 - (17) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to

- transfer a patent (patent number: ZL200830112293.8) to Prince Frog (China) at nil consideration;
- (18) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213298.X) to Prince Frog (China) at nil consideration;
- (19) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213293.7) to Prince Frog (China) at nil consideration;
- (20) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213294.1) to Prince Frog (China) at nil consideration;
- (21) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200630061901.8) to Prince Frog (China) at nil consideration;
- (22) a patent transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent (patent number: ZL200830213296.0) to Prince Frog (China) at nil consideration;
- (23) a patent application transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer a patent application (application number: 200810072277.X) to Prince Frog (China) at nil consideration;
- (24) a domain name transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer 12 domain names to Prince Frog (China) at nil consideration;
- (25) an account receivables transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer its account receivables as at 31 December 2009 to Prince Frog (China) at a consideration of RMB84,939,193.57;
- (26) an account payables transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer its account payables as at 31 December 2009 to Prince Frog (China) at a consideration of RMB31,607,833.04;
- (27) an inventory transfer agreement dated 31 December 2009 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Fujian Shuangfei agreed to transfer all rights in relation to its inventory as at 31 December 2009 to Prince Frog (China) at a consideration of RMB35,376,129.72;










































- (28) an agreement dated 31 December 2009 entered into among Mr. Li, Mr. Xie, Prince Frog (China) and Fujian Shuangfei, pursuant to which, among other things, Prince Frog (China) agreed to assume all the rights and obligations of Fujian Shuangfei under the employment contracts entered into between Fujian Shuangfei and the 571 employees of Fujian Shuangfei;
- (29) a share purchase agreement entered into on 29 July 2010 among Prince Frog International, Mr. Li, Mr. Xie, Zhenfei Investment, Jinlin Investment, Prince Frog (HK), Prince Frog (China) and CCBIAM, pursuant to which Prince Frog International agreed to allot and issue to CCBIAM, and CCBIAM agreed to purchase from Prince Frog International, up to an aggregate of 10,785 ordinary shares in Prince Frog International at a consideration of US\$10 million;
- (30) a share purchase agreement entered into on 29 July 2010 among Prince Frog International, Mr. Li, Mr. Xie, Zhenfei Investment, Jinlin Investment, Prince Frog (HK), Prince Frog (China) and Joyful, pursuant to which Prince Frog International agreed to allot and issue to Joyful, and Joyful agreed to purchase from Prince Frog International, up to an aggregate of 1,618 ordinary shares in Prince Frog International at a consideration of US\$1.5 million;
- (31) a share purchase agreement entered into on 29 July 2010 among Prince Frog International, Mr. Li, Mr. Xie, Zhenfei Investment, Jinlin Investment, Prince Frog (HK), Prince Frog (China) and Paramount, pursuant to which Prince Frog International agreed to allot and issue to Paramount, and Paramount agreed to purchase from Prince Frog International, up to an aggregate of 2,157 ordinary shares in Prince Frog International at a consideration of US\$2.0 million;
- (32) a shareholder agreement entered into on 18 August 2010 among Prince Frog International, Mr. Li, Mr. Xie, Zhenfei Investment, Jinlin Investment, Prince Frog (HK), Prince Frog (China), CCBIAM, Joyful and Paramount, to regulate the management and control of Prince Frog International, Prince Frog (HK) and Prince Frog (China) and to set forth the respective rights and obligations of Mr. Li, Mr. Xie, Zhenfei Investment, Jinlin Investment, CCBIAM, Joyful and Paramount with respect to their direct and indirect holding of the shares in Prince Frog International on the terms and conditions set out therein;
- (33) a trademark transfer agreement dated 26 November 2010 entered into between Fujian Shuangfei and Prince Frog (China) pursuant to which Prince Frog (China) agreed to transfer two trademarks to Fujian Shuangfei at a consideration of RMB3,427,572.3;
- (34) a share transfer agreement dated 6 January 2011 entered into between Prince Frog International and Prince Frog Investment pursuant to which Prince Frog International agreed to transfer an aggregate of 10,000 ordinary shares, being the entire issued share capital of Prince Frog (HK) to Prince Frog Investment in consideration of the issuance and allotment of 100 shares in the share capital of Prince Frog Investment to Prince Frog International;
- (35) a share transfer agreement dated 22 February 2011 entered into between our Company and Prince Frog International, pursuant to which Prince Frog International agreed to transfer an aggregate of 200 ordinary shares, being the entire share capital of Prince

- Frog Investment to our Company in consideration of (i) the issuance and allotment of 445,100 Shares in the share capital of our Company to Prince Frog International; and (ii) the crediting as fully paid at par the 100 nil-paid Shares held by Prince Frog International;
- (36) an agreement dated 28 February 2011 entered into between Prince Frog (China) and Fujian Shuangfei, pursuant to which, among other things, Fujian Shuangfei agreed to transfer the copyrights of the 青蛙王子 (Frog Prince) animation series and other rights relating to such copyrights to Prince Frog (China) at a total consideration of RMB7,120,000;
 - (37) a trademark transfer agreement dated 20 March 2011 entered into between Fujian Shuangfei and Prince Frog (China), pursuant to which Fujian Shuangfei agreed to transfer four trademarks to Prince Frog (China) at nil consideration;
 - (38) a trademark transfer agreement dated 22 April 2011 entered into between Fujian Shuangfei and Prince Frog (China), pursuant to which Fujian Shuangfei agreed to transfer four trademarks to Prince Frog (China) at nil consideration;
 - (39) a share swap agreement dated 13 June 2011 entered into among our Company, Prince Frog International, Zhenfei Investment, Jinlin Investment, CCBIAM, Joyful and Paramount, pursuant to which each of Jinlin Investment, CCBIAM, Joyful and Paramount agreed to transfer 49,000 shares, 10,785 shares, 1,618 shares and 2,157 shares, respectively, held by them in Prince Frog International to Zhenfei Investment in consideration of Prince Frog International procuring our Company to issue and allot 427,700 Shares, 94,200 Shares, 14,100 Shares, and 18,800 Shares to each of Jinlin Investment, CCBIAM, Joyful and Paramount, at nominal consideration of HK\$4,277, HK\$942, HK\$141 and HK\$188, respectively;
 - (40) a share subscription agreement dated 20 June 2011 entered into among Prince Frog International, our Company, Prince Frog Investment and Prince Frog (HK), pursuant to which, among other things, our Company agreed to allot and issue, credited as fully paid, one Share to Prince Frog International at a consideration of HK\$104,750,461.29, for setting off certain liability of Prince Frog (HK) owed to Prince Frog International;
 - (41) the Deed of Non-Competition;
 - (42) the Deed of Indemnity; and
 - (43) the Hong Kong Underwriting Agreement dated 29 June 2011 entered into between, among others, our Company, the Sole Global Coordinator and the Hong Kong Underwriters.

2. Intellectual Property Rights of our Group

Trademarks








As of the Latest Practicable Date, we have the right to use the following trademarks:

Trademark	Place of registration	Class	Registration number	Expiry date
	PRC	3	912500	13 December 2016
	PRC	3	940408	6 February 2017
	PRC	5	1132721	6 December 2017
	PRC	3	1440268	6 September 2020
	PRC	3	1612343	6 August 2011
	PRC	5	1800625	6 July 2012
	PRC	3	1902423	6 September 2012
	PRC	3	1902424	6 September 2012
	PRC	3	1970554	27 March 2013
	PRC	3	1970556	27 March 2013
	PRC	3	1970558	27 March 2013
	PRC	3	1970561	27 March 2013
	PRC	3	1970565	27 March 2013
	PRC	3	1970568	13 January 2013
	PRC	10	3011656	20 December 2012
	PRC	16	3011657	27 January 2013
	PRC	3	3276917	20 May 2014
	PRC	3	3276918	20 May 2014
	PRC	5	3363086	6 June 2014
	PRC	30	3562462	6 December 2014
	PRC	30	3562463	6 December 2014
	PRC	12	3562464	20 March 2015
	PRC	24	3562465	13 July 2015
	PRC	16	3562467	13 May 2015
	PRC	31	3562469	27 October 2014
	PRC	41	3562470	13 December 2014
	PRC	5	3562472	27 April 2015
	PRC	30	3562473	6 December 2014
	PRC	30	3562474	6 December 2014
	PRC	33	3562475	13 January 2015
	PRC	29	3562476	27 October 2014
	PRC	30	3562477	20 January 2015
	PRC	29	3562478	27 October 2014
	PRC	32	3562479	13 December 2014
	PRC	29	3562480	27 October 2014
	PRC	14	3562481	27 November 2014
	PRC	3	3589726	13 August 2015
	PRC	20	3562468	6 June 2015
	PRC	3	3880841	13 June 2016
	PRC	21	3880833	13 June 2016
	PRC	21	3880834	13 June 2016
	PRC	21	3880835	13 June 2016
	PRC	21	3880836	13 June 2016





Trademark	Place of registration	Class	Registration number	Expiry date
	PRC	21	3880837	13 June 2016
	PRC	21	3880840	13 June 2016
	PRC	21	4309181	27 October 2017
	PRC	21	4309182	27 October 2017
	PRC	21	4309183	27 October 2017
	PRC	21	4309184	27 October 2017
	PRC	21	4309185	27 October 2017
	PRC	21	4309186	27 October 2017
	PRC	5	4738581	13 December 2018
	PRC	21	3880842	6 July 2016
	PRC	41	4548771	6 October 2018
	PRC	9	4548773	27 April 2018
	PRC	16	4548774	6 October 2018
	PRC	3	4848046	6 March 2019
	PRC	28	4848047	20 May 2019
	PRC	11	4848048	20 July 2018
	PRC	26	4848049	13 June 2019
	PRC	18	4848050	20 July 2019
	PRC	15	4848051	13 January 2019
	PRC	37	4848052	20 April 2019
	PRC	8	4848053	6 November 2018
	PRC	44	4848054	20 April 2019
	PRC	40	4848055	20 April 2019
	PRC	34	4848057	13 May 2018
	PRC	6	4848058	20 July 2018
	PRC	7	4848059	6 November 2018
	PRC	38	4848060	20 April 2019
	PRC	27	4848061	13 April 2019
	PRC	22	4848062	20 April 2019
	PRC	3	5105861	6 June 2019
	PRC	3	5351911	13 August 2019
	PRC	3	5351912	13 August 2019
	PRC	5	6127597	27 May 2020
	PRC	3	6127596	6 February 2020
	PRC	3	6363440	20 March 2020
	PRC	3	6363439	20 March 2020
	PRC	3	6363438	20 March 2020
	PRC	3	6604548	27 March 2020
	PRC	28	6610504	20 November 2020
	PRC	21	6928832	13 May 2020
	PRC	3	7116303	13 July 2020
	PRC	3	7246941	27 July 2020
	PRC	3	7246906	27 July 2020
	PRC	3	7246911	27 July 2020
	PRC	3	7246914	27 July 2020
	PRC	3	7246920	27 July 2020
	PRC	3	7246923	27 July 2020
	PRC	3	7246927	27 July 2020

Trademark	Place of registration	Class	Registration number	Expiry date
珂氏	PRC	16	8120827	20 March 2021
皮皮爽	PRC	16	8120837	20 March 2021
	PRC	21	6928833	27 July 2020
	PRC	5	3562471	13 July 2015
FROGPRINCE	PRC	5	4593453	6 September 2018
	PRC	21	3562466	20 July 2015
青蛙王子	PRC	21	3119035	20 June 2013
	PRC	20	3562468	6 June 2015
	PRC	21	3208012	6 October 2013
	PRC	5	1974935	27 November 2012
	PRC	3	7246931	27 July 2020
蛙蛙乐	PRC	16	8084329	27 February 2021
喜美通	PRC	16	8120821	20 March 2021
	PRC	28	6928830	27 February 2021
	Hong Kong	3	301785178	8 December 2020
	Hong Kong	5	301785178	8 December 2020
	Hong Kong	16	301785178	8 December 2020
	Hong Kong	21	301785178	8 December 2020
	Hong Kong	25	301785178	8 December 2020
	Hong Kong	35	301785178	8 December 2020
				
				
	Hong Kong	3	301793746	19 December 2020
				
				
	Hong Kong	5	301793746	19 December 2020

Trademark	Place of registration	Class	Registration number	Expiry date
	Hong Kong	16	301793746	19 December 2020
	Hong Kong	21	301793746	19 December 2020
	Hong Kong	25	301793746	19 December 2020
	Hong Kong	35	301793746	19 December 2020
	Hong Kong	3	301785150	8 December 2020
	Hong Kong	5	301785150	8 December 2020
	Hong Kong	16	301785150	8 December 2020
	Hong Kong	21	301785150	8 December 2020
	Hong Kong	25	301785150	8 December 2020
	Hong Kong	35	301785150	8 December 2020
	Hong Kong	3	301785169	8 December 2020

Trademark	Place of registration	Class	Registration number	Expiry date
	Hong Kong	5	301785169	8 December 2020
	Hong Kong	16	301785169	8 December 2020
	Hong Kong	21	301785169	8 December 2020
	Hong Kong	25	301785169	8 December 2020
	Hong Kong	35	301785169	8 December 2020
BODY & EARTH	US	3	1972617	7 May 2016
	US	3	3230948	17 April 2017
	US	3	3652275	6 July 2019
	EU	3	006841861	17 April 2018
	Australia	3	1234001	8 April 2018
	Canada	3	1391773	7 September 2025

As of the Latest Practicable Date, applications had been made for the registration of the following trademarks:

Trademark	Place of application	Class	Application number	Application date
	PRC	28	6928831	1 September 2008
千一夜	PRC	16	8120844	15 March 2010
	PRC	5	8384866	11 June 2010
	PRC	16	8384884	11 June 2010
	PRC	3	7908115	11 December 2009
无蚊爽	PRC	5	8883862	25 November 2010
BODY & EARTH	PRC	3	8524190	29 July 2010
巴蒂尔诗	PRC	3	8524204	29 July 2010
顽皮蛙	PRC	5	8671551	15 September 2010
Baby BoBin 婴儿本色	PRC	21	8671574	15 September 2010
Baby BoBin 婴儿本色	PRC	16	8671593	15 September 2010
Baby BoBin 婴儿本色	PRC	3	8671623	15 September 2010
Baby bain 巴恩	PRC	43	8671638	15 September 2010
Baby bain 巴恩	PRC	41	8671658	15 September 2010
Baby bain 巴恩	PRC	35	8671689	15 September 2010
Baby bain 巴恩	PRC	28	8671708	15 September 2010
Baby bain 巴恩	PRC	25	8671726	15 September 2010
Baby bain 巴恩	PRC	21	8671752	15 September 2010
Baby bain 巴恩	PRC	20	8674857	16 September 2010

Trademark	Place of application	Class	Application number	Application date
Babybain 巴恩	PRC	18	8674889	16 September 2010
Babybain 巴恩	PRC	16	8674908	16 September 2010
Babybain 巴恩	PRC	12	8674947	16 September 2010
Babybain 巴恩	PRC	10	8674960	16 September 2010
Babybain 巴恩	PRC	5	8674972	16 September 2010
Babybain 巴恩	PRC	3	8675002	16 September 2010
妙奇	PRC	21	9003768	29 December 2010
妙奇蛙	PRC	21	9003774	29 December 2010
Meuky	PRC	21	9003783	29 December 2010
妙奇蛙	PRC	3	9003799	29 December 2010
Meuky	PRC	3	9003806	29 December 2010
妙奇	PRC	21	9160959	1 March 2011
妙奇蛙	PRC	21	9160970	1 March 2011
HAPPY BABY 蛙蛙乐	PRC	3	9160991	1 March 2011
HAPPY BABY	PRC	3	9161004	1 March 2011
蛙蛙乐	PRC	3	9161016	1 March 2011
妙奇蛙	PRC	3	9161032	1 March 2011
LUXIENCE	PRC	3	9161053	1 March 2011
青蛙王子	PRC	5	4848056	22 August 2005

Patents

As of the Latest Practicable Date, we had registered the following patents in PRC:

<u>Type</u>	<u>Place of Registration</u>	<u>Patent number</u>	<u>Effective period</u>
Design	PRC	ZL200630061901.8	30 May 2006 to 29 May 2016
Design	PRC	ZL200630061899.4	30 May 2006 to 29 May 2016
Design	PRC	ZL200630061897.5	30 May 2006 to 29 May 2016
Design	PRC	ZL200630061898.X	30 May 2006 to 29 May 2016
Design	PRC	ZL200630061900.3	30 May 2006 to 29 May 2016
Design	PRC	ZL200830213297.5	13 October 2008 to 12 October 2018
Design	PRC	ZL200830213298.X	13 October 2008 to 12 October 2018
Design	PRC	ZL200830212800.5	13 October 2008 to 12 October 2018
Design	PRC	ZL200830213296.0	13 October 2008 to 12 October 2018
Design	PRC	ZL200830213293.7	13 October 2008 to 12 October 2018
Design	PRC	ZL200830112292.3	8 August 2008 to 7 August 2018
Design	PRC	ZL200830213294.1	13 October 2008 to 12 October 2018
Design	PRC	ZL200830213299.4	13 October 2008 to 12 October 2018
Design	PRC	ZL200830213295.6	13 October 2008 to 12 October 2018
Design	PRC	ZL200830112293.8	8 August 2008 to 7 August 2018
Design	PRC	ZL200830212801.X	13 October 2008 to 12 October 2018
Design	PRC	ZL201030521509.3	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521504.0	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521505.5	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521503.6	17 September 2010 to 16 September 2020
Design	PRC	ZL201030523928.0	19 September 2010 to 18 September 2020
Design	PRC	ZL201030521508.9	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521506.X	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521514.4	17 September 2010 to 16 September 2020
Design	PRC	ZL201030523920.4	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523922.3	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523908.3	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523889.4	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523898.3	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523897.9	19 September 2010 to 18 September 2020

Type	Place of Registration	Patent number	Effective period
Design	PRC	ZL201030521510.6	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521513.X	17 September 2010 to 16 September 2020
Design	PRC	ZL201030521511.0	17 September 2010 to 16 September 2020
Design	PRC	ZL201030523910.0	19 September 2010 to 18 September 2020
Design	PRC	ZL201030523902.6	19 September 2010 to 18 September 2020
Design	PRC	ZL201030251549.0	28 July 2010 to 27 July 2020
Design	PRC	ZL201030523907.9	19 September 2010 to 18 September 2020
Design	PRC	ZL201030698700.5	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698702.4	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698704.3	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698706.2	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698708.1	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698709.6	27 December 2010 to 26 December 2020
Design	PRC	ZL201030698710.9	27 December 2010 to 26 December 2020

As of the Latest Practicable Date, applications had been made for the registration of the following patents:

Type	Place of application	Application number	Application date
Patent	PRC	200810072277.X	1 December 2008
Patent	PRC	2010113000244980	29 November 2010

Domain Names

As of the Latest Practicable Date, we had the right to use the following domain names:

Registrant	Domain Name	Effective Period
Prince Frog (China)	儿童护肤专家.com	15 March 2007 to 15 March 2017
Prince Frog (China)	双飞剑.com	15 March 2007 to 15 March 2017
Prince Frog (China)	青蛙王子.net	15 March 2007 to 15 March 2017
Prince Frog (China)	福建双飞集团.com	15 March 2007 to 15 March 2017
Prince Frog (China)	福建双飞日化.net	15 March 2007 to 15 March 2017
Prince Frog (China)	福建双飞日化.com	15 March 2007 to 15 March 2017
Prince Frog (China)	qwwz.com	14 September 2004 to 13 September 2011
Prince Frog (China)	青蛙王子.公司	15 March 2007 to 12 March 2017
Prince Frog (China)	青蛙王子.网络	15 March 2007 to 12 March 2017
Prince Frog (China)	福建双飞日化.网络	15 March 2007 to 12 March 2017
Prince Frog (China)	福建双飞日化.中国 福建双飞日化.cn	15 March 2007 to 12 March 2017

Registrant	Domain Name	Effective Period
Prince Frog (China)	福建双飞日化.公司	15 March 2007 to 15 March 2017
Prince Frog (China)	luxience.cn	14 February 2011 to 14 February 2012
Prince Frog (China)	luxience.com.cn	14 February 2011 to 14 February 2012
Prince Frog (China)	luxience.net	14 February 2011 to 14 February 2012
Prince Frog (China)	photys.com.cn	29 January 2011 to 29 January 2012
Prince Frog (China)	Luxsense.com.cn	29 January 2011 to 29 January 2012
Prince Frog (China)	Einb.com.cn	7 January 2011 to 7 January 2016
Prince Frog (China)	Ein-b.com	18 October 2010 to 18 October 2015
Prince Frog (China)	Body-earth.com	26 July 2010 to 26 July 2015
Prince Frog (China)	Body-earth.com.cn	26 July 2010 to 26 July 2015
Prince Frog (China)	Qwwzbaby.com	22 July 2010 to 22 July 2015
Prince Frog (China)	Shuangfeigroup.com	22 July 2010 to 22 July 2015
Prince Frog (China)	princefrog.com.cn	23 March 2011 to 23 March 2016
Prince Frog (China)	luxsense.net	29 January 2011 to 29 January 2012
Prince Frog (China)	frogprince.com.cn	23 March 2011 to 23 March 2016

3. Further information about our PRC subsidiary

Prince Frog (China)

- | | |
|---|---|
| (i) nature of our company: | limited liability company (WFOE) |
| (ii) term of business operation: | from February 2005 to February 2015 |
| (iii) total investment amount: | US\$ 25 million |
| (iv) registered capital: | US\$ 10 million |
| (v) attributable interest of our Company: | 100% |
| (vi) scope of business: | Production of hair products, skin protection products, perfumes, beauty/restoration cosmetics (sanitation permit expires on 8 December 2013); toothbrush manufacturing; wholesale of toothpaste, laundry soap powder, laundry detergents, air fresheners, solid air fresheners, playing cards, sanitary articles (moist napkins), toilet paper, diapers, diaper pads, electricity-heated mosquito repellents, electricity-heated liquid mosquito traps, mosquito repellents, sandalwood incense, silene incense (蠅香), baited roach traps, aerosol insecticides, vaporous insecticides, hand wash liquid, toothbrush, soap and cosmetics |

D. FURTHER INFORMATION ABOUT THE DIRECTORS**1. Directors' service contracts**

Each of our executive Directors has entered into a service contract with us for an initial fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Each of our Directors is entitled to the respective basic salary set out below. Each of the executive Directors is also entitled to a discretionary bonus, provided that the aggregate amount of the bonuses payable to all our executive Directors in respect of any financial year of our Company may not exceed 5% of audited consolidated or combined net profit of our Company (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect of that financial year. An executive Director may not vote on any resolution of the Directors regarding the increment of annual salary and the amount of the discretionary bonus payable to him.

The current basic annual salaries of the Directors are as follows:

<u>Name</u>	<u>Annual Amount</u>
Li Zhenhui	RMB1,200,000
Xie Jinling	RMB500,000
Ge Xiaohua	RMB600,000
Huang Xinwen	RMB600,000
Hong Fang	RMB900,000
Yang Feng	HK\$192,000
Chen Shaojun	RMB159,840
Ren Yunan	HK\$192,000
Wong Wai Ming	HK\$192,000

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

We have not entered into any service contract with our Directors which is for a duration that may exceed three years or which is not determined by us within one year without payment of compensation (other than statutory compensation).

2. Directors' remuneration during the Track Record Period

For the year ended 31 December 2008, 2009 and 2010, the aggregate of the remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and discretionary bonuses) paid and benefits in kind granted to our Directors by us and our subsidiaries was approximately RMB513,000, RMB502,000 and RMB661,000, respectively.

For the year ended 31 December 2008, 2009 and 2010, no remuneration was paid by us to, or receivable by, our Directors as an inducement to join or upon joining us, and no compensation was paid by us to, or receivable by, our Directors or past Directors for the loss of any office in connection with the management of the affairs of any member of our Group. There was no

arrangement under which a Director waived or agreed to waive any remuneration during the three years ended 31 December 2008, 2009 and 2010.

Save as disclosed in this prospectus, no other emoluments have been paid or are payable, in respect of the three years ended 31 December 2008, 2009 and 2010 by us to our Directors.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, Directors (excluding discretionary bonus) for the year ending 31 December 2011 will be approximately RMB2,222,000.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to note 8 to our combined financial statements, included in the Accountants' Report set out in Appendix I, to this prospectus.

E. DISCLOSURE OF INTERESTS

1. Disclosure of Interests

- (a) *Interests and short positions of our Directors in our share capital and our associated corporations following the Global Offering and Capitalisation Issue*

Immediately following completion of the Global Offering and Capitalisation Issue and taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the Over-allotment Option, the interests or short positions of the Directors and the chief executive in our Shares, underlying Shares and debentures of our associated corporations, within the meaning of Part XV of the SFO which will have to be notified to our Company and the 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 to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interests and short positions in the shares, underlying shares and debentures and associated corporations:

<u>Name of Director</u>	<u>Capacity/Nature of interest of</u>	<u>Number of Shares</u>	<u>Approximate percentage of interest in our Company (%)</u>
Mr. Li ⁽¹⁾	Interest of a controlled corporation	308,386,000	30.84
Mr. Xie ⁽²⁾	Interest of a controlled corporation	296,292,000	29.63

Notes:

- (1) *Mr. Li is deemed to be interested in the Shares held by Prince Frog International by virtue of Prince Frog International being controlled by Mr. Li indirectly. Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 304,561,000 Shares, representing approximately 29.36% of the entire issued share capital of our Company.*

(2) *Mr. Xie is deemed to be interested in the Shares held by Jinlin Investment by virtue of Jinlin Investment being controlled by Mr. Xie directly. Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 292,617,000 Shares, representing approximately 28.20% of the entire issued share capital of our Company.*

(b) *Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO*

Immediately following completion of the Global Offering and the Capitalisation Issue and taking no account of any shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the Over-allotment Option, in addition to the interests disclosed under paragraph (a) above, so far as the Directors are aware, the following persons are expected to have interests or short positions in our Shares or underlying Shares which are required to be disclosed to the provisions of Divisions 2 and 3 of Part XV of the SFO or, are expected to 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 member of our Group.

Interests and short positions in our shares and underlying shares:

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of shares</u>	<u>Approximate percentage of interest in our Company</u>
Mr. Li ⁽¹⁾	Interest in a controlled corporation	308,386,000	30.84%
Zhenfei Investment ⁽²⁾	Interest in a controlled corporation	308,386,000	30.84%
Prince Frog International ⁽³⁾	Beneficial owner	308,386,000	30.84%
Mr. Xie ⁽⁴⁾	Interest in a controlled corporation	296,292,000	29.63%
Jinlin Investment ⁽⁵⁾	Beneficial owner	296,292,000	29.63%
CCB International (Holdings) Limited ⁽⁶⁾	Beneficial owner	70,609,000	7.06%
CCB International Asset Management (Cayman) Limited ⁽⁶⁾	Interest in a controlled corporation	70,609,000	7.06%
CCBIAM ⁽⁶⁾	Registered owner	70,609,000	7.06%

Notes:

(1) *Mr. Li is deemed to be interested in the Shares held by Prince Frog International by virtue of Prince Frog International being controlled by Mr. Li indirectly. Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 304,561,000 Shares, representing approximately 29.36% of the entire issued share capital of our Company.*

(2) *Zhenfei Investment is deemed to be interested in the Shares held by Prince Frog International by virtue of Prince Frog International being controlled by Zhenfei Investment directly. Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 304,561,000 Shares, representing approximately 29.36% of the entire issued share capital of our Company.*

(3) *Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 304,561,000 Shares, representing approximately 29.36% of the entire issued share capital of our Company.*

(4) *Mr. Xie is deemed to be interested in the Shares held by Jinlin Investment by virtue of Jinlin Investment being controlled by Mr. Xie directly. Assuming the Over-allotment Option is exercised in full, Prince Frog*

International will remain interested in an aggregate of 292,617,000 Shares, representing approximately 28.20% of the entire issued share capital of our Company.

- (5) *Assuming the Over-allotment Option is exercised in full, Prince Frog International will remain interested in an aggregate of 292,617,000 Shares, representing approximately 28.20% of the entire issued share capital of our Company.*
- (6) *CCBIAM is wholly owned by CCB International Asset Management (Cayman) Limited, which is in turn wholly owned by CCB International (Holdings) Limited and therefore, both CCB International Asset Management (Cayman) Limited and CCB International (Holdings) Limited are deemed to be interested in all 70,609,000 Shares held by CCBIAM. Assuming the Over-allotment Option is exercised in full, CCBIAM will remain interested in an aggregate of 70,609,000 Shares, representing approximately 6.81% of the entire issued share capital of our Company.*

2. Disclaimers

Save as disclosed in this prospectus:

- (a) our Directors are not aware of any person (not being our Director or chief executive) who will, immediately after completion of the Global Offering (taking no account of the Over-allotment Option or any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme and the Capitalisation Issue), have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at our general meetings;
- (b) none of the Directors has any interest or short position in any of the Shares, underlying Shares or debentures or any shares, underlying shares or debentures of any associated corporation within the meaning of Part XV of the SFO, which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, in each case once the Shares are listed;
- (c) none of the Directors or any of the parties listed in the section headed “G. Other Information — 10. Consents of experts” of this Appendix is interested in the promotion of our Company, 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;
- (d) none of the Directors nor any of the parties listed in the section headed “G. Other Information — 10. Consents of experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

- (e) save in connection with the Underwriting Agreements, none of the parties listed in the section headed “G. Other Information — 10. Consents of experts” of this Appendix:
 - (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries;
- (f) none of our Directors or their associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

F. SHARE OPTION SCHEME

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of the Shareholders passed on 22 June 2011 and adopted by a resolution of the Board on 22 June 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

1. Purpose

The purpose of the Share Option Scheme is to motivate Eligible Persons (as mentioned in the following paragraph) to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives (as defined below), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

2. Conditions of the Share Option Scheme

The Share Option Scheme shall come into effect on the date (the “**Approval Date**”) on which the following conditions are fulfilled:

- (a) the approval of all the Shareholders of our Company for the adoption of the Share Option Scheme;
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options (as defined below) in accordance with the terms and conditions of the Share Option Scheme;
- (c) the commencement of dealing of the Shares on the Main Board of the Stock Exchange; and
- (d) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

3. Who may join

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe to such number of Shares in accordance with the terms set out in the Share Option Scheme to:

- (a) any proposed executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group

(“**Employee**”), any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (“**Executive**”);

- (b) a director or proposed director (including an independent non-executive director) of any member of our Group;
- (c) a direct or indirect shareholder of any member of our Group;
- (d) a supplier of goods or services to any member of our Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group; and
- (g) an associate of any of the foregoing persons. (the persons referred above are the “**Eligible Persons**”).

4. Maximum number of Shares

- (a) The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10 per cent. of the Shares in issue as at the Listing Date (i.e. 100,000,000 Shares) (the “**Scheme Mandate Limit**”) provided that our Company may at any time as the Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other scheme of our Company (including those outstanding, canceled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes or our Company) shall not be counted for the purpose of calculating the Scheme Mandate Limited as refreshed. Our Company shall send to our Shareholders a circular containing the details and information required under the Listing Rules.
- (b) Our Company may seek separate approval from our Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. Our Company shall issue a circular to our Shareholders containing the details and information required under the Listing Rules.
- (c) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other scheme shall not exceed 30% of our Company’s issued share capital from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

5. Maximum entitlement of each participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of our Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in 12 month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the shareholders of our Company in general meeting with such Eligible Person and his associates abstaining from voting. Our Company shall send a circular to our Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of our Company's shareholders and the date of the Board meeting proposing such grant shall be taken as the offer date for the purpose of calculating the subscription price of those Options.

6. Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

7. Granting Options to Connected Persons

Subject to the terms in the Share Option Scheme, only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates, such offer must first be approved by the independent non-executive

Directors of our Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

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

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Stock Exchange), 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 must be approved by Shareholders (voting by way of a poll). Our Company shall send a circular to Shareholders containing the information required under the Listing Rules. All Connected Persons of our Company must abstain from voting in favour at such general meeting.

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates.

8. Offer period and number accepted

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.0 by way of consideration for the grant thereof is received by our Company on or before 28 days after the offer date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

9. Restriction on the time of grant of Options

The Board shall not grant any Option under the Share Option Scheme after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the 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 the deadline for our Company to publish an announcement of its results for any year,

half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

10. Exercise price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

11. Exercise of Option

- (i) An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the Option Period in the manner as set out in this Share Option Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to our Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.
- (ii) The exercise of any Option shall be subject to the members of our Company in general meeting approving any necessary increase in the authorised share capital of our Company.
- (iii) Subject as hereinafter provided:
 - (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full), he (or his legal representative(s)) may exercise the Option up to the Grantee's entitlement (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;
 - (b) in the event that the Grantee ceases to be an Executive by reason of his retirement pursuant to such retirement scheme applicable to our Group at the relevant time, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period;
 - (c) in the event that the Grantee ceases to be an Executive by reason of his transfer of employment to an affiliate company, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event

the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;

- (d) in the event that the Grantee ceases to be an Executive for any reason (including his employing company ceasing to be a member of our Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his employment to an affiliate company or the termination of his employment with the relevant member of our Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Executive by reason of the termination of his employment by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of culpable termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification;
- (f) if a Grantee being:
 - (i) an executive director of our Company ceases to be an Executive but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
 - (ii) a non-executive director of our Company ceases to be a Director:
 - (1) by reason of retirement, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
 - (2) for reasons other than retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

- (g) if:
- (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
 - (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance;

- (h) if a Grantee (being a corporation):
- (i) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or
 - (ii) has suspended, ceased or threatened to suspend or cease business; or
 - (iii) is unable to pay its debts; or
 - (iv) otherwise becomes insolvent; or
 - (v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
 - (vi) commits a breach of any contract entered into between the Grantee or his associate and any member of our Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or on the date of notification by our Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by our Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence;

- (i) if a Grantee (being an individual):
- (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Cap. 6 of the Laws of

Hong Kong) or any other applicable law or has otherwise become insolvent; or

- (ii) has made any arrangement or composition with his creditors generally; or
- (iii) has been convicted of any criminal offence involving his integrity or honesty; or
- (iv) commits a breach of any contract entered into between the Grantee or his associate and any member of our Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence;

- (j) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of shareholders of our Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;
- (k) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period (in respect of any particular Option, the period commencing immediately after the Business Day on which the Option is deemed to be granted and accepted in accordance with the Share Option Scheme and expiring on a date to be determined and notified by the Directors to each Grantee provided that such period shall not exceed the period of 10 years from the date of the grant of a particular Option but subject to the provisions for early termination thereof contained in the Share Option Scheme);
 - (ii) the period of two months from the date of such notice; or

- (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.
- (l) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon 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 referred to above, allot the relevant Shares to the Grantee credited as fully paid.

12. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the allotment date or, if that date falls on a day when the register of members of our Company is closed, the first date of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date herefore shall be before the allotment date.

A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person) as the holder thereof.

13. Life of Share Option Scheme

Subject to the terms of this Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered 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 subsisting Options granted prior to the expiry of the 10-years period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

14. Lapse of Share Option Scheme

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the option period;
- (b) the expiry of any of the period referred to paragraphs related to exercise of Option;

- (c) subject to the period mentioned in paragraph (e) of “Exercise of Option” in this section, the date of the commencement of the winding-up of our Company;
- (d) there is an unsatisfied judgment, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts;
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in paragraph (h) of “Exercise of Option” in this section or paragraph (d) above; or
- (f) a bankruptcy order has been made against any director or shareholder of the Grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

15. Adjustment

In the event of any alteration to the capital structure of our Company while any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, reclassification, reconstruction, sub-division or reduction of the share capital of our Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors appointed by our Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall be made on the basis that the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;
- (b) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time (including supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Schemes); and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

16. Cancellation of Options not Exercised

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the Grantee commits or permits or attempts to commit or permit a breach of the restriction on transferability of Option or any terms or conditions attached to the grant of the Option;
- (b) the Grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of our Company or its subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

17. Termination

Our Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

18. Transferability

The Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered), except with the prior written consent of the Board from time to time. Any breach of the foregoing shall entitle our Company to cancel any outstanding Option or part thereof granted to such Grantee.

19. Amendment

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the shareholders of our Company in general meeting, provided always that the amended terms of the Scheme shall comply with the applicable requirements of the Listing Rules: (i) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme); (ii) any alteration to the provisions of the Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantee; and (iii) any alteration to the aforesaid termination provisions.

20. Conditions of the Share Option Scheme

The Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of all the shareholders of our Company for the adoption of the Share Option Scheme; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Share Option Scheme.

Our Directors confirm that the maximum number of the Shares to be issued under the Share Option Scheme after Listing is 100,000,000, representing 10% of the Shares in issue as at the Listing Date.

G. OTHER INFORMATION

1. Estate duty and tax indemnity

Each of our Controlling Shareholders, Mr. Xie and Jinlin Investment (together, the “**Indemnifiers**”) has entered into the Deed of Indemnity (being the material contract (42) referred to in paragraph C.1 of this Appendix) to provide the following indemnities in favour of our Company (for itself and as trustee for each of its subsidiaries) on a joint and several basis.

Under the Deed of Indemnity, among other things, the Indemnifiers have given indemnities to our Group on a joint and several basis in relation to taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received on or before the date on which the Global Offering becomes unconditional (the “**Effective Date**”).

The Deed of Indemnity does not cover any claim and the Indemnifiers shall be under no liability under the deed in respect of any taxation:

- (a) to the extent that provision for such liability or claim has been included in the audited consolidated accounts of our Group as of 31 December 2010 (the “**Accounts**”);
- (b) falling on any member of our Group after 31 December 2010, to the extent that such liability would not have arisen but for some act or omission by any Indemnifier or any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the ordinary course of business and before the Effective Date;
- (c) to the extent of any provision or reserve made for such liability in the Accounts is finally established to be an overprovision or an excessive reserve in which case the Indemnifiers’ liability (if any) in respect of the liability shall be reduced by an amount not exceeding such provision or reserve; or
- (d) to the extent that such claim arises or is incurred as a result of the imposition of liability as a consequence of any retrospective change in the law, rule and regulations or the interpretation or practice thereof by any taxation or other relevant authority coming into force after the date of the Deed of Indemnity or to the extent such

authority coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of liability after the date of the Deed of Indemnity with retrospective effect.

2. Litigation

As of the Latest Practicable Date, neither we nor any of our subsidiaries were/was 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 us, that would have a material adverse effect on its results of operations or financial condition.

3. Preliminary Expenses

Our estimated preliminary expenses are approximately HK\$50,000 and have been paid by us.

4. Promoter

There are no promoters of our Company.

5. Joint Sponsors

The Joint Sponsors made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue as mentioned herein, the Shares to be issued pursuant to the Capitalisation Issue and any Shares falling to be issued pursuant to the exercise of the Over-allotment Option, and the Shares that may be issued upon the exercise of options that may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

6. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in their financial or trading position or prospects since 31 December 2010 (being the date to which our latest financial statements were made up).

7. Binding Effect

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

8. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (b) 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;

- (c) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
- (d) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;
- (e) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;
- (f) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (g) we have no outstanding convertible debt securities;
- (h) our Directors confirm that there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months proceeding the date of this prospectus.

9. Qualifications of experts

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

<u>Name</u>	<u>Qualification</u>
CCB International Capital Limited	Licensed to conduct Type 1 regulated activity (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
CIMB Securities (HK) Limited	A corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities
Ernst & Young	Certified Public Accountant
Jones Lang LaSalle Sallmanns Limited	Independent professional property valuer
Commerce & Finance Law Offices	PRC legal advisers to the Underwriters
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jingtian & Gongcheng	PRC legal advisers to our Company
Euromonitor	Independent industry consultant
Frost & Sullivan	Independent industry consultant

10. Consents of experts

Each of CCB International Capital Limited, CIMB Securities (HK) Limited, Ernst & Young, Jones Lang LaSalle Sallmanns Limited, Commerce & Finance Law Offices, Conyers Dill & Pearman, Jingtian & Gongcheng, Euromonitor and Frost & Sullivan has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/ or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

Save as disclosed in this prospectus, none of the experts named above has any shareholding interests 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.

11. Particulars of the Selling Shareholders

<u>Name</u>	<u>Description</u>	<u>Registered Office</u>	<u>Number of Sale Shares</u>
Prince Frog International ⁽¹⁾	Corporation	Palm Grove House P.O. Box 438 Road Town, Tortola British Virgin Islands	25,500,000
Jinlin Investment ⁽²⁾	Corporation	Palm Grove House P.O. Box 438 Road Town, Tortola British Virgin Islands	24,500,000

Notes:

- (1) *Prince Frog International is an investment holding company with registered office at Palm Grove House, P.O. Box 438, Road Town, Tortola, BVI. Prince Frog International is directly and wholly-owned by Zhenfei Investment, which is in turn wholly-owned by Mr. Li. Both of Zhenfei Investment and Mr. Li are our Controlling Shareholders, Mr. Li is also our Director. The number of Shares for sale by Prince Frog International is 25,500,000 (assuming the Over-allotment Option is not exercised). The number of Shares for sale by Prince Frog International is 29,325,000 (assuming the Over-allotment Option is exercised in full).*
- (2) *Jinlin Investment is an investment holding company with registered office at Palm Grove House, P.O. Box 438, Road Town, Tortola, BVI. Jinlin Investment is directly and wholly-owned by Mr. Xie, our Director. The number of Shares for sale by Jinlin Investment is 24,500,000 (assuming the Over-allotment Option is not exercised). The number of Shares for sale by Jinlin Investment is 28,175,000 (assuming the Over-allotment Option is exercised in full).*

12. Bilingual prospectus

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