

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

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 27 May 2011. The Company has established its principal place of business in Hong Kong at No. 3312, 33rd Floor, West Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong. The Company was registered with the Hong Kong Companies Registry as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 8 February 2012. Mr. Ku Kin Shing, Ignatius of No. 3312, 33rd Floor, West Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong has been appointed as the agent of the Company for acceptance of service of process in Hong Kong.

As the Company was incorporated in the Cayman Islands, its corporate affairs are subject to the Companies Law and to its constitutive documents comprising the Memorandum and the Articles. A summary of various provisions of its constitutive documents and relevant aspects of the Companies Law are set out in Appendix V to this prospectus.

2. Changes in share capital of the Company

- (a) As at the date of incorporation of the Company, its authorised share capital was HK\$380,000 divided into 3,800,000 Shares of HK\$0.1 each. One Share was issued to Codan Trust Company (Cayman) Limited as the initial subscriber nil paid on 27 May 2011 and such Share was transferred to Zhan Rui on the same day.
- (b) Pursuant to the written resolutions of the sole shareholder of the Company passed on 7 February 2012, the authorised share capital of the Company was increased from HK\$380,000 to HK\$4,000,000,000 by the creation of an additional 39,996,200,000 Shares, such new shares to rank *pari passu* with the then existing Shares in all respects.
- (c) On 8 February 2012, the Company allotted and issued 67, 10, 10, 2, 6 and 4 Shares nil paid to Zhan Rui, Charming Investment, Long Excel, Wide Sincere, Giant King and Kai Rong respectively.
- (d) On 10 February 2012, in exchange and as consideration for the acquisition of the entire issued share capital of 1,000 shares of US\$1 each in the capital of Wellname Investments from the Existing Shareholders, the one nil-paid Share held by Zhan Rui referred to in paragraph (a) above and the 99 Shares referred to in paragraph (c) above which were issued to the Existing Shareholders nil-paid on 8 February 2012 were credited as paid up in full at par and 679,932, 99,990, 99,990, 19,998, 59,994 and 39,996 Shares were allotted, issued and credited as fully paid to Zhan Rui, Charming Investment, Long Excel, Wide Sincere, Giant King and Kai Rong respectively.
- (e) Immediately following the Global Offering becoming unconditional and the issue of the Offer Shares, the authorised share capital of the Company will be HK\$4,000,000,000 divided into 40,000,000,000 Shares and the issued share capital of the Company will be HK\$80,000,000 divided into 800,000,000 Shares, all of which will be fully paid up or credited as fully paid. 39,200,000,000 Shares will remain unissued. Other than pursuant

to the exercise of any options granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and no issue of Shares which would effectively alter the control of the Company will be made without the prior approval of the members of the Company in general meeting.

- (f) Save as aforesaid and the paragraph headed “Corporate Reorganisation” below, there has been no alteration in the share capital of the Company since its incorporation.

3. Written resolutions of the sole shareholder of the Company passed on 7 February 2012

Pursuant to the written resolutions of the sole shareholder of the Company passed on 7 February 2012, resolutions were passed pursuant to which:

- (a) the Company approved and adopted the Articles, the terms of which are summarised in Appendix V to this prospectus;
- (b) conditional on the same conditions as stated in the paragraph headed “Conditions of the Global Offering” under the section of “Structure of Global Offering” in this prospectus having been fulfilled:
- (i) the Global Offering was approved and the Directors were authorised to allot and issue the Offer Shares pursuant thereto;
- (ii) subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the issue of the Offer Shares under the Global Offering, the Directors were authorised to allot and issue a total of 599,000,000 Shares credited as fully paid at par to the holders of Shares on the register of members of the Company at 8:00 a.m. on the Listing Date, pro-rata to their then shareholdings in the Company, and the Shares to be allotted and issued under this resolution shall rank *pari passu* in all respects with the existing issued Shares;
- (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” in this Appendix, were approved and adopted and the Directors were authorised, at their absolute discretion, subject to the terms and conditions of the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot and issue and deal with the Shares pursuant to the exercise of subscription rights under any options granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;
- (iv) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights issue or pursuant to the exercise of subscription rights attaching to the options under the Share Option Scheme or an issue of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles or pursuant to a specific authority granted by the shareholders in general meeting as herein described, Shares with an

aggregate nominal value not exceeding the sum of (i) twenty per cent (20%) of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Global Offering and the Capitalisation Issue (such share capital being exclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option) but without taking into account any Shares which may be allotted and issued under the exercise of the options which may be granted under the Share Option Scheme and (ii) the aggregate nominal amount of the share capital of the Company which may be repurchased by the Company pursuant to the authority granted to the Directors as referred to in paragraph (v) below, such mandate to remain in effect until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or the Companies Law or any other applicable laws to be held or the date of passing of an ordinary resolution by the Shareholders at general meeting revoking or varying or renewing the authority given to the Directors, whichever occurs first;

- (v) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase Shares listed on the Stock Exchange or any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and by the Stock Exchange for this purpose such number of Shares with an aggregate nominal value not exceeding ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue immediately following the completion of the Global Offering and the Capitalisation Issue (such share capital being exclusive of any Shares which may be issued pursuant to the exercise of the Over-allotment Option) but without taking into account any Shares which may be allotted and issued under the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or the Companies Law or any other applicable laws to be held or the date of passing of an ordinary resolution by the Shareholders at general meeting revoking or varying or renewing the authority given to the Directors, whichever occurs first; and
- (vi) the general unconditional mandate referred to in sub-paragraph (iv) above was extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be issued and dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares capital of the Company repurchased by the Company since the granting of the general mandate referred to in sub-paragraph (v) above, provided that such amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (such share capital being exclusive of any Shares which

may be issued pursuant to the exercise of the Over-allotment Option) but without taking into account any Shares which may be allotted and issued under the exercise of the options which may be granted under the Share Option Scheme.

4. Corporate reorganisation

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

- (a) On 26 April 2005, Fujian Tianyi was established in the PRC with a registered capital of US\$5,000,000 which was fully paid up by Mr. Cai Chenyang;
- (b) On 13 August 2008, China Modern was incorporated in Hong Kong and 10,000 shares of HK\$1 each were issued and allotted to Mr. Cai Chenyang for cash at par;
- (c) On 30 August 2008, Mr. Cai Chenyang transferred his entire equity interest in Fujian Tianyi to China Modern at a consideration of HK\$1;
- (d) On 10 January 2011, Zhan Rui was incorporated in the BVI;
- (e) On 13 January 2011, Wellname Investments was incorporated in the BVI;
- (f) On 10 February 2011, Zhan Rui issued and allotted 1,000 shares of US\$1 each to Mr. Cai Chenyang for cash at par;
- (g) On 14 February 2011, Wellname Investments issued and allotted 1,000 shares of US\$1 each to Zhan Rui;
- (h) On 14 February 2011, Mr. Cai Chenyang transferred 10,000 shares of China Modern to Wellname Investments at a consideration of HK\$10,000;
- (i) On 16 February 2011, Zhan Rui transferred 100 shares in Wellname Investments each to Charming Investment and Long Excel each at the consideration of HK\$30,000,000;
- (j) On 23 February 2011, Victoria Top issued and allotted 1 ordinary share of HK\$1 to Acota Services Limited, a service provider, for cash at par;
- (k) On 17 March 2011, the service provider transferred the entire issued share capital of Victoria Top to China Modern at a consideration of HK\$1;
- (l) On 18 April 2011, Zhan Rui transferred 20 shares in Wellname Investments to Wide Sincere at the consideration of HK\$6,000,000;
- (m) On 18 April 2011, Zhan Rui transferred 60 shares in Wellname Investments to Giant King at the consideration of HK\$18,000,000;
- (n) On 18 April 2011, Zhan Rui transferred 40 shares in Wellname Investments to Kai Rong at the consideration of HK\$12,000,000;

- (o) On 27 May 2011, the Company was incorporated in the Cayman Islands. One Share was issued to Codan Trust Company (Cayman) Limited as the initial subscriber nil paid on 27 May 2011 and such Share was transferred to Zhan Rui on the same day;
- (p) Pursuant to the written resolutions of the sole shareholder of the Company passed on 7 February 2012, the authorised share capital of the Company was increased from HK\$380,000 to HK\$4,000,000,000 by the creation of an additional 39,996,200,000 Shares, such new shares to rank *pari passu* with the then existing Shares in all respect;
- (q) On 8 February 2012, the Company allotted and issued 67, 10, 10, 2, 6 and 4 Shares nil paid to Zhan Rui, Charming Investment, Long Excel, Wide Sincere, Giant King and Kai Rong respectively; and
- (r) On 10 February 2012, in exchange and as consideration for the acquisition of the entire issued share capital of 1,000 shares of US\$1 each in the capital of Wellname Investments from the Existing Shareholders, the one nil-paid Share held by Zhan Rui referred to in paragraph (o) above and the 99 Shares referred to in paragraph (q) above issued to the Existing Shareholders nil-paid on 8 February 2012 were credited as fully paid at par and the Company allotted and issued 679,932, 99,990, 99,990, 19,998, 59,994 and 39,996 Shares credited as fully paid to Zhan Rui, Charming Investment, Long Excel, Wide Sincere, Giant King and Kai Rong respectively.

5. Changes in share capital of the subsidiaries

The subsidiaries of the Company are referred to in paragraphs headed “Notes to the Financial Information — Reorganisation” of the accountants’ report, the text of which is set out in Appendix I to this prospectus.

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

(a) *Wellname Investments*

On 14 February 2011, Wellname Investments allotted and issued, for cash at par, 1,000 shares of US\$1 each to Zhan Rui, after which Zhan Rui became the sole shareholder of Wellname Investments.

(b) *Victoria Top*

On 23 February 2011, Victoria Top allotted and issued, for cash at par, 1 ordinary share of HK\$1 to a service provider.

Save as mentioned herein, there had been no alteration in the share capital of any of the subsidiaries of the Company within the two (2) years immediately preceding the date of this prospectus.

6. Repurchase by the Company of its own securities

Introduction

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

Listing Rules

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

(i) *Shareholders' approval*

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

Note: Pursuant to the written resolutions of the sole shareholder of the Company passed on 7 February 2012, a general unconditional mandate (the "Repurchase Mandate") was granted to the Directors authorising them to exercise all powers for and on behalf of the Company to repurchase its Shares listed on the Stock Exchange or any other recognised stock exchange on which the securities of the Company may be listed and recognised by the SFC and by the Stock Exchange for this purpose, up to an aggregate nominal value not exceeding ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Listing and such share capital being exclusive of any Shares which may be issued and allotted under the exercise of the Over-allotment Option but without taking into account any Shares which may be allotted and issued under the exercise of the options which may be granted under the Share Option Scheme. The Repurchase Mandate shall remain in effect until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by the Articles or the Companies Law or any other applicable laws to be held, or when revoked or varied by ordinary resolution of the Shareholders, whichever shall first occur.

(ii) *Source of funds*

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

Under the Cayman Islands law, any repurchases by the Company may be made out of profits of the Company, out of the share premium account of the Company or out of proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase, out of either of both of the profits of the Company or the Company's share premium account before or at the time the Shares are repurchased or, if authorised by the Articles and subject to the Companies Law, out of capital.

(iii) *Trading restrictions*

A listed company may not issue or announce an issue of new shares of the type that has been repurchased for a period of thirty (30) days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, all repurchases of securities on the Stock Exchange in any calendar month are limited to a maximum of twenty-five per cent (25%) of the trading volume of such securities on the Stock Exchange in the immediately preceding calendar month. A company shall not repurchase shares on the Stock Exchange if the purchase price is higher by five per cent (5%) or more than the average closing market price for the five preceding trading days. The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

(iv) *Status of repurchased shares*

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

Note: Under the Cayman Islands law, unless prior to the repurchase, the directors of a company resolve to hold the shares repurchased by the company as treasury shares, the company's repurchased shares will be treated as cancelled.

(v) *Suspension of repurchases*

The Listing Rules require any share repurchase programme to be suspended after the Directors have made any decision in respect of a price sensitive development until the price sensitive information has been made publicly available. In addition, the Stock Exchange reserves the right to suspend share repurchases on the Stock Exchange if a company has breached the Listing Rules. A company may not repurchase securities on the Stock Exchange, unless the circumstances are exceptional, during the period of one (1) month immediately preceding the earlier of (i) the date of the board meeting for the approval of the company's results for any year, half-year, quarterly or any other interim period and (ii) the deadline for the company to publish an announcement of its results for any year or half-year or quarterly or any other interim period, and ending on the date of the result announcements.

(vi) *Reporting requirements*

Under the Listing Rules, share repurchases on the Stock Exchange or otherwise must be submitted for publication to the Stock Exchange not later than thirty (30) minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the company makes a purchase of shares. In

addition, the company's annual report is required to disclose details regarding share repurchases made during the year, including the number of shares repurchased and the aggregate prices paid.

(vii) *Connected parties*

The Listing Rules prohibit a company from knowingly repurchasing securities on the Stock Exchange from a connected person, which includes a director, chief executive or substantial shareholders of the Company and its subsidiaries or an associate of any of them and a connected person shall not knowingly sell his securities to the Company.

Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue immediately after completion of the Global Offering and Capitalisation Issue but without taking into account any Shares which may be issued and allotted under the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme, the Directors would be authorised under the Repurchase mandate to repurchase up to 80,000,000 Shares during the course of the period in which the Repurchase Mandate remains in force.

Reasons for repurchases

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

Funding of repurchases

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

On the basis of the combined net tangible assets of the Group as at 30 September 2011, and taking into account the estimated net proceeds of the Global Offering and the current working capital position of the Group, the Directors consider that there may be material adverse effect on the working capital requirements and gearing position of the Group in the event that the Repurchase Mandate was to be exercised in full during the period before the Repurchase Mandate expires. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

General

None of the Directors and their associates (as defined in the Listing Rules), or to the best of their knowledge having made all reasonable enquires, have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.

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

If, as the result of a share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (as defined in the Takeovers Code), could, depending on the level of increase of its/his/her or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

If the Over-allotment Option is exercised in full, the shareholding of Zhan Rui in the Company will decrease from 51% to 49.16%, thus the decrease of issued Shares on exercise in full of the Repurchase Mandate will cause the percentage shareholding of Zhan Rui to increase by more than 2% from 49.16% to 54.40%. Accordingly, Zhan Rui will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares if the Repurchase Mandate is exercised in full.

Save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase of Shares if such repurchase is made immediately after the listing of the Shares pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of shares which are in the hands of the public falling below twenty-five per cent (25%) of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

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

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

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two (2) years preceding the date of this prospectus and are or may be material in relation to the business of the Group taken as a whole:






- (a) a share transfer agreement dated 16 February 2011 entered into among Zhan Rui Investments Limited (展瑞投資有限公司), Charming Investment Holdings Limited (彩瑩投資控股有限公司), Long Excel Limited and Wellname Investments Limited (揚威投資有限公司), pursuant to which Zhan Rui Investments Limited (展瑞投資有限公司) agreed to transfer its 100 shares in Wellname Investments Limited (揚威投資有限公司) to each of Charming Investment Holdings Limited (彩瑩投資控股有限公司) and Long Excel Limited respectively at a consideration each of HK\$30 million;
- (b) a share transfer agreement dated 18 April 2011 entered into by Zhan Rui Investments Limited (展瑞投資有限公司), Wide Sincere Investments Limited (廣誠投資有限公司) and Wellname Investments Limited (揚威投資有限公司), pursuant to which Zhan Rui Investments Limited (展瑞投資有限公司) agreed to transfer its 20 shares in Wellname Investments Limited (揚威投資有限公司) to Wide Sincere Investments Limited (廣誠投資有限公司) at a consideration of HK\$6 million;
- (c) a share transfer agreement dated 18 April 2011 entered into by Zhan Rui Investments Limited (展瑞投資有限公司), Giant King Investments Limited (帝弘投資有限公司) and Wellname Investments Limited (揚威投資有限公司), pursuant to which Zhan Rui Investments Limited (展瑞投資有限公司) agreed to transfer its 60 shares in Wellname Investments Limited (揚威投資有限公司) to Giant King Investments Limited (帝弘投資有限公司) at a consideration of HK\$18 million;
- (d) a share transfer agreement dated 18 April 2011 entered into by Zhan Rui Investments Limited (展瑞投資有限公司), Kai Rong Holdings Limited (凱榮控股有限公司) and Wellname Investments Limited (揚威投資有限公司), pursuant to which Zhan Rui Investments Limited (展瑞投資有限公司) agreed to transfer its 40 shares in Wellname Investments Limited (揚威投資有限公司) to Kai Rong Holdings Limited (凱榮控股有限公司) at a consideration of HK\$12 million;
- (e) a deed of indemnity dated 7 February 2012 executed by Mr. Cai Chenyang, Zhan Rui Investments Limited (展瑞投資有限公司) and the Company containing indemnities in respect of taxation and other matters referred to in paragraph headed “Estate duty, tax and other indemnity” of this appendix;
- (f) the Deed of Non-Competition dated 7 February 2012 executed by Mr. Cai Chenyang and Zhan Rui Investments Limited (展瑞投資有限公司) in favour of the Group;

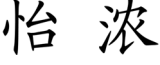
- (g) 3 service contracts all dated 7 February 2012 each made between the Company and each of the executive Directors under which each of the executive Directors (i) agreed to serve for a term of 3 years commencing from the appointment date (i.e. 7 February 2012) subject to the Articles of Association and other early termination provisions contained therein, e.g. the service contract may be terminated by a three (3) months' notice in writing served by either party and (ii) undertook with the Company that for so long as he is a Director and/or a shareholder holding not less than five cent (5%) of the capital of the Company and/or any of its subsidiaries, he will not engage in any business which either directly or indirectly competes with the business of the Group;
- (h) a share exchange agreement dated 10 February 2012 made among Zhan Rui Investments Limited (展瑞投資有限公司), Charming Investment Holdings Limited (彩瑩投資控股有限公司), Long Excel Limited, Wide Sincere Investments Limited (廣誠投資有限公司), Giant King Investments Limited (帝弘投資有限公司), Kai Rong Holdings Limited (凱榮控股有限公司) and the Company relating to the corporate reorganisation of the Group referred to item (r) of the paragraph headed "Corporate reorganisation" of this appendix;
- (i) the Hong Kong Underwriting Agreement dated 28 February 2012 relating to the Hong Kong Public Offer entered into by, among others, the Company and Cinda International Securities Limited; and
- (j) the International Underwriting Agreement relating to the International Placing to be entered into by, among others, the Company and Cinda International Securities Limited on or about the Price Determination Date.

2. Intellectual property







The Group is the owner or applicant of the following intellectual property rights:

Part A: Registered Trade Marks

Trademark	Registration No.	Registered Owner	Place of Registration	Class	Expiry Date
	5221909	Fujian Tianyi	PRC	1	27 Jun 2019
	5221910	Fujian Tianyi	PRC	5	6 Jul 2019
	5221911	Fujian Tianyi	PRC	29	27 Mar 2019
	5221912	Fujian Tianyi	PRC	30	27 Mar 2019
	5221913	Fujian Tianyi	PRC	31	27 Mar 2019

Trademark	Registration No.	Registered Owner	Place of Registration	Class	Expiry Date
	5221914	Fujian Tianyi	PRC	32	27 Mar 2019
	5221945	Fujian Tianyi	PRC	33	27 Mar 2019
	5221946	Fujian Tianyi	PRC	40	13 Sept 2019
	5221947	Fujian Tianyi	PRC	43	13 Sept 2019
	5221949	Fujian Tianyi	PRC	44	13 Sept 2019
	5444641	Fujian Tianyi	PRC	29	6 May 2019
	5528042	Fujian Tianyi	PRC	29	27 Oct 2019
	5528061	Fujian Tianyi	PRC	29	20 Aug 2019
	5444751	Fujian Tianyi	PRC	29	6 May 2019
	6011650	Fujian Tianyi	PRC	1	20 Jan 2020
	301898047	China Modern	Hong Kong	29	25 Apr 2021
	301898047	China Modern	Hong Kong	31	25 Apr 2021
	301898038	China Modern	Hong Kong	29	25 Apr 2021
	301898038	China Modern	Hong Kong	31	25 Apr 2021
POTIM	301915326	China Modern	Hong Kong	29	12 May 2021
POTIM	301915326	China Modern	Hong Kong	31	12 May 2021

Part B: Trade Marks under Application

Trademark	Application No.	Applicant	Place of Application	Class
	9288103	Fujian Tianyi	PRC	29
	9288146	Fujian Tianyi	PRC	33
	9288206	Fujian Tianyi	PRC	1
	9288236	Fujian Tianyi	PRC	29
	9288273	Fujian Tianyi	PRC	30
	9288313	Fujian Tianyi	PRC	31
	9288335	Fujian Tianyi	PRC	31
普甜	9288354	Fujian Tianyi	PRC	31

Part C: Domain Names

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

Domain Name	Registrant	Date of Registration	Expiry Date
fjtianyicn.com	Fujian Tianyi	22 March 2007	22 March 2012
putian.com.hk	the Company	9 February 2012	9 February 2013

Save as disclosed herein, there are no other trade or service marks, registered designs, patents or other intellectual property rights owned or used by any company within the Group.

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF**1. Disclosure of Interests of Directors**

- (a) Mr. Cai Chenyang is interested in the Reorganisation transactions.
- (b) Immediately following the completion of the Global Offering and the Capitalisation Issue and subject to the terms and conditions of this prospectus, taking no account of any Shares which may be allotted and issued upon the exercise of any Over-allotment Option and options which may be granted under the Share Option Scheme or repurchased by the Company pursuant to the mandates as referred to in the section headed “Further information about the Company” in this appendix, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which a Director or chief executive of the Company is taken or deemed to have taken under such provisions of the SFO) once the Shares are listed, or will be required pursuant to Section 352 of the SFO to be entered in the register referred to therein, once the Shares are listed, or will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange once the Shares are listed are as follows:

Long position in the Shares

Name	Nature of Interest	Number of Shares	Percentage of the issued share capital of the Company <i>(Note 1)</i>
Mr. Cai Chenyang	Interest of controlled corporation <i>(Note 2)</i>	408,000,000	51%

2. Disclosure of Interests of Substantial Shareholders

Immediately following the completion of the Global Offering and the Capitalisation Issue, subject to the terms and conditions of this prospectus and taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme or repurchased by the Company pursuant to the mandates as referred to in the section headed “Further information about the Company” in this appendix, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) are expected to have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of the Company or which are required to be kept

under section 336 of the SFO or who are directly or indirectly interested in ten per cent (10%) or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group are as follows:

Long Position in the Shares

Name	Nature of Interests	Number of Shares	Percentage of issued share capital of the Company (Note 1)
Zhan Rui (Note 2)	Beneficial owner	408,000,000	51%
Charming Investment	Beneficial owner	60,000,000	7.5%
Ms. Lee Ming Hin (Note 3)	Interest of controlled corporation	60,000,000	7.5%
Long Excel	Beneficial owner	60,000,000	7.5%
Mr. Chi Chi Hung Kenneth (Note 4)	Interest of controlled corporation	60,000,000	7.5%

Notes:

- (1) The percentage of the issued share capital of the Company (assuming that the Over-allotment Option is not exercised) immediately after the completion of the Global Offering and the Capitalisation Issue.
- (2) Mr. Cai Chenyang is deemed to be interested in 408,000,000 Shares, which will be held by Zhan Rui, a corporation controlled by Mr. Cai Chenyang.
- (3) Ms. Lee Ming Hin is deemed to be interested in 60,000,000 Shares, which will be held by Charming Investment, a corporation controlled by Ms. Lee Ming Hin.
- (4) Mr. Chi Chi Hung Kenneth is deemed to be interested in 60,000,000 Shares, which will be held by Long Excel, a corporation controlled by Mr. Chi Chi Hung Kenneth.

3. Particulars of Service Contracts

- (a) Each of the executive Directors has entered into a service contract with the Company for a term of 3 years commencing from the appointment date (i.e. 7 February 2012) subject to the Articles of Association and other early termination provisions contained therein, e.g. the service contract may be terminated by a three (3) months' notice in writing served by either party, and pursuant to which each of the executive Directors has undertaken with the Company that for so long as he is a Director and/or a shareholder holding not less than five per cent (5%) of the issued share capital of the Company and/or any of its subsidiaries, he will not engage in any business which either directly or indirectly competes with the business of the Group.

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

4. Executive directors' remuneration

It is estimated that under the arrangements in force at the date of the prospectus, the aggregate remuneration payable to, and benefits in kind receivable by, the Directors or proposed Directors by any member of the Group for the year ended 31 December 2011 was approximately HK\$311,000.

An aggregate of approximately HK\$334,800 was paid to the Directors as remuneration paid and benefits in kind granted in respect of the year ended 31 December 2010.

5. Personal guarantees

All the personal guarantees provided by Mr. Cai Chenyang had been released as at the Latest Practicable Date.

6. Agency fees or commissions received

Save for the Underwriters will receive the commission as disclosed in the section headed "Underwriting — Commission, fees and expenses" in this prospectus none of the Directors or the experts named in the paragraph headed "Consents of experts" in this appendix had received any agency fee or commissions from the Group within two (2) years preceding date of this prospectus.

7. Related party transactions

The related party transactions entered into by the members of the Group within the two (2) years immediately preceding the date of this prospectus are mentioned in the paragraphs headed "Related Party Transactions" of the accountants' report, the text of which is set out in Appendix I to this prospectus.

8. Disclaimers

Save as disclosed in this prospectus:

- (a) taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and any options which have been or may be granted under the Share Option Scheme or repurchased by the Company pursuant to the mandates as referred to in the section headed "Further information about the Company" in this appendix, the Directors are not aware of any person (not being Director or chief executive of the Company) who will, immediately following the completion of the Global Offering and the Capitalisation Issue, have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or

who will, directly or indirectly, be interested in ten per cent (10%) or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company;

- (b) none of the Directors or chief executive of the Company will have an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange;
- (c) none of the Directors or partners, as the case may be, of the Company, the Underwriters, or expert as referred to in the section headed “Qualification of experts” in this appendix is interested in the promotion of the Company, or in any assets which had been within the two (2) years immediately preceding the issue of this prospectus acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group;
- (d) none of the Directors or experts as referred to in the section headed “Qualification of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- (e) none of the experts as referred to in the section headed “Qualification of experts” in this appendix has any shareholding in any member of the Group or right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (f) none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one (1) year without payment of compensation (other than statutory compensation)); and
- (g) no remuneration or other benefits in kind have been paid by the Company to any Directors since the date of incorporation of the Company, nor are any remuneration or benefits in kind payable by the Company to any Director in respect of the current financial year under any arrangement in force as at the Latest Practicable Date.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved pursuant to the written resolutions passed by the sole Shareholder on 7 February 2012 and to be effective after all conditions referred to in paragraph 24 hereinbelow are fulfilled. For the purpose of this section, references to “Board” shall mean the board of Directors of the Company or a duly authorised committee thereof, references to “Employee” shall mean any full time or part time employee (including any executive and non-executive director or proposed executive and non-executive director) of the Group, references to “Participant” shall mean any Employee and adviser, consultant, agent, contractor, client and supplier who in the sole discretion of the Board has contributed or is expected to

contribute to the Group. Unless the context otherwise requires, references to “Shares” in this section include shares in the Company of any other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

1. Participants of the Share Option Scheme

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

2. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to recognise and motivate the contribution of Employees and other person(s) who may make a contribution to the Group and to provide incentives and help the Company retain its existing Employees and recruit additional Employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company.

3. Life of the Share Option Scheme

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

4. Subscription Price

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

5. Restriction on the Time of Grant of Option

No offer of options shall be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, during the period

commencing one (1) month immediately preceding the earlier of (a) the date of the board meeting for approval of the Company's interim or annual results or (b) the deadline of the Company to publish its interim or the annual results announcement under the Listing Rules and ending on the date of the results announcement, no option should be granted.

6. Maximum Number of Shares

- (a) The total number of the Shares which may be issued upon exercise of all options which may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed ten per cent (10%) of the total number of Shares in issue as at the adoption date immediately following completion of the Listing (the "Scheme Mandate Limit") (excluding any Shares that may be issued pursuant to the exercise of the Over-allotment Option) being 80,000,000 Shares, unless the Company obtains a fresh approval from its shareholders pursuant to sub-paragraph 6(b) below in this part D. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (b) The Company may seek approval of the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed ten per cent (10%) of the issued share capital of the Company at the date of the approval of the renewal by the shareholders of the Company. Upon any such renewal, all options granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.
- (c) The Company may grant options to Participant(s) beyond the Scheme Mandate Limit if the grant of such options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Participants, the number and terms of the options to be granted, the purpose of granting options to the identified Participants, and how these options serve such purpose.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed thirty per cent (30%) (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. No options may be granted under any scheme of the Company if this will result in the limit being exceeded.

7. Option Shares Entitled by Each Grantee

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

8. Requirements on Granting Options to Connected Persons

- (a) Any grant of option to a director, chief executive, substantial shareholder or connected person of the Company, or any of their respective associates under the Scheme must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee of the option).
- (b) Where a grant of option is to a substantial shareholder of the Company or an independent non-executive director of the Company or any of their respective associates and the proposed grant of option, when aggregated with the options already granted and to be granted (including both exercised, cancelled and outstanding options) to such person(s) in the past twelve (12) months period, would entitle such person(s) to subscribe for in aggregate over 0.1% of the total issued share capital of the Company for the time being and having an aggregate value in excess of HK\$5,000,000 based on the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet at the date of grant, then the proposed grant of option must be subject to approval by the Shareholders on a poll in a general meeting where all connected persons of the Company must abstain from voting in favour (except where such connected person(s) intends to vote against the proposed grant of option and his intention to do so has been stated in the circular). A shareholders' circular must be prepared by the Company explaining the proposed grant of option, disclosing the number and terms of the option proposed to be granted and the recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the grantee of the option) as to voting and all information required under the Listing Rules. The shareholders' approval as described above will also be required for any change in the terms of any options granted to a substantial shareholder of the Company or an independent non-executive director of the Company or any of their respective associates. The requirements for the granting of options to a director of the Company set out in these sub-paragraphs 8(a) and 8(b) in this part D shall not apply where the Participant is only a proposed executive or non-executive director of the Company.

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

9. Time of Exercise of Option

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

10. Rights are Personal to Grantee

An option shall be personal to the grantee and shall not be assignable and no grantee shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option.

11. Rights on Ceasing Employment

In the event of the grantee, being an Employee at the date on which an option is granted, ceasing to be an Employee for any reason, other than his death or the termination of employment on any of the grounds referred to in paragraph 13 below, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one (1) month following the date of such cessation, which date shall be the relevant Employee's last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not or, if any of the events referred to in paragraphs 15, 16 or 17 in this part D occurs during such period, the grantee may exercise the option within the period stipulated in paragraphs 15, 16 or 17 in this part D instead of the period referred to in this paragraph 11 in this part D (provided that the retirement of director(s) of the Group by rotation pursuant to the constitution of the relevant member of the Group at annual general meeting of such member who is/are re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph).

12. Rights on Death

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

13. Rights on Dismissal

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

14. Effect of Alterations to Capital

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

15. Rights on a General Offer

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

16. Rights on Winding Up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company or an order of the court is made for the winding-up of the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company or such order is made give notice thereof to all grantees (together with a notice of existence of the

provisions of this paragraph) and thereupon, each grantee (or, as permitted under paragraph 12 in this part D, his legal personal representatives) shall be entitled to exercise all or any of his options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company to consider the voluntary winding-up (to the extent which has become exercisable and not already exercised) whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting allot the relevant Shares to the grantee credited as fully paid.

17. Rights on a Compromise or Arrangement

If, pursuant to the Companies Law, a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph 17 in this part D) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options in whole (or in part) (to the extent not already lapsed or exercised) at any time no later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement by notice in writing to Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this Scheme) (provided that the period within which an option can be exercised shall accordingly be extended by the length of the period of the suspension) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.

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

If the Board considers that a Grantee ceasing to be an Employee due to the sale, or separate listing, of the company he is serving, or if the Company is merged, reorganised or consolidated with another entity, the Board may at its sole discretion (a) arrange for substitute options or share purchase rights of no less than their equivalent fair value in the purchasing, surviving or newly

listed company; (b) provide cash compensation equivalent to their fair value; (c) waive any conditions as to vesting; or (d) permit the continuation of the Option to its original terms. If the Board does not make any of the arrangements specified in (a) to (d), the Option shall lapse.

19. Lapse of Option

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

- (i) the expiry of the option period referred to in paragraph 3 above in this part D;
- (ii) the expiry of any of the periods referred to in paragraphs 11, 12, 15 or 16 above in this part D;
- (iii) subject to paragraph 16 above in this part D, the date of the commencement of the winding-up of the Company (as determined in accordance with the Companies Law or such other applicable law in the jurisdiction in which the winding-up takes place);
- (iv) the date on which the grantee ceases to be an Employee by reason of paragraph 13 above in this part D;
- (v) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 17 above in this part D;
- (vi) the date on which the Grantee commits a breach of paragraph 10 above in this part D;
- (vii) the Board does not make any of the arrangements specified in paragraph 18 in this part D;
- (viii) the date on which the option is cancelled by the Board in accordance with paragraph 22 in this part D; and
- (ix) the offer of the grant of an option is not accepted by 5:00 p.m. on the 20th Business Day following the date of granting of such option.

20. Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Memorandum and Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

21. Alteration to Share Option Scheme

The Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees or prospective grantees; (ii) any change to the authority

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

22. Cancellation of Options Granted

Subject to paragraph 10 in this part D, any cancellation of options granted but not exercised must be approved by the Board and the relevant grantees.

23. Performance Target

There is no performance target that must be achieved before the options can be exercised.

24. Conditions of Share Option Scheme

The Share Option Scheme is conditional upon (1) the passing of the necessary resolutions by the Shareholders in general meeting to approve and adopt the Share Option Scheme; (2) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares as mentioned herein, and any Shares to be issued pursuant to the exercise of options under the Share Option Scheme; (3) the commencement of dealings in the Shares on the Stock Exchange; and (4) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including the waiver of any conditions by the Sole Sponsor on behalf of the Underwriters) and not being terminated in accordance with the terms of such agreement or otherwise on or before sixty (60) days after the date of this prospectus.

A certificate of the Board that the conditions set out above have been satisfied and the date on which such conditions are satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the effective date shall be conclusive evidence of the matters certified.

25. Present Status of the Share Option Scheme

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

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

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

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

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

The Controlling Shareholders have, under the Deed of Indemnity (material contract no. (e)), given an indemnity to the Group in respect of taxation falling on the Company or on any of its subsidiaries up to and including the Listing Date, save in certain circumstances including where provision has been made in the audited accounts of the Company or its subsidiaries, for the period up to 30 September 2011.

Under the terms of the Deed of Indemnity, the Controlling Shareholders have also given an indemnity to the Group in respect of (i) any liabilities arising from the Group's non-compliance with the relevant rules and regulations in relation to employee social insurance and housing provident fund, including but not limited to the Social Security Law of the PRC (中華人民共和國社會保障法), the Employment Contract Law of the PRC (中華人民共和國勞動合同法) and the Regulations on Management of Housing Provident Fund (住房公積金管理條例) on or before the Listing Date and (ii) any losses and expenses incurred by the Group arising from the Contract Farmers' non-compliance with the Law of Animal Epidemic Prevention of the PRC (中華人民共和國動物防疫法), and other applicable laws and regulations of the PRC on or before the Listing Date.

2. Litigation

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

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and any options which may, and pursuant to the exercise of the options to be granted under the Share Option Scheme). All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sponsor has declared its independence from the Company pursuant to Rules 3A.07 and 3A.08 of the Listing Rules.

4. Preliminary expenses

The preliminary expenses of the Company are approximately US\$11,000 and are payable by the Company.

5. Promoter

The promoter of the Company is Mr. Cai Chenyang. Save as disclosed in this prospectus, within the two (2) years preceding the date of this prospectus, no cash, securities or other benefit had been paid, allotted or given, or was proposed to be paid, allotted or given to the promoters in connection with the Global Offering or the related transactions described in this prospectus.

6. Qualifications of experts

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

Name	Qualification
Cinda International Capital Limited	A corporation licensed to carry out type 1 and type 6 regulated activities under the SFO
HLB Hodgson Impey Cheng	Chartered Accountants and Certified Public Accountants
Asset Appraisal Limited	Property valuer, Biological asset valuer
Deheng Law Firm	PRC legal advisers
Conyers Dill & Pearman	Cayman Islands attorneys-at-law

7. Interests of experts in the Company

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

8. Consents of experts

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

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

The sale, purchase and transfer of Shares registered with the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of or of the fair value of, the Shares being sold or transferred, whichever is higher. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after 11 February 2006.

(b) *The Cayman Islands*

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

(c) *Consultation with professional advisers*

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

10. Register of Members

Subject to the provisions of the Companies Law, the principal register of members of the Company will be maintained in the Cayman Islands by Codan Trust Company (Cayman) Limited and a branch register of members of the Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where the Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the Company's branch share register in Hong Kong and may not be lodged in the Cayman Islands.

11. No material adverse change

The Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group and no event had occurred that would materially affect the information shown in the accountants' report set out in Appendix I to this prospectus during the period from 1 October 2011 to the Latest Practicable Date (both dates inclusive).

12. Binding effect

The English and 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).

13. Compliance Adviser

The Company has appointed CICL as its compliance adviser upon Listing in compliance with Rule 3A.19 of the Listing Rules.

14. Miscellaneous

- (a) Save as disclosed herein:
 - (i) Within the two (2) years immediately preceding the date of this prospectus:
 - (aa) no share or loan capital of the Company or of any of its subsidiaries had been issued, agreed to be issued or was proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries; and
 - (cc) no commission had been paid or payable (except to sub-underwriter) for subscribing or agreeing to subscribe, procuring or agreeing to procure subscriptions, for any Shares.
 - (ii) No founders shares, management shares or deferred shares have been issued or agreed to be issued.
 - (iii) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
 - (iv) There has not been any interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group in the twelve (12) months preceding the date of this prospectus.
- (b) This Prospectus is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language version of this Prospectus and the Chinese translation, the English language version of this Prospectus shall prevail.