

## APPENDIX V

## STATUTORY AND GENERAL INFORMATION

### A. FURTHER INFORMATION ABOUT OUR COMPANY

#### 1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company on 10 June 2009. Our Company has established our principal place of business in Hong Kong at Suites 2201-2203, 22nd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Hong Kong Companies Ordinance on 29 July 2009. In connection with such registration, Loong & Yeung of Suites 2201-2203, 22nd Floor, Jardine House, 1 Connaught Place, Central, Hong Kong has been appointed as the agent for the acceptance of service of process and any notices served on our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, our operation is subject to the Companies Law and to our constitution which comprises our memorandum of association and Articles. A summary of various parts of the constitution and certain relevant aspects of the Cayman Islands company law is set out in appendix [IV] to this [●].

#### 2. [Changes in share capital of our Company]

- (a) As at the date of incorporation of our Company, our authorized share capital was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, one of which was allotted and issued nil paid to Reid Services Limited and the one nil paid Share was subsequently transferred from Reid Services Limited to Well Bright on the same date.
- (b) Pursuant to the [●] and as consideration for the acquisition by our Company of the one ordinary share of US\$1.00 each in the issued share capital of Newshine, on [14 September 2009], (i) 36,999,999 Shares, all credited as fully paid, were allotted and issued to Well Bright; and (ii) the one nil paid Share then held by Well Bright was credited as fully paid at par.
- (c) On [15 September 2009], our sole Shareholder resolved to increase the authorized share capital of our Company from HK\$[380,000] to HK\$[10,000,000] by the creation of an additional of [962,000,000] Shares, each ranking pari passu with our Shares then in issue in all respects.
- (d) Immediately upon completion of the [[●]] and the [[●]] but taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme, [370,000,000] Shares will be issued fully paid or credited as fully paid and [630,000,000] Shares will remain unissued.
- (e) Save as mentioned above, there has been no alteration in the share capital of our Company.

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Other than pursuant to the [[●]], the [[●]] and the exercise of the options to be granted under the Share Option Scheme, there is no present intention to issue any of the authorized but unissued share capital of our Company and without prior approval of our Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

### 3. Written resolutions of our sole Shareholder passed on [15 September 2009]

By written resolutions of our sole Shareholder passed on [15 September 2009]:

- (a) our Company approved and adopted the [memorandum of association and the Articles];
- (b) the authorized share capital of our Company was increased from HK\$[380,000] to HK\$[10,000,000] by the creation of an additional of [962,000,000] Shares of HK\$[0.01] each, each ranking pari passu with our Shares then in issue in all respects;
- (c) conditional on the [●] granting the [●] of, and permission to deal in, our Shares in issue and our Shares to be issued as mentioned in this [●] including any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme and on the obligations of the [[●]] under the [[●]] becoming unconditional and not being terminated in accordance with the terms of the [[●]] or otherwise, in each case on or before the date falling [30] days after the date of this [●]:
  - (i) the [[●]] was approved and our Directors were authorized to allot and issue the [[●]] pursuant to the [[●]] to rank pari passu with the then existing Shares in all respects; and
  - (ii) the rules of the Share Option Scheme were approved and adopted and our Directors were authorized, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with our Shares pursuant to the exercise of subscription rights attaching to 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; and
  - (iii) the [[●]] was approved and conditional further on the share premium account of our Company being credited as a result of the [[●]], our Directors were authorized to capitalize an amount of HK\$[2,590,000] standing to the credit of the share premium account of our Company and to appropriate such amount as to capital to pay up in full at par [259,000,000] Shares for allotment and issue credited as fully paid to the person(s) whose name(s) appear on the register of members of our Company at the close of business on [14 September 2009] on proportion (as nearly as possible

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without involving fractions) to its/their then existing shareholding(s) in our Company, each ranking pari passu in all respects with the then existing issued Shares, and our Directors were authorized to give effect to such capitalization and distributions.

- (d) a general unconditional mandate was given to our Directors to allot, issue and deal with, otherwise than by way of rights or an issue of our Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme or any other share scheme of our Company or any of our Shares allotted in lieu of the whole or part of a dividend on our Shares in accordance with the [Articles] or pursuant to a specific authority granted by our Shareholders or pursuant to the [[●]] or the [●], Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [[●]] and the [[●]], such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company;
  - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the [Articles] or the Companies Law or any other applicable laws of the Cayman Islands to be held; and
  - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders at general meeting;
- (e) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on GEM or on any other [●] on which the securities of our Company may be listed and which is recognized by the Securities and Futures Commission in Hong Kong and the [●] for this purpose such number of Shares as will represent up to 10% of the aggregate of the nominal value of the share capital of our Company in issue immediately following completion of the [[●]] and the [[●]], such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company;
  - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the [Articles] or the Companies Law or any other applicable laws of the Cayman Islands to be held; and
  - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders at general meeting; and
- (f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed 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 repurchased by our Company

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pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [[●]] and the [●].

### 4. Corporate [●]

The companies comprising our Group underwent a [●] to rationalize our Group’s structure in preparation for the [●] of our Shares on GEM, pursuant to which our Company became the holding company of our Group.

[Our Group underwent the following restructuring:

- (a) our Company was incorporated on 10 June 2009.
- (b) On 10 June 2009, one Share was allotted and issued at nil paid to the subscriber to the memorandum and articles of association of our Company and the one nil paid Share was transferred to Well Bright on the same date.
- (c) On 19 June 2009, Newshine was incorporated in the BVI with limited liability with an authorized capital of US\$50,000 divided into 50,000 shares of US\$1 each, and on 23 June 2009, one share in Newshine was allotted and issued to Well Bright.
- (d) On 27 May 2009, Sino Prosper was incorporated in Hong Kong with limited liability with an authorized capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, one of which was allotted and issued at par to the subscriber to the memorandum and articles of association of Sino Prosper. On 23 June 2009, the one share in Sino Prosper was transferred from the subscriber to the memorandum and articles of association of Sino Prosper to Newshine at HK\$1.
- (e) Pursuant to the share transfer agreement dated 24 June 2009 referred to in item [(a)] of the paragraph headed “Summary of material contracts” in this appendix, Cai’s International transferred its 100% equity interest in Xiefeng Textile to Sino Prosper at the consideration of HK\$1.
- (f) Pursuant to the share transfer agreement dated 24 June 2009 referred to in item [(b)] of the paragraph headed “Summary of material contracts” in this appendix, Cai’s International transferred its 100% equity interest in Wannianxing Textile to Sino Prosper at the consideration of HK\$1.
- (g) Pursuant to the share transfer agreement dated 24 June 2009 referred to in item [(c)] of the paragraph headed “Summary of material contracts” in this appendix, Cai’s International transferred its 100% equity interest in Xiangyun Fiber to Sino Prosper at the consideration of HK\$1.

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- (h) On [14 September 2009], pursuant to the sale and purchase agreement referred to in item [(d)] of the paragraph headed "Summary of material contracts" in this appendix, Well Bright transferred the one share it held in Newshine (being all the issued share capital of Newshine) to [our Company] and as consideration, (i) [36,999,999] Shares, all credited as fully paid, were allotted and issued to Well Bright; and (ii) the [one] nil paid Share then held by Well Bright was credited as fully paid at par.

Immediately after completion of the transfer of shares on [14 September 2009] referred to above, our Company became the holding company of our Group.

### 5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the accountants' report set out in appendix I to this [●]. [Save as disclosed in paragraph [(4)] of this appendix, there has been no alteration in the share capital of the subsidiaries of our Company which took place within the two years immediately preceding the date of this [●].]

### 6. Repurchase of Shares by our Company

This section includes information required by the [●] to be included in this [●] concerning the repurchase of Shares by our Company.

#### (a) Provisions of the [●]

The [●] permit companies with a primary [●] on GEM to purchase their shares on GEM subject to certain restrictions.

##### (i) Shareholders' approval

The [●] provide that all proposed repurchases of shares (which must be fully paid) by a company with a primary [●] on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

*Note* Pursuant to the written resolutions of our sole Shareholder passed on [15 September 2009], a general unconditional mandate (the "Repurchase Mandate") was given to our Directors authorizing our Directors to exercise all powers of our Company to repurchase on GEM, or on any other [●] on which the securities of our Company may be listed and which is recognized by the Securities and Futures Commission in Hong Kong and the [●] for this purpose, such number of Shares representing up to 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [[●]] and the [[●]], and the Repurchase Mandate shall remain in effect until whichever is the earliest of the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by law or the [Articles] to be held, or when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders at general meeting of our Company.

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*(ii) Shares to be repurchased*

Under the [●], Shares which are proposed to be repurchased by our Company must be fully paid up.

*(iii) Source of funds*

Repurchases must be funded out of funds legally available for such purpose in accordance with the [Articles] and the laws of the Cayman Islands. A listed company may not repurchase its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the [●].

Any repurchases by our Company may be made out of profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorized by the [Articles] and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time our Shares are repurchased or, if authorized by the [Articles] and subject to the Companies Law, out of capital.

*(iv) Connected parties*

The [●] prohibit a company from knowingly repurchasing its shares on GEM from a "connected person" (as defined in the [●]), which includes our Directors, chief executive(s), substantial Shareholders or management Shareholders of our Company or any of our subsidiaries or an associate of any of them and a connected person shall not knowingly sell shares to our Company.

**(b) Reasons for repurchases**

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

**(c) Exercise of the Repurchase Mandate**

Exercise in full of the Repurchase Mandate, on the basis of [370,000,000] Shares in issue after completion of the [[●]] and the [[●]] could accordingly result in up to [37,000,000] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

*(d) Funding of repurchase*

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the [Articles], the [●] and the applicable laws of the Cayman Islands.

Our 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 our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

*(e) General*

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the [●]), has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company.

Our Directors have undertaken to the [●] that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Articles, the [●] and the applicable laws of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, 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, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our 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 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the [●]).

No connected person (as defined in the [●]) of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

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### B. FURTHER INFORMATION ABOUT THE BUSINESS

#### 1. [Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this [●] and are or may be material:

- (a) a share transfer agreement dated 24 June 2009 in Chinese made between Cai's International and Sino Prosper, pursuant to which Cai's International transferred its 100% equity interest in Xiefeng Textile to Sino Prosper at the consideration of HK\$1;
- (b) a share transfer agreement dated 24 June 2009 in Chinese made between Cai's International and Sino Prosper, pursuant to which Cai's International transferred its 100% equity interest in Wannianxing Textile to Sino Prosper at the consideration of HK\$1;
- (c) a share transfer agreement dated 24 June 2009 in Chinese made between Cai's International and Sino Prosper, pursuant to which Cai's International transferred its 100% equity interest in Xiangyun Fiber to Sino Prosper at the consideration of HK\$1;
- (d) [a sale and purchase agreement dated 14 September 2009 made between Well Bright, our Company, Mr. Cai SY and Mr. Cai SP, pursuant to which Well Bright agreed to transfer the one share it held in Newshine (being all the issued share capital of Newshine) to our Company and as consideration, (i) [36,999,999] Shares, all credited as fully paid, were allotted and issued to Well Bright; and (ii) the one nil paid Share then held by Well Bright was credited as fully paid at par;
- (e) [an instrument of transfer dated 14 September 2009 made between Well Bright and our Company, pursuant to which Well Bright transferred the one share it held in Newshine (being all the issued share capital of Newshine) to our Company at the consideration as stated in item [(d)] above];
- (f) a deed of indemnity dated [●] executed by Mr. Cai SP and Mr. Cai SY in favour of our Group containing the indemnities referred to in the paragraph headed "Tax indemnities" in this appendix;
- (g) a deed of non-competition dated [●] in Chinese executed by Mr. Cai SP in favour of our Group, the particulars of which are set out in the paragraph headed "Competition with our Directors" in the section headed "Business" of this [●];
- (h) a deed of non-competition dated [●] in Chinese executed by Mr. Cai SY in favour of our Group, the particulars of which are set out in the paragraph headed "Competition with our Directors" in the section headed "Business" of this [●];




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- (i) the [[●]] dated [●] made among, inter alia, [our Company, our executive Directors, the [●] and the [●]], details of which are set out in the section headed “Underwriting” in this [●].

### 2. Intellectual property rights


#### (a) Trademark

As at the [●], our Group had acquired the following registered trademark in the PRC, and the assignment of the trademark to our Group was under process:

Trademark	Registration Number	Class	Effective Date	Expiry Date
 ZHENZHUQUAN	4299361	25	14 May 2008	13 May 2018

*Note:* We acquired the above trademark by a trademark transfer agreement dated 23 June 2009 signed between [Xiefeng Textile] and the registered owner of the trademark, being an [Independent Third Party] at a consideration of RMB15,000. The trademark transfer agreement had been submitted to the Trademark Office, the State Administration of Industrial and Commerce, the PRC, for approval.

As at the [●], our Group had applied for the registration of the following trademark(s) in the PRC:

Trademark	Application Number	Class	Application Date	Name of Applicant
“  ”	6984952	25	6 October 2008	Xiefeng Textile

#### (b) Domain name

As at the [●], our Group has registered the following domain name:

Domain Name	Date of Registration
jcholding.hk	13 August 2009

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### 3. Information about the PRC Subsidiaries of our Group

#### **Xiefeng Textile**

Name:	[萬年縣協豐紡織服飾有限公司 Wannianxian Xiefeng Textiles and Garments Co., Ltd.]
Date of incorporation:	21 December 2004
Corporate nature:	wholly-foreign owned enterprise
Present member and percentage of shareholding:	100% held by Sino Prosper
Total investment:	HK\$4,500,000
Total registered capital:	HK\$3,200,000 (fully paid up as to HK\$3,209,000 )
Attributable interest of our Company:	100%
Term:	30 years
Scope of business:	manufacture and processing of surface material of high-class textile products; manufacture various clothing, accessories and shoes; and wholesale and retail sale in clothing and accessories.
Legal representative:	Mr. Cai SY

#### **Wannianxing Textile**

Name:	江西省萬年興紡織服裝有限公司 Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd.
Date of incorporation:	13 May 2005
Corporate nature:	wholly-foreign owned enterprise
Present member and percentage of shareholding:	100% held by Sino Prosper
Total investment:	US\$1,300,000
Total registered capital:	US\$1,300,000 (fully paid up)
Attributable interest of our Company:	100%
Term:	30 years
Scope of business:	manufacture and processing of surface materials of high-class textile products, manufacture and sale of various clothing, accessories and shoes
Legal representative:	Mr. Cai SY

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### Xiangyun Fiber

Name:	萬年縣祥雲纖維紡織有限公司 Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd.
Date of incorporation:	26 May 2005
Corporate nature:	wholly-foreign owned enterprise
Present member and percentage of shareholding:	100% held by Sino Prosper
Total investment:	US\$1,300,000
Total registered capital:	US\$1,300,000 (fully paid up)
Attributable interest of our Company:	100%
Term:	30 years
Scope of business:	manufacture and processing of various chemical and sponge cotton, manufacture and sale of various clothing and accessories
Legal representative:	Mr. Cai SY

### C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

#### 1. Disclosure of interests

- (a) Immediately following the completion of the [[●]] and the [[●]] but taking no account of our Shares to be issued pursuant to options which may be granted under the Share Option Scheme, the interests and short positions of our Directors or chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which, once our Shares are listed on GEM, will have to be notified to our Company and the [●] pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the required standard of dealings by

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directors as referred to in Rule 5.46 of the [●], to be notified to our Company and the [●], in each case once our Shares are listed on GEM, will be as follows:

(i) *Long position in our Shares*

<b>Name of Director</b>	<b>Capacity/Nature</b>	<b>No. of Shares held</b>	<b>Approximate percentage of interest</b>
Mr. Cai SY ( <i>Note 1</i> )	Interest of controlled corporation	[259,000,000]	[70%]
Mr. Cai SP ( <i>Note 1</i> )	Interest of controlled corporation	[259,000,000]	[70%]

*Note 1:* Immediately following the completion of the [[●]] and the [[●]], Well Bright will hold [259,000,000] Shares, representing approximately [70%] of the total issued share capital of our Company. Well Bright is owned as to [50%] by Mr. Cai SY and [50%] by Mr. Cai SP and thus under the SFO, each of Mr. Cai SY and Mr. Cai SP is deemed, or taken to be interested in the 259,000,000 Shares held by Well Bright.

(ii) *Long position in the ordinary shares of associated corporation*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/Nature</b>	<b>No. of securities held</b>	<b>Approximate percentage of shareholding</b>
Mr. Cai SY	Well Bright	Beneficial owner	[1]	[50%]
Mr. Cai SP	Well Bright	Beneficial owner	[1]	[50%]

(b) So far as is known to our Directors and save as disclosed in this [●] and taking no account of any [●] which to be issued pursuant to the [[●]] or options which may be granted under the Share Option Scheme, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the [[●]] and the [[●]] have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to our Company and the [●] under the provisions of Divisions 2 and 3 of Part XV of the SFO (including any interests which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein or, who are, 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:

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### *Long position in our Shares*

Name	Nature of interest	No. of Shares held	Approximate percentage of shareholding
Well Bright	Beneficial interest	[259,000,000]	[70%]
[Ms. Cai Shuyan] (蔡淑燕) (Note 2)	Interest of Spouse	[259,000,000]	[70%]
[Ms. Sun Meige] (孫美鶴) (Note 3)	Interest of Spouse	[259,000,000]	[70%]

*Note 2:* Well Bright is beneficially owned by Mr. Cai SY as to [50%]. Therefore, Mr. Cai SY is deemed, or taken to be, interested in the [259,000,000] Shares which are beneficially owned by Well Bright for the purposes of the SFO. [Ms. Cai Shuyan] (蔡淑燕) is the spouse of Mr. Cai SY. Therefore, [Ms. Cai Shuyan] (蔡淑燕) is deemed, or taken to be, interested in the [259,000,000] Shares which Mr. Cai SY is deemed, or taken to be interested in for the purposes of the SFO.

*Note 3:* Well Bright is beneficially owned by Mr. Cai SP as to [50%]. Therefore, Mr. Cai SP is deemed, or taken to be, interested in the [259,000,000] Shares which are beneficially owned by Well Bright for the purposes of the SFO. [Ms. Sun Meige] (孫美鶴) is the spouse of Mr. Cai SP. Therefore, [Ms. Sun Meige] (孫美鶴) is deemed, or taken to be, interested in the [259,000,000] Shares which Mr. Cai SP is deemed, or taken to be interested in for the purposes of the SFO.

## 2. Particulars of service agreements

- (a) Each of our executive Directors has entered into a service agreement with our Company for an initial term of [three years] commencing from the [●] Date, subject to the termination provisions therein. Each of our executive Directors or our Company may terminate the appointment by giving the other party not less than [three months'] prior notice in writing.
- (b) Each of our executive Directors is entitled to a basic salary which will be reviewed at the discretion of our Board after such executive Director has completed 12 months of service.
- (c) Each of our independent non-executive Directors has entered into a service agreement which our Company for a term of [two years] commencing on the [●] Date. Each of our independent non-executive Directors or our Company may terminate the appointment at any time during the two-year term by giving the other party at least [three month's] notice in writing.]

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Save as disclosed in this [●], no Director has entered into any service agreement with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

### 3. Directors' remuneration

- (a) The aggregate amount of remuneration paid to our Directors by our Group in respect of the two years ended [31 December 2008] were approximately RMB[60,000] and RMB[63,000] respectively.
- (b) Under the arrangements currently in force, the aggregate emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to our Directors for the year ending [31 December 2009] will be approximately RMB[94,800].
- (c) Under the arrangements currently proposed, conditional upon the [●] of our Shares on GEM, the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

<b>Executive Directors</b>	<i>RMB</i>
Mr. Cai SY	[60,000]
Mr. Cai SP	[60,000]
<b>Independent non-executive Directors</b>	<i>HK\$</i>
Mr. Lin Anqing (林安慶)	[30,000]
Ms. Lin Peifen (林佩芬)	[30,000]
Mr. Liu Jianlin (劉建林)	[30,000]

### 4. Fees or commission received

Save as disclosed in this [●], none of our Directors or the experts named in the paragraph headed "Consents of experts" in this appendix had received any agency fee or commissions from our Group within the two years preceding the date of this [●].

### 5. [Related party transactions]

Details of the related party transactions are set out under note [29] to the accountants' reports set out in appendix [I] to this [●].

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### 6. Disclaimers

Save as disclosed in this [●]:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (b) no remuneration or other benefits in kind have been paid by our Company to any Director since the date of incorporation of our Company, nor are any remuneration or benefits in kind payable by our Company to any Director in respect of the current financial year under any arrangement in force as at the [●];
- (c) none of our Directors or the experts named in the paragraph headed "Consents of experts" in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this [●], acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors or the experts named in the paragraph headed "Consents of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date of this [●] which is significant in relation to the business of our Group taken as a whole;
- (e) taking no account of Shares which may be pursuant to options which may be granted under the Share Option Scheme, none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [[●]] and the [[●]], have any interest in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be interested, directly or indirectly, 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;
- (f) none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of the SFO) which, once our Shares are listed on GEM, will have to be notified to our Company and the [●] pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the [●], to be notified to our Company and the [●]; and

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- (g) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the [●]) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

### D. SHARE OPTION SCHEME

#### (a) Definitions

For the purpose of this paragraph D, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	[15 September 2009], the date on which the Share Option Scheme is conditionally adopted by our sole Shareholder by way of written resolution
“Board”	our Board of Directors or a duly authorized committee of our Board of Directors
“Group”	our Company and any entity in which our Company, directly or indirectly, holds any equity interest
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof

#### (b) Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme conditionally adopted by the written resolutions of our sole Shareholder passed on [15 September 2009]:

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

[The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.]

##### (ii) *Who may join and basis of eligibility*

Our Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of our Group, or any substantial shareholder of our Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of our Group, options to



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subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by our Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

### *(iii) Price of Shares*

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by our Board and notified to a participant and shall be at least the higher of: (i) the closing price of our Shares as stated in the [●]'s daily quotations sheet on the date of offer of an option to a participant, which must be a trading day (i.e. any day on which the [●] is open for business of dealing in securities); (ii) the average of the closing prices of our Shares as stated in the [●]'s daily quotations sheets for the 5 trading days immediately preceding the date of offer of an option to a participant; and (iii) the nominal value of a Share on the date of offer of an option to a participant, provided always that for the purpose of calculating the subscription price, where our Company has been listed on the GEM for less than five trading days, the new issue price shall be used as the closing price for any trading day falling within the period before [●].

### *(iv) Grant of options and acceptance of offers*

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.00.

### *(v) Maximum number of Shares*

- (aa) Subject to sub-paragraph (bb) and (cc) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all our Shares in issue as at the [●] Date. Therefore, it is expected that our Company may grant options in respect of up to [37,000,000] Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such [37,000,000] Shares from time to time) to the participants under the Share Option Scheme.

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- (bb) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of our Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the Shareholders containing the information as required under the [●] in this regard.
- (cc) our Company may seek separate approval of the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, and such other information required under the [●].
- (dd) The aggregate 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 share option schemes of our Company must not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company, if this will result in such 30% limit being exceeded.

(vi) *Maximum entitlement of each participant*

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, our Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the [●]. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

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### *(vii) Grant of options to certain connected persons*

- (aa) Any grant of an option to a Director, chief executive, management shareholder or substantial shareholder of our Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).
- (bb) Where any grant of options to a substantial Shareholder or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
  - (i) representing in aggregate over 0.1% of our Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$[5] million,

such further grant of options is required to be approved by Shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to the Shareholders containing all information as required under the [●] in this regard. All connected persons of our Company shall abstain from voting (except where any connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

### *(viii) Restrictions on the times of grant of options*

- (aa) An offer for the grant of options may not be made after a price sensitive event of our Company 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 [●]. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:
  - (i) the date of the Board meeting (such date to first be notified to the [●] in accordance with the [●]) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the [●]); and
  - (ii) the deadline for our Company to publish an announcement of the results for any year, or half-year under the [●], or quarterly or other interim period (whether or not required under the [●]).

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(bb) Further to the restrictions in paragraph (aa) above, no option may be granted on any day on which financial results of our Company are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

*(ix) 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 our Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

*(x) Performance targets*

Save as determined by our Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

*(xi) Ranking of Shares*

Our Shares to be allotted upon the exercise of an option will be subject to all the provisions of the 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 to participate in all dividends or other distributions paid or made 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 on or before the date of allotment, save that our Shares allotted upon the exercise of any option shall not carry any voting rights until the name of the grantee has been duly entered on the register of members of our Company as the holder thereof.

*(xii) Rights are personal to grantee*

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

*(xiii) Rights on cessation of employment by 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 (xiv) below arises within a period of 3 years prior to the death, in the case the grantee is an employee at

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the date of grant), the legal personal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (xvii), (xviii) and (xix) occurs prior to his death or within such period of 12 months following his death, then his personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

### *(xiv) Rights on cessation of employment by dismissal*

In the event that the grantee is an employee of our Group at the date of grant and he subsequently ceases to be an employee of our Group on any one or more of the grounds that he has been guilty of serious 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 our 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 our Group, his option shall lapse automatically (to the extent not already exercised) on the date of cessation of his employment with our Group.

### *(xv) Rights on cessation of employment for other reasons*

In the event that the grantee is an employee of our Group when an Offer is made to him and he subsequently ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xiv) above, the option (to the extent not already exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not).

### *(xvi) Effects of alterations to share capital*

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which any member of our Group is a party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription prices; and/or the method of exercise of the option, as the auditors of or independent financial adviser to our Company shall certify or confirm in writing (as the case may be) to our Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the [●], or any guideline or supplemental guideline issued by the [●] from time to time (no such certification is required in case of adjustment made on a [●]), provided that any alteration shall give a grantee the same proportion of the issued share capital of our Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

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*(xvii) Rights on a general offer*

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the grantee shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.

*(xviii) Rights on winding-up*

In the event a notice is given by our Company to the 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 despatches such notice to each member of our Company to give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than 2 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 our 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.

*(xix) Rights on compromise or arrangement*

In the event of a compromise or arrangement between our Company and the Shareholders or the creditors of our Company being proposed in connection with a scheme for the reconstruction of our Company or our amalgamation with any other company or companies pursuant to the Companies Law, our Company shall give notice thereof to all the grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or the creditors to consider such a compromise or arrangement and the options (to the extent not already exercised) shall become exercisable in whole or in part on such date not later than 2 business days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement ("Suspension Date"), by giving notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given whereupon our 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 Suspension Date, 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. Our Board shall endeavour to procure that our Shares issued as a result of the exercise of options hereunder shall for

the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. 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 the Share Option Scheme) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of our officers for any loss or damage sustained by any grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of our Company or any of our officers.

*(xx) Lapse of options*

An option shall lapse automatically on the earliest of:

- (aa) the expiry of the period referred to in paragraph (ix) above;
- (bb) the date on which our Board exercises our Company's right to cancel, revoke or terminate the option on the ground that the grantee commits a breach of paragraph (xii);
- (cc) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (xiii), (xiv), (xv), (xvii) and (xviii) above;
- (dd) subject to paragraph (xviii) above, the date of the commencement of the winding-up of our Company;
- (ee) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty;
- (ff) where the grantee is only a substantial shareholder of any member of our Group, the date on which the grantee ceases to be a substantial shareholder of such member of our Group;
- (gg) subject to the compromise or arrangement as referred to in paragraph (xix) become effective, the date on which such compromise or arrangement becomes effective.

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*(xxi) Cancellation of options granted but not yet exercised*

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as our Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

*(xxii) Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

*(xxiii) Alteration to the Share Option Scheme*

- (aa) The Share Option Scheme may be altered in any respect by resolution of our Board except that alterations of the provisions of the Share Option Scheme which alters to the advantage of the grantees of the options relating to matters governed by Rule 23.03 of the [●] shall not be made except with the prior approval of the Shareholders in general meeting.
- (bb) Any amendment to any terms of the Share Option Scheme which are of a material nature or any change to the terms of options granted, or any change to the authority of our Board in respect of alteration of the Share Option Scheme must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 23 of the [●].

*(xxiv) Termination to the Share Option Scheme*

Our Company by resolution in general meeting or our Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

*(xxv) Conditions of the Share Option Scheme*

The Share Option Scheme is conditional on the [●] granting the [●] of, and permission to deal in our Shares may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.



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### (c) Present status of the Share Option Scheme

Application has been made to the [●] for the [●] of and permission to deal in our Shares which fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

As at the date of this [●], no option has been granted or agreed to be granted under the Share Option Scheme.

### E. OTHER INFORMATION

#### 1. [Tax indemnities

Mr. Cai. SY and Mr. Cai SP (the "Indemnifiers") have, pursuant to the deed of indemnity referred to in item [(f)] of the paragraph headed "Summary of material contracts" of this appendix, given indemnities in connection with taxation (including estate duty) resulting from any income, profits or gains earned, accrued or received on or before the date on which the [[●]] becomes unconditional which might be payable by any member of our Group.

The indemnities in the deed of indemnity shall not apply in, among others, the following circumstances:

- (a) to the extent that provision has been made for such taxation in the audited accounts of our Company or any of our subsidiaries for each of the two years ended [31 December 2008] and the [three] months ended [31 March 2009]; or
- (b) to the extent that such liability arises or is incurred as a result of a retrospective change in law (but not implementation of law) and/or rates coming into force after the date of the deed of indemnity; or
- (c) to the extent that such liability fall on any member of our Group in respect of any accounting period commencing after [31 March 2009] unless such taxation or liability would not have arisen but for any act or omission or transaction entered into by any of the Indemnifiers, our Company or any of our subsidiaries (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the ordinary course of business on or before the date on which the deed of indemnity becomes unconditional; or
- (d) to the extent that any provision or reserve made for such taxation in the audited combined accounts of our Company or any of our subsidiaries up to [31 March 2009] which is finally established to be an over-provision or an excessive reserve as certified by a firm of accountants acceptable to our Company then the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such over-provision or excess reserve; or

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- (e) for which any member of our Group is primarily liable in respect of or in consequence of any event occurring or income, profits or gains earned, accrued or received or transactions in the ordinary course of its business after 31 March 2009.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or the PRC is likely to fall on our Group.]

### 2. Litigation

[As at the [●], no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.]

### 3. [●]

[●]

### 4. [●]

[●]

### 5. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately [HK\$31,000] and are payable by our Company.

### 6. Promoters

The promoters of our Company are [Mr. Cai SY and Mr. Cai SP]. Save as disclosed in this [●], within the two years immediately preceding the date of this [●], no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [[●]] or the related transactions described in this [●].

### 7. [●]

[●]

### 8. [●]

[●]

### 9. [●]

[●]

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### 10. Taxation of holders of Shares

(a) *Hong Kong*

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(b) *Cayman Islands*

Under the present Cayman Islands law, transfers of Shares are exempt from the Cayman Islands stamp duty.

(c) *Consultation with professional advisers*

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasized that none of our Company, our Directors or their parties involved in the [●] accepts 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.

### 11. Miscellaneous

(a) Save as disclosed in this [●]:

(i) within the two years immediately preceding the date of this [●]:

(aa) 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; and

(bb) no discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries and no commission has been paid or is payable in connection the issue or sale of any capital of our Company or any of our subsidiaries; and

(cc) 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.

(b) Our Directors confirm that there has not been any material adverse change in the financial trading position or prospects of our Group since [31 March 2009] (being the date to which the latest audited combined financial statements of our Group were made up).

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- (c) Save as disclosed in this [●], neither our Company nor any of our subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.
- (d) Save as disclosed in this [●], none of the persons named in the paragraph headed "Consents of experts" is interested beneficially or non-beneficially in any shares in any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any share in any member of our Group.
- (e) The branch register of members of our Company will be maintained in Hong Kong by [Tricor Investor Services Limited]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares are to be admitted into [●] for clearing and settlement.
- (f) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 24 months immediately preceding the date of this [●].
- (g) No company within our Group is presently listed on any [●] or traded on any trading system.
- (h) Our Directors have been advised that, under the Companies Law, the use of a Chinese name pre-approved by the Registrar of Companies in the Cayman Islands by our Company in conjunction with our English name does not contravene the Companies Law.
- (i) [The particulars of the Vendor are set out below:

<b>Name</b>	<b>Description</b>	<b>Address</b>	<b>Number of Sales Shares</b>
Well Bright	[a company incorporated in the BVI]	[263 Main Street, P.O. Box 2196, Road Town, Tortola, BVI]	[37,000,000]

- (j) The English text of this [●] shall prevail over the Chinese text.