

CHINA LILANG LIMITED 中國利郎有限公司  
(Incorporated in the Cayman Islands with limited liability) Stock Code: 1234

LILANG 利郎  
Global Offering

Sole Global Coordinator and Sole Sponsor

**BofA Merrill Lynch**

Joint Bookrunners and Joint Lead Managers

**BofA Merrill Lynch** **HSBC** 

IMPORTANT: If a e a d b ab a f he c f h ec , h d b a de e de fe a ad ce.

**LILANZ 利郎**

**CHINA LILANG LIMITED**

**中國利郎有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Global Offering**

- Total number of Offer Shares under the Global Offering** : 300,000,000 Shares (subject to the Over-allotment Option)
- Number of Public Offer Shares** : 30,000,000 Shares (subject to adjustment)
- Number of International Offer Shares** : 270,000,000 Shares (subject to adjustment and the Over-allotment Option)
- Offer Price** : Not more than HK\$4.00 per Share and expected to be not less than HK\$3.20 per Share (payable in full on application and subject to refund) plus brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%
- Nominal value** : HK\$0.10 per Share
- Stock code** : 1234

Sole Global Coordinator and Sole Sponsor

**M**

**EXPECTED TIMETABLE<sup>(NOTE 1)</sup>**

Application for the Public Offering (note 2) . . . . . 11:45 a. . . . . Wednesday ,  
16 September 2009

La e e c e e e c a ca  
de the **White Form eIPO** e ce h gh  
he de g a ed eb e a [www.eipo.com.hk](http://www.eipo.com.hk) (note 4) . . . . . 11:30 a. . . . . Wednesday ,  
16 September 2009

La e e f dg g **WHITE** a d  
**YELLOW** A ca F a dg g **electronic**  
**application instructions** HKSCC (note 3) . . . . . 12:00 . . . . . Wednesday ,  
16 September 2009

La e e c e e a e f **White Form eIPO**  
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PPS a e a fe ( ) . . . . . 12:00 . . . . . Wednesday ,  
16 September 2009

Application c e (note 2) . . . . . 12:00 . . . . . Wednesday ,  
16 September 2009

Expected Price Determination Date (note 6) . . . . . Thursday , 17 September 2009

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Reference to the Public Offering  
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a d a [www.iporesults.com.hk](http://www.iporesults.com.hk) a de c bed  
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P b c Offe Sha e | Re f a ca " f . . . . Thursday , 24 September 2009

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**EXPECTED TIMETABLE**

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*Notes:*

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**EXPECTED TIMETABLE**<sup>(NOTE 1)</sup>

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F de a f he c e f he G ba Offe g, c d g he c d he e f, ea e efe S c e a d c d f he G ba Offe g".

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*You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus or the Application Forms must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Underwriters, their respective directors or affiliates, or any other person involved in the Global Offering.*

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## SUMMARY

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*This summary aims to give you an overview of the information contained in this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.*

*There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors". You should read that section carefully before you decide to invest in the Offer Shares.*

### OVERVIEW

We are the leading PRC pharmaceutical company. According to a report issued by Euromonitor International & Statista, LILANZ (which is a subsidiary of LILANG since 2008) achieved the highest sales growth in the PRC in 2007 and 2008. In 2007 and 2008, the sales growth rates were 29.0% and 31.3% respectively. See "Our Business" and "The PRC Market" for a further discussion. In 2007 and 2008, Fubei Chemicals acquired Lianhua Pharmaceutical ("Chunbei S&M Medical Equipment"). A strategic partnership, including, among other things, a high-level management exchange, was established in 1995, which has led to a successful cooperation.

We have completed the acquisition of LILANZ. Our operations are divided into two main segments: pharmaceuticals and medical equipment. In 2007 and 2008, our sales growth rates were 28% and 45% respectively. Our operations are diversified across various product lines, including pharmaceuticals, medical equipment, and other health care products. According to Euromonitor International & Statista, we are the leading pharmaceutical company in the PRC.

For the above information, see "Our Business" and "The PRC Market" in the prospectus. In 2007 and 2008, our sales growth rates were 28% and 45% respectively. Our operations are diversified across various product lines, including pharmaceuticals, medical equipment, and other health care products. According to Euromonitor International & Statista, we are the leading pharmaceutical company in the PRC.

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## SUMMARY

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a a a ded he P a g A a d f “2007 2008 Ch a A a e B a d A a A a d ”  
(「2007 2008中國服裝品牌年度大獎」策劃大獎) a d “利郎 LILANZ” b a d a  
a a ded he “2009 T 10 M I f e a a d Fa A a e B a d A a” (2009  
亞洲服裝最具影響力十大馳名品牌).

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## SUMMARY

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a c e h OEM c ac e e ha a f a a e a d  
acce e ee a a da d .

### COMPETITIVE STRENGTHS

The D ec a b e cce he f g e c e e e g h :

- A ead g PRC ca a e ea b a d
- E e e a d e - a aged a de d b e
- P ac e a d a de a e a d a e g a e g e
- S g de g a d d c de e e ca ab
- E e e ced a age e ea h a e ac ec d

### BUSINESS STRATEGIES

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bec e :

- E a d a d d e f d c ffe g
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c e age
- F he e LILANZ b a d a d e ha ce a e g a d  
a a e g e
- I e e a a a d d c a age e ca ab e
- F he e g he de g a d d c de e e ca ab e

## SUMMARY

### SHARE OPTION SCHEMES

On 12 September 2008, the Company adopted the Pre-IPO Share Option Scheme. Under the Scheme, 9,611,100 Shares representing 80% of the Offered Capitalisation of the Company were reserved for the grant of Shares under the Pre-IPO Share Option Scheme. The Company has granted 9,611,100 Shares under the Pre-IPO Share Option Scheme to the following persons:

Mr. Xiangdong Wang, Chairman of the Board of Directors, 661,500,000 Shares (54.69% of the Offered Capitalisation);

Mr. M. Y. Ha, Managing Director, 148,500,000 Shares (12.28% of the Offered Capitalisation);

Mr. Wang Bhe, Director, 68,850,000 Shares (5.70% of the Offered Capitalisation);

Mr. Ma Jie, Director, 21,150,000 Shares (1.74% of the Offered Capitalisation);

Mr. Gao Feifang, Director, 0 Shares (0% of the Offered Capitalisation);

Mr. Ouyang Bing, Director, 300,000,000 Shares (24.80% of the Offered Capitalisation).

The total number of Shares reserved for grant under the Pre-IPO Share Option Scheme is 9,611,100 Shares, representing 80% of the Offered Capitalisation of the Company. The total number of Shares granted under the Pre-IPO Share Option Scheme is 9,611,100 Shares, representing 80% of the Offered Capitalisation of the Company.

Shareholders (Note)	Number of Shares in issue after the Global Offering and the Capitalisation Issue	Approximate percentage	Number of Shares in issue after the exercise of the options granted under the Pre-IPO Share Option Scheme	Approximate percentage
Mr. Xiangdong Wang	661,500,000	55.13%	661,500,000	54.69%
Mr. M. Y. Ha	148,500,000	12.38%	148,500,000	12.28%
Mr. Wang Bhe	68,850,000	5.70%	68,850,000	5.70%
Mr. Ma Jie	21,150,000	1.79%	21,150,000	1.74%
Mr. Gao Feifang	0	0%	9,611,100	0.79%
Mr. Ouyang Bing	300,000,000	25.00%	300,000,000	24.80%
	<u>1,200,000,000</u>	<u>100.0%</u>	<u>1,209,611,100</u>	<u>100.0%</u>

Note: The total number of Shares reserved for grant under the Pre-IPO Share Option Scheme is 9,611,100 Shares, representing 80% of the Offered Capitalisation of the Company.

Since Mr. M. Y. Ha, Managing Director, has been granted 148,500,000 Shares under the Pre-IPO Share Option Scheme, he has exercised his rights to subscribe for 148,500,000 Shares under the Pre-IPO Share Option Scheme. The total number of Shares reserved for grant under the Pre-IPO Share Option Scheme is 9,611,100 Shares, representing 80% of the Offered Capitalisation of the Company.



## SUMMARY

### SUMMARY FINANCIAL INFORMATION

The following table sets out a summary of the financial performance of each of the entities included in the consolidated financial statements for the periods ended 31 December 2006, 2007 and 2008, and the periods ended 30 June 2008 and 2009, and for the periods ended 31 December 2006, 2007 and 2008 and 30 June 2009. Financial information for the periods ended 30 June 2009 are unaudited and comparative financial information for the periods ended 30 June 2008 has been audited. The financial statements have been prepared in accordance with IFRS and developed under the supervision of the independent member of the audit firm, KPMG and certified by the independent member of the audit firm, KPMG. The financial statements have been prepared in accordance with IFRS and developed under the supervision of the independent member of the audit firm, KPMG and certified by the independent member of the audit firm, KPMG.

#### Consolidated income statement data

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	(RMB thousand, except per share data)				
	(unaudited)				
<b>Turnover</b> . . . . .	418,195	885,921	1,135,684	483,945	600,176
Cost of sales . . . . .	<u>(323,015)</u>	<u>(652,020)</u>	<u>(791,627)</u>	<u>(339,779)</u>	<u>(423,341)</u>
<b>Gross profit</b> . . . . .	95,180	233,901	344,057	144,166	176,835
Other expenses . . . . .	1,545	5,243	5,868	5,325	1,227
Segment adjustments . . . . .	(37,338)	(104,892)	(146,469)	(60,382)	(54,662)
Administrative expenses . . . . .	(9,233)	(22,681)	(34,300)	(15,406)	(15,183)
Other operating expenses . . . . .	<u>(646)</u>	<u>(1,844)</u>	<u>1,888</u>	<u>2,221</u>	<u>(183)</u>
<b>Profit from operations</b> . . . . .	49,508	109,727	171,044	75,924	108,034
Finance costs . . . . .	<u>(3,904)</u>	<u>(11,996)</u>	<u>(11,551)</u>	<u>(4,572)</u>	<u>(4,295)</u>
<b>Profit before taxation</b> . . . . .	45,604	97,731	159,493	71,352	103,739
Income tax . . . . .	<u>(13,023)</u>	<u>(1,225)</u>	<u>(5,361)</u>	<u>(2,038)</u>	<u>(13,775)</u>
<b>Profit attributable to equity</b>					
shareholders . . . . .	<u>32,581</u>	<u>96,506</u>	<u>154,132</u>	<u>69,314</u>	<u>89,964</u>
<b>Basic earnings per share</b>					
(RMB (cents)) . . . . .	<u>3.62</u>	<u>10.72</u>	<u>17.13</u>	<u>7.70</u>	<u>10.00</u>

## SUMMARY

### Consolidated balance sheet data

	As at 31 December			As at
	2006	2007	2008	30 June
	(RMB thousand)			2009
<b>Non-current assets</b>				
Prepaid expenses	35,289	106,088	135,823	146,582
Intangible assets	-	-	30,072	30,719
Lease receivables	14,669	14,357	39,875	39,455
Deferred charge expenses	16,228	21,542	3,615	728
Deferred tax assets	777	1,185	997	819
<b>Total non-current assets</b>	<b>66,963</b>	<b>143,172</b>	<b>210,382</b>	<b>218,303</b>
<b>Current assets</b>				
Inventory	40,326	96,033	171,487	186,018
Trade and other receivables	209,245	305,334	383,748	341,828
Accounts receivable	47,583	1,294	220	-
Loans and advances	1,000	-	-	-
Pledged bank deposits	14,970	54,009	42,201	27,763
Cash	27,276	58,519	53,567	94,280
<b>Total current assets</b>	<b>340,400</b>	<b>515,189</b>	<b>651,223</b>	<b>649,889</b>
<b>Current liabilities</b>				
Bank borrowings	125,500	94,500	140,000	98,000
Trade and other payables	83,795	277,076	259,419	217,765
Loans and advances	1,400	-	-	-
Accounts payable	268	-	18,471	10,944
Contract liabilities	8,260	-	890	6,081
<b>Total current liabilities</b>	<b>219,223</b>	<b>371,576</b>	<b>418,780</b>	<b>332,790</b>
<b>Net current assets</b>	<b>121,177</b>	<b>143,613</b>	<b>232,443</b>	<b>317,099</b>
<b>Total assets less current liabilities</b>	<b>188,140</b>	<b>286,785</b>	<b>442,825</b>	<b>535,402</b>

## SUMMARY

	As at 31 December			As at
	2006	2007	2008	30 June
	(RMB thousand)			2009
<b>Non-current liabilities</b>				
Deferred tax liabilities			1,543	3,357
Long-term borrowings	139,422	139,422		
Provision for contingencies		1,790	1,987	2,767
	<u>139,422</u>	<u>141,212</u>	<u>3,530</u>	<u>6,124</u>
<b>Net assets</b>	<u>48,718</u>	<u>145,573</u>	<u>439,295</u>	<u>529,278</u>
<b>Equity</b>				
Share capital	21,016	98	176	176
Reserves	<u>27,702</u>	<u>145,475</u>	<u>439,119</u>	<u>529,102</u>
<b>Total equity</b>	<u>48,718</u>	<u>145,573</u>	<u>439,295</u>	<u>529,278</u>

### Summary consolidated cash flow data

	Years ended 31 December			Six months	
	2006	2007	2008	2008	2009
	(RMB thousand)			(unaudited)	
Net cash (used)/generated from operating activities	(109,262)	91,910	43,138	(14,095)	106,383
Net cash used in investing activities	(61,537)	(16,461)	(92,165)	(42,990)	(11,540)
Net cash generated from/(used in) financing activities	<u>187,448</u>	<u>(44,206)</u>	<u>44,075</u>	<u>28,129</u>	<u>(54,130)</u>
Net change/(decrease) in cash	16,649	31,243	(4,952)	(28,956)	40,713
Cash at beginning of period	<u>10,627</u>	<u>27,276</u>	<u>58,519</u>	<u>58,519</u>	<u>53,567</u>
Cash at end of period	<u>27,276</u>	<u>58,519</u>	<u>53,567</u>	<u>29,563</u>	<u>94,280</u>

**USE OF PROCEEDS**

The Director hereby has the Gibraltar Office to handle the affairs of the company in accordance with the provisions of the Companies Act, 2008 of Gibraltar.

The net proceeds from the Gibraltar Office shall be applied as follows: HK\$979.90, before the Office is opened, of which HK\$3.60 will be paid to the Gibraltar Office as a fee for the registration of the company, and the balance of HK\$976.30 will be distributed to the shareholders of the Gibraltar Office. The Director hereby certifies that:

- a sum of 15% (HK\$147.00) of the net proceeds of the Gibraltar Office shall be paid to the Gibraltar Office as a fee for the registration of the company, and the balance of HK\$829.30 will be distributed to the shareholders of the Gibraltar Office. We have accordingly held the net proceeds of the Gibraltar Office in accordance with the provisions of the Companies Act, 2008 of Gibraltar.

**SUMMARY**

- a 10% (HK\$98.0 ) f e ab h g a e e e e ce  
a g e , de e g he e ed f a ech g e a d  
b a g he ece a c g e ce a d e f a e;
- a 10% (HK\$98.0 ) a a e a ba a h  
c a a a g g f RMB1 RMB30 a e e a e  
a g g f 2.31% a d 5.58% e a h a da e fa g be ee  
Oc be 2009 a d Feb a 2010. The e ba a e e f g ca a  
e ; a d
- he e a g a a e 10% (HK\$98.0 ) de f d g f  
g ca a a d he ge e a c a e e .

The e ceed ha e e a e e d ece e f b c f add a  
Sha e he e e he O e -a e O e e c ed f a a e  
HK\$139.3 a d HK\$174.1 (a g he e a d h ghe f he  
ed Offe P ce a ge, e ec e ). I he e e he O e -a e O  
e e c ed f , e e e e d a he add a ceed he ab e e  
he a ed ab e .

If he Offe P ce f ed ab e be HK\$3.60 e Sha e, be g he d- f  
he ed Offe P ce a ge f HK\$3.20 HK\$4.00 e Sha e, e e d ad he  
a ca f he e ceed he ab e e he a ed ab e .

T he e e ha he e ceed f he G ba Offe g a e ed a e  
e ed f he ab e e , e de he e ceed e e -bea g de a d  
de h f a c a .

**PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2009**

F eca f a b ab e  
e h de <sup>(1)(3)</sup> . . . . . N e ha  
RMB281  
(a a e HK\$319 )

U a d ed f a f eca ea g  
e ha e <sup>(2)(3)</sup> . . . . . RMB0.234 (a a e HK\$0.266)

- (1) The ba e a d a h ch he f f eca ha bee e a ed a e a ed A e d  
III h ec . The D ec ha e e a ed he f eca c da ed f a b ab e e  
h de f he C a f he ea e d g 31 Dece be 2009 ba ed he a d ed c da ed e  
f he h e ded 30 J e 2009 a d a f eca f he c da ed e f he e a g  
h e d g 31 Dece be 2009.
- (2) The ca c a f he a d ed f a f eca ea g e ha e ba ed he f eca  
c da ed f a b ab e e h de f C a f he ea e d g 31 Dece be 2009,  
a g ha a a f 1,200,000,000 ha e had bee ed d g he e e ea . The ca c a f  
he f eca ea g e ha e d e a e acc a ha e h ch a be ed he  
e e c e f he O e -a e O , a g a ed de he P e-IPO Sha e O Sche e  
ha a be g a ed de he Sha e O Sche e .

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## SUMMARY

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(3) The f eca f a b abe e h de a df eca ea g e ha e a e c e ed HK\$ a he a e f HK\$1.00 = RMB0.8815 e a g 30 J e 2009.

### DIVIDEND POLICY

O C a dec a ed a ec a ca h d de d f RMB53.0 A g 2009. S ch eca d de d a a d he Sha eh de 20 a d 21 A g 2009. Sa e a d c ed ab e, he d de d e e a d b a f b d a e he he ha eh de d g he T ac Rec d Pe d. We e d dec a e a d a d de d he f e. The a e a d he a f a d de d de e d he e f e a , ca h f , f a ca c d , a a d eg a e c he a e f d de d , f e ec a d he fac ha e a c de e e a . H de f he Sha e be e ed ece e ch d de d a a a ba acc d g he a a d c ed ed a a d he Sha e . The dec a a , a e a d a f d de d be bec d c e .

D de d a be a d f d b abe f a e ed de he e e a a . T he e e f a e d b ed a d de d , ch f be a a abe be e e ed e a . The e ca be a a ce ha e be abe dec a e d b e a d de d he a e a f a a a . O d de d d b ec d he a a be ed a a efe e ce ba de e e he e e f d de d ha a be dec a ed a d b he f e.

S bec he fac de c bed ab e, ec e e d ec e d a he a a ge e a ee g f C a a d de d f a a e 30% 50% f e f a a abe f d b Sha eh de af e he G ba Offe g.

## SUMMARY

### OFFER STATISTICS

	Based on an Offer Price of HK\$3.20	Based on an Offer Price of HK\$4.00
Maximum number of Shares <sup>(1)</sup> . . . . .	HK\$3,840.0	HK\$4,800.0
Underwritten amount of Shares <sup>(2)</sup> . . . . .	RMB1.08 (HK\$1.23)	RMB1.25 (HK\$1.42)

*Notes:*

- (1) The maximum number of Shares based on 1,200,000,000 Shares issued by the Company pursuant to the General Offer and the Company's Initial Public Offering of Shares is based on the number of Shares to be issued under the IPO Share Offer Scheme as set out in the Prospectus.
- (2) The underwritten amount of Shares is based on the amount of Shares subscribed under the "Underwritten Full Offer" and the "Underwritten Full Offer and New Tagged Shares" under the IPO Share Offer Scheme. The total number of Shares to be issued under the IPO Share Offer Scheme is 1,200,000,000 Shares issued by the Company pursuant to the General Offer and the Company's Initial Public Offering of Shares, which is based on the number of Shares to be issued under the IPO Share Offer Scheme.

### RISK FACTORS

We believe that the above information is true and correct, and that the information disclosed in the Prospectus is true and correct. The information is subject to the "Risk Factors" set out in the Prospectus.

#### Risks Relating to Our Business

- Failure to complete the business plan may affect our business performance.
- We may be faced with competition from other companies in the market, which may affect our business performance.
- Our business may be affected by changes in the market conditions.
- We may be affected by changes in the market conditions.
- Our business may be affected by changes in the market conditions.

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## SUMMARY

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- We e OEM c ac f he d c f a g f ca f  
d c a d a a e a d he f d c f OEM  
c ac d a e a a d ad e e affec e f e a .
- O e f e a a be ad e e affec ed b a c ea e he c f a  
a e a , ab d c a fac ed b OEM c ac .
- We a be abe e e a d a age f e a d g h a d e a .
- O ab b a add a f a c g a be ed, h ch c d de a e e  
he c e f e e f a e g e .
- O cce de e d ab e a e a age e ea a d  
ab a ac a d e a add a a age e a d he a f ed e e .
- O b e ce be ea a f c a a d e e e ea abe  
ea he c d .
- We a be affec ed b f ge e f e ec a e gh b ca f  
h d a e a eg g be f ge e f he e ec a e gh .
- A g f ca da age ad a e d c fac e c d ha e a  
a e a ad e e effec e f e a .
- We a be e ed d c ab , e da age e a ca ,  
h ch a a e a a d ad e e affec e a a d b e .
- We a be e e ed a e a a d c b he ca ec  
a ce che e d g he T ac Rec d Pe d.
- The C g Sha eh de a a e ac ha a e , a c f c h,  
b c ha eh de ' be e e .
- We a e a h d g c a ha e e hea d de d a e f  
b d a e f f d g.

### Risks Relating to Our Industry

- F c a c e e d g ca ed b cha ge ac ec cc d  
he PRC a g f ca affec b e , f a ca c d , e f  
e a a d ec .
- We face e ec e .

### Risks Relating to the PRC

- PRC ec c, ca a d ca c d , a e a g e e ce , c d  
ad e e affec b e .

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## SUMMARY

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- PRC eg a e a g he e ab h e f ff h e eca e c a e  
b PRC e de a bec PRC e de ha eh de e a ab a d  
ab ac e PRC c a e ec ca a PRC  
b da e , PRC b da e 'ab d b e f he e  
a e a a d ad e e affec .
- We be ab e c e e c e efe e a a ea e .
- We a bec e bec PRC c e a a f eg ba c e.
- The a e fa f ed de d a d ga he a e f Sha e a be ed ced  
b PRC hh d g a e .
- O ab c a be cea ed d e he e e a f he e PRC Lab  
C ac La .
- O b e a be a e a a d ad e e ac ed b ece f a c a d ff c e  
a d ec c c d he U ed S a e , E e a d e e he e.
- I a be d ff c effec e ce f ce Dec h e de  
Ch a e f ce aga he Ch a a dg e b a ed f  
Ch e e c .
- Cha ge f eg e cha ge eg a , f c a he a e f he RMB  
ce a PRC acc g e e e a d he he a ce fa ca  
f PRC b da e a ad e e affec ab a d de d .
- I e e a f PRC a a d eg a e ce a ha c d ad e e  
affec b e a d e f e a a d he a e f he Sha e a d he  
ega ec a a ab e e .
- A a e a d f e a he e a f d b a d/  
b-d b f f ce a e e e e c d a e a a d ad e e affec  
e f e a .
- A ec e ce f e e e ac e e a d e , SARS, a de c a a  
f e a a cea e he e e f H1N1 f ( e f ) a he de ead  
b chea h be c d a e a a d ad e e affec b e a d e f  
e a .

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## SUMMARY

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### Risks Relating to the Global Offering

- The e ha bee b c a e f he Sha e .
- The d a d a e ce f he Sha e f g he G ba Offe g a be a e.
- Sa e a c a ed f e a e f b a a a f he Sha e he b c a e afe he G ba Offe g c d ad e e affec he e a g a e ce f he Sha e .
- P d de d d b a e a d ca f f e d de d c .
- Ce a fac , f eca a d he a c h e ec Ch a, Ch a' ec a d he e ea d h ec a e de ed f ff c a g e e b ca a d a be e abe.
- Y a face d ff c e ec g e e beca e e a e c a ed de Ca a I a d a a d Ca a I a d a a de e ec ha eh de ha he a f H g K g a d he d c .
- F a d- g f a c a ed h ec a e acc a e.
- P e a e e e e ce ed a e a d b a a d a a e f he G ba Offe g, a d he e e c e f g a ed be g a ed de ha e che e a e d ha eh de .
- Y h d e a f a c a ed e a ce he ed a ega d g he G a d he G ba Offe g.

## DEFINITIONS

*In this prospectus, unless the context otherwise requires, the following expressions have the following meanings.*

“A ca F ( )”	WHITE a ca f ( ), YELLOW a ca f ( ) a d GREEN a ca f ( ), d d a c ec e , a he c e a e e
“A ce f A ca ” “A ce ”	he a ce f a ca f C a , a ad ed 4 Se e be 2009, a da a e ded f e e, a a f h ch c a ed A e d V h ec
“a ca e”	ha he ea g a c bed de he L g R e
“B a d f D ec ” “B a d”	he b a d f D ec
“b e da ”	a da h ch ba H g K g a e ge e a e f b e he b c a d h ch a Sa da , S da b ch da H g K g
“BVI”	he B h V g I a d
“CAGR”	c da a g h a e
“Ca a a I e”	he e f Sha e be ade he ca a a f ce a a d g he c ed f he ha e e acc f C a efe ed “A e d VI S a a d Ge e a I f a F he f a ab C a Re g f he Sha eh de a ed 12 Se e be 2008 a d 4 Se e be 2009” h ec
“CCASS”	he Ce a C ea g a d Se e e S e e ab hed a d e a ed b HKSCC
“CCASS C ea g Pa c a ”	a e ad ed a c a e CCASS a a d ec cea g a c a a ge e a cea g a c a
“CCASS C da Pa c a ”	a e ad ed a c a e CCASS a a c da a c a
“CCASS I e Pa c a ”	a e ad ed a c a e CCASS a a e a c a , h a be a d d a d d a a c a
“CCASS Pa c a ”	a CCASS C ea g Pa c a , a CCASS C da Pa c a a CCASS I e Pa c a

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## DEFINITIONS

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“Ch a” “PRC”	he Pe e’ Re b c f Ch a, h ch f he e f h ec a d f ge g a h ca efe e ce , e c de H g K g, Maca a d Ta a
“Ch a Na a Ga e A ca ”	a - f a g a d a de e ed a ga a a g ga e a fac e he PRC h ch de e be h eg a a d a e f a e a g he ga e d he PRC
“Ch a We -K Tade a ”	a e - ade a ec g ed b he Tade a Re e a d Ad d ca B a d he PRC Tade a Off ce f he S a e Ad a f I d a d C e ce f he PRC, Pe e’ C f d de e e ab e
“C a e La ”	he C a e La , Ca 22 (La 3 f 1961, a c da ed a d e ed) f he Ca a I a d
“C a e O d a ce”	he C a e O d a ce (Cha e 32 f he La f H g K g), a a e ded, e e ed he e d f ed f e e
“C a ” “C a ”	Ch a L a g L ed (中國利郎有限公司), a e e ed c a c a ed he Ca a I a d h ed ab 2 Ja a 2008
“C g Sha eh de ”	he Wa g B he , X a She g I e a a a d M g La g I e e
“D ec ( )”	he d ec ( ) f C a a e f he
“F e c e ”	Be g, Sha gha a d G a g h
“F h e c e ”	c - e e a d he h - e e c e
“F & S a ”	F & S a (Be g) I c., Sha gha B a ch C ., he d c a , a e e ea ch a a , ech g a a a d ec , a I de e de Th d Pa
“GDP”	g d e c d c
“G ba Offe g”	he P b c Offe g a d he I e a a Pac g
“GREEN a ca F ( )”	he a ca f ( ) be c e ed b Wh e F eIPO e ce de de g a ed b C a

“G ”, “ G ”, C a a d b d a e a h e e e a f e  
“ e” “ ” ( c d g h e e h e c e e e , e e c f h e e d  
b e f e C a b e c a e h e h d g c a f e e  
b d a e , h e e e b d a e f C a )

“HK\$” “HK d a ” H g K g d a a d c e e e c e , h e a f c e c f  
a d “HK ce ” H g K g

“HKFRS” H g K g F a c a R e g S a d a d

“HKSCC” H g K g S e c e C e a g C a L e d

“H g K g” h e H g K g S e c a A d a e R e g f h e P R C  
c a S 82.71(S)350

“H g K g S h a e C e h a e H g K g I e S e c  
R e g a ”

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## DEFINITIONS

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“J B e ”	Me L ch I e a a a d HSBC
“J Lead Ma age ”	Me L ch Fa Ea L ed a d HSBC f he P b c Offe g; Me L ch I e a a a d HSBC f he I e a a P ac g
“La e P ac cab e Da e”	4 Se e be 2009, be g he a e ac cab e da e he g f h ec f he e fa ce a g ce a f a c a ed h ec
“L a g Ch a”	利郎(中國)有限公司 (L a g (Ch a) C ., L d.) a h f e g - e d e e e c a ed de he a f he PRC 25 Ma ch 2005 a d a d ec h - ed b da f C a
“L a g F a ”	利郎(福建)時裝有限公司 (L a g (F a ) Ga e C ., L d.), a h f e g - e d e e e c a ed de he a f he PRC 24 A 1995 a d a d ec h - ed b da f C a
“L a g H d g ”	L a g H d g L ed, a c a c a ed he BVI h ed ab 4 Dece be 2007, a d ec h - ed b da f C a
“L a g I e a a ”	L a g (H g K g) I e a a C ., L ed, a c a c a ed H g K g h ed ab 23 Ma ch 2004 a d a d ec h - ed b da f C a
“L a g X a e ”	利郎(廈門)服飾有限公司 (L a g (X a e ) Ga e C ., L d.), a h f e g - e d e e e c a ed de he a f he PRC 12 J e 2006 a d a d ec h - ed b da f C a
“LILANZ”	he b a d a e ed b G , be g 利郎 Ch e e a d LILANZ E g h, h ch ha e bee ed b G f he a e g f d c , he e he c e e e , he E g h b a d a e LILANG h ch had bee ed Se e be 2008
“L g”	g f he Sha e he Ma B a d f he S c E cha ge
“L g Da e”	he da e e ec ed be ab F da , 25 Se e be 2009, h ch he Sha e a e ed a d f h ch dea g he e a e e ed a e ace he S c E cha ge
“L g R e ”	he R e G e g he L g f Sec e The Ma B a d f The S c E cha ge f H g K g L ed (a a e ded)

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## DEFINITIONS

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“L B a d ”	h e b a d h c h a e f c e d F e c e a d S e c d e c e
“Maca ”	h e M a c a S e c a A d a e R e g f h e P R C
“Ma ea B a d ”	h e b a d h c h a e f c e d S e c d a d e e c e
“Ma age e a d O h e S h a e h d e ”	M . C a R g H a , M . H C h e g C h , M . W a g R P g , M . P a R g B , a b e g h e e e c e D e c , M . W a g Q a X g , h e e d e b h e f h e W a g B h e , M . C h e W e J , b e g h e b h e - - a f M . W a g D g X g a d e f e e e , M . C h e Y H a , b e g a a f h e W a g B h e , a d M . X T a M , b e g e f e e e
“Me a d f A c a ” “Me a d ”	h e e a d f a c a f C a
“M g L a g I e e ”	M g L a g I e e L e d , a c a c a e d h e B V I h e d a b 4 D e c e b e 2 0 0 7 h c h e d a a a g g e g a e f 7 6 . 5 0 % b h e W a g B h e a d a a g g e g a e f 2 3 . 5 0 % b h e M a a g e e a d O h e S h a e h d e , b e g e f b a a S h a e h d e
“NBS”	h e N a a B e a f S a c f C h a
“N e I c e T a L a ”	h e E e e I c e T a L a g a e d b h e N a a P e e ’ C g e 1 6 M a c h 2 0 0 7 a d h c h b e c a e e f f e c e 1 J a a 2 0 0 8
“OEM”	a a c f g a e e a f a c e , a b e h a a f a c e g d e e f b a d g a d e a e b h e
“Offe P ce”	h e f a H g K g d a c e e O f f e S h a e ( b e f e b e a g e f 1 % , S F C a a c e f 0 . 0 0 4 % a d S c E c h a g e a d g f e e f 0 . 0 0 5 % ) a h c h S h a e a e b e b c b e d a h e G b a O f f e g , h c h b e e h a H K \$ 4 . 0 0 a d e e c e d b e e h a H K \$ 3 . 2 0 , b e d e e e d a d e c b e d “ S c e a d c d f h e G b a O f f e g D e e g h e O f f e P c e ”
“Offe S h a e ”	h e P b c O f f e S h a e a d h e I e a a O f f e S h a e

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## DEFINITIONS

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“O e -a e O ”	he be g a e d b C a he I e a a U de e , e e c a b e b he S e G ba C d a beha f f he I e a a U de e , de he I e a a U de g Ag ee e a h ch C a a be e e d b he S e G ba C d a a a d e 45,000,000 add a e Sha e , e e e g 15% f he Offe Sha e a a a a b e de he G ba Offe g, a he Offe P ce c e e -a ca he I e a a P ac g
“PBOC”	he Pe e’ Ba f Ch a
“P e-IPO Sha e O Sche e”	he P e-IPO Sha e O Sche e ad e d b C a 12 Se e be 2008, he c a e f h ch a e a ed “A e d VI S a a d Ge e a I f a O he I f a P e-IPO Sha e O Sche e” h ec
“P ce De e a Ag ee e ”	he ag ee e be e e d be ee C a a d he J B e (f e f a d beha f f he U de e ) a ab he P ce De e a Da e f he Offe P ce
“P ce De e a Da e”	he da e, e ec ed be ab Th da , 17 Se e be 2009 ch a e da e a a be ag ee d b a d he J B e , b a e ha Wed e da , 23 Se e be 2009, h ch he Offe P ce f e d f he e f he G ba Offe g
“P b c Offe Sha e ”	he 30,000,000 Sha e a be g ffe ed f b c b C a a he Offe P ce de he P b c Offe g ( b ec ad e a de c bed “S c e a d c d f he G ba Offe g”)
“P b c Offe U de e ”	he de e f he P b c Offe g a ed he ec headed “U de g P b c Offe U de e ”
“P b c Offe U de g Ag ee e ”	he c d a b c ffe de g ag ee e da ed 10 Se e be 2009 e a g he P b c Offe g e e d b C a , he C g Sha eh de , he Ma age e a d O he Sha eh de , he S e S , he J B e a d he P b c Offe U de e

## DEFINITIONS

“P b c Offe g”	he ffe b C a f he P b c Offe Sha e f b c b he b c H g K g a de c bed “S c e a d c d f he G ba Offe g” h ec a he Offe P ce ( b e age f 1%, SFC a ac e f 0.004% a d S c E cha ge ad g fee f 0.005% f he Offe P ce) a d a d b ec he e a d c d a ed he e a d he A ca F e a g he e
“QIB ”	a f ed a b e h he ea g f R e 144A
“Reg a S”	Reg a S de he US Sec e Ac
“Re ga a ”	he e ga a b he c a e c g G e a a f he g f he Sha e he S c E cha ge. See “A e d VI S a a d Ge e a I f a F he I f a Ab C a I G e ga a ” h ec
“RMB”	Re b, he a f c e c f he PRC
“R e 144A”	R e 144A de he US Sec e Ac
“SAFE”	he S a e Ad a f F e g E cha ge f he PRC
“SAFE N ce”	he N ce Re e a P b e Re a g he Ad a f F e g E cha ge C a e F a c g b D e c Re de Th gh O e ea S e ca O b e c e C a e a d Re I e e (關於境內居 通過境外特殊目的公司融資及 返程投資外匯管理有關問題的通知) ed b SAFE 21 Oc be 2005 a d effe e f I N e be 2005
“Sec d e c e ”	he ca a f ce he PRC e c d g G a g h , c a e e c d g Sha gha a d Be g, a d he ca a f he a eg he PRC
“Sec d a d e e c e ”	Sec d e c e , Th d e c e a d F h e c e
“SFC”	he Sec e a d F e C f H g K g
“SFO”	he Sec e a d F e O d a ce (Cha e 571 f he La f H g K g), a a e ded, e e ed he e d f ed f e e
“Sha e ( )”	d a ha e ( ) f HK\$0.10 each he ed ha e ca a f C a

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Shares
“Share Offering Scheme”	the share offering scheme established by the Company pursuant to the 4 Share Offer 2009, the share offering scheme established pursuant to the “A and VI” Share Offering Scheme and the “A and VII” Share Offering Scheme
“Singapore Company”	Malaya Company
“Share”	Malaya Shares
“Offer”	offer
“Offering”	offer
“Securities Exchange”	The Securities Exchange of Hong Kong Limited
“The Director”	effective in the PRC, the Director of the Securities Exchange
“Trade Record Period”	the period commencing from the effective date of the 31 December 2008 and ending on the effective date of 30 June 2009
“Underwriter”	the Underwriter appointed by the Public Offer Underwriter
“Underwriting Agreement”	the Underwriting Agreement entered into between the Public Offer Underwriter and the Underwriting Agreement
“United States” “US”	the United States, as defined in Regulation S
“US\$” “US dollar”	United States dollar, the official currency of the United States
“US Person”	has the meaning as defined in Regulation S
“US Securities Act”	the US Securities Act of 1933, as amended
“Warrant Holder”	Member Warrant Holder, Warrant Holder and Warrant Holder, as defined in the Warrant Deed
“White Field IPO”	the offering of Public Offer Shares by the Company pursuant to the <u><a href="http://www.eipo.com.hk">www.eipo.com.hk</a></u>
“White Field IPO Securities”	Company Shares, Warrant Shares, Warrant Shares and Warrant Shares

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## DEFINITIONS

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“WTO”	the World Trade Organization
“Widely Available”	a category of shares issued by Juba Village, Yighe Township, Dahehu District, Luga County, Jiangxi Province, China (晉江市科技工業園區靈源街道大山後社區和鎮菌邊村)
“Xiaosheng Investment”	Xiaosheng Investment Limited, a company incorporated in the BVI which held approximately 4.00% of the issued shares of the Company as at December 31, 2007 which held approximately 76.50% of the issued shares of the Company as at December 31, 2007. The Company held approximately 23.50% of the issued shares of the Company as at December 31, 2007.
“%”	percent.

*Unless otherwise specified, statements contained in this prospectus assume no exercise of the Over-Allotment Option.*

*All times refer to Hong Kong time.*

*If there is any inconsistency between the Chinese name of the PRC laws and regulations or PRC entities mentioned in this prospectus and their English translation, the Chinese version shall prevail.*

*Unless otherwise specified, amounts denominated in RMB and US\$ have been converted into Hong Kong dollars in this prospectus for the purpose of illustration only at the rates set out below:*

*HK\$1.00: RMB0.8815*

*HK\$7.7505: US\$1.00*

*No representation is made that any amounts in RMB, US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates or at all.*

*In this prospectus, references to years are to calendar years unless otherwise stated.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for reference only.*

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## FORWARD-LOOKING STATEMENTS

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The following information is intended to provide a general overview of the company's financial performance and outlook. The information is based on the company's financial statements and management's expectations. The information is not intended to be a forecast of future performance and is subject to change.

- The company's financial performance is expected to be strong in the coming year, driven by strong demand for its products and services.
- The company's financial performance is expected to be strong in the coming year, driven by strong demand for its products and services.
- The company's financial performance is expected to be strong in the coming year, driven by strong demand for its products and services.
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## RISK FACTORS

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*Investing in the Shares involves certain risks. You should carefully consider each of the risks described below and all of the other information contained in this prospectus, should not only consider Appendix I, should also read all other parts of prospectus before deciding to purchase the Shares. You should be aware that our subsidiaries in the PRC are governed by a legal and regulatory environment that in some respects differs significantly from that in other countries. If any of the following risks occur, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of the Shares could decline, and your investment could be adversely affected.*

### RISKS RELATING TO OUR BUSINESS

**Failure to successfully promote our brand may materially and adversely affect our business and results of operations.**

Bad age a e fac c e cha g dec f e ea d c . We a e c ed b d g b a d h gh he d c f h a d a de g a e a h gh a a ad e g ca a g . We be e e ha e ha e bee cce f e ab h g b a d he PRC. O ab a a a d f he de e b a d he PRC de e d , a , ab ee cha g g c e a e a d efe e ce a d he effec e e f ad e g ca a g . We a dge cha ge fa h e d fa e d ch cha ge a e a e . I add , e a e ba cce f ad e g ca a g ha d ache e he e ded e e gage e e h c dge e a e ega e b c e h ch e ha e c . If e a e abe cce f a a a d e b a d, b e a d e f e a a be a e a a d ad e e affec ed.

**We rely on a small number of distributors for the sale of our products and our failure to renew distributorship agreements with our major distributors or a breach of such distributorship agreements by them may materially and adversely affect our results of operations.**

We a e d c he PRC 53 d b , h e d c c e h gh e a e d ec e a ed b he b b- d b de he e gh . We d ha ec e b-d b e a e a d he a e a e b d b , b-d b a d he e a e ha he e a e. D g he T ac Rec d Pe d, a e d b acc ed f b a a a f e . D g he a e e d, a e f e c e acc ed f 55.3%, 42.6%, 34.6% a d 34.0%, e ec e , f e , a d a e a ge c e acc ed f 21.1%, 13.2%, 12.7% a d 12.7%, e ec e , f e . A g d b , e e f he had bee ed b M . H Che g Ch a d M . Pa R g B , f e ec e D ec , f a e d d g he ea e ded 31 Dece be 2007, a d he a e b he e d b c b ed 21.1% a d 12.9% f e d g he ea e ded 31 Dece be 2006 a d 2007 bef e M . H a d M . Pa d ed f he e e he e d b 2007. If d b d c e e e e a e , e he b he e e h gh he b-

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## RISK FACTORS

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Our business may be negatively affected if our distributors or their sub-distributors fail to comply with our retail policies.

Our business may be negatively affected if our distributors or their sub-distributors fail to comply with our retail policies.

**Our business may be negatively affected if our distributors or their sub-distributors fail to comply with our retail policies.**

Our business may be negatively affected if our distributors or their sub-distributors fail to comply with our retail policies.

**We may not be able to monitor the inventory levels at our distributors.**

We may not be able to monitor the inventory levels at our distributors.

**Our brand image and business may be negatively affected by actions of our OEM contractors.**

During the Term of the Reciprocity Agreement, the percentage of sales to OEM contractors was 33.2%, 45.1%, 41.9% and 61.2%, respectively. We expect that our business may be negatively affected by actions of our OEM contractors.

## RISK FACTORS

Our results of operations may be adversely affected by an increase in the cost of raw materials, labour or products manufactured by OEM contractors. The fact that we rely on OEM contractors for the production of a significant portion of our products and any material disruption to the supply of products from our OEM contractors would materially and adversely affect our results of operations.

**We rely on our OEM contractors for the production of a significant portion of our products and any material disruption to the supply of products from our OEM contractors would materially and adversely affect our results of operations.**

During the Twelve Months Ended December 31, 2009, 2008, 2007 and 2006, the percentage of our total production volume that was manufactured by OEM contractors was 34.0%, 45.7%, 42.9% and 63.8%, respectively. The percentage of our total production volume that was manufactured by OEM contractors was 33.2%, 45.1%, 41.9% and 61.2%, respectively. The OEM contractors we rely on for the production of our products are subject to various risks, including the risk of a significant increase in the cost of raw materials, labour or products manufactured by OEM contractors. We cannot predict the extent to which these risks will affect our results of operations.

**Our results of operations may be adversely affected by an increase in the cost of raw materials, labour or products manufactured by OEM contractors.**

We rely on OEM contractors for the production of a significant portion of our products and any material disruption to the supply of products from our OEM contractors would materially and adversely affect our results of operations. The fact that we rely on OEM contractors for the production of a significant portion of our products and any material disruption to the supply of products from our OEM contractors would materially and adversely affect our results of operations. During the Twelve Months Ended December 31, 2009, 2008, 2007 and 2006, the percentage of our total production volume that was manufactured by OEM contractors was 34.0%, 45.7%, 42.9% and 63.8%, respectively. The percentage of our total production volume that was manufactured by OEM contractors was 33.2%, 45.1%, 41.9% and 61.2%, respectively. We do not have any long-term contracts with our OEM contractors, and we may be unable to negotiate new contracts with our OEM contractors on terms that are as favorable as those of our existing contracts. If we are unable to negotiate new contracts with our OEM contractors on terms that are as favorable as those of our existing contracts, our results of operations may be adversely affected.

**We may be unable to implement and manage future rapid growth and expansion.**

We have experienced rapid growth and expansion in our sales and production volume. Our sales and production volume increased by 111.8% from RMB418.2 million in 2006 to RMB885.9 million in 2007 and by 28.2% from RMB885.9 million in 2007 to RMB1,135.7 million in 2008. The increase in our sales and production volume has placed significant demands on our management, financial resources and infrastructure. We may be unable to implement and manage future rapid growth and expansion, which could adversely affect our results of operations.

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## RISK FACTORS

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Our ability to obtain additional financing may be limited, which could delay or prevent the completion of one or more of our strategies.

**Our ability to obtain additional financing may be limited, which could delay or prevent the completion of one or more of our strategies.**

We have, in the past, experienced significant fluctuations in our cash flow, which has resulted in our inability to obtain additional financing on favorable terms. Our ability to obtain additional financing may be limited, which could delay or prevent the completion of one or more of our strategies.

**Our success depends on our ability to retain our senior management team and our ability to attract and retain additional management and other qualified personnel.**

Our success depends on our ability to retain our senior management team and our ability to attract and retain additional management and other qualified personnel.

Our success depends on our ability to retain our senior management team and our ability to attract and retain additional management and other qualified personnel.

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## RISK FACTORS

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Our operations are subject to seasonal fluctuations and extreme or unseasonable weather conditions. The demand for our products is seasonal, and our production capacity is limited. As a result, we may experience shortages of our products during peak demand periods, which could result in lost sales and damaged customer relationships.

### **Our business is susceptible to seasonal fluctuations and extreme or unseasonable weather conditions.**

Our business is susceptible to seasonal fluctuations and extreme or unseasonable weather conditions. The demand for our products is seasonal, and our production capacity is limited. As a result, we may experience shortages of our products during peak demand periods, which could result in lost sales and damaged customer relationships.

Our business is susceptible to seasonal fluctuations and extreme or unseasonable weather conditions. The demand for our products is seasonal, and our production capacity is limited. As a result, we may experience shortages of our products during peak demand periods, which could result in lost sales and damaged customer relationships.

### **We may be affected by infringement of our intellectual property rights or by claims of third parties alleging possible infringement of their intellectual property rights.**

Our intellectual property rights are essential to our competitive advantage. We have developed a strong portfolio of intellectual property rights in the PRC and other jurisdictions. The infringement of our intellectual property rights by third parties could result in lost sales, damaged customer relationships, and increased costs. We have taken steps to protect our intellectual property rights and to enforce our rights against infringers. However, the PRC legal system is still developing, and we may face challenges in enforcing our intellectual property rights in the PRC. The infringement of our intellectual property rights could also result in claims of third parties alleging possible infringement of their intellectual property rights. Such claims could result in costly litigation and damage to our reputation.

We are aware of the risks associated with intellectual property infringement. We have implemented measures to protect our intellectual property rights and to enforce our rights against infringers. However, the PRC legal system is still developing, and we may face challenges in enforcing our intellectual property rights in the PRC. The infringement of our intellectual property rights could also result in claims of third parties alleging possible infringement of their intellectual property rights. Such claims could result in costly litigation and damage to our reputation.

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## RISK FACTORS

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business operations, and the following risks could have a material adverse effect on our results of operations:

**Any significant damage to our administrative or production facilities could have a material adverse effect on our results of operations.**

Our administrative and production facilities are located in various regions of the PRC, and the damage to these facilities could have a material adverse effect on our results of operations. Production facilities are subject to natural disasters, such as earthquakes, typhoons, and floods, which could result in significant damage to our facilities. In addition, our facilities are subject to fire, theft, and sabotage. We have implemented various measures to protect our facilities, including fire insurance, theft insurance, and security measures. However, these measures may not be sufficient to protect our facilities from all risks. Any significant damage to our facilities could result in increased costs, production delays, and a material adverse effect on our results of operations.

**We may be exposed to product liability, property damage or personal injury claims, which may materially and adversely affect our reputation and business.**

As a result of our operations in the PRC, we may be exposed to product liability, property damage or personal injury claims. Our products are sold in the PRC, and we may be exposed to claims from consumers who are injured or whose property is damaged by our products. In addition, our employees and contractors may be exposed to personal injury claims. We have implemented various measures to reduce the risk of claims, including product testing, quality control, and safety training. However, these measures may not be sufficient to protect us from all risks. Any significant claims could result in increased costs, production delays, and a material adverse effect on our results of operations.

**We may be requested to make up any unpaid contribution to the social security insurance schemes during the Track Record Period.**

Under the PRC laws and regulations, we may be requested to make up any unpaid contribution to the social security insurance schemes during the Track Record Period. We have implemented various measures to ensure that we are compliant with the PRC laws and regulations, including regular audits and timely payments. However, these measures may not be sufficient to protect us from all risks. Any significant unpaid contributions could result in increased costs and a material adverse effect on our results of operations.

## RISK FACTORS

29.2% of the age a able he e e ee , c g c b ( ) e a ce a he a e f 18%; ( ) ed ca a ce a he a e f 7.5%; ( ) e e a ce a he a e f 2%; ( ) - e a ed e a ce a he a e f 1%; a d ( ) a e a ce a he a e f 0.7%.

The he e a e hgh b f , e ec a he g a e f L a g F a a d L a g Ch a, a d g e he d ffe e e e f de e e ca be ef d ffe e a f he PRC, d ffc ac ce de e ac che e e e ad e ca ec c b f a f he e ee f L a g F a a d L a g Ch a. A a e , he e ce age f he ca ec c b ( h ch ca c a ed b c a g he a f c b ade a d ac a a aff c ) f L a g Ch a a d L a g F a a ged f 0.67% 10.82% f he a age , h ch fa h f he a e ed be c b ed de he a cab e a a a a d eg a .

The g he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2009, e ad ca ec c b f RMB0.3 , RMB0.6 , RMB1.8 a d RMB0.9 , e ec e . The a h c f ed 15 J 2008 ha L a g F a a d L a g Ch a had ade a e ec b he ca ec a ce f d a e a e , a d ha he e g be f e ee ed, he c b ba a d he e ce age f c b a e c a ce h he ca eg a . The a h c f ed 17 J 2009 ha L a g F a a d L a g Ch a had ade a e ec b he ca ec f d a e a e a d c f ed aga 10 A g 2009 ha L a g Ch a a d L a g F a had ade a e ec b he ca ec f d a e a e 30 J e 2009 a d ha L a g Ch a a d L a g F a be e ed a a a d g c b ega d g he ca ec . T he e e ha e a e e ed a ef he c b ba ed ee a a a a a d eg a , ee a e ha e d eed a e add a c b f a a e RMB3.4 , RMB12.9 , RMB17.0 a d RMB6.1 f he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2009, e ec e . A ad ed b PRC ega ad e , e a be de ed b he ee a ca a ce b ea a he a d g c b h a ec bed e , a da a e cha ge a he da a e f 0.2% he a d g c b a be ed f ch a e ade h he ec bed e . Each ha d g ffc e a a be ed h a f e RMB20,000. We ha e a d, a d ha e bee de ed b he ee a ca a ce b ea a , a ch a d g c b d g he T ac Rec d Pe d a d he La e Pac cab e Da e. P f e e e be ef c b f RMB2.2 , RMB8.2 , RMB10.5 a d RMB3.8 ha e bee acc ed he c da ed f a ca a e e f he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2009, h ch e e ba ed 18% f he a a e f e ee h had ed G d g he T ac Rec d Pe d a d e a ed e ce h G a a 31 Dece be 2008. Ne e he e , ch a fa h f he c b e ed de he a cab e a a a a d eg a . I he e e ha PRC b da e a e e ed a e add a

control, the shareholders have the right to elect the board of directors, and the board of directors has the authority to manage the business of the company and to declare dividends.

**The Controlling Shareholders may take actions that are not in, or may conflict with, public Shareholders' best interests.**

In addition, the controlling shareholders of the Company, including the Controlling Shareholders, own or control approximately 73.21% of the Shares, and the Controlling Shareholders own or control approximately 55.13% of the Shares, and the Controlling Shareholders own or control approximately 12.38% of the Shares, and the Controlling Shareholders own or control approximately 5.70% of the Shares. The Controlling Shareholders have the right to elect the board of directors and to manage the business of the company and to declare dividends. The Controlling Shareholders have the right to elect the board of directors and to manage the business of the company and to declare dividends. The Controlling Shareholders have the right to elect the board of directors and to manage the business of the company and to declare dividends. The Controlling Shareholders have the right to elect the board of directors and to manage the business of the company and to declare dividends.

**We are a holding company that relies heavily on dividend payments from our subsidiaries for funding.**

The Company is a holding company and its primary source of funds is from the dividends received from its subsidiaries. The Company does not have any other significant assets or liabilities. The Company's operations are primarily limited to the management and administration of its subsidiaries. The Company's primary source of funds is from the dividends received from its subsidiaries. The Company does not have any other significant assets or liabilities. The Company's operations are primarily limited to the management and administration of its subsidiaries.

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## RISK FACTORS

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### RISKS RELATING TO OUR INDUSTRY

**Fluctuations in consumer spending caused by changes in macroeconomic conditions in the PRC may significantly affect our business, financial condition, results of operations and prospects.**

We depend on the PRC economy for our sales. The PRC economy has experienced significant fluctuations in the past, and we expect these fluctuations to continue. Changes in the PRC economy, including changes in consumer spending, government policy, and macroeconomic conditions, may significantly affect our business, financial condition, results of operations and prospects. The PRC government has implemented a series of measures to stimulate economic growth, including increasing government spending, lowering interest rates, and relaxing credit controls. These measures have led to a significant increase in government spending and a decline in interest rates, which has helped to stimulate economic growth. However, these measures have also led to a significant increase in government debt and a decline in the value of the Chinese renminbi. The PRC government has also implemented a series of measures to reduce government spending and increase interest rates, which has helped to reduce government debt and increase the value of the Chinese renminbi. These measures have led to a significant decrease in government spending and an increase in interest rates, which has helped to reduce government debt and increase the value of the Chinese renminbi. The PRC government has also implemented a series of measures to increase government spending and lower interest rates, which has helped to increase government spending and lower interest rates, which has helped to increase government spending and lower interest rates. The PRC government has also implemented a series of measures to decrease government spending and increase interest rates, which has helped to decrease government spending and increase interest rates, which has helped to decrease government spending and increase interest rates.

#### **We face intense competition.**

The PRC market is highly competitive. Our products and services face intense competition from both domestic and foreign companies. The PRC market is highly competitive, and we expect this competition to intensify in the future. The PRC government has implemented a series of measures to stimulate economic growth, including increasing government spending, lowering interest rates, and relaxing credit controls. These measures have led to a significant increase in government spending and a decline in interest rates, which has helped to stimulate economic growth. However, these measures have also led to a significant increase in government debt and a decline in the value of the Chinese renminbi. The PRC government has also implemented a series of measures to reduce government spending and increase interest rates, which has helped to reduce government debt and increase the value of the Chinese renminbi. These measures have led to a significant decrease in government spending and an increase in interest rates, which has helped to reduce government debt and increase the value of the Chinese renminbi. The PRC government has also implemented a series of measures to increase government spending and lower interest rates, which has helped to increase government spending and lower interest rates, which has helped to increase government spending and lower interest rates. The PRC government has also implemented a series of measures to decrease government spending and increase interest rates, which has helped to decrease government spending and increase interest rates, which has helped to decrease government spending and increase interest rates.

### RISKS RELATING TO THE PRC

*All of our assets are located in the PRC, and all of our turnover is derived from our operations in the PRC. Accordingly, our business, financial condition, results of operations and prospects are subject, to a significant extent, to economic, political and legal developments in the PRC.*

## RISK FACTORS

**PRC economic, political and social conditions, as well as government policies, could adversely affect our business.**

The PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future. The PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future.

- Economic growth, inflation, and deflation;
- Government policies, including monetary and fiscal policies;
- Labor market conditions, including labor shortages and labor disputes;
- Government subsidies and tax incentives;
- Government regulations, including environmental and labor regulations;
- Government intervention in the market, including price controls and currency exchange rate controls;
- Government intervention in the market, including price controls and currency exchange rate controls.

When the PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future. The PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future. The PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future. The PRC economy has experienced significant fluctuations in recent years, and we expect these fluctuations to continue in the future.

Recently, the PRC government has implemented a series of measures to stimulate economic growth. These measures include increasing government spending, cutting taxes, and relaxing financial controls. These measures have led to a significant increase in government spending, cutting taxes, and relaxing financial controls.

Despite the government's efforts, the PRC economy remains vulnerable to external shocks, such as changes in global trade and financial markets. These external shocks could have a significant impact on the PRC economy.

- Changes in global trade and financial markets;
- Changes in government policies, including monetary and fiscal policies;
- Changes in labor market conditions, including labor shortages and labor disputes;
- Changes in government subsidies and tax incentives;
- Changes in government regulations, including environmental and labor regulations;
- Changes in government intervention in the market, including price controls and currency exchange rate controls.

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**RISK FACTORS**

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- The effect of the adoption of these rules.

The factors affected by these factors have been discussed.

**PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to personal liability and limit our ability to acquire PRC companies or to inject capital into our PRC subsidiaries, limit our PRC subsidiaries’ ability to distribute profits to us or otherwise materially and adversely affect us.**

The SAFE Notice on PRC equity, distribution and dividends, which requires SAFE to check before allowing the company to distribute dividends to the PRC, effective from January 1, 2006, the SAFE Notice is a "first-in-first-out" rule for the distribution of dividends to the PRC equity holders. In addition, a PRC equity holder who has the right to distribute dividends to the SAFE equity holders of the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company. If a PRC equity holder of the SAFE equity holders of the company has the right to distribute dividends to the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company. If a PRC equity holder of the SAFE equity holders of the company has the right to distribute dividends to the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company. If a PRC equity holder of the SAFE equity holders of the company has the right to distribute dividends to the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company. If a PRC equity holder of the SAFE equity holders of the company has the right to distribute dividends to the SAFE equity holders of the company, which means that the SAFE equity holders of the company have the right to distribute dividends to the SAFE equity holders of the company.

**We will not be able to continue to enjoy our current preferential tax treatment.**

In accordance with the PRC’ s equity law, which provides that the PRC equity holders of the company are entitled to dividends. The Company’s effective tax rate, calculated as a percentage of the company’s total income, was 28.6%, 1.3%, 3.4%, 2.9% and 13.3% in 2006, 2007 and 2008 and the effective tax rate for the period from January 1, 2008 to the end of 2008, was 13.3%. The effective tax rate has been reduced because of the effective January 1, 2008, which means that the effective tax rate has been reduced because of the effective January 1, 2008. The effective tax rate has been reduced because of the effective January 1, 2008, which means that the effective tax rate has been reduced because of the effective January 1, 2008. The effective tax rate has been reduced because of the effective January 1, 2008, which means that the effective tax rate has been reduced because of the effective January 1, 2008.

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## RISK FACTORS

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See “Factors Affecting Future Taxation” for further information regarding the effect of the PRC on our business.

**We may become subject to PRC income tax on any future global income.**

Under the New Income Tax Law and related regulations, we are subject to the PRC income tax on the net income derived from the PRC and other income derived from the PRC and other income derived from the PRC. Since we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%. Since we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%. Since we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%.

**The value of any future dividends and gains on the sale of our Shares may be reduced by PRC withholding taxes.**

We are a holding company and our subsidiaries are subject to the PRC income tax on their net income. The PRC income tax on dividends distributed to shareholders is subject to a withholding tax rate of 10%. If we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%. If we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%. If we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%.

Moreover, under the New Income Tax Law and related regulations, we are subject to the PRC income tax on our global income at a rate of 25%. If we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%. If we are a PRC resident enterprise, we are subject to the PRC income tax on our global income at a rate of 25%.

## RISK FACTORS

### **Our labour costs may be increased due to the implementation of the new PRC Labour Contract Law.**

The PRC Labour Contract Law adopted by the Standing Committee of the National People's Congress of PRC in 29 June 2008 and became effective on 1 January 2008. The new law will affect the company, especially the foreign-invested companies: (a) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than one month but less than one year (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month); (b) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than one year but less than two years (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month); (c) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than two years (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month); (d) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than three years (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month); (e) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than four years (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month); (f) the new law will require the company to pay a double amount of the legal minimum wage for each month if the employee has worked for the company for more than five years (for example, the company will have to pay 10% of the legal minimum wage for the first month, 20% for the second month, 30% for the third month, 40% for the fourth month, 50% for the fifth month, 60% for the sixth month, 70% for the seventh month, 80% for the eighth month, 90% for the ninth month, and 100% for the tenth month). Overall, the new law will increase the company's labour costs.

### **Our business may be materially and adversely impacted by recent financial difficulties and economic conditions in the United States, Europe and elsewhere.**

Recent financial difficulties and economic conditions in the United States, Europe and elsewhere may have a material and adverse effect on the company's business, financial condition and results of operations:

- economic conditions in the United States, Europe and elsewhere may have a material and adverse effect on the company's business, financial condition and results of operations;
- a recession in the United States, Europe and elsewhere may have a material and adverse effect on the company's business, financial condition and results of operations;
- a recession in the United States, Europe and elsewhere may have a material and adverse effect on the company's business, financial condition and results of operations;

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## RISK FACTORS

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- Factors that have caused a decrease in our operating performance include:

- The adoption of the Share Repurchase Program.

The above factors have caused a decrease in our operating performance.

**It may be difficult to effect service of process upon us or our Directors who reside in China or to enforce against them or us in China any judgments obtained from non-Chinese courts.**

As a result of the decrease in our operating performance, we have a decreased ability to pay dividends to our shareholders. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders.

**Changes to foreign exchange regulations, fluctuations in the value of the RMB or certain PRC accounting requirements and the provisions in the articles of association of our PRC subsidiaries may adversely affect our ability to pay dividends.**

Under the current exchange rate, the value of the RMB has increased significantly since the implementation of the RMB's peg to the US dollar. The increase in the value of the RMB has caused a decrease in our operating performance. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders.

In addition, the increase in the value of the RMB against the US dollar has caused a decrease in our operating performance. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders. The decrease in our operating performance has caused a decrease in our cash and cash equivalents, and we may not have sufficient cash and cash equivalents to pay dividends to our shareholders.

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## RISK FACTORS

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**Interpretation of PRC laws and regulations involves uncertainty that could adversely affect our business and results of operations and the value of the Shares and limit the legal protections available to investors.**

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**RISK FACTORS**

Our business is highly dependent on the operations of our distributors and/or sub-distributors. The operations of our distributors and/or sub-distributors are subject to various risks, including the risk of force majeure events. A material disruption of our operations or the operations of our distributors and/or sub-distributors from force majeure events could materially and adversely affect our results of operations.

**A material disruption of our operations or the operations of our distributors and/or sub-distributors from force majeure events could materially and adversely affect our results of operations.**

Our operations are highly dependent on the operations of our distributors and/or sub-distributors. The operations of our distributors and/or sub-distributors are subject to various risks, including the risk of force majeure events. A material disruption of our operations or the operations of our distributors and/or sub-distributors from force majeure events could materially and adversely affect our results of operations.

In May 2008, Weichai Company Limited ("Weichai") issued a notice to its shareholders regarding the impact of the 2008 Sichuan Earthquake on its operations. The earthquake caused significant damage to Weichai's production facilities in Sichuan Province, China. As a result, Weichai's production and sales were significantly affected. In order to mitigate the impact of the earthquake, Weichai has taken various measures, including repairing damaged facilities and relocating production to unaffected areas. Despite these efforts, the earthquake has had a material impact on Weichai's operations and financial performance. The earthquake caused significant damage to Weichai's production facilities in Sichuan Province, China. As a result, Weichai's production and sales were significantly affected. In order to mitigate the impact of the earthquake, Weichai has taken various measures, including repairing damaged facilities and relocating production to unaffected areas. Despite these efforts, the earthquake has had a material impact on Weichai's operations and financial performance.

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## RISK FACTORS

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**Any recurrence of severe acute respiratory syndrome, or SARS, pandemic avian influenza or an increase in the severity of H1N1 flu (swine flu) or another widespread public health problem could materially and adversely affect our business and results of operations.**

From November 2002 to January 2003, the PRC and elsewhere experienced a severe outbreak of SARS. On May 2003, the World Health Organization declared that SARS had been contained. However, a brief resurgence of SARS occurred in the PRC in August 2004. A severe outbreak of SARS, and a case of avian influenza (H5N1) in (China) and the death of a child in Beijing, the PRC, attracted attention from the media and the general public, leading to a significant decrease in the effectiveness of the economy. Overall, the outbreak of SARS and the H5N1 influenza pandemic in the PRC and elsewhere, including the United States, have had a negative impact on the global economy, including the PRC's economy. Additionally, the World Health Organization has reported that the PRC's economic growth has slowed down due to the outbreak of SARS and the H5N1 influenza pandemic. As a result, the global economy has been affected, and the PRC's economic growth has been slowed down.

### **RISKS RELATING TO THE GLOBAL OFFERING**

**There has been no prior public market for the Shares.**

Upon the Global Offering, there will be a public market for the Shares. The Offering Price is the bid price for the Offer Shares as determined by the Underwriter. The Offering Price will be determined by the Underwriter. The Offering Price will be determined by the Underwriter. The Offering Price will be determined by the Underwriter. The Offering Price will be determined by the Underwriter.

**The liquidity and market prices of the Shares following the Global Offering may be volatile.**

The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile. The price of the Shares may be volatile.

the additional Shares are added to the Shares, the aggregate number of Shares outstanding will increase. The additional Shares will be issued in the form of new Shares, which will be subject to the same terms and conditions as the existing Shares.

As a result of the additional Shares, the total number of Shares outstanding will increase. The additional Shares will be issued in the form of new Shares, which will be subject to the same terms and conditions as the existing Shares. The additional Shares will be issued in the form of new Shares, which will be subject to the same terms and conditions as the existing Shares. The additional Shares will be issued in the form of new Shares, which will be subject to the same terms and conditions as the existing Shares.

**Sales or anticipated future sales of substantial amounts of the Shares in the public market after the Global Offering could adversely affect the prevailing market price of the Shares.**

If a substantial amount of the Shares are sold in the public market, the price of the Shares could decline. The price of the Shares could decline if a substantial amount of the Shares are sold in the public market. The price of the Shares could decline if a substantial amount of the Shares are sold in the public market. The price of the Shares could decline if a substantial amount of the Shares are sold in the public market. The price of the Shares could decline if a substantial amount of the Shares are sold in the public market.

**Prior dividend distributions are not an indication of our future dividend policy.**

Our Company has not declared any dividends since its inception. The Company has not declared any dividends since its inception. The Company has not declared any dividends since its inception. The Company has not declared any dividends since its inception. The Company has not declared any dividends since its inception.

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## RISK FACTORS

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**Certain facts, forecasts and other statistics with respect to China, China’s economy and the menswear industry in this prospectus are derived from official government publications and may not be reliable.**

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**You may face difficulties in protecting your interests because we are incorporated under Cayman Islands law and Cayman Islands law may provide less protection to minority shareholders than the laws of Hong Kong and other jurisdictions.**

O c a e affa a e g e ed b Me a d f A ca a d A ce f A ca , a d b he C a e La , a d he c a f he Ca a I a d . The a f he Ca a I a d e a g he ec f he e e f ha eh de d ffe e e ec f h e e ab hed de a e a d de d ca ecede H g K g he d c . S ch d ffe e ce a ea ha ha eh de a ha e e ec ha he d ha e de he a f H g K g he d c . F e a e, he Ca a I a d d e ha e a

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**Forward-looking information contained in this prospectus may prove inaccurate.**

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**WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES**

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# INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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## DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

The undersigned directors of the Company, the Chairman, the Chief Executive Officer, the Secretary (Singapore) (Charles La), the Chairman of the Board of Directors (Heng Kah Keng) and the Managing Director (Rafael Garcia) have read the prospectus and the information memorandum and are satisfied that the information contained therein is true and correct and that the prospectus and the information memorandum are not misleading and that the information contained therein is sufficient to enable investors to make an informed decision.

## INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered in the balance of the authorized and unissued shares of the Company. The Offer Shares are being offered in the United States and other countries through the Global Offering Agent, a duly licensed broker-dealer in the United States, and through the Global Offering Agent's local agents in other countries. The Offer Shares are being offered on a non-exclusive basis to qualified institutional buyers, institutional investors, and certain other investors. The Offer Shares are being offered in the United States and other countries through the Global Offering Agent, a duly licensed broker-dealer in the United States, and through the Global Offering Agent's local agents in other countries.

## FULLY UNDERWRITTEN

The Global Offering consists of the Issuance of the Public Offering. A total of 300,000,000 Offer Shares are being offered in the Global Offering, of which 270,000,000 Offer Shares, or 90% of the total Offer Shares, are being offered (including the Offer Shares) through the Global Offering Agent, a duly licensed broker-dealer in the United States and other countries. The remaining 30,000,000 Offer Shares, or 10% of the total Offer Shares, are being offered through the Global Offering Agent's local agents in other countries. The Global Offering Agent is acting as the sole underwriter of the Offer Shares. The Global Offering Agent is acting as the sole underwriter of the Offer Shares and is responsible for the offering of the Offer Shares in the United States and other countries. The Global Offering Agent is acting as the sole underwriter of the Offer Shares and is responsible for the offering of the Offer Shares in the United States and other countries.

The undersigned directors of the Company have read the prospectus, the information memorandum, and the Global Offering Circular and are satisfied that the information contained therein is true and correct and that the prospectus, the information memorandum, and the Global Offering Circular are not misleading and that the information contained therein is sufficient to enable investors to make an informed decision.

The Global Offering Agent is a duly licensed broker-dealer in the United States and other countries. The Global Offering Agent is acting as the sole underwriter of the Offer Shares and is responsible for the offering of the Offer Shares in the United States and other countries. The Global Offering Agent is acting as the sole underwriter of the Offer Shares and is responsible for the offering of the Offer Shares in the United States and other countries. The Global Offering Agent is acting as the sole underwriter of the Offer Shares and is responsible for the offering of the Offer Shares in the United States and other countries.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which is determined by the underwriters in accordance with the terms of the Underwriting Agreement entered into between the Issuer and the Underwriters, dated August 17, 2009, and the Underwriting Agreement entered into between the Issuer and the Underwriters, dated August 23, 2009. If the Underwriters, in accordance with the terms of the Underwriting Agreement, determine that the Offer Price is not feasible, the Global Offering will not proceed.

### ROLE OF THE PRC DOMESTIC FINANCIAL ADVISER

We have engaged Idafa Capital, a PRC domestic financial adviser. The adviser, Idafa Capital, has advised the Issuer on the terms of the Underwriting Agreement, Idafa Capital, and the Global Offering. The adviser is not a member of the Securities and Futures Commission of the PRC.

- advise the Issuer on the terms of the Underwriting Agreement and the Global Offering;
- advise the Issuer on the terms of the Underwriting Agreement;
- advise the Issuer on the terms of the Underwriting Agreement;
- advise the Issuer on the terms of the Underwriting Agreement;
- advise the Issuer on the terms of the Underwriting Agreement.

Mei Le Fa Eas Limited, a S e S company, has advised the Issuer on the terms of the Underwriting Agreement, Idafa Capital, and the Global Offering. The adviser is not a member of the Securities and Futures Commission of the PRC. Each of the S e S advisers, Idafa Capital, has advised the Issuer on the terms of the Underwriting Agreement, Idafa Capital, and the Global Offering.

### SELLING RESTRICTIONS

Each of the Offer Shares is being sold, and deemed to be sold, in accordance with the terms of the Underwriting Agreement, Idafa Capital, and the Global Offering. Each of the Offer Shares is being sold, and deemed to be sold, in accordance with the terms of the Underwriting Agreement, Idafa Capital, and the Global Offering.

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ec a be ed f he e f, a d d e c e, a ffe  
a a d c a c c

## United Kingdom

The conduct of the activities of the UK Financial Services Authority (the "FSA") is regulated under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") and has been authorized by the FSA. The Office of the Supervisor of the FSA (the "OS") has been established under the FSMA) and is the principal regulatory body for the FSA. The OS is established under section 102B of the FSMA) and is the principal regulatory body for the FSA. The OS is established under section 85 of the FSMA) and is the principal regulatory body for the FSA. The OS is established under section 21 of the FSMA) and is the principal regulatory body for the FSA. The OS is established under section 21 of the FSMA) and is the principal regulatory body for the FSA.

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**INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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Further to the above, the Offer Shares have been issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965.

### Japan

The Offer Shares have been issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965.

### Singapore

The Offer Shares have been issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965. The Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965.

When the Offer Shares are issued to the Offeror in accordance with the terms of the Offer Shares and the relevant provisions of the Companies Act, 1965.

- (a) a copy of the Offer Shares (as defined in section 4A of the SFA) has been filed with the Registrar of Companies, Singapore, in accordance with section 275(1) of the SFA; and
- (b) a copy of the Offer Shares (as defined in section 4A of the SFA) has been filed with the Registrar of Companies, Singapore, in accordance with section 275(1A) of the SFA.

**INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

the beneficial holders (hereinafter referred to as the "Beneficial Holders") have been identified in the Schedule to the Prospectus. The Beneficial Holders are:

- (1) the beneficial holders (hereinafter referred to as the "Beneficial Holders") of the Shares, as defined in section 275(2) of the SFA, who have been identified in the Schedule to the Prospectus, and who have agreed to pay to the Company, in full, the amount of \$200,000 (two hundred thousand dollars) for each of the Shares, which amount shall be paid to the Company in full, in accordance with the terms of the Schedule to the Prospectus, and
- (2) the beneficial holders of the Shares;
- (3) the beneficial holders of the Shares.

**PRC**

The Company has been advised by its legal counsel in the PRC, and the Offer Shares have been offered, and will be offered, in accordance with the relevant provisions of the PRC securities laws and regulations.

**Australia**

The Company is a company incorporated in Australia under the Companies Act 2001 (Cth) (the "Australian Corporations Act"), and has been advised by its legal counsel in Australia that the Company is a company incorporated in Australia under the Australian Corporations Act. The Offer Shares have been offered, and will be offered, in accordance with the relevant provisions of the Australian Corporations Act. The Offer Shares have been offered, and will be offered, in accordance with the relevant provisions of the Australian Corporations Act.

- ( ) the beneficial holders of the Shares, as defined in section 708(8) of the Australian Corporations Act, "Part 7.08" as amended by section 708(11) of the Australian Corporations Act, and who have agreed to pay to the Company, in full, the amount of \$200,000 (two hundred thousand dollars) for each of the Shares, which amount shall be paid to the Company in full, in accordance with the terms of the Schedule to the Prospectus, and

**INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

Shareholders of the Company are advised that the Company is a public company and is subject to the provisions of the Securities Act, 1933 and the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder. The Company is not a U.S. company and is not registered with the SEC.

( ) The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

( ) The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

( ) The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

**Cayman Islands**

The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC. The Company is not a U.S. company and is not registered with the SEC.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### United Arab Emirates

The Offer Shares have been offered, and will be offered, in accordance with the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended, and the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended, and the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended, and the United Arab Emirates Securities (Public Offers) Regulations of 2007, as amended.

### Dubai

The Offer Shares have been offered, and will be offered, in accordance with the Dubai International Financial Centre (the "DIFC") Securities (Public Offers) Regulations of 2007, as amended, and the Dubai International Financial Centre (the "DIFC") Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the Dubai International Financial Centre (the "DIFC") Securities (Public Offers) Regulations of 2007, as amended, and the Dubai International Financial Centre (the "DIFC") Securities (Public Offers) Regulations of 2007, as amended.

### State of Kuwait

The Offer Shares have been offered, and will be offered, in accordance with the Securities (Public Offers) Regulations of 2007, as amended, and the Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the Securities (Public Offers) Regulations of 2007, as amended, and the Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the Securities (Public Offers) Regulations of 2007, as amended, and the Securities (Public Offers) Regulations of 2007, as amended.

### Kingdom of Saudi Arabia

Notwithstanding to the best of our knowledge and belief, the Kingdom of Saudi Arabia has not issued any regulations or orders relating to the offering of securities in Saudi Arabia. The Offer Shares will be offered in accordance with the Kingdom of Saudi Arabia Securities (Public Offers) Regulations of 2007, as amended, and the Kingdom of Saudi Arabia Securities (Public Offers) Regulations of 2007, as amended. The offering is being made in accordance with the Kingdom of Saudi Arabia Securities (Public Offers) Regulations of 2007, as amended, and the Kingdom of Saudi Arabia Securities (Public Offers) Regulations of 2007, as amended.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### Kingdom of Bahrain

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### State of Qatar

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### Switzerland

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652a f he SCO.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### APPLICATION FOR LISTING ON THE STOCK EXCHANGE

On the date of the Listing Circular of the Securities Exchange Commission, the Shareholder Agreement entered into by the Company and the Offeror (collectively, the "Shareholder Agreement") and the Shareholder Agreement entered into by the Company and the Offeror (collectively, the "Shareholder Agreements") shall be deemed to be in full force and effect from the date of the completion of the IPO Share Offering, and the Company shall, within 10% of the end of each calendar year, file with the Delaware Secretary of State a Certificate of Incorporation, which shall be deemed to be in full force and effect from the date of the filing of the Certificate of Incorporation with the Delaware Secretary of State. The Company shall, within 10% of the end of each calendar year, file with the Delaware Secretary of State a Certificate of Incorporation, which shall be deemed to be in full force and effect from the date of the filing of the Certificate of Incorporation with the Delaware Secretary of State.

### PROFESSIONAL TAX ADVICE RECOMMENDED

If a shareholder is a resident of the United States, Canada, or any other country, the shareholder should consult with a tax advisor regarding the tax consequences of the offering of the Offeror's shares, including the effect of the offering on the shareholder's tax liability. The Offeror is not a tax advisor and does not intend to provide any tax advice. The Offeror is not a tax advisor and does not intend to provide any tax advice.

### HONG KONG REGISTER OF MEMBERS AND STAMP DUTY

All of the Shares issued by the Offeror shall be registered in the Hong Kong Register of Members and Shareholders of the Offeror, and the Offeror shall be responsible for the payment of stamp duty on the Shares. The Offeror is not a tax advisor and does not intend to provide any tax advice.

Dealing in the Shares registered in the Hong Kong Register of Members and Shareholders of the Offeror shall be subject to the Hong Kong Securities and Futures Commission's 0.2% stamp duty on the purchase of the Shares. The Offeror is not a tax advisor and does not intend to provide any tax advice.

### PROCEDURES FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedures for application for public offer shares are set forth in the "Application for Public Offer Shares" section of the Prospectus.

### STRUCTURE OF THE GLOBAL OFFERING

Dealing in the Shares issued by the Offeror shall be subject to the Hong Kong Securities and Futures Commission's 0.2% stamp duty on the purchase of the Shares. The Offeror is not a tax advisor and does not intend to provide any tax advice.

**INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

**OFFER SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the general conditions of the Offer Shares, the Offer Shares are eligible for admission to CCASS and the HKSCC. The Offer Shares will be eligible for admission to CCASS and the HKSCC if the Offer Shares are listed on the Stock Exchange of Hong Kong. The Offer Shares will be eligible for admission to CCASS and the HKSCC if the Offer Shares are listed on the Stock Exchange of Hong Kong. The Offer Shares will be eligible for admission to CCASS and the HKSCC if the Offer Shares are listed on the Stock Exchange of Hong Kong. The Offer Shares will be eligible for admission to CCASS and the HKSCC if the Offer Shares are listed on the Stock Exchange of Hong Kong.

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**DIRECTORS**

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
<b>Executive Directors</b>		
M . Wa g D g X g	6 h F B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC	Ch e e
M . Wa g L a g X g	3 d F B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC	Ch e e
M . Wa g C g X g	4 h F B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC	Ch e e
M . Ca R g H a	N . 1 P De R ad J a g C F a P ce The PRC	Ch e e
M . H Che g Ch	R 701, N . 2 B d g Pha e II, Sh J Ha Y a J a g C F a P ce The PRC	Ch e e
M . Wa g R P g	R 504, B c 1 G a g Y Ce e N . 312 Ta H a S ee Fe g Ze D c Q a h C F a P ce The PRC	Ch e e

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

---

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
M . Pa R g B	R 401 B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC	Ch e e

**Independent Non-executive Directors**

D . L H g Te	5 h F , N . 6, A e 3 La e 387, Sec 1 Ne h R ad Ne h D c Ta e C Ta a	Ta a e e
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M . Che Te T	F a D, 10 h F B c A L g Ta g C N . 88 90 Ca e Pea R ad T g L g Ta Ne Te e H g K g	Ch e e
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M . Ne X g	R 504, D f Ca Ga Y a 50 1 Ga fe g S h La e F h The PRC	Ch e e
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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**PARTIES INVOLVED****Sole Global Coordinator**

Me L ch I e a a  
Me L ch F a c a Ce e  
2 K g Ed a d S ee  
L d EC1A 1 HQ  
U ed K gd

**Sole Sponsor**

Me L ch Fa Ea L ed  
15 h F , C ba T e  
3 Ga de R ad  
Ce a  
H g K g

**Joint Bookrunners**

Me L ch I e a a  
Me L ch F a c a Ce e  
2 K g Ed a d S ee  
L d EC1A 1 HQ  
U ed K gd

The H g g a d Sha gha Ba g  
C a L ed  
1 Q ee ' R ad Ce a  
H g K g

**Joint Lead Managers***Public Offering:*

Me L ch Fa Ea L ed  
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3 Ga de R ad  
Ce a  
H g K g

The H g g a d Sha gha Ba g  
C a L ed  
1 Q ee ' R ad Ce a  
H g K g

*International Placing:*

Me L ch I e a a  
Me L ch F a c a Ce e  
2 K g Ed a d S ee  
L d EC1A 1 HQ  
U ed K gd

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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The Hong Kong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

**Legal advisers to our Company**

*As to Hong Kong law:*

Chung & Partners  
41/F, Jade House  
1 Connaught Place  
Central  
Hong Kong

*As to United States law:*

Latham & Watkins  
41/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

*As to PRC law:*

Jingfa & Gongcheng Associates  
15/F, The United Plaza  
20 Changan Avenue  
Beijing 100020  
PRC

*As to Cayman Islands law:*

Cole Dyer & Partners  
Cecil Street  
Hutchins Drive  
P.O. Box 2681  
Gardens, KY1-1111  
Cayman Islands

**Legal advisers to the Underwriters**

*As to Hong Kong law:*

He Wing & Co. in association with  
Fidelfa, Hays, Shee & Jacobson LLP  
9/F, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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*As to United States law:*

Fred, Farber, Haber, Shere & Jacobson LLP  
9th Floor, Gateway Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*As to PRC law:*

Jin He Law Office  
20th Floor, China Resource Building  
8 Jiaoguo Road  
Beijing 100005  
PRC

**Auditors and reporting accountants**

KPMG  
Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

**Property valuer**

Jin He Law Firm  
17/F, De Hui Tower  
979 King's Road  
Qian Ba  
Hong Kong

**Receiving bankers**

Hongkong Bank Limited  
83 De Vries Road  
Central  
Hong Kong

The Bank of East Asia, Limited  
10 De Vries Road  
Central  
Hong Kong

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## CORPORATE INFORMATION

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<b>Registered office</b>	C c e S a e H ch D e P.O. B 2681 G a d Ca a KY1-1111 Ca a I a d
<b>Principal place of business in Hong Kong</b>	S e 3402, 34 h F L Ce e, T e O e N . 89 Q ee a H g K g
<b>Headquarters and principal place of business in the PRC</b>	L a g I d a Pa Na h a R ad Q g a g D c J a g C F a P ce The PRC
<b>Company secretary</b>	M . Y Chee c ( <i>AICPA</i> )
<b>Authorised representatives</b>	M . Wa g D g X g 6 h F B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC  M . Y Chee c 18G, T e 6 I a d Ha b e 11 H Fa R ad Ta K T K , H g K g  M . Wa g C g X g ( <i>Alternate to the authorised representatives</i> ) 4 h F B c A, L a g B d g N . 200 Cha g X g R ad J a g C F a P ce The PRC
<b>Audit committee</b>	M . N e X g ( <i>Chairman</i> ) D . L H g Te M . Che T e T

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**CORPORATE INFORMATION**

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<b>Remuneration committee</b>	M . Wa g C g X g ( <i>Chairman</i> ) M . Ne X g M . Che T e T
<b>Compliance adviser</b>	P e Jaff a A a L ed 3902B, 39 h F T e l L Ce e 89 Q ee a H g K g
<b>Principal share registrar and transfer office</b>	B e f e d F c G (Ca a ) L ed B e f e d H e 68 F S ee P.O. B 609 G a d Ca a KY1-1107 Ca a I a d
<b>Hong Kong Share Registrar</b>	C e ha e H g K g I e Se ce L ed Sh 1712 1716 17/F H e e Ce e 183 Q ee ' R ad Ea Wa cha H g K g
<b>Principal bankers &amp; PRC domestic financial adviser</b>	I d a Ba C . L d. Ba f Ch a Ch a Me cha Ba
<b>Company website address</b>	. a .c *

\* The c e f he eb ed f a f he ec .

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## INDUSTRY OVERVIEW

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*This section contains certain information which is derived from official government publications and industry sources as well as a report we commissioned from Frost & Sullivan, an Independent Third Party. The information extracted from the Frost & Sullivan report reflects estimates of market conditions based on samples, and is prepared primarily as a marketing research tool. References to Frost & Sullivan should not be considered as Frost & Sullivan's opinion as to the value of any security or the advisability of investing in us. We believe that the sources of the information extracted from the Frost and Sullivan report are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. While we have exercised reasonable care in compiling and reproducing such information from official government publications, it has not been independently verified by us, or any of our affiliates or advisers, nor by the Underwriters or any of their affiliates or advisers or any party involved in the Global Offering. The information from official government publications may not be consistent with information available from other sources within or outside the PRC. We, our affiliates or advisers, the Underwriters or their affiliates or advisers, or any party involved in the Global Offering do not make any representation as to the accuracy, completeness or fairness of such information from official government publications and, accordingly, you should not unduly rely on such information from official government publications.*

### OVERVIEW

We believe the effective date of the PRC agreement is the date of the PRC agreement. We believe the effective date of the PRC agreement is the date of the PRC agreement.

According to Frost & Sullivan, the average annual growth rate of the PRC economy from 2001 to 2008, measured by the CAGR of the PRC economy, was 17.5% compared to the average annual growth rate of the U.S. economy of 20% from 2001 to 2008. The average annual growth rate of the PRC economy from 2009 to 2013, measured by the CAGR of the PRC economy, was 17.4% compared to the average annual growth rate of the U.S. economy of 17.4% from 2009 to 2013, measured by the CAGR of the U.S. economy.

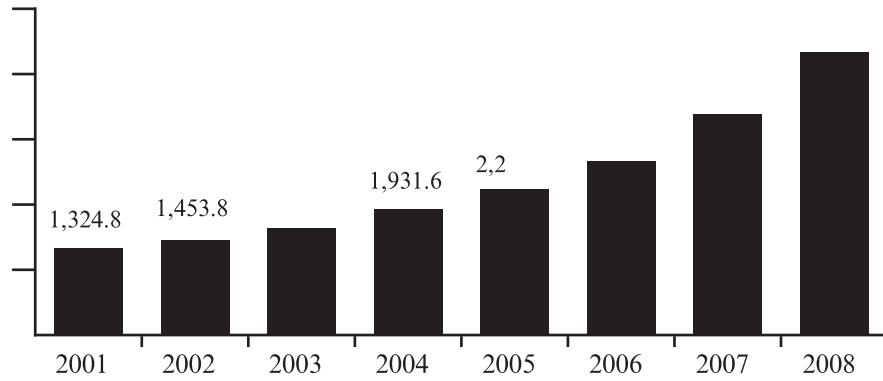
### PRC ECONOMIC GROWTH

The PRC economy has grown rapidly since the "reform and opening up" policy was implemented in the late 1970s and early 1980s. In the early 1990s, the PRC economy experienced a period of rapid growth. According to NBS, from 2001 to 2008, GDP grew at a CAGR of 18.4%, compared to the average annual growth rate of the U.S. economy of 18.4% from 2001 to 2008, measured by the CAGR of the U.S. economy.

a a e US\$4,327.6 b 2008. GDP e ca a g e a a CAGR f  
a a e 17.7%, f a a e US\$1,041.6 2001 a a e  
US\$3,258.8 2008, acc d g F & S a .

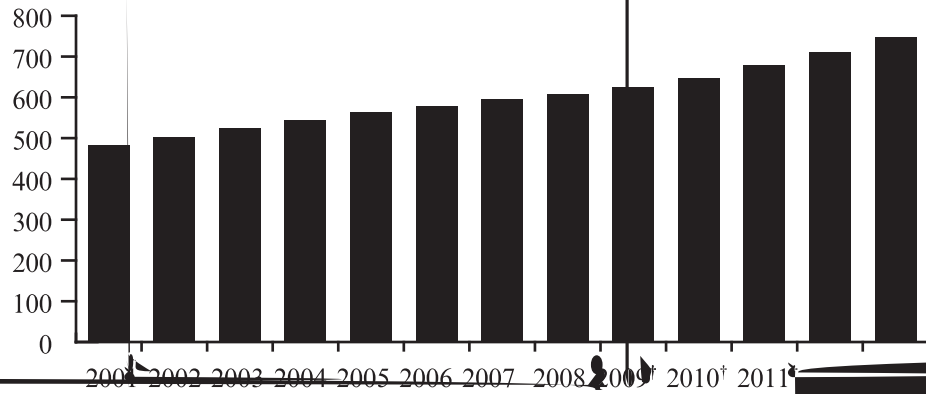
### GDP Growth Trend of the PRC from 2001 to 2008

(US\$ bn)



### Urban Population in the PRC from 2001 to 2013

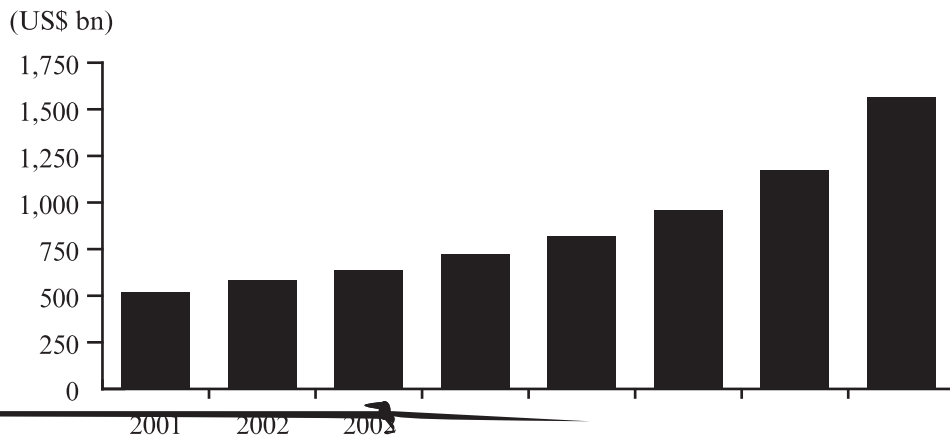
(million)



## STRONG RETAIL GROWTH AND CHANGING CONSUMPTION PATTERNS

Retail sales in China have increased steadily over the period. In the first half of 2008, according to NBS, retail sales grew by a CAGR of 17.0%, which exceeded the target of 15%. The first half of 2008 saw a record high of 1,560 billion yuan, up from 500 billion yuan in the first half of 2001.

**Total Retail Sales of Consumer Goods and Growth Rate from 2001 to 2008**



## INDUSTRY OVERVIEW

### THE PRC MENSWEAR MARKET

The PRC e ea a e, hch c de b e f a, ca a ea a d he c d gacce e, ha e a ded a d ece ea . Acc d g F & S a , a ea a e f e ea he PRC c ea ed f a a e US\$12.2 b 2001 a a e US\$37.7 b 2008, e e e g a CAGR f a a e 17.5% d g ha e d. F & S a ec ea a e f e ea he PRC g a a CAGR f a a e 17.4% a a be ee 2009 a d 2013 a a e US\$83.7 b 2013. Ch a' e ea a e hgh f ag e ed. Acc d g F & S a , 2008, he 100 b a d he PRC he d a a e 44.6% f he a e ha e b ea a e, a d he e b a d he d a a e 20.3% f he a e ha e b ea a e. The b 55.4% f he e ea a e c f h e b a d hch d d a he d a a e ha e b ea a e f e ha 0.2%.

The 44.6% a e ha e b ea a e f he 100 b a d he PRC a ed a a e US\$16.8 b . O f h US\$16.8 b , a a e 29.9% a f a e b L B a d, a d a a e 70.1% a f a e b Ma ea B a d . The Ma ea B a d a e ef hgh f ag e ed, a d 2008 he e b a d he d a a e 29.41% f he a e ha e. W h he Ma ea B a d a e 2008, acc d g F & S a , b a d he d a a e ha e b ea a e f a a e 3.40%. The f g cha h a e ha e f he Ma ea B a d e ea a e a d ha f a c e 2007 a d 2008. O a c e , c d g he e e he cha be , a ea e ea b a d h a ge g a h ca a d a e eg e c e age a d h che a a d b - e ed b e de. F e f a c e , ee "B e C e".

#### Market Share by Retail Sales in the Mainstream Brands Menswear Market in 2007 and 2008

<u>Brand</u>	<u>2007</u>	<u>2008</u>
LILANZ .....	2.67%	3.40%
Se e .....	2.65%	3.37%
Se e b a d .....	2.37%	3.35%
F .....	2.18%	3.28%
K-b g .....	2.10%	2.84%
F d .....	2.57%	2.80%
R .....	2.45%	2.68%
Ba a .....	1.87%	2.65%
Ta g .....	2.56%	2.59%
J e O e .....	2.34%	2.45%
<b>Subtotal of top 10 brands .....</b>	<b>23.76%</b>	<b>29.41%</b>
O he .....	76.24%	70.59%
<b>Total .....</b>	<b>100.00%</b>	<b>100.00%</b>

Source: F & S a

In addition, according to Frost & Sullivan, the leading menswear brands in the PRC are each a leader in the PRC as at 31 December 2008. The above brands are the five leading menswear brands in the PRC as at the end of the period.

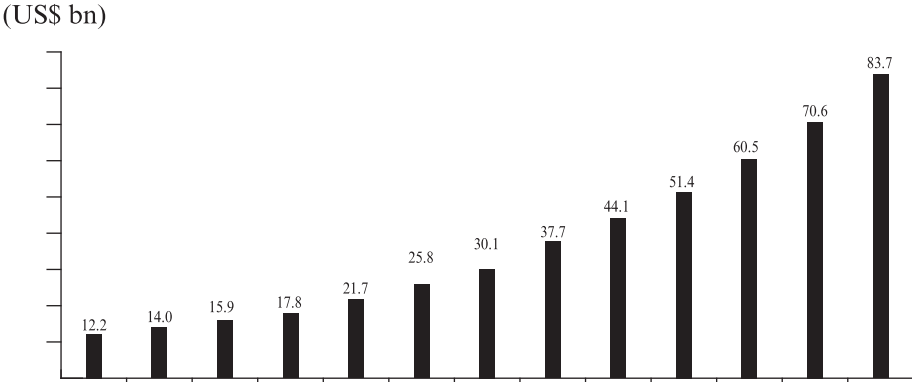
**Top Five Mainstream Brands in the PRC Menswear Market  
(in terms of number of retail outlets in the PRC as at 31 December 2008)**

<u>Brand</u>	<u>Retail Outlets</u>
K-bag	3,200
Seena	2,769
LILANZ	2,492
JeOe	2,400
Seena	2,300

Source: Frost & Sullivan

Menswear brands have gained a significant presence in the PRC since 2001, with the market size growing from 12.2% in 2001 to 31.3% in 2008, and is expected to reach 42.8% by 2013, according to Frost & Sullivan. Given the high growth of menswear brands in the PRC, the market is expected to continue to grow rapidly. The following chart shows the market size development trend from 2001 to 2013.

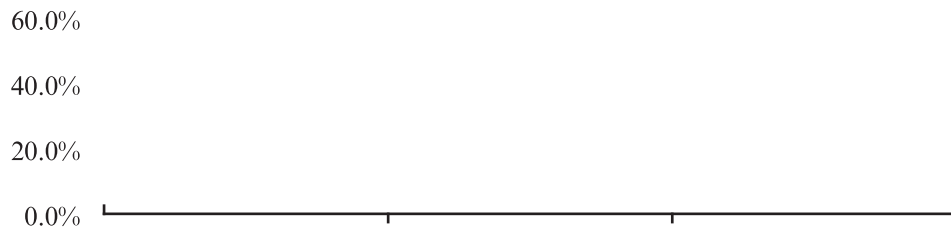
**Menswear Market Size Development Trend from 2001 to 2013**



Mai

According to the Fashion & Apparel Market Report, the share of the top 10 brands in the menswear market has increased from 39.2% in 2003 to 54.3% in 2008. However, the market is still fragmented with a large number of smaller brands. According to the Fashion & Apparel Market Report, the share of the top 10 brands in the menswear market has increased from 39.2% in 2003 to 54.3% in 2008. However, the market is still fragmented with a large number of smaller brands. According to the Fashion & Apparel Market Report, the share of the top 10 brands in the menswear market has increased from 39.2% in 2003 to 54.3% in 2008. However, the market is still fragmented with a large number of smaller brands.

### Menswear Market Structure Development in 2003, 2008 and 2013

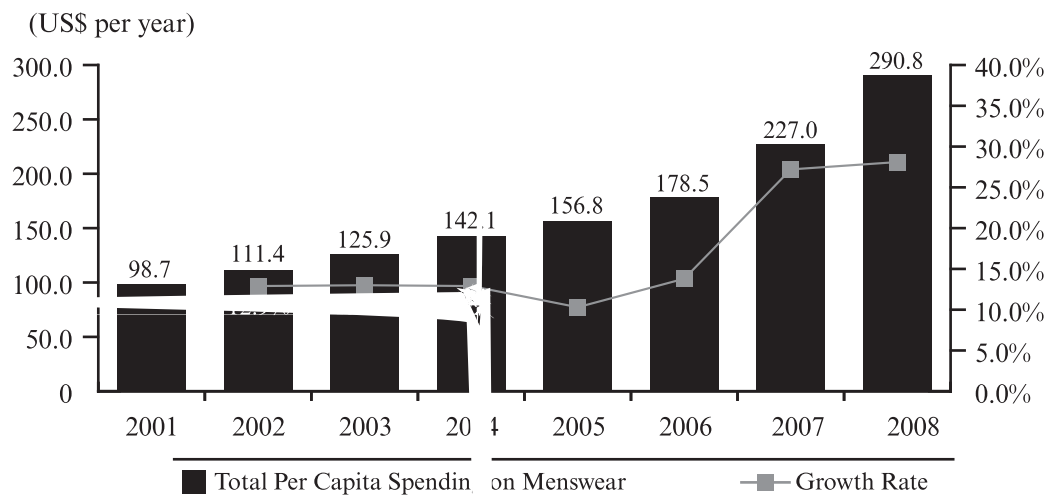


## INDUSTRY DRIVERS

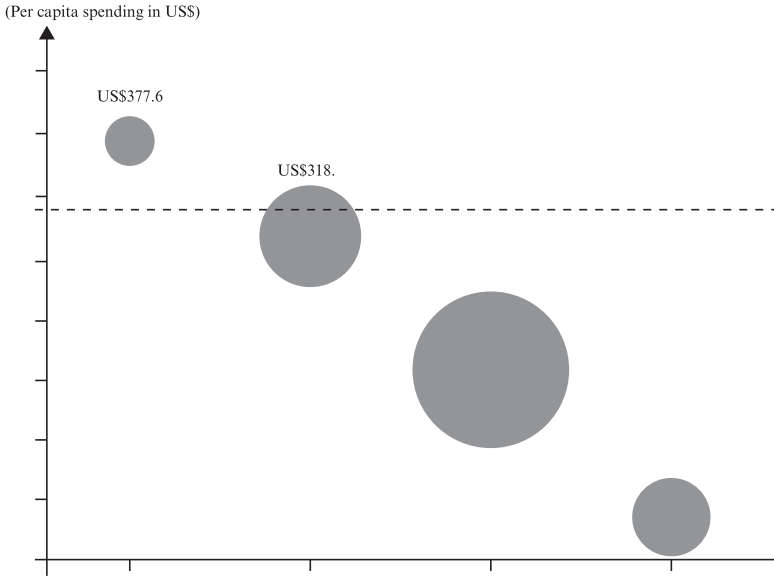
Major factors contributing to the growth of the PRC e-commerce market include the increasing number of internet users, the growing number of e-commerce websites, and the increasing number of consumers using e-commerce to purchase goods and services. The PRC government has also implemented policies to support the development of e-commerce.

The e-commerce market in the PRC has been growing rapidly, with a CAGR of 16.7% from 2001 to 2008. The market size reached US\$290.8 billion in 2008, up from US\$98.7 billion in 2001. The growth rate of the e-commerce market in the PRC is expected to remain high in the coming years.

### Total Per Capita Spending on Menswear from 2001 to 2008



# Menswear Market Breakdown and Per Capita Spending by Market Tier in 2008



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## INDUSTRY OVERVIEW

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### REPORTS COMMISSIONED FROM FROST & SULLIVAN

We commissioned Frost & Sullivan, a leading independent research and consulting firm, to conduct a study of the PRC market for the period from 2001 to 2013. The study was completed and has been published by Frost & Sullivan in December 2013. We paid Frost & Sullivan a fee of US\$90,955, which includes the cost of the study. Founded in 1961, Frost & Sullivan has 35 global offices and employs over 1,800 staff members. It provides consulting services in a wide range of industries, including manufacturing, services, and technology. Based in the United States, it has been operating in China since the 1990s.

The Frost & Sullivan report has examined the market for the PRC from 2001 to 2013. The study found that the market for the PRC has grown significantly over the period, with a compound annual growth rate of 14.0%. The study also found that the market for the PRC is highly competitive, with a large number of firms competing for market share. Frost & Sullivan's report provides a detailed analysis of the market, including an overview of the industry, a description of the market structure, and a forecast of market growth. The report also identifies key players in the market and provides an analysis of their competitive positions. Frost & Sullivan's report is a valuable resource for anyone interested in the PRC market.

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## REGULATIONS

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Se f h be a e a e f ce a PRC a a d eg a a cab e  
G ' e a a d b e .

### FOREIGN INVESTMENT INDUSTRIAL GUIDANCE

Acc d g he Ca a g e f he G da ce f F eg I e e I d e  
b gh effec l Ja a 2005 a d a e da ed e h ch a ga ed  
31 Oc be 2007 a d ca e f ce l Dece be 2007, he a ea f d c f  
e ea be g he Ca a g e f Pe ed F eg I e e I d e , h ch  
ea ha f eg e a e h a ea.

### PRODUCT QUALITY

The c a ega g e g d c ab a e e he P d c  
Q a La , h ch a ga ed 22 Feb a 1993 a d a e ded 8 J 2000.

P a he P d c Q a La , a e e ha ha e he b ga :

- ad a chec -f -acce a ce e f c e e h e e a e he  
a ce f ca e a d he abe f ch c ;
- a e ea e ee g d c f a e g d a ;
- e defec e de e a ed d c d c h ch ha e bee b c  
de ed cea e a e ;
- e d c h abe ha c h he e e a ;
- f ge he g fa d c , fa e e he a e a d add e fa he  
d ce ;
- f ge fa e e d c a a ch a a he ca a ;  
a d
- e a he d c , b e a fa e d c f  
a ge e e, a defec e d c f a h gh- a e, a ff a  
b a da d d c a a a fed e he a e f d c .

P a he P d c Q a La , a d ce ha :

- be e b e f he a f d c d ce ;
- d ce d c ha ha e bee b c de ed cea e d c ;
- f ge he g fa d c , f ge fa e e he a e a d add e  
fa he d ce ;
- f ge fa e e d c a a ch a a he ca a f  
a he d ce ;

## REGULATIONS

- ge e e, a defec e d c f a h gh- a e, a ffa b a da d d c a a a fed e he d c ;
- e e ha he a he d c he ac ag g f he d c a e e; a d
- e e ha , f d c ha a e ea b e , fa abe, e e, c, e e ad ac e a d d c ha ca be ha d ed de d he ce f age a a f h ch he e a e he eca e e e , he ac ag g he e f ee he c e d g e e e , ca a g a a g e Ch e e d a a e he e h d f ha d g acc da ce h he e e a f he a e.

V a f he P d c Q a La a e he f f e . I add , he e e d ce be de ed e d e a a d b e ce ce be e ed. C a ab a be c ed e ca e .

Acc d g he P d c Q a La , c e he c h ffe e e d e d c defec a de a d c e a f he d ce a e a he e e . Whe e he e b e h he d ce , he e e ha , afe e g c e a , ha e he gh ec e ch c e a f he d ce , a d ce e a .

## CONSUMER PROTECTION

The c a ega f he ec fc e e e a e e he C e P ec La , h ch a ga ed 31 Oc be 1993 a d ca e effec 1 Ja a 1994. The C e P ec La e a da d f beha h ch b e e a b e e he dea g h c e , c d g he f g:

- g d a d e ce ded c e c h he P d c Q a La a d he e e a a a d eg a , c d g e e e ega d g e a afe a d ec f e ;
- d g c e h e f a a d ad e g c ce g g d a d e ce , a e a d g e a d cea a e e a ed b c e c ce g he a a d e f g d e ce ded b he ;
- g cha e e ce che c e acc da ce h e e a a a ega b e ac ce he e e f ac e ;
- e g he a , f c a , a ca a d d a f e f he g d e ce de a e a d e g ha he ac a a f he g d e ce a e c e h ha d a ed ad e g a e a , d c de c a e ;

## REGULATIONS

- e e f g e b e f g a a eed e a , e ace e a d  
e he ab acc da ce h a a eg a a age e e  
h he c e ; a d
- e g ea abe fa e f c e e c d g he e e  
f c ab f de g he ega gh a d e e f c e b  
ea f a da d c ac , c c a , a ce e , h ce , e c.

V a f he ab e C e P ec La a e he f  
f e . I add , he b e e a be de ed e d e a a d  
b e ce ce be e ed. C a ab a be c ed e ca e .

Acc d g he C e P ec La , a c e h e ega gh a d  
e e a e e d ced d g he cha e e f g d a de a d c e a  
f he e e . Whe e he e b e h he a fac e a he e e ha  
de he g d he e e , he e e ha , afe e g c e a , ha e he gh  
ec e ch c e a f ha a fac e ha he e e . C e  
he ed a e h ffe e e d e d c defec  
c d e a de a d c e a f he a fac e a e a he e e . Whe e  
he e b e h he a fac e , he e e ha , afe e g c e a ,  
ha e he gh ec e ch c e a f he a fac e , a d ce e a .

### TRADEMARK LAW

The PRC Trade a La h ch a ga ed 23 A g 1982, a e ded 22  
Feb a 1993 a d 27 Oc be 2001, ee e he ad a f ade a ,  
ec he gh e c e e f ade a a de c age d ce a d e a  
g a a ee he a f he g d a d e ce a d a a he e a f he  
ade a , a ec he e e f c e a d f d ce a d e a .

U de h a , a f he f g ac ha be a f ge e he gh  
e c e e fa eg e ed ade a :

- g a ade a h ch de ca h a he eg e ed ade a  
he a e d f c d e a c d e h a ce ce f he  
eg a f ha ade a ;
- e g he c d e ha f ge he gh e c e e fa eg e ed  
ade a ;
- f g g, a fac g h a h a he a fa eg e ed ade a  
f he , e g he a fa eg e ed ade a f ged a fac ed  
h a h a ;
- cha g g a eg e ed ade a a d g he c d e h he cha ged  
ade a he a e h he c e f he eg a f ha  
ade a ; a d

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## REGULATIONS

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- ca g he da age he gh e c e e f a eg e ed ade a f a he e .

I he e e f a ab e e ed ac h ch f ge he gh he e c e e f a eg e ed ade a , he f ge d be ed a f e, de ed he f ge e ac ed a e , a d g e he f ged a c e a .

### ENVIRONMENTAL LAWS

Acc d g he E e a P ec La f he PRC effec e a f 26 Dece be 1989, he ha ca e e e a a d he b cha a d ha c a e he f e e a ec he a a d e ab h a e b e f e e a ec . The e ha ad effec e ea e e e a d c he a d ha ca ed he e e b a e ga , a e a e , a e e d e , d , a d ga e , ad ac e b a ce , e, b a a d e ec ag e c ad a ge e a ed he c e f d c , c c he ac e . I a a f he e e a d c f a a c c ec ha be de g ed, b a d c ed ge he h he c a a f he ec . N e ha be g e f a c c ec be c ed ed, a a f he e e a d c f a e e a ed a d c de ed he a da d b he c e e de a e f he e e a ec ad a ha e a ed a d a ed he e e a ac a e e .

Acc d g he La f he PRC P e e a d C f E e a P b N e effec e a f 1 Ma ch 1997, e c c ec , e a , ec c ec ha d cha ge a a ha be bec he a e eg a e e a ec f c c ec . I d a e e e ha d cha ge e d g d a d c h f ed fac e ha e he ca e e a ec de a e ca eg e a d a e f he e g fac e f d cha g g e, a d he e e f ed cha ged de he a e a c d a e a ea g fac e aga e, a d a b he a e de a e ech ca f a c ce g e e a d c f e . U d cha ge e e ceed g he e e a a da d ha a he d cha ge fee bec he eg a .

Acc d g he La f he PRC P e e a d C f A he c P effec e a f 1 Se e be 2000, e c c ec , e a , ec c ec ha d cha ge a a ha be bec he a e eg a e e a ec f c c ec . U ha d cha ge a he c a ha e he ca ad a e de a e fe e a ec he e g d cha ge a d ea e fac e f a a d he ca eg e , a e a d c ce a f a d cha ged de a e a c d a d b he a e de a e he ech ca f a c ce g e e a d c f a he c . The PRC e e a e f c ec g fee f d cha g g a ha ba f he ca eg e a d a e f he a he c a

d cha ged, a de ab h g ea abe a da d f c ec g he fee he ef e acc d g  
he eed f e g he g e e a d c f a he c a d he  
S a e' ec c a d ech g ca c d .

Acc d g he La f he PRC P e e a d C f E e a  
P b S d Wa e a e ded a d effec e a f 1 A 2005, d ce , d b ,

ec a ce ha ee he a a a da d d a a da d he e ee  
he e f, e e a ded ca e he ea e he e a ce acc d g he e c bed  
e .

## SOCIAL INSURANCE REGULATIONS

Acc d g I e Mea e c ce g he Ma e I a ce effec e a f l  
Ja a 1995, he e e he PRC ha a he a e a ce fee f he  
e ee .

Acc d g I e Reg a c ce g he Le f S ca I a ce effec e a  
f 22 Ja a 1999 a d I e Mea e c ce g he Ma age e f he Reg a  
f S ca I a ce effec e a f 19 Ma ch 1999, e e he PRC ha c d c he  
eg a f ca a ce h he c ee a h e , a d a ec b  
he5373 g ,01 2.5 (a c-28 ( )45.7( , a c6(ba -262( )-5 g ) bed )-5(2.d-2992 c 30T

**BUSINESS DEVELOPMENT**

The Wa g B he ,f de f G ,bega he e ea a fac g a d h e a e b e 1990. I 1995, he Wa g B he e ab hed L a g F a , h ch he g ad a h f ed he e a f he a fac g a d h e a e b e , a d bega e g e ea de LILANG b a d. O b a d g a e c a ed e ' b e a e, a d e b e e e ha e e e ec g ed f a ed b e .

P 1997, e ea d c e e a d h gh a ge h e a e a e . S a g 1997, e bega e g d c e a c e h gh d b be e c a de a d a e cha e a d a e c e age. We a bega d e f d c a ge b ffe g acce e c e e c e d c e f b e a d h .

We had a g f ca h f b e a eg 2000 a d 2001. Rec g g ha he g ba e d e ea a a d b e ca a de g a d gh f he h gh c e ea d ed d ffe e a each f he b e f a a d ca a e ea e a a e , e h f ed f c a d de g a d de e e f b e ca a e ea . I 2000, e b ade ed d c e a d bega ffe e ' ca a a d b e ca a ea he PRC. Acc d g F & S a , e e e hef e ea c a a g c e ffe a e ' b e ca a c ec a d a e d c f c . I 2001, M . J We B , e f he e ea de g e he PRC, ed a a c a , d g a c d ec d c de g .

O a a a e geff e a ded g f ca be ee 2002 a d 2004. I 2002, e c ed ga “ e e h ca ed” (簡約而不簡單) c e de g h h f a “ e e h ca ed” fe e. Tha ea , e a ed M . Che Da M g (陳道明), he e - PRC ac , a b a d e e a a f a eg e e a e b a d' a a d c ea e b a d ec g . I 2004, e e ed a a e RMB9.9 a a ee ad e e e d g he A he O c Ga e 2004 b adca . We be e e ha e e a e g a e a a ga a e e f b a d a a a e e .

I he a fe ea , e ha e e a ded b e g f ca . We e ab hed L a g Ch a a d L a g X a e 2005 a d 2006, e ec e . We ha e de g a d d c de e e ea h ch e b e f -h e d c de g a d de e e . P M . J We B be g a ed a f - e ch ef fa h de g e 2007, M . J We B ac ed a fa h a d de g c a f de g a d d c de e e ea . M . J We B ed f - e a ch ef de g e 2007 a d head -h e de g a d d c de e e ea , e ee g de g a d b a d age a age e .

P he c e ce e f e a a W I d a Pa 2008, e a fac ed d c a e e d c fac e J a g ha agg ega e g f a ea f a a e 19,055 . . The e d c fac e e e c ec e ed b he e e a age 'c ee J a g, e ec e , a d e e ce ed f d c e . We ha e cea ed he e f he e d c fac e a d

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## HISTORY AND DEVELOPMENT

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g ad a e ca ed d c fac e a e -b , de fac he W  
I d a Pa J a g, F a , h ch e bega c c g Oc be 2006 a d  
c e ed 2008.

F he e ab h e f G Se e be 2008, e ha e d d c  
e c e de Ch e e b a d a e 利郎 a d E g h b a d a e LILANG. T  
d ffe e a e e e f he d e c b a d a d efec e a a g,  
b a d e h gh a e e f a f a Se e be 2008. I ha e ga d, e  
d ced he f d c c ec de g ed b J We B de he E g h b a d a e  
LILANZ, h ch ed e he c c h Ch e e b a d a e 利郎  
; da ed e he e a d de g ; a d ed a e g a e ge . The  
ade a bea g E g h b a d a e LILANZ h h Ch e e b a d  
a e 利郎 ha e bee eg e ed a ade a a be f d c , ch a  
H g K g, Ta a , Maca a d Ja a , a d ha e bee eg e ed a a e a a  
eg a f ade a de he Mad d Age e e & P c , he de a f h ch a e  
e A e d VI h ec . We a ec e a gf he eg a f  
ade a bea g E g h b a d a e LILANZ he PRC a d, he La e  
P ac cab e Da e, e had e c e ed a bec b ace e ec f ch  
a ca f ade a eg a he PRC. O G ha cea ed he e f  
LILANG a E g h b a d a e f a e g a d d c , a d e ha e ed  
LILANZ a E g h b a d a e a d g f e d c c ec ce he .  
O D ec c de ha he e E g h b a d a e LILANZ e e e a e e  
f e -e ab hed Ch e e b a d a e 利郎 a d E g h b a d a e LILANG a d  
be e e ha he LILANZ b a d ha bec e a ec g ed b a d a e he PRC.

Beg g 2006, e bega a e f e b h d e ca a d e a a .  
I 2006, e ed he e a a e ' de c e "Ma h  
I e a a 2006" he d he PRC d g h ch e ea e e h ca ed. I  
2007, e beca e he f e ea abe f he PRC a c a e he "M a  
Me ea Sh " (M a M da U ) ga ed b he "Na a Cha be f I a a  
Fa h " (Ca e a Na a e De a M da I a a a). D g he h , e e e ed e  
f a a d e e ea c ec , h ch e ce ed e e e f he  
ed a. I 2008, e a c a ed he "Ja a Fa h Wee T " d g h ch e  
e e ed g/ e e ea c ec . I eff e b a d a d  
a ea a b ade a d e ce, e a a ed M . Da e W (吳彥祖) a b a d  
e e A g 2009 add M . Che Da M g (陳道明).

### CORPORATE DEVELOPMENT

O G a f ded A 1995 he L a g F a a e ab hed F a b  
L a g E e e C ., a a e ed c a e ab hed H g K g b a c e  
f he Wa g B he , M . La Ga L , h he d h e e L a g E e e C .  
f he be ef f he Wa g B he a 34% b M . Wa g D g X g, 33% b M .  
Wa g L a g X g a d 33% b M . Wa g C g X g. L a g F a a e ab hed a a  
h f eg ed e e e de he a f he PRC 24 A 1995 ha a  
eg e ed ca a f HK\$6 . A he Wa g B he d a e ded he PRC, he  
Wa g B he e ed he ce, h a e de H g K g, fac a e he

## HISTORY AND DEVELOPMENT

e ab h e f L a g E e e C . a d h a d e h e e a e d a d a e a d  
 c a c e a e H g K g h g h c h a a g e e . U d e h e  
 a a g e e , M . L a a e e d a c a c c d a c e h h e c f h e W a g  
 B h e f e e e e c g h e a h e e f L a g E e e C .  
 a d ( h g h L a g E e e C . ) L a g F a , c d g , b e d , g  
 e a d h e e e , a d a a c c a b e h e W a g B h e f a e e ,  
 d b , d d e d , h e f e e , b e e f a d c a a b a b e h e a e d e h e  
 a a g e e . A a d e d b e g a a d e a H g K g a , c h  
 a a g e e , h c h a g e e d b H g K g a , h a b e e e g a , a d a d e g a  
 b d g h e a e h e e f . S c h a a g e e a e d D e c e b e 2 0 0 7 a f e M .  
 L a G a L e e d b a c a h e a e d e h e a a g e e a h e d e c f h e  
 W a g B h e b a f e g h e e e e e L a g F a L a g  
 I e a a a c d e a a a f h e R e g a a a f h e d e c b e d b e .

W h a e e a d b e e a , h e e g e e d c a a f L a g F a  
 a c e a e d f H K \$ 6 H K \$ 2 0 b a f f h e c a h c b b  
 L a g E e e C . h e f f e c f M a c h 2 0 0 3 .

I M a c h 2 0 0 4 , L a g I e a a a a c a e d a a e d c a d e h e  
 a f H g K g b M . W a g C g X g a d h e h e , M . Y H a M g , h h e d  
 h e e e L a g I e a a f h e b e e f f h e W a g B h e . L a g  
 I e a a a h e b e e f c a e d a 3 4 % b M . W a g D g X g , 3 3 % b M .  
 W a g L a g X g a d 3 3 % b M . W a g C g X g . O 2 5 M a c h 2 0 0 5 , L a g  
 I e a a e a b h e d L a g C h a a a h f e g e d e e e d e h e a  
 f h e P R C h a e g e e d c a a f H K \$ 1 0 0 , a d e a b h e d L a g X a e a a  
 h f e g e d e e e d e h e a f h e P R C h a e g e e d c a a f  
 U S \$ 3 0 1 2 J e 2 0 0 6 , e g a g e d c f d e f e d e f d c .  
 W h e h e h e e a g C a e O d a c e e e d H g K g c a e h a e a  
 e a h a e h d e a d d e c a d a M . Y H a M g a a e d e H g  
 K g , h e W a g B h e e e d M . W a g C g X g a d M . Y H a M g  
 f a c a e h e c a f L a g I e a a h g h c h a a g e e , a d  
 a e d M . Y H a M g a e f h e d e c a d h e c a e c e a h a d e  
 h e e a e d a d a e a d c a e c a c e a e H g K g . U d e h e  
 a a g e e , M . Y H a M g a d M . W a g C g X g ( e e c f h e e  
 h e d ) e e e e d a c a c c d a c e h h e c f M . W a g  
 D g X g a d M . W a g L a g X g f e e e e c g h e e e c e  
 e a h e h a e h d e f L a g I e a a , c d g , b e d , g  
 e a d h e e e , a d e e a c c a b e M . W a g D g X g a d M . W a g  
 L a g X g f a e e , d b , d d e d , h e f e e , b e e f a d c a  
 a b a b e h e a e d e h e a a g e e . A a d e d b e g a a d e a  
 H g K g a , c h a a g e e , h c h a g e e d b H g K g a , e g a ,  
 a d a d e g a b d g h e a e h e e f . S c h a a g e e a e d J a a  
 2 0 0 7 a f e M . Y H a M g a d M . W a g C g X g ( e e c f h e e h e d  
 ) e e d b a c a d a f e d a h e h a e L a g I e a a d e h e  
 a a g e e M . W a g D g X g a d M . W a g L a g X g a c d e a a  
 a f h e R e g a a .

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## HISTORY AND DEVELOPMENT

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L a g E e e C ., he f e eg e ed e f L a g F a , fa ed c b e he e e a a d c ea ed eg e ed ca a f L a g F a h he ef a e a e c bed de he a ce fa ca f L a g F a . F he , L a g I e a a , he eg e ed e f L a g X a e , fa ed c b e he f a e f he eg e ed ca a f L a g X a e h he ef a e a e c bed de he a ce fa ca f L a g X a e . A ad ed b ega ad e PRC a , he g a e a a a da g a h e f L a g F a a d L a g X a e ha e c f ed ha he eg e ed ca a f L a g F a a d he f a e f he eg e ed ca a f L a g X a e ha e b e e bee d c b ed f , a d he ce f ca e fa a f L a g F a a d L a g X a e a e ega a d a d . Acc d g PRC ega ad e , e ha a ab e a e ec f ch a eg a be ed G . The g a e a a a d a g a h f L a g X a e ha a ed ha he e f he eg e ed ca a f L a g X a e ha be f a d a e ha 31 Dece be 2009. Sa e a af e ad , a ad ed b ega ad e PRC a , he e ec e eg e ed ca a fa f PRC h f eg ed e e e ha bee d a d b he e ec ec b f ch eg e ed ca a h he e c bed ef a e . O C g Sha eh de ha e ag eed de f G e ec fa e , da age , c a de e e a g f c ec h he eg a he c b f eg e ed ca a f L a g F a a d L a g X a e , de a f h ch a e e “A e d VI Sa a d Ge e a I f a O he I f a E a ed , a a d he de e” h ec .

A L a g E e e C . had ac ed a he eg e ed e f L a g F a ce e ab h e a d d d ha e a he b e ac H g K g , L a g E e e C . cea ed b e 28 Feb a 2004. O 27 J e 2007, M . La Ga L , he e e f L a g E e e C . h ch a he he eg e ed e f L a g F a , e e ed a e a fe age e e h L a g I e a a a fe he e e e e L a g F a L a g I e a a a c de a a he c f he Wa g B he . S ch a fe fe e e L a g F a beca e effec e 20 Dece be 2007 a d L a g F a ha bec e a h - ed b da f L a g I e a a ce he .

O 10 J e 2008, L a g H d g ac ed f he Wa g B he a d he Ma age e a d O he Sha eh de he e e ed ha e ca a f L a g I e a a c de a a d e cha ge f h ch L a g H d g a ed a d ed , c ed ed a f a d , a ag g ega e f 10,000 ha e f US\$1 each ca a X a She g I e a a a d M g La g I e e . S ce he ac , L a g H d g ha bec e ed a e h d g c a f G .

## HISTORY AND DEVELOPMENT

On 21 January 2008, the CSRC issued the Regulation on the Acquisition of Foreign Shares by Domestic Companies (the "Regulation"). The Regulation was issued in response to the increasing number of domestic companies acquiring foreign shares, particularly in the context of the implementation of the "Shareholder Protection" policy. The Regulation sets out the requirements for domestic companies to acquire foreign shares, including the need to obtain approval from the CSRC. The Regulation also provides for the registration of foreign shares acquired by domestic companies.

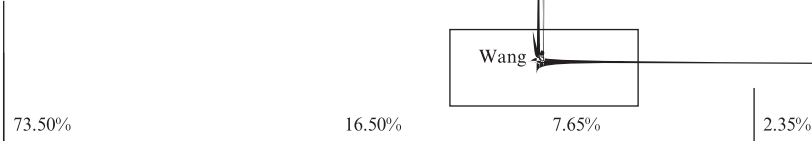
On 8 August 2006, the PRC government issued the Acquisition of Foreign Shares by Domestic Companies Regulation (the "CSRC Regulation") ("CSRC Regulation"), which became effective on 8 September 2006. The CSRC Regulation sets out the requirements for domestic companies to acquire foreign shares, including the need to obtain approval from the CSRC. The CSRC Regulation also provides for the registration of foreign shares acquired by domestic companies.

Based on the above, the PRC government has issued the CSRC Regulation, which sets out the requirements for domestic companies to acquire foreign shares, including the need to obtain approval from the CSRC. The CSRC Regulation also provides for the registration of foreign shares acquired by domestic companies. The CSRC Regulation is a key regulatory measure in the context of the implementation of the "Shareholder Protection" policy.

As of the date of this report, the CSRC has issued the CSRC Regulation, which sets out the requirements for domestic companies to acquire foreign shares, including the need to obtain approval from the CSRC. The CSRC Regulation also provides for the registration of foreign shares acquired by domestic companies. The CSRC Regulation is a key regulatory measure in the context of the implementation of the "Shareholder Protection" policy.

**CORPORATE STRUCTURE**

The following chart illustrates the ownership structure of the Company as of the end of the reporting period. The Company is a wholly-owned subsidiary of the Group. The ownership structure is as follows:



The f... g cha e he ha eh d g a d c a e c e f G

## HISTORY AND DEVELOPMENT

2. M g La g I e e e d a a a g g e g a e f 76.50% e a b h e W a g B h e , a 8%, 5%, 3% a d 3% b M . C a R g H a , M . H C h e g C h , M . W a g R P g a d M . P a R g B , e e c e , a b e g h e e c e D e c , a 1% b M . W a g Q a X g , b e g h e e d e b h e f h e W a g B h e , a 2% b M . C h e W e J , b e g h e b h e - - a f M . W a g D g X g a d e f e e e , a 1% b M . C h e Y H a , b e g a a f h e W a g B h e , a d a 0.5% b M . X T a M , b e g e f e e e . U d e a h a e h d e ' a g e e e e e e d a g h e W a g B h e a d h e M a g e e a d O h e S h a e h d e e e c f h e e e M g L a g I e e , e a c h f h e W a g B h e a d h e M a g e e a d O h e S h a e h d e h a a g e e d c e M g L a g I e e e , a f e h e e d e f a f h e S h a e h e d b e h e d b M g L a g I e e h h e c e f a a f h a e h d e . S a e f b e g e f h e S h a e h d e f C a , M g L a g I e e a e a e d a e b e f G a a h e L a e P a c c a b e D a e . A M g L a g I e e a b a a S h a e h d e a d h e e f e a c e c e d e f C a , c e d a a e b e f h e b c a R e 8.24 f h e L g R e . T h e W a g B h e a d M g L a g I e e h a , a d h a c e h e e e a e g e e d h d e ( ) h a , c h h e e c d a f h e S h a e d g h e e d c e c g f h e L a e P a c c a b e D a e a d e d g h e d a e h c h 12 h f h e L g D a e a a e d d e R e 10.07(1) f h e L g R e .
3. E a c h f h e W a g B h e 22,950,000 S h a e , e e e g a a e 1.90% f e d S h a e e d a e f g c e f h e G b a O f f e g a d h e C a a a I e ( a g h e O e - a e O e e c e d a d a S h a e h c h a b e a e d a d e d a h e e e c e f g a e d b e g a e d d e h e P e - I P O S h a e O S c h e e a d h e S h a e O S c h e e ) . T h e W a g B h e a e h e e c e D e c a d h e S h a e h d e f C a . T h e a e a h e d e c a d e a a g e e f e f h e e b e f G . P e a e e f e h e e c h e a d e d " D e c a d S e M a g e e " f h e c f f h e d e a . S a e a d c e d a b e , e a c h f h e W a g B h e a e a e d a e b e f G a a h e L a e P a c c a b e D a e . A h e W a g B h e a e D e c a d h e e f e a c e c e d e f C a , h e a e c e d a e b e f h e b c a R e 8.24 f h e L g R e . T h e W a g B h e b e b e c h e e c d a f S h a e d g h e e d c e c g f h e L a e P a c c a b e D a e a d e d g h e d a e h c h 12 h f h e L g D a e a e R e 10.07(1) f h e L g R e .
4. T h e 21,150,000 S h a e , e e e g a a e 1.79% f e d S h a e e d a e f g c e f h e G b a O f f e g a d h e C a a a I e ( a g h e O e - a e O e e c e d a d a g a c c f a S h a e h c h a b e a e e d e h e G b a O f f e g a d a S h a e h c h a b e a e d a d e d a h e e e c e f g a e d b e g a e d d e h e P e - I P O S h a e O S c h e e a d h e S h a e O S c h e e ) , b e e d a a a e 0.60%, 0.38%, 0.23% a d 0.23% b M . C a R g H a , M . H C h e g C h , M . W a g R P g , M . P a R g B , e e c e , a b e g h e e e c e D e c , a d a a a e 0.08% b M . W a g Q a X g , b e g h e e d e b h e f h e W a g B h e , a a a e 0.15% b M . C h e W e J , b e g h e b h e - - a f M . W a g D g X g a d e f e e e , a a a e 0.08% b M . C h e Y H a , b e g a a f h e W a g B h e , a d a a a e 0.04% b M . X T a M , b e g e f e e e . M . C a R g H a , M . H C h e g C h , M . W a g R P g a d M . P a R g B a e h e e c e D e c f C a . T h e a e a h e d e c a d e a a g e e f e f h e e b e f G . M . C a R g H a a a h e b h e - - a f M . W a g L a g X g P e a e e f e h e e c h e a d S e M a g e e " f h e c f f h e d e a . M . C h e W e J a d M . X T a M a e h e e e e f G . S a e a d c e d a b e a d f b e g h e S h a e h d e f C a , e a c h f h e M a g e e a d O h e S h a e h d e a e a e d a e b e f G a a h e L a e P a c c a b e D a e . A h e M a g e e a d O h e S h a e h d e a c e d h e e e G a a g f f h e W a g B h e 18 F e b a 2003 a a a a d f h e M a g e e a d

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## HISTORY AND DEVELOPMENT

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O he Sha eh de 'c b G ' de e e a d a a ce e e a a e ,  
he ac f he e e G had bee f a ced d ec b he Wa g B he  
h a e c ec ed e f C a , a d he ef e each f he Ma age e a d O he  
Sha eh de c ed a a e be f he b c a R e 8.24(1) f he L g R e .  
N e f he Ma age e a d O he Sha eh de be b ec he e c d a f  
Sha e a e R e 10.07(1) f he L g R e .

5. L a g Ch a e ab hed b a ch ff ce J a g he PRC 28 A 2008 a d 23 Ma  
2008.
6. L a g X a e e ab hed b a ch ff ce J e a d Cha g g he PRC 27 A g 2008  
a d 17 A 2009, e ec e .

F a d c f he de a g f C a , he C g Sha eh de  
a d Ma age e a d O he Sha eh de c ec h he G ba Offe g, ee  
“U de g U de a g f C a , he C g Sha eh de a d  
Ma age e a d O he Sha eh de ”.

OVERVIEW

We are the leading PRC pharmaceutical. According to a report issued by the International Finance & Statistics, LILANZ (which is a LILANG subsidiary since 2008) achieved a revenue of RMB 1.1 billion in 31 December 2007 and 2008. The pharmaceutical PRC market, which is expected to grow at an annual rate of 29.0% and 31.3% from 2007 and 2008, respectively. See "Industry Outlook: The PRC Market for Pharmaceuticals" published in 2007 and 2008, by the China Association of Pharmaceutical Manufacturers ("China's Pharmaceutical Association"). As a leading pharmaceutical company, we are a high-growth business and a leading company in the industry. Founded in 1995, we have a long history.

We have completed the acquisition of LILANZ. Our revenue is expected to grow by 28% and 45% in 2008 and 2009, respectively, and we are expected to achieve a profit margin of 15% and 18% in 2008 and 2009, respectively. According to the International Finance & Statistics, the pharmaceutical market is expected to grow at an annual rate of 29.0% and 31.3% from 2007 and 2008, respectively.

From the early 1990s, we have been developing our pharmaceutical business in China. In 1995, we established our first subsidiary, LILANG. In 2008, we completed the acquisition of LILANZ, which is a leading pharmaceutical company in China. We have a long history of providing pharmaceutical products to our customers in China. Our products are sold in various provinces in China. Our products are sold in various provinces in China. Our products are sold in various provinces in China.

We have completed the acquisition of LILANZ. Our revenue is expected to grow by 28% and 45% in 2008 and 2009, respectively, and we are expected to achieve a profit margin of 15% and 18% in 2008 and 2009, respectively. According to the International Finance & Statistics, the pharmaceutical market is expected to grow at an annual rate of 29.0% and 31.3% from 2007 and 2008, respectively.

Our revenue is expected to grow by 28% and 45% in 2008 and 2009, respectively, and we are expected to achieve a profit margin of 15% and 18% in 2008 and 2009, respectively. According to the International Finance & Statistics, the pharmaceutical market is expected to grow at an annual rate of 29.0% and 31.3% from 2007 and 2008, respectively.

e ee g he e a f e a e . Whe e ec gd b , e a e acc  
a be f fac , c d g ge g a h ca ca , e a a d a age e e e e ce,  
f a ca e ce a d ca ac f de e g he e a e . We e e  
d b h age ee e d ec h d b . The age ee e a e ge e a  
f e- ea e . If d b fa c h he d b h age ee e , e  
ha e he gh e a e he age ee e .

U de d b h age ee e , d b a e e ed b-c ac he  
e a f e a e b-d b , bec a a f he b-  
d b h age ee e a d he e ec e b e a . We d ha e d ec  
c ac a ea h h he e b-d b . H e e , d b a e  
e ed e e ha he b-d b c h he e a d c d f  
he d b h age ee e .

A a 31 Dece be 2006, 2007, 2008 a d 30 J e 2009, e had 27, 28, 51 a d 53  
d b , h had 1,338, 1,245, 1,257 a d 1,185 b-d b , e ec e . A

d b f e e ec f he e e e , a d he e be a f  
ha g a a ge e h he e de g a ed d b e ec f he c e be  
de ed f he f ag h e .

We h d a e fa h ee e a ea h ca e a , e , a d g/  
e c ec e g a d e a d b . We a e b-  
d b a d ea e a age , h ace de h gh he e ec e  
d b , a e d he a e fa . M f de a e de ed f he a e fa .  
D g ch a e fa , e ee a d b a feedbac ca fa h e d a d a e  
de a d ha a f e- e d c de g a d e cha d g a eg . We  
be e e ha he a e a d de e g f a e fa a e a e ad a ce  
he a f d c e ed f he c g ea . Th a eff ce e  
d c fac e a d OEM c ac , e d c a e de a d a d  
a age e e eff ce .

We ha e b b a d h gh a a ad e g ca ag . O ee  
ad e e e fea e he e - ac M . Che Da M g (陳道明), h e be e e  
e e “ e e h ca ed” fe e h h . I eff e  
b a d a d a ea a b ade a de ce, ea a ed M . Da e W (吳彥祖) a  
b a d e e A g 2009 add M . Che Da M g (陳道明). We a  
ad e e fa h aga e a d ca a g e . Th gh ad e g ca ag , e  
e ga “ e e h ca ed” (簡約而不簡單) e f ce b a d age a d  
he fe e b a d ee c e .

Rece , e bega a c a e e a a fa h h . I a c a , e  
a c a ed he “M a Me ea Sh ” (M a M da U ) a d “Ja a Fa h  
Wee T ”, b h f h ch a e a e a a fa h h , 2007 a d 2008,  
e ec e . We ha e ad ed ca ef - a ed a e g a d a a e ge h  
a e a g e e e a ge a de ce. We be e e ha  
a c a ec g ed fa h h h d he e ha ce he e ge f b a d,  
he eb e ha c g b a d age. I 2007, ade a “利郎 LILANG” a  
ec g ed a a “Ch a We -K T ade a ” f c h g. I 2008, 利郎 b a d a  
a a ded “The M I f e a Fa h B a d f Ga e ”. I 2009, 利郎 b a d a  
a a ded he Pa g A a d f “2007 2008 Ch a A a e B a d A a A a d ”  
(「2007 2008中國服裝品牌年度大獎」策劃大獎) a d “利郎 LILANZ” b a d a  
a a ded he “2009 T 10 M I f e a a d Fa A a e B a d A a” (2009  
亞洲服裝最具影響力十大馳名品牌).

We a fac ea f a a e a d c fac e J a g,  
F a a d ce he e OEM c ac . We a ce he d c f  
acce d c . We be e e h c b a f -h e a d ced d c  
e ab e ee de a d a e a d c -effec e ba . Q a e f  
e , a d a c ea each age f d c ce . We  
a c e h OEM c ac e e ha a f a a e a d  
acce e ee a a da d .

**COMPETITIVE STRENGTHS**

We attribute our success to the following key strengths:

**A leading PRC casual menswear brand**

According to a report published by Euromonitor International's Fashion & Apparel Division, LILANZ brand (which is a LILANG brand since 2008) achieved a significant increase in sales in the PRC market. In the 31st December 2007 and 2008, the brand's sales in the PRC market increased by 29.0% and 31.3% respectively compared with the PRC market in 2007 and 2008, respectively. See the section headed "Industry Overview - The PRC Market" for further details. According to Fashion & Apparel Division's research, the brand's sales in the PRC market increased by 29.0% and 31.3% respectively compared with the PRC market in 2007 and 2008, respectively. In 2007, the brand's sales in the PRC market increased by 29.0% compared with the PRC market in 2007. In 2008, the brand's sales in the PRC market increased by 31.3% compared with the PRC market in 2008. In 2009, the brand's sales in the PRC market increased by 31.3% compared with the PRC market in 2009. The brand's sales in the PRC market in 2009 were 1.2 billion RMB, which was an increase of 31.3% from 2008. The brand's sales in the PRC market in 2010 were 1.6 billion RMB, which was an increase of 31.3% from 2009. The brand's sales in the PRC market in 2011 were 2.1 billion RMB, which was an increase of 31.3% from 2010. The brand's sales in the PRC market in 2012 were 2.7 billion RMB, which was an increase of 31.3% from 2011. The brand's sales in the PRC market in 2013 were 3.5 billion RMB, which was an increase of 31.3% from 2012. The brand's sales in the PRC market in 2014 were 4.5 billion RMB, which was an increase of 31.3% from 2013. The brand's sales in the PRC market in 2015 were 5.9 billion RMB, which was an increase of 31.3% from 2014. The brand's sales in the PRC market in 2016 were 7.7 billion RMB, which was an increase of 31.3% from 2015. The brand's sales in the PRC market in 2017 were 10.0 billion RMB, which was an increase of 31.3% from 2016. The brand's sales in the PRC market in 2018 were 13.1 billion RMB, which was an increase of 31.3% from 2017. The brand's sales in the PRC market in 2019 were 17.2 billion RMB, which was an increase of 31.3% from 2018. The brand's sales in the PRC market in 2020 were 22.6 billion RMB, which was an increase of 31.3% from 2019. The brand's sales in the PRC market in 2021 were 29.7 billion RMB, which was an increase of 31.3% from 2020. The brand's sales in the PRC market in 2022 were 38.9 billion RMB, which was an increase of 31.3% from 2021. The brand's sales in the PRC market in 2023 were 50.9 billion RMB, which was an increase of 31.3% from 2022. The brand's sales in the PRC market in 2024 were 66.8 billion RMB, which was an increase of 31.3% from 2023. The brand's sales in the PRC market in 2025 were 87.8 billion RMB, which was an increase of 31.3% from 2024. The brand's sales in the PRC market in 2026 were 114.4 billion RMB, which was an increase of 31.3% from 2025. The brand's sales in the PRC market in 2027 were 150.0 billion RMB, which was an increase of 31.3% from 2026. The brand's sales in the PRC market in 2028 were 196.4 billion RMB, which was an increase of 31.3% from 2027. The brand's sales in the PRC market in 2029 were 255.8 billion RMB, which was an increase of 31.3% from 2028. The brand's sales in the PRC market in 2030 were 334.4 billion RMB, which was an increase of 31.3% from 2029. The brand's sales in the PRC market in 2031 were 438.4 billion RMB, which was an increase of 31.3% from 2030. The brand's sales in the PRC market in 2032 were 576.0 billion RMB, which was an increase of 31.3% from 2031. The brand's sales in the PRC market in 2033 were 755.2 billion RMB, which was an increase of 31.3% from 2032. The brand's sales in the PRC market in 2034 were 992.0 billion RMB, which was an increase of 31.3% from 2033. The brand's sales in the PRC market in 2035 were 1298.4 billion RMB, which was an increase of 31.3% from 2034. The brand's sales in the PRC market in 2036 were 1710.4 billion RMB, which was an increase of 31.3% from 2035. The brand's sales in the PRC market in 2037 were 2248.0 billion RMB, which was an increase of 31.3% from 2036. The brand's sales in the PRC market in 2038 were 2966.4 billion RMB, which was an increase of 31.3% from 2037. The brand's sales in the PRC market in 2039 were 3932.0 billion RMB, which was an increase of 31.3% from 2038. The brand's sales in the PRC market in 2040 were 5170.4 billion RMB, which was an increase of 31.3% from 2039. The brand's sales in the PRC market in 2041 were 6840.0 billion RMB, which was an increase of 31.3% from 2040. The brand's sales in the PRC market in 2042 were 9062.4 billion RMB, which was an increase of 31.3% from 2041. The brand's sales in the PRC market in 2043 were 12000.0 billion RMB, which was an increase of 31.3% from 2042. The brand's sales in the PRC market in 2044 were 15900.0 billion RMB, which was an increase of 31.3% from 2043. The brand's sales in the PRC market in 2045 were 21114.0 billion RMB, which was an increase of 31.3% from 2044. The brand's sales in the PRC market in 2046 were 28062.4 billion RMB, which was an increase of 31.3% from 2045. The brand's sales in the PRC market in 2047 were 37200.0 billion RMB, which was an increase of 31.3% from 2046. The brand's sales in the PRC market in 2048 were 49200.0 billion RMB, which was an increase of 31.3% from 2047. The brand's sales in the PRC market in 2049 were 65000.0 billion RMB, which was an increase of 31.3% from 2048. The brand's sales in the PRC market in 2050 were 86000.0 billion RMB, which was an increase of 31.3% from 2049.

We believe our competitive advantage is derived from our strong brand, extensive and well-managed nationwide distribution network, and leading PRC casual menswear brand. We have established a strong brand in the PRC market, which has become a leading PRC casual menswear brand. Our competitive advantage is derived from our strong brand, extensive and well-managed nationwide distribution network, and leading PRC casual menswear brand.

**Extensive and well-managed nationwide distribution network**

We have established an extensive and well-managed nationwide distribution network in the PRC. As of 30 June 2009, we had established a distribution network in the PRC market, which covered 2,400 retail outlets across the PRC market. We believe our extensive and well-managed nationwide distribution network is a key competitive advantage of our company.

- Established a distribution network in the PRC market, which covered 2,400 retail outlets across the PRC market;
- Managed the distribution network in the PRC market effectively, which ensured the stability and efficiency of the distribution network.

- I g d c de g a d e cha d g a eg b ef g  
e g d c e a d d c g e d c e ha ce he e a  
d c a d a e .

We ha e de e ed a d c e a age abe ea h h 53  
d b . Of he e d b , 26 f he ( h ch c de he edece )  
ha e had b e ea h h f e ha f ea , h he ge  
e d f ea h be g 12 ea . We e e d b a d b-d b  
e a e he ea e acc d g ea a da d a e abe  
a a a c e b a d age. We a c e h d b a d  
he b-d b e eec , e e a , ca h a d e  
a age e , ea ea a d aff a g e e ha he ea a e  
e a aged. We be e e ha e e e a d e - a aged d b e  
ha a ed b d g a f ed b a d age ha ha a ed c ea e  
a e e e a .

**Proactive and nationwide sales and marketing strategies**

Ac e a e g a d f b a d ha bee a e g he g  
LILANZ b a d a ea d age he PRC. O a e g a eg f c e a  
e a b a d age ha a a “ e e h ca ed” fe e, a he ha  
d d a d c .

We e d b , he b-d b a d he e a age f  
he a e f d c . Each ea , e ga e h ee a e fa a head a e  
J a g, F a , f d b , he b-d b a d he e  
a age ha he ca ace de a d ea he e he e a d e g f  
e c ec . We a e he e e ga he feedbac ca  
fa h e d a d a e de a d e ha ce d c de g a d e  
a age e .

I add ea a a e fa , e e gage a a ad e g a d  
ca a g h g ha a e f ed a cha e . S ce 2002, he e -  
PRC ac , M . Che Da M g (陳道明), ha bee b a d e e . O  
c e c ac h M . Che Da M g (陳道明) e e 31 Dece be 2010.  
I eff e b a d a d a ea a b ade a d e ce, e a  
a ed M . Da e W (吳彥祖) a b a d e e A g 2009  
add M . Che Da M g (陳道明).

I 2004, e ece ed e e a ad e g a a d f he F a Ad e g  
A ca (福建省廣告協會) a d F a C e 'A ca (福建省消費者委員  
會). We be e e ha a a d- g ee ad e e e , h ch a e h -  
f f a , c e a e e f e e f b a d a d ce a e a c e h gh-  
f e b a d age. We a e ed a cha e , c d g aga e a d  
b b a d , f he e he a a e e f LILANZ b a d .

F h e e, e a c a e d d e c f a h h 2005, 2006 a d 2007.

de -h e a g a age e ea a d 2006, e e e f  
D ec a d e a age e , ge he h he e ee a d e 120 f  
d b a d he b-d b , a c a e e- ee a age e  
a g c e a T gh a U e Be g, PRC. We be e e ha he  
edge, e a d a eg c f a age e ea ha e e ab ed  
e ab h e e a a eg a ed fa h e e e.

**BUSINESS STRATEGIES**

T a a a e f he ead g e ea b a d he PRC, e e d  
ca a e b a d ec g , e ha ce c e e e a d a che e a ab e  
a e g h. S ec f ca , e a e he f g a e g e a che e  
bec e :

**Expand and diversify our product offerings**

We be e e “ e e h ca ed” de g h h a d b a d’  
a e ha e ded h a b ad a ge f d c e . We  
a c e ca a e b a d a e f he e ha ce e a a e  
a d f g h h gh he f g a e :

- *Continue to refine and expand our existing product lines* | We e d  
f he ef e e g d c e b ffe g e e h  
e g d c ca eg e a d d ce add a a a e d c a  
e a e a d acce e ffe g ha a ec e e a c e  
d c ffe g . We e d c e ce he d c fa  
f acce d c a da f a a e OEM c ac .
- *Develop new product collections* | A ec e e a d d c  
e , e a de e a b-b a d f G a ge g c e aged  
20 30. We be e e he de e e f h e b-b a d h d a  
f he h ca e LILANZ b a d c e a d h d he  
f he e a e g h.
- *Increase product pricing and adjust discounts to distributors* | A e f he  
e g he b a d a d a e , e e d c ea e he a e age  
ce f d c de he e ha ce f ab . I add ,  
e a d c e g ad a ad he d c ffe ed ce a f  
d b a he e ha ce e a f a g .

Further strengthen and expand our distribution network and increase our retail coverage

We intend to continue to expand our distribution network and increase our retail coverage in the following areas:

- Strengthen our distribution network in the following areas:
  - Expand our distribution network in the following areas:
    - Leverage our existing distribution network in the PRC to expand our retail coverage in the following areas:

Further promote our LILANZ brand and enhance our marketing and promotional strategies

We intend to further promote our LILANZ brand and enhance our marketing and promotional strategies in the following areas:

- Marketing and promotional strategies in the following areas:
  - Promote our LILANZ brand in the following areas:
    - Strengthen our distribution network in the following areas:

We intend to further promote our LILANZ brand and enhance our marketing and promotional strategies in the following areas:

**Improve our operational and production management capabilities**

We recognize that our production management capabilities are a key factor in our success. In order to improve our operational and production management capabilities, we have implemented a number of measures, including the following: (1) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs. (2) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs. (3) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs.

In addition, we have also implemented a number of measures to improve our production management capabilities, including the following: (1) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs. (2) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs. (3) We have introduced a new production management system, which has enabled us to improve our production efficiency and reduce our production costs.

**Further strengthen our design and product development capabilities**

We understand that our design and product development capabilities are a key factor in our success. In order to further strengthen our design and product development capabilities, we have implemented a number of measures, including the following: (1) We have introduced a new design and product development system, which has enabled us to improve our design and product development efficiency and reduce our design and product development costs. (2) We have introduced a new design and product development system, which has enabled us to improve our design and product development efficiency and reduce our design and product development costs. (3) We have introduced a new design and product development system, which has enabled us to improve our design and product development efficiency and reduce our design and product development costs.

**BRANDING AND PRODUCT PORTFOLIO**

**Branding**

Our brand portfolio includes the following brands: (1) We have introduced a new brand, which has enabled us to improve our brand efficiency and reduce our brand costs. (2) We have introduced a new brand, which has enabled us to improve our brand efficiency and reduce our brand costs. (3) We have introduced a new brand, which has enabled us to improve our brand efficiency and reduce our brand costs. (4) We have introduced a new brand, which has enabled us to improve our brand efficiency and reduce our brand costs. (5) We have introduced a new brand, which has enabled us to improve our brand efficiency and reduce our brand costs.

We be e e ha de ead b a d ec g ha bee e f he e fac  
 cce .O b a d a ee b de he ea g f“ cce f ge e e ”(利郎), h ch  
 h gh gh he f e f a ge c e : e h a e cce .We be e e ha e  
 ffe c e a a ge f c h g c ec ha a a“ e e h ca ed”  
 fe e. I 2007, “利郎 LILANG” b a d a ec g ed b he T ade a Re e a d  
 Ad d ca B a d he PRC a a“Ch a We -K T ade a ”f c h g. I 2008,  
 利郎 b a d ha bee a a ded “The M I f e a Fa h B a d f Ga e ”. I  
 2009, 利郎 b a d ha bee a a ded he P a g A a d f “2007 2008 Ch a A a e  
 B a d A a A a d ” (「2007 2008中國服裝品牌年度大獎」策劃大獎) a d “利郎  
 LILANZ” b a d ha bee a a ded he “2009 T 10 M I f e a a d Fa A a e  
 B a d A a ” (2009亞洲服裝最具影響力十大馳名品牌).

We ha e ca ef c a ed b a d age h gh a c b a f ha e  
 be e e a e a e de g , a a ad e g ca ag a d a de a f he  
 a a a e e ha ca e a f b a d age. Acc d g F & S a ,  
 e e e he f e ea c a a g c e ffe a e ' b e  
 ca a c ec a d a e d c f c .O c h g de g ee a a  
 “ e e h ca ed” fe e ha a a each g cce f fe a a d  
 b e e ec e he PRC h de a d h gh a , fa h abe e ea . We be e e  
 ha LILANZ b a d e - ed ca e h e a d g c e eg e  
 h h gh d abe c e.

**Products**

O he age he a g f b e a d e ' f a ea . We b g f  
 ha he age a a e de a a d f c a . We a ffe e d- e g  
 de g h a ch g e a d c e ab ec e -a d- a ch c ea e  
 f a cca . De g d c ed g ea e de a be de he b- ec “B e  
 De g a d P d c De e e ”.

We ha e c e he c ea f d c f de g a d c g  
 a fac g a d, ce a e ec , e g. O e ea d c a e de g ed f  
 b e a d ca a e a d a a ge c e be ee he age f 28 a d 45.  
 We ffe d c f each ea f b ad c ec : b e f a , b e  
 ca a , fa h ca a a d . Th gh c ec , e ee ef ec he de  
 ge e e ' e e f e. We e be he de a f f b ad c ec :

*Business formal*

O b e f a c ec c de c e a b e a e, ch a  
 b e , h ch ad a de g ed f b e - e ed cca a d  
 f a e e . S cce f b e e , e e ca e e ec e , a e a ge  
 c e . O a ffe g f h c ec c de , h , ea e , a ,  
 ac e a d e c a .

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## BUSINESS

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### *Business casual*

O b e ca a c ec c de a a e ha e f a e abe  
f fe a e gage e . S cce f b e e , c d g d a d e  
e ec e , a e a ge c e . O a ffe g f h c ec c de  
h , - h , ea e , a , ac e a d db ea e .

### *Fashion casual*

O fa h ca a c ec a ca e e e a d e e a e  
ac e . O a ge c e f h c ec a e ge e a ge b e e  
h ee fa h abe e f he e e ea . O a ffe g c de -  
h , T- h , ea e , a , ac e a d a a .

### *Sports*

O c ec c de c h g f d a d d cha g f,  
e , a ga d e . O a ge c e f h c ec a e e h e  
e e a e . O a ffe g c de T- h , ea h , a , ac e  
a d a a .

## SALES

### General

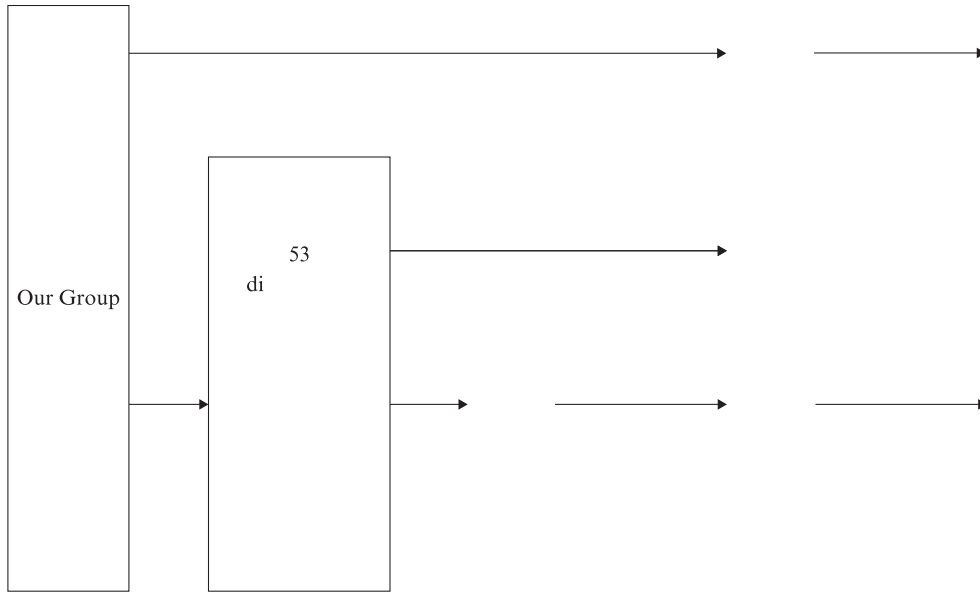
We e b a a a f d c d b h b e e e  
d c e a c e h gh ea e e a ed b he e e he b-  
d b . U de h e a e b e de , e ha ed ec c ac a ea h  
h d b . O d b h agee e e e ha d b a d he  
b-d b e LILANZ d c e c e a he e . D g he T ac  
Rec d Pe d, a e d b acc ed f b a a a f e .

We e e e- ea d b h agee e h each f d b h ch  
a e e e ed a d e e ed a a . See "B e | Sa e | Ma age e f d b " .  
U de he d b h agee e , d b a e e ed a a f  
a da d e ec f ed a , a e gac e a d da e a a e  
e a a a . If a d b fa c h he d b h agee e ,  
e ha e he gh e a e he agee e .

U de d b h agee e , d b a e e ed b-c ac he  
e a f e a e b-d b , bec a a f he b-  
d b h agee e a d he e ec e b e a . We d ha e d ec  
c ac a ea h h he e b-d b . H e e , d b a e  
e ed e e ha he b-d b c h he e a d c d f  
he d b h agee e . D g he T ac Rec d Pe d, d b a d he  
b-d b ha ec ed h ea ce a a e a e ec , a d e a e  
a a e fa -c a ce fa a e a a e .

A g h h h e a e b e de, e a e a e a f a g h e d e c  
J a g ce Feb a 2008.

The f g d a g a a e h e e a h a g G , d b  
a d h e b-d b , e a e a d a e c e a a 30 J e 2009:



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**BUSINESS**

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e e 1,696 a d-a e e , f h ch 473 e e d ec e a ed b d b a d  
1,223 b he b-d b , a d he e e e 760 c ce de a e e , f  
h ch 363 e e d ec e a ed b d b a d 397 b he b-d b .

I de b ade e e ce e g a e a d e ha ce a age e  
a d a e f he e a e d b e , e ha e c ea ed he be f  
d b . The be f d b c ea ed f 28 a a 31 Dece be 2007  
51 a a 31 Dece be 2008 a d 53 a a 30 J e 2009. The c ea e a a d e  
he a e f e ha e d b a ce, h ch e ab e be e  
a age d b e e ec a he ca e he e he e a age a e h  
a ce. The be f b-d b c ea ed f 1,245 a a 31 Dece be 2007  
1,257 a a 31 Dece be 2008, a d dec ea ed 1,185 a a 30 J e 2009. The c ea e  
2008 a d e he a e f e b-d b a d he dec ea e 2009 a  
a d e he fac ha ce a b-d b e e e a ed bec ed b  
a d he be f b-d b ha e bee c da ed a a f he d b  
e e ha ce e . The ef e, he dec ea e he be f b-d b d d  
ha e a ega e ac b e .

We a c ea e he be f e a e a a e 2,600 b he e d f  
2009. The a c a ed c ea e he be f e a e ba ed he d d a  
e a a e e f each d b afe c d c g a e a a  
f, f e a e, a ea, a a d c e e d g. The e e a a e e a  
g de e f d b a he ee he cha e a de  
he e e a d b h ag ee e . D b a e e ec ed ee he e a  
a ge ec fed b ch a , a d, a c f ed b D ec , a f he d b  
e he a ge f he ea 2008. We be e e ha d b e ha e ab ed  
( ) e a d b e a d acce e a e a e g ha ch e c a d e a a  
a d ( ) a ch e e b a d ec g h gh he PRC.

## BUSINESS

The following table shows the number of retail outlets and distributors of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan for the periods indicated below.

	31 December 2006		31 December 2007		31 December 2008		30 June 2009	
	No. of Retail Outlets <sup>(1)</sup>	No. of Distributors <sup>(2)</sup>	No. of Retail Outlets <sup>(1)</sup>	No. of Distributors <sup>(2)</sup>	No. of Retail Outlets <sup>(1)</sup>	No. of Distributors <sup>(2)</sup>	No. of Retail Outlets <sup>(1)</sup>	No. of Distributors <sup>(2)</sup>
Beijing	43	1	54	1	69	1 <sup>(3)</sup>	54	1 <sup>(3)</sup>
Taiwan	7	1	12	1	12	1 <sup>(3)</sup>	7	1 <sup>(3)</sup>
Hebei	48	1	64	1	73	1	74	1
Shanghai	56	1	65	1	65	1	56	1
Inner Mongolia	34	1	25	1	27	1	29	1
Henan	115	1	112	1	112	2	121	2
Jiangsu	76	1	70	1	86	1	82	1
Guangdong	140	1	119	1	130	1	117	1
Guangxi	92	1	112	1	128	1	106	2
Shandong	2	1	3	1	24	1	32	1
Zhejiang	114	1	111	1	131	3	123	3
Anhui	107	2	132	2	153	7	161	7
Fujian	93	1	110	2	125	3	125	4
Shaanxi	130	1	134	1	143	2	132	2
Jiangxi	80	1	83	1	96	1	92	1
Heilongjiang	139	1	167	1	168	6	177	6
Henan	98	1	112	1	118	1	116	1
Hubei	61	1	80	1	72	2	79	2
Guangdong	56	1	43	1	76	3	74	3
Guangxi	57	1	60	1	74	1	69	1
Hainan	17	1	17	1	23	1	26	1
Chongqing	76	1	83	1	103	1	115	2
Sichuan	114	1	131	1	146	1	140	1
Guizhou	45	1	39	1	57	2	58	2
Yunnan	67	1	79	1	91	1	95	1
Tibet	5	1	7	1	8	1	11	1
Shaanxi	59	1	77	1	89	2	94	2
Guangdong	30	1	29	1	26	1 <sup>(3)</sup>	25	1 <sup>(3)</sup>
Qinghai	3	1	3	1	3	1 <sup>(3)</sup>	3	1 <sup>(3)</sup>
Ningxia	11	1	12	1	12	1 <sup>(4)</sup>	13	1 <sup>(3)</sup>
Xinjiang	27	1	41	1	51	1	50	1
Taiwan	2,002	27	2,186	28	2,491	51	2,456	53

Notes:

- (1) The number of retail outlets includes the number of retail outlets of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan.
- (2) The number of distributors includes the number of distributors of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan.
- (3) Outstanding balance of Beijing, Taiwan, Fujian, Guangdong, Guangxi, Inner Mongolia, Qinghai and Shaanxi.
- (4) Outstanding balance of Ningxia.

The following table shows the number of retail outlets and distributors of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan for the periods indicated below.

The following table shows the number of retail outlets and distributors of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan for the periods indicated below.

The following table shows the number of retail outlets and distributors of the Company's products in the People's Republic of China, Hong Kong, Macau and Taiwan for the periods indicated below.

## BUSINESS

The following table sets forth the number of retail outlets operated by the Company in the PRC as at 1 January 2006, 31 December 2006, 2007 and 2008 and 30 June 2009.

Region	The number of retail outlets* as at									
	1 January 2006		31 December 2006		31 December 2007		31 December 2008		30 June 2009	
	Operated by Distributors	Operated by Sub-distributors	Operated by Distributors	Operated by Sub-distributor	Operated by Distributors	Operated by Sub-distributor	Operated by Distributors	Operated by Sub-distributor	Operated by Distributors	Operated by Sub-distributor
Northern PRC <sup>(1)</sup>	12	100	30	158	55	165	55	191	61	159
Northern Eastern PRC <sup>(2)</sup>	14	227	28	303	48	253	81	247	75	245
Eastern PRC <sup>(3)</sup>	31	440	62	556	113	572	253	547	284	487
Central and Southern PRC <sup>(4)</sup>	28	297	45	383	116	363	210	321	219	322
Southern Western PRC <sup>(5)</sup>	26	161	58	249	88	251	119	286	133	286
Northern Western PRC <sup>(6)</sup>	11	70	26	104	42	120	57	124	64	121
<b>Total</b>	<b>122</b>	<b>1,295</b>	<b>249</b>	<b>1,753</b>	<b>462</b>	<b>1,724</b>	<b>775</b>	<b>1,716</b>	<b>836</b>	<b>1,620</b>

Notes:

\* Includes the number of retail outlets operated by the Company in the PRC.

- (1) Northern PRC includes Beijing, Hebei, Shanxi, Tianjin and Inner Mongolia.
- (2) Northern Eastern PRC includes Henan, Jiangsu, Shandong and Liaoning.
- (3) Eastern PRC includes Jiangxi, Zhejiang, Shaanxi, Anhui, Fujian, Shanghai and Guangdong.
- (4) Central and Southern PRC includes Hubei, Hunan, Guangxi, Guangdong and Hainan.
- (5) Southern Western PRC includes Chongqing, Sichuan, Guizhou, Yunnan and Tibet.
- (6) Northern Western PRC includes Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang.

The following table sets forth the revenue and gross profit of the Company in the PRC for the years ended 31 December 2006, 2007, 2008 and 2009 and for the six months ended 30 June 2009.

Region	Years ended 31 December						Six months ended 30 June			
	2006		2007		2008		2008		2009	
	(RMB million)	% of turnover	(RMB million)	% of turnover	(RMB million)	% of turnover	(RMB million)	% of turnover	(RMB million)	% of turnover
Northern PRC <sup>(1)</sup>	26.5	6.3	81.1	9.1	80.5	7.1	36.1	7.5	40.6	6.8
Northern Eastern PRC <sup>(2)</sup>	30.7	7.3	95.5	10.8	114.2	10.0	46.9	9.7	53.9	9.0
Eastern PRC <sup>(3)</sup>	204.2	48.9	357.0	40.3	417.6	36.8	184.0	38.0	217.0	36.2
Central and Southern PRC <sup>(4)</sup>	87.8	21.0	169.7	19.2	254.9	22.4	102.1	21.1	144.9	24.1
Southern Western PRC <sup>(5)</sup>	46.7	11.2	123.9	14.0	181.2	16.0	78.0	16.1	92.2	15.3
Northern Western PRC <sup>(6)</sup>	22.3	5.3	58.7	6.6	87.3	7.7	36.8	7.6	51.6	8.6
<b>Total</b>	<b>418.2</b>	<b>100.0</b>	<b>885.9</b>	<b>100.0</b>	<b>1,135.7</b>	<b>100.0</b>	<b>483.9</b>	<b>100.0</b>	<b>600.2</b>	<b>100.0</b>

Notes:

- (1) N he PRC c de Be g, Hebe , Sha , Ta a d I e M g a .
- (2) N h Ea e PRC c de He g a g, J , L a g .
- (3) Ea e PRC c de J a g , Zhe a g, Sha gha , A h , F a , Sha d g a d J a g .
- (4) Ce a a d S he PRC c de He a , H be , H a , G a g d g, G a g a d Ha a .
- (5) S h We e PRC c de Ch g g, S ch a , G h , Y a a d T be .
- (6) N h We e PRC c de Shaa , Ga , Q gha , N g a a d X a g .

O e f e a a e g e c e a e h d b e f a g h  
 e he e fe ea a c e he PRC. We a ea e e e a e  
 ca a c e he PRC f e a he e f b de g a e d d b  
 a f e e e a e he e e a d he f a g h e . Th de h d a  
 ha e be e a d e d e c c e he ca a d a f he e f a g h  
 e . We a c a e e g e ch f a g h e b he e d f 2009 a d e f a g h  
 e he e fe ea . The e f a g h e a e e e c e d be a g e ha he e g  
 e a e e a e d b d b . We be e e ha e f a g h e ca he  
 f he e b a d a g e b h ca g c e e e f d c a d fac a e  
 a e b d b a d he b-d b a d a c e c e a d e g . U he  
 La e P a c a b e D a e , a g e e e had bee g e d be e e G a d  
 d b f he e g f a f a g h e . We e e c cha g e de g a e d  
 d b f e e e c f he e e e , a d he e be a f  
 ha g a a g e e h he e d e g a e d d b e e c f he c e be  
 de e d f he f a g h e .

T f he e ha ce b a d e a , e e d de e a b-b a d f  
 G a g e g c e a g e d 20 30 h a e e e g h ca a ea . M . D a e  
 W (吳彥祖) a be a e e f h b-b a d . We a e a d e d ca e d  
 a d-a e de g a d d c de e e ea f h b-b a d , h ch  
 c a b a e h de g e f e ea . We e e c e d c de he e b-  
 b a d h gh a d-a e e ha a e e a a e f he LILANZ b a d . We be e e  
 ha he e e c a e d e a e a e a d a g e a e g e  
 c e , e ha ce b a d e e c e a d e c g he a e a d e a d  
 d c e .

Management of distributors

O d b a e c a e b e f e e c g a d de g d c a d  
 e e e g he e a f e a e . The e d b de d c a each f  
 h e e a a a e fa a d e he h gh e a e e a e d b he b-  
 d b .

When the defendant, the above-mentioned defendant, conducted the business of selling and distributing the defendant's products, the defendant's sales volume increased significantly. On May 31, 2009, the defendant (hereinafter referred to as "the defendant") had a total sales volume of approximately 10 million yuan.

The defendant has agreed to enter into an exclusive distribution agreement with the plaintiff. The defendant has agreed to grant the plaintiff the exclusive right to distribute the defendant's products in the territory of the plaintiff.

- *Product exclusivity* | The defendant has agreed to grant the plaintiff the exclusive right to distribute the defendant's products in the territory of the plaintiff.
- *Geographic exclusivity* | The defendant has agreed to grant the plaintiff the exclusive right to distribute the defendant's products in the territory of the plaintiff.
- *Minimum purchase amount* | The defendant has agreed to grant the plaintiff the exclusive right to distribute the defendant's products in the territory of the plaintiff.

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**BUSINESS**

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• *Return of goods* | D b c d c a chec ece f  
d c a d a e defec e g d f a ce f c a ega d g  
he defec g e h 15 da f ece . Re f g d a ed ch  
c c a ce de he d b h ag ee e . D b a e dee ed  
ha e c de ed he g d a a fac he ab e ce f ch c a .

• *Sub-distributorships* | D b a e e ed b-c ac he e a f  
e a e b-d b , bec a a f he b-  
d b h ag ee e a d b e a . D b a e e ed  
c e he b-d b c h he e a d c d f he  
d b h ag ee e .

• *Right of termination* | If he d b fa c h he d b h  
ag ee e , e ha e he gh e a e he ag ee e .

Effec e g f d b a d he e a e c ca  
cce . We ha e a ded ca ed ea d b ' a d he b-d b '  
e f a ce. We e e he d b b a e e a ee ba . A f  
d b ha e c f ed ce a d b ed he a e e a  
eg a ba . Th e g e e abe acce - -da e f a he a e  
e f a ce f d b a d he b-d b , h ch efec he e a e e f  
e a a e f d c . We e ee he acc ac f ch ee a e e b  
efe e ce b e e de aced b d b . We be e e ha he a f  
de aced b d b c e d he ac a a f d b a d/  
he b-d b e f a e a d e . Afe a g ea ab ee a d  
e e g he a e e e f d b a d/ b-d b , he D ec c f  
ha he a e a a e fa c c a ce he e d b a d/ b-d b  
cha ed d c f a d/ d b h e d g e he d c  
he c e d g he T ac Rec d Pe d. The D ec a e a a a e fa  
ea abe a b d f e e e a d b a d, a e f he  
e ca f e a g ea e e a ed b he a e d b b-  
d b , he D ec a e a a e fa e ca f e a g ea e  
f d ffe e e a . Ba ed he ab e, he D ec c de ha a e a d  
de e f d c d b a e e h he ea a f he a e f  
d c he a e .

We e d b , a e a he b-d b a d e a e a age ,  
a e d a e fa , h ch a e ace hee e a ea . D g he a e fa , e a e  
g e he ee a d c ca e h d b a d he b-  
d b . A a f a c a g he hee a e fa each ea , d b  
G a eg a ba a d ee c ac h a e e h e a d de  
c fe e ce, h ch a ha e acce da ed a e f a .

Each f he d b bec a a a e e f e a g e , ab  
 a a b a d age, e a e a ca ac , a d c a ce h e a  
 a da d . I a c a , e e f a a e e f he e a g e f  
 d b b c da g a d a a g da a f he ee a e e b ed b  
 each f d b .

Each ea , e eg a e h d b he cha e e e e  
 bef e e e g he d b h ag ee e . We d de a eba e,  
 c ce e d b he b-d b he e e ha  
 he ha e ache ed he cha e a a a ed he e ec e  
 ag ee e . H e e , f a d b fa ee he cha e e e e , e  
 ha e he gh c ea e he h e a e ce ffe ed ch d b . D g each f he  
 a e fa , e d c h d b he g e a d c e h he  
 e e ha he cha e e e e be a f ed.

We de a g f d b a d he b-d b he a ea f  
 c e e ce a d d c edge. D g he T ac Rec d Pe d, e ga ed  
 e ha 20 -h e a g ga e e a a ege a d a age e f e  
 d b a d b-d b . I 2006, e e RMB1.0 e 120 f  
 d b a d he b-d b Dec , e a age e a d  
 e he e ee a age e a g c e a T gh a U e Be g.  
 We e ab hed e a a age e a g ce e a head a e J a g,  
 F a 2008, he e e de -h e a g e e a age a d ea aff  
 he a e a d a e g a ege a e a he LILANZ b e h h . We  
 be e e ha he e e e he e he e a f he a e e a d  
 de he added be ef f a g d b a d he b-d b .

D g he T ac Rec d Pe d, e d b h ag ee e a e a ed  
 2006 a a e fa ga aga g a eged b each f a d b h  
 ag ee e . U de he d b h ag ee e e , L a g F a had a h ed  
 a f e d b (“F e D b ”), h had e b e e a h  
 h , d b e d c X a g a C , H a P ce. H e e , d e  
 a fac a e e f a ce f he F e D b , L a g F a , be e g ha  
 he had e a ed he d b h ag ee e , e e ed a he d b h  
 ag ee e h a he d b , de h ch ch d b a a h ed  
 d b e d c X a g a C , H a P ce. Acc d g he c f d g ,  
 L a g F a a he d ha e b eached he e f he D b h ag ee e a d  
 a de ed , a g he h g , a c e a he F e D b . A a  
 e f h ca , L a g F a a d a e- ec e a a e f RMB0.6  
 he F e D b . D g he T ac Rec d Pe d, e e e a  
 ge e a ed f he e a ed d b h ag ee e .

**Management of retail outlets**

A e a e e c e e LILANZ d c . T de f , a e ce ac he e a e , e e e a a a f a da d f , a g he h g , e d a , a e g ac e a d da e a f d b a d he b-d b , a d e e e d b a d he b-d b b a a a f he f a ca f each e a e .

T f he e e e a ce , ec d c ched ed - e ec a a d e ec ed d d a e a e . D g he T ac Rec d Pe d , a e a d a e g de a e c d c ed e ha 100 - e ec , a g f e 72 da , d g h ch e ed e gh e a e each da . We a e e d b c d c eg a e he b-d b ' e a e chec he he e a a da d a e be g f ed . Th gh he e ec a d , e ee e e ha he e a d c d f he d b h age e e a e be g c ed h . We de f a d f d b fa -c f g d d a e a e a d d ec he ec f he be h a ce a e d f e . T he be edge f D ec , a f he e a e ha ec ed h e a ce a a e a e ec . I add , he b-d b a d / he e a age G a eg a ba d g h ch he def -ha d ca a e f a . We be e e LILANZ e a e a e eff ce e a ed a d de a ea a e e e ce e a c e .

**Customer service**

B d g c e a a cce . W h e c age e , a d b a d e f he b-d b ffe VIP ga e de h ch a e be e a d c f he e a ce a d a a a e ad a age f a e ce ch a e a d a d h da d c ffe . Each e be f he VIP ga e e ed d c he eg c ed b he e e a d b . The e VIP ga e a e a aged de e de b d b a d b-d b , h a e e be f g he ga e . N ce e ha bee g e d b b-d b h ffe VIP ga e c e . T he be edge f D ec , e a e a a e f a -c a ce h he e e e a d e f he e VIP ga e d g he T ac Rec d Pe d .

We de a e a e ce d b a d he b-d b f ee f cha ge . We a e a c a c e a d a e e b d b a d he b-d b . H e e , e d d de ch e ce d g he T ac Rec d Pe d a e d d e ce e a e e f a e a e ce d g ha e d . We de a d a f d b a d he b-d b de he a fe - a e e ce e a c e , c d g g , h e de e f cha ed a e ed g d a d h e g f e .

I e ec f e f g d c , d b a e a ed c d c a chec e ce f d c a d a e defec e g d f ce f c a ab he defec g e h 15 da . D b a e dee ed ha e c de ed he g d a a fac he ab e ce f ch c a . Whe e e defec

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are b , e a , a ca e-b -ca e ba , a e f g d f d b  
e e h gh he ce f c a e ed de he 15 da e d. O D ec  
c f ed ha f he ea e ded 31 Dece be 2006, 2007, 2008 a d he h e ded  
30 J e 2009, he a e f d c e ed acc ed f RMBN , RMB0.1 ,  
RMB0.7 a d RMBN , e ec e . The d c e ed d g 2007 a d 2008  
e e e ed d e e e h e d b .

We a a e ha fa d c f d be a fac afe cha e, e a  
c e a e he d c he e he e he e a cha ed , ded  
ha he d c g d a d a e a b e c d , e cha ge he e f a e a e  
g d . We a e e b e f e ed g d f d d a e a c e a  
d b b-d b , b c e a de feedbac a eb e  
a d c e h e.

**Production orders and pricing strategy**

We h d e e f e d c h d b ad a ce f he a e  
fa , a h ch d b ca e e a d e a a e e d c , a d e e cha ge  
dea h d b ab c e a d f e e d f he e ea a e he  
PRC. We h d a e fa h ee e a ea h ca e e f a , e a d  
g/ e e g a d e a d b . O a e fa ge e a a e  
ace Ma ch Ma f he a c ec , Ma J f he e c ec a d  
A g N e b e f he g/ e c ec . We a e b-d b a d  
e a e a age , h ace de h gh he e ec ed b , a e d he  
a e fa . M f de a e de ed f he a e fa . D g ch a e fa , e  
ee a d b a feedbac ca fa h e d a d a e de a d h ch a  
f he e ha ce d c de g a d e cha d g a eg . O d b a e  
e ed de he d b h age e e ace 70% f de a a e fa , h  
he e a g 30% a b e e - de . We b e e ha he a e e g f  
a e fa a eff ce e d c fac e a d OEM c ac ,  
e d c a e de a d a d a age e e eff ce .

A h gh he d b h age e e d h b he d b f  
ca ce g de , a ad ed b PRC e ga ad e , a cha e de aced b  
he e ga b d g be ee he d b a d a d e a e e ed e he  
d b de PRC a f de ca ce a . O d b d d ca ce a  
de ha he aced h d g he T ac Rec d Pe d.

D g he T ac Rec d Pe d, he a e age e g ce f a a e a  
RMB120, RMB120, RMB142 a d RMB128, e ec e , a d he a e age e g ce  
f acce e ( c d g f ea ) a RMB15, RMB47, RMB84 a d RMB86,  
e ec e .

S a g f Ma ch 2008, e bega ca f d b f ca eg e ,  
a e e I, II, III, a d IV, acc d g he e f he c e he e a e , a d he  
f d ec a aged e a d b-d b a aged e de he a age e .  
D ffe e e f d b e d ffe e h e a e c g d c , h e I  
d b e g he h gh e d c a d e IV d b he e . I he a

c e f b e , he ce ha a e f d b ha a f he cha e a e  
de e ed b efe e ce he d c a e a cab e he e a d he f e a  
ce f ed b ha he e d c e h d a f he d c . We e e he g ad g  
f d b ce a ea . P he ad f h d b g ad g e , e  
g a ed a d b a f d c a e f a cha e ade.

D b a e e ed, a d a e e ed c e he b-d b , ad

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accounted for 55.3%, 42.6%, 34.6% and 34.0%, respectively, for the years ended December 31, 2005, 2006, 2007 and 2008, respectively. Sales accounted for 21.1%, 13.2%, 12.7% and 12.7%, respectively, for the years ended December 31, 2005, 2006, 2007 and 2008, respectively. The net income attributable to the common shareholders for the years ended December 31, 2005, 2006, 2007 and 2008 was RMB125.4 million, RMB234.7 million, RMB125.4 million and RMB125.4 million, respectively, or 44.0%, 44.7%, 31.5% and 30.8% of the net income attributable to the common shareholders for the years ended December 31, 2005, 2006, 2007 and 2008, respectively.

As of December 31, 2009, the company had 10 shareholders. The largest shareholders were M. H. Cheng, Chairman of the Board, and M. Zhang, CEO, who together held 5% of the company's shares. The company's net income attributable to the common shareholders for the year ended December 31, 2009 was RMB125.4 million, or 30.1% of the net income attributable to the common shareholders for the year ended December 31, 2009. The company's net income attributable to the common shareholders for the year ended December 31, 2008 was RMB125.4 million, or 30.1% of the net income attributable to the common shareholders for the year ended December 31, 2008. The company's net income attributable to the common shareholders for the year ended December 31, 2007 was RMB125.4 million, or 30.1% of the net income attributable to the common shareholders for the year ended December 31, 2007. The company's net income attributable to the common shareholders for the year ended December 31, 2006 was RMB125.4 million, or 30.1% of the net income attributable to the common shareholders for the year ended December 31, 2006. The company's net income attributable to the common shareholders for the year ended December 31, 2005 was RMB125.4 million, or 30.1% of the net income attributable to the common shareholders for the year ended December 31, 2005.

and 20.9% of the total sales of the Company for the year ended 31 December 2007 and 31 December 2008 and the total sales of the Company for the year ended 30 June 2009, respectively. Certain background information of the Related Company is as follows:

Name of the Related Company	Province in which the Related Company operates/ estimated number of staff as at 31 December 2008	Shareholding structure of the Related Companies during the Relevant Period	Shareholding structure of the Related Companies following their disposal	Number of outlets operated by the Related Company and its sub-distributors (% to all our distributors'/sub-distributors' outlets) as at 31 December		Our amount of sales to the Related Company (% to our turnover) during the year ended 31 December during the Relevant Period	
				2006	2007	2006	2007
				RMB'000/ (%)		RMB'000/ (%)	
合肥曉升商貿有限責任公司 (Hefei Xiaosheng Trading Co., Ltd.) ("Hefei Xiaosheng")	Anhui Province/ 34 staff	60% by Mr. Hu Chengchun and 40% by Mr. Pan Ruijun. In August 2006, the Company entered into an agreement with Mr. Zhang Xiaogang and Mr. Xu Pingde to acquire 3 billion shares of the Company. Since 2007, the aggregate cash consideration of RMB1,000,000, which had been agreed upon in the agreement, has been paid in full to Mr. Hu Chengchun and Mr. Pan Ruijun. Hefei Xiaosheng and its subsidiaries have not received any cash dividends.	60% by Mr. Zhang Xiaogang and 40% by Mr. Xu Pingde. ("				

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Name of the Related Company	Province in which the Related Company operates/ estimated number of staff as at 31 December 2008	Shareholding structure of the Related Companies during the Relevant Period	Shareholding structure of the Related Companies following their disposal	Number of outlets operated by the Related Company and its sub-distributors (% to all our distributors' outlets) as at 31 December		Our amount of sales to the Related Company (% to our turnover) during the year ended 31 December of the Relevant Period	
				2006	2007	2006	2007
				RMB'000/ (%)	RMB'000/ (%)	RMB'000/ (%)	RMB'000/ (%)
鄭州市凱利商貿有限責任公司 (Zhengzhou Kaili Trading Co., Ltd.) ("Zhengzhou Kaili")	Henan Province/ 24 staff	60% by Mr. He Chao and 40% by Mr. Wang Jie. Agreed in 2006 that the company had been agreed to be sold to Mr. Wang Jie. The company had been agreed to be sold to Mr. Wang Jie.	65.72% by Mr. Wang Jie. 34.28% by Mr. Wang Xingde.	139/ (6.9%)	167/ (7.6%)	16,345/ (3.9%)	27,165/ (3.1%)
貴陽曉星商貿有限公司 (Guiyang Xiaoxing Trading Co., Ltd.) ("Guiyang Xiaoxing")	Guizhou Province/ 35 staff	40% by Mr. He Chao and 60% by Mr. Wang Jie. Agreed in 2006 that the company had been agreed to be sold to Mr. Wang Jie. The company had been agreed to be sold to Mr. Wang Jie.	60% by Mr. Wang Jie. 40% by Mr. Wang Xingde.	45/ (2.2%)	39/ (1.8%)	7,017/ (1.7%)	1/ (0.0%)
長春市恩比商貿有限責任公司 (Changchun Enbi Trading Co., Ltd.) ("Changchun Enbi")	Jilin Province/ 30 staff	52% by Mr. He Chao and 48% by Mr. Wang Jie. Agreed in 2006 that the company had been agreed to be sold to Mr. Wang Jie. The company had been agreed to be sold to Mr. Wang Jie.	52% by Mr. Wang Jie. 48% by Mr. Wang Xingde.	76/ (3.8%)	70/ (3.2%)	7,182/ (1.7%)	10,017/ (1.1%)

## BUSINESS

Name of the Related Company	Province in which the Related Company operates/ estimated number of staff as at 31 December 2008	Shareholding structure of the Related Companies during the Relevant Period	Shareholding structure of the Related Companies following their disposal	Number of outlets operated by the Related Company and its sub- distributors (% to all our distributors' outlets) as at 31 December		Our amount of sales to the Related Company (% to our turnover) during the year ended 31 December during the Relevant Period	
				2006	2007	2006	2007
				RMB'000/ (%)	RMB'000/ (%)	RMB'000/ (%)	RMB'000/ (%)
西安市閩星商貿有限責任公司 (Xian Mingxing Trade Co., Limited) ("Xian Mingxing")	Shaanxi Province/30 staff	60% by Mr. He Chongchong and 40% by Mr. Wang Baobao. Since 2006, he has been the sole shareholder of Xian Mingxing Trade Co., Limited. Since 2007, he has been the sole shareholder of Xian Mingxing Trade Co., Limited.	60% by Mr. Wang Baobao and 40% by Mr. Xie Pingde.	59/ (2.9%)	77/ (3.5%)	6,039/ (1.4%)	19,432/ (2.2%)
Total:						88,159/ (21.1%)	114,158/ (12.9%)

Mr. He Chongchong and Mr. Wang Baobao have been the sole shareholders of Xian Mingxing Trade Co., Limited. Mr. Wang Baobao has been the sole shareholder of Xian Mingxing Trade Co., Limited since 2006 and Mr. He Chongchong has been the sole shareholder of Xian Mingxing Trade Co., Limited since 2007. The sole shareholder of Xian Mingxing Trade Co., Limited has been Mr. Wang Baobao since 2006 and Mr. He Chongchong since 2007. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively.

In addition to 2006, the sole shareholder of Xian Mingxing Trade Co., Limited was Mr. He Chongchong. Mr. Wang Baobao has been the sole shareholder of Xian Mingxing Trade Co., Limited since 2006 and Mr. He Chongchong has been the sole shareholder of Xian Mingxing Trade Co., Limited since 2007. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively. Mr. Wang Baobao and Mr. He Chongchong have been the sole shareholders of Xian Mingxing Trade Co., Limited since 2006 and 2007 respectively.

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C a e . N e f G , D e c a f h e e e c e a c a e h a d d e d a f d g h e e c h a e f h e a c f h e e e e e .

The R e a e d C a e h a e h e f f c e a d a e h e f h e e a a d e f h e e a e a a f a c e f G . H a g a e e h e a a g e e e a a d a f f h e R e a e d C a e a d h h e f h e c h a a a g e e a d e c e e e e a b h e d b M . H a d M . P a , a d h h e c e d e g e e a f f e e d b c e , f a a h e D e c a e a a e f , h e e a a c a a a d h e a d d a a a g e a a d e a a e e d b h e e R e a e d C a e a f e h e d a b M . P a a d M . H f h e e e c e e e h e R e a e d C a e g f c a a d h e R e a e d C a e a e a b e e a e d e e d e a d f a c e h e e a a d c h a e f c h a e c e e c e d f h e b - d b , e a h a d h e e a g e e a e d c a h f . S a e f h e e d e d b a h e d b h a g e e e , e h e G a f h e D e c h a e d e d a f d g h e f a a g e e e a f h e e R e a e d C a e a f e h e d a h e e f b M . P a a d M . H . S a e f M . H a d M . P a h h a d a a g e d h e R e a e d C a e d g h e R e e a P e d , e f D e c a d , f a a h e D e c a e a a e f , e f h e e a a g e e , a d / h e a c a e h a e a c a e d h e a a g e e a d e a f h e R e a e d C a e d g h e T a c R e c d P e d a d h e L a e P a c a b e D a e . O a e h e R e a e d C a e h a e b e e a d b e a d e a ' e g h b a a d a c e c a e .

**MARKETING AND PROMOTION**

A c e a e g a d f b a d h a b e e a e g h e g h e L I L A N Z b a d a e a d a g e h e P R C . O a a d - g a d e g f c e a e a b a d a g e h a a a " e e h c a e d " f e e . W e a g e e a e e e a d e c g a g e a c e , b a a a g d b , a e e a d h e e d a . W e e e c a a e g e h a e e a d e f f c e e a c h g a g e a d e c e .

**Advertising**

O a a a d e g f c e b d g h e L I L A N Z b a d . W e a e b a d a g e a d g e e a e c e a e h g h a a e e a d e g , a a c h a e h c h e b e e e c c a e a c h g a g e a d e c e . O a a d - g e e a d e e e , h c h a e h f f a , h c a e a e e e a c e c a c e a c a . W e b e e e h e e a d e e e a c e h e e e f b a d a d c e a e a c e h g h - f e b a d a g e . S c e 2 0 0 2 , e h a e e g a g e d h e e - P R C a c M . C h e D a M g ( 陳道明 ) b e b a d e e . W e b e e e h a M . C h e D a M g ( 陳道明 ) e e h e " e e h c a e d " f e e h h h a L I L A N Z

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**BUSINESS**

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e e e . I eff e b a d a d a e a a b a d e a d e c e , e a  
a e d M . D a e W ( 吳彥祖 ) a b a d e e A g 2009 a d d  
M . C h e D a M g ( 陳道明 ) .

T a a a c e h g h - f e a e e e c e , e a e  
L I L A N Z b a d h g h a d e e e f a h a g a e , b b a d a d  
e a e . W e b e e e h a h e e e h d h e e f c e e e a d e g ,  
e e d c e a g e h e e e d a a d f h e c e a e h e e e f a L I L A N Z f e e  
a g a g e c e .

A a f a e g a e g , e e d a b e f a e g e e ,  
c d g e f h e a g e e a a e ' d e c e " M a h  
I e a a 2006 " h e d h e P R C , d g h c h e e a e e h c a e d . I 2008 ,  
e e d a e d e f h e e a e e e e " W C h a " , h e b c e a  
c e e d a e e f b e a a d e e e e f h e a g e c e h e h . W e  
a e d h e b a d c a f a f " B e c a c h a g e C h a d a ' e a  
d a d e d f d e e e C h a " d g h c h a d e e e e e a c e d .  
W e b e e e h a h a h e e d f e e e h a c e h e b f h e  
L I L A N Z b a d a d f h e c e c h e L I L A N Z b a d h e d e d a e  
e g e .

W e a d b ' e f f a d e e d c a e g a a d  
c a b a e g a e e , b b a d a d h e e d a b d g e a d - - e a d  
f e e f c h a g e a a h e a d a e g a e a d b a d  
a g h e d e e g e g a a e g a e g e . M e g a a d c a  
a e g a c e e e a a . I d d a d b , a d , a e  
e b e f h e c a c a e d h e g a a d c a a d e g . W e b e e e h a  
e g a a d c a a d e g b d b c e e a a a e g  
a c e a d c b e g a e g h .

**Fashion shows**

T e b a d a g f a h d e a d e , e h a e f a b e f e a  
a c a e d d e c f a h h . R e c e , e b e g a a c a e e a a  
f a h h . I 2007 , f g a a c a h c h e e e e e e d h h a  
e h a e a e - e a b h e d d b e h e P R C a d h a c h e f d e g e h a  
a e e a h h e f a h d , e b e c a e h e f a d h e C h e e  
e e a b a d a c a e h e " M a M e e a S h " ( M a M d a U ) , e  
f h e a e a a f a h h f e e a g a e d b T h e N a a C h a b e  
f I a a F a h ( C a e a N a a e d e a M d a I a a a ) h e d e a a I a .  
D g h e h , e e e e d a a d e e e e a c e c , h g h g  
h e d e g h a f e d c C h e e e e e d e W e e f a h . O  
d e g e c e e d e e e f h e e d a . I 2008 , e a c a e d h e " J a a  
F a h W e e T " d g h c h e e e e d g / e e e a  
c e c . W e a a c a e d a f a h h T a a a d a e e e  
F a c e a d K e a e b a d a d d c a e a a e e .

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## BUSINESS

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We believe that the demand for the product is growing rapidly, and we expect to continue to expand our market share in the PRC. The company has a strong track record of successful operations in the PRC and has established a solid market position.

### Management of promotional activities

Our management team has developed a comprehensive promotional strategy to increase brand awareness and drive sales. The company has invested in various promotional activities, including advertising, public relations, and direct marketing. In 2004, the company spent RMB30.5 million on promotional activities, an increase from RMB28.0 million in 2003. The company's promotional expenses as a percentage of sales were 7.3%, 9.9%, 11.2% and 7.3% in 2001, 2002, 2003 and 2004, respectively.

### DESIGN AND PRODUCT DEVELOPMENT

We believe that our design and product development capabilities are a key competitive advantage. We have a strong focus on research and development, and we have a track record of successful product launches. The company has invested in design and product development activities, and we expect to continue to invest in these areas. In 2004, the company spent RMB127.4 million on design and product development activities, an increase from RMB127.4 million in 2003. The company's design and product development expenses as a percentage of sales were 11.2% and 7.3% in 2003 and 2004, respectively.

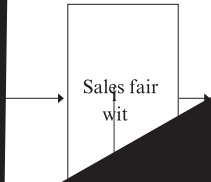
As of December 31, 2004, the company has a total of 1,234 employees, an increase from 1,100 employees as of December 31, 2003. The company has a strong focus on employee development and training, and we have a track record of successful employee development programs. The company has invested in employee development and training activities, and we expect to continue to invest in these areas. In 2004, the company spent RMB43.8 million on employee development and training activities, an increase from RMB43.8 million in 2003. The company's employee development and training expenses as a percentage of sales were 3.5% and 3.5% in 2003 and 2004, respectively.

Our design and product development capabilities are a key competitive advantage. We have a strong focus on research and development, and we have a track record of successful product launches. The company has invested in design and product development activities, and we expect to continue to invest in these areas. In 2004, the company spent RMB127.4 million on design and product development activities, an increase from RMB127.4 million in 2003. The company's design and product development expenses as a percentage of sales were 11.2% and 7.3% in 2003 and 2004, respectively.



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fac d OEM d c , e d- d c be de e ed  
a ec . The d b ca ca ce  
d a e fa .

g d ag a a e



**Outsourcing**

We entered into OEM contracts with various suppliers, including Haier Electronics Corporation, Changhe, and others. The OEM contracts are for the production of components and sub-assemblies. We have entered into OEM contracts with LILANZ. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers.

We entered into 200 OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers.

We entered into long-term agreements with OEM suppliers. The OEM contracts are for the production of components and sub-assemblies. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers.

From the ended 31 December 2006, 2007 and 2008 and the ended 30 June 2009, the percentage of OEM contracts accounted for 46.2%, 22.7%, 20.7% and 25.4%, respectively, of the total sales of OEM products. The percentage of OEM contracts accounted for 13.6%, 7.1%, 5.3% and 8.1%, respectively, of the total sales of OEM products. The percentage of OEM contracts accounted for 5% of the total sales of OEM products.

In addition, during 2007, we entered into contracts with various suppliers for the production of components and sub-assemblies. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers. We have entered into OEM contracts with various suppliers.

**Quality control**

We have conducted a detailed audit of the production process. We have implemented ISO 9001:2000 certification since February 2007. The audit results are satisfactory. We have issued "Certificate of Product Quality" (產品質量免檢證書) since February 2006.

As the Lead Purchaser, we have a staff of 74 employees. Our main products are each made of high quality materials. Raw materials are purchased from reputable suppliers. We conduct regular quality checks. The quality control system is effective. Our products are free from defects. Our products are of high quality. Our products are of high quality. Our products are of high quality.

The quality control system is in line with OEM requirements. We conduct regular quality checks. We have implemented OEM requirements. We have implemented OEM requirements.

**INVENTORY CONTROL**

We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system.

We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system. We have implemented a strict inventory control system.

**BUSINESS**

earned 31 December 2006, 2007 and 2008 and the period ended 30 June 2009, for the year ended 31 December 2009, RMB0.6, RMB0.2, RMB0.2 and RMB0.2, respectively, and for the period ended 30 June 2009, RMB0.8, RMB0.2, RMB0.5 and RMB0.3, respectively.

At the Late Pacific Date, we had a net loss of \$1.0 million for the period ended 30 June 2009, compared to a net loss of \$0.5 million for the period ended 30 June 2008.

**AWARDS AND RECOGNITION**

We have received the 100 award and recognition. A list of the award and recognition received during the period ended 30 June 2009 is as follows:

<u>Year</u>	<u>Award/Recognition</u>
2009	The Pacific Award “2007-2008 China Apparel Brand Award” (「2007-2008中國服裝品牌年度大獎」策劃大獎) by the China National Garment Association (中國服裝協會) (for LILANZ)
	2009 Top 10 Most Influential Fashion Apparel Brand Award (2009亞洲服裝最具影響力十大馳名品牌) by the Asia Fashion Association (亞洲服裝協會), International Fashion Brand Research Laboratory (國際知名品牌研究實驗室), China Textile Apparel Brand Industry Federation (中國紡織服裝品牌企業聯合會), China Enterprise Development Research Association (中國企業發展研究會) and China Apparel Top 10 Index Research Center (中國服裝TOP 10指數研究中心) (for “LILANZ LILANZ”)
	“National Brand” for the 60th Anniversary (建國60周年「國家名片」) by the China Brand Research Institute (中國品牌研究院)
2008	The Most Influential Fashion Brand of the Year (最具時尚影響力服裝名品) by China Textile News (中國紡織報社)
	China’s Best Small & Medium-sized Enterprise (2008中國潛力企業) by Fortune China (福布斯中文)
2007	Sales Revenue Hit a New Record of Over \$500 Million (2006年度工業產值新超50億美元明星企業) by the CPC Jiangxi Provincial Committee (中晉市委晉市政府)
	China’s Best Small & Medium-sized Enterprise (2007中國潛力企業) by Fortune China (福布斯中文)
	China’s Best Trade Fashion Brand (中國最佳時尚品牌) by the Trade Association (中國貿易協會)

Year

Award/Recognition

Excellent High Quality Award Certificate for Year 2004-2006 (2004-2006年度工商信用良好企業) by the CPC Jiangmen City Committee and the People's Government (中 晉 市委晉 市人 政府)

Excellent Quality Certificate for Academic High Quality Certificate for Year 2005-2006 (2005-2006年度「福建省守合同重信用企業」) by Fuzhou Administration (福建省工商行 政管理局)

Designated Supplier of the PRC Famous Special Products (中華名特 產品 指定供貨單位)

c e c de, a g he , Se e , F , Ba a . We be e e ha he e e

During the period 31 December 2006, 2007 and 2008 and the period 30 June 2009, the total cash balance of RMB0.3 million, RMB0.6 million, RMB1.8 million and RMB0.9 million, respectively. If the company had been audited by a qualified independent auditor, the total cash balance of RMB3.7 million, RMB13.5 million, RMB18.8 million and RMB7.1 million for the period 31 December 2006, 2007 and 2008 and the period 30 June 2009, respectively. As advised by PRC registered auditors, the Lagou Fund and Lagou China have conducted the audit of the company, Lagou Fund and Lagou China have been engaged by the company to conduct the audit of the company, and the change in the value of 0.2% of the total cash balance of the company has been adjusted to the value of RMB20,000. Nevertheless, PRC registered auditors have conducted the audit of the company on 15 June 2008, 17 June 2009 and 10 August 2009, and the Lagou Fund and Lagou China have been audited by the company's independent auditor. We have conducted the audit of the company's financial statements by the company's independent auditor. We have conducted the audit of the company's financial statements by the company's independent auditor. We have conducted the audit of the company's financial statements by the company's independent auditor.

Although the Lagou Fund and the SCA Secretariat have accumulated the cash balance of RMB2.2 million, RMB8.2 million, RMB10.5 million and RMB3.8 million has been accumulated by

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**BUSINESS**

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We have added additional assets and have received the necessary approvals from the relevant authorities. In accordance with the provisions of the Companies Act, 2008, the company has been incorporated under the provisions of the Companies Act, 2008. The directors of the company have been appointed and the company has commenced its operations. The company has a registered office at [Address]. The company has a paid-up capital of [Amount] and a reserve fund of [Amount]. The company has a turnover of [Amount] for the year ended [Date]. The company has a net profit of [Amount] for the year ended [Date]. The company has a net asset value of [Amount] as at [Date].

On [Date], the Board of Directors of the company has approved the proposed scheme of arrangement for the reconstruction of the company. The scheme provides for the transfer of the assets and liabilities of the company to the transferee company. The scheme also provides for the cancellation of the shares of the company. The scheme is subject to the approval of the court and the Registrar of Companies. The company has filed the necessary documents with the Registrar of Companies and the court. The Registrar of Companies has issued a certificate of approval of the scheme. The court has also approved the scheme. The company has now commenced its operations under the scheme.

On [Date], the company has entered into an agreement with [Party] for the acquisition of [Asset]. The agreement provides for the purchase of the asset for a price of [Amount]. The company has completed the acquisition of the asset and has recorded it in its books of account. The company has also entered into an agreement with [Party] for the sale of [Asset]. The agreement provides for the sale of the asset for a price of [Amount]. The company has completed the sale of the asset and has recorded it in its books of account.

We are a public company and have a share capital of [Amount]. The company has a total of [Number] shares of [Value] each. The company has a net asset value of [Amount] as at [Date]. The company has a net profit of [Amount] for the year ended [Date]. The company has a net asset value of [Amount] as at [Date]. The company has a net profit of [Amount] for the year ended [Date]. The company has a net asset value of [Amount] as at [Date].

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**BUSINESS**

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As of the end of the reporting period, the company had 3,251 employees. The following table provides details of the employee structure:

	<u>Total number of employees</u>
Manufacturing	184
Administration	42
Sales and Marketing	172
Development	114
Quality	74
Production	2,665
<b>TOTAL</b>	<u><u>3,251</u></u>

The PRC Labor Contract Law adopted by the Standing Committee of the National People's Congress of the PRC in June 2007 and became effective in January 2008. Under the PRC Labor Contract Law: ( ) an employer shall not be required to sign a written labor contract with an employee if the employee has worked for the employer continuously for one year (full-time, part-time or seasonal) without a written labor contract. If the employer fails to sign a written labor contract with an employee within one month after the date of commencement of the employment, the employer shall pay the employee double wages for the period of the failure to sign the labor contract; ( ) an employer shall not be required to sign a written labor contract with an employee if the employee has worked for the employer continuously for one year without a written labor contract. If the employer fails to sign a written labor contract with an employee within one month after the date of commencement of the employment, the employer shall pay the employee double wages for the period of the failure to sign the labor contract; ( ) an employer shall not be required to sign a written labor contract with an employee if the employee has worked for the employer continuously for one year without a written labor contract. If the employer fails to sign a written labor contract with an employee within one month after the date of commencement of the employment, the employer shall pay the employee double wages for the period of the failure to sign the labor contract; ( ) an employer shall not be required to sign a written labor contract with an employee if the employee has worked for the employer continuously for one year without a written labor contract. If the employer fails to sign a written labor contract with an employee within one month after the date of commencement of the employment, the employer shall pay the employee double wages for the period of the failure to sign the labor contract.

## INTELLECTUAL PROPERTY RIGHTS

We have made a registration in the PRC, Hong Kong, Macau, Taiwan and

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The a a f he a d c f he W I d a Pa e e RMB26.4 , c d g a fa a d cc a a a f RMB3.9 . A deed a f RMB0.8 a ed b he e e a a h . We a d a he e e a c b 11 A 2008 a d b a ed he a d e gh ce f ca e e ec f he a d 14 A 2008. We a b a ed he b d g e h ce f ca e e ec f he b d g e ec ed he e 8 Ma 2009.

We c e ced he c c f he b d g a W I d a Pa Oc be 2006. H e e , d e he e e ed b he ca g e e c e g he e f he a d a d c g h he e e ced e f e a , e a a d e de f a c f he a d , e e e a b e c e e he ac f he a d A 2008.

We a ed c e ce d c a he W I d a Pa ea 2008. A ad ed b ega ad e a PRC a , e h d ha e b a ed he a d e gh ce f ca e a e a he e ed c c e , a e Pa g Pe f U g C c U age La d (建設用地規劃許可證), C c Pa g Pe (建設工程規劃許可證) a d Pe C e ce C c (建築工程施工許可證) bef e e c e ced he c c f he e b d g , a d h d ha e ed he e b d g a f e c e f he ec ced e e ec f he c c a d acce a ce f he a he e f b he c e e g e e a a h he PRC. A ad ed b PRC ega ad e , de he e a g PRC a , he e e a a d ad a e a h a e a f e f RMB30 e . . f he a d f a ega cc a he e f , a d a e c he ega cc a a d c f ca e he b d g e ec ed he e . The e e a a g a h a de c c he e h a e c bed e , a d e a f e f 10% f he c c c e ec f he fa e b a he C c Pa g Pe bef e c e c g c c ; he e e a c c ad a e a h a de c c h a e c bed e , a d e a f e f 2% f he fee a a b e de he e e a c c c ac e ec f he fa e b a he Pe C e ce C c bef e c e c g c c ; a d he e e a c c ad a e a h a de ec f he a a d e a f e f 4% f he fee a a b e de he e e a c c c ac f cc g he b d g bef e c e f ec ced e .

A c f ed b he Pa g , C c a d B d g B ea f J a g a e c f a e e , b d g a he W I d a Pa c h he c c a d e g ee g a g , e a , de g , e e a , f e a f e , e e a ec a d he e e e a d a da d . I ha a e d ed a d e ed c c a d e f he e b d g , a d ha a ed a ab ha e a ha e e ec f ch c c a d age. O ega ad e a PRC a c de ha he Pa g , C c , a d B d g B ea f J a g he c e e a h e he ab e c f a , a d he ab e ba , he f G be g h b ed f g he e b d g a , a d e be he d a b e f he c c a d age he e f .

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**BUSINESS**

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O C g Sha eh de ha e ag eed de f G a a d e e a ba e ec f a e , da age , c a de e e a g f c ec ha ch e , da age , c a de e e ha e a c ffe a a e fa -c a ce f he a cab e PRC a a g f c ec h cc a , c c a d age f b d g a he W I d a Pa . P ea e efe “A e d VI S a a d Ge e a I f a O he I f a E a e d , a a d he de e” h ec f f he de a .

We a a a ce f a d ca ed a Q a g A e e , J e D c , X a e C , F a P ce ha agg ega e e a ea fa a e 66,503 . . We a e h a d f ffe , d c a d a eh g e he f e . We ha e ba ed he a d e gh ce f ca e f h e b e ha e ba ed he e e a ce f ca e f he c c - - g e h e .

I J 2008, e e e ed c d e a e a d cha ec ac h He a She g g Rea E a e C . , L d . , a I de e de Th d Pa , f ac f 12 f a c e ca b d g Zhe g h , he PRC, ha agg ega e g f a ea f a a e 1,067 . . , f a agg ega e c de a f RMB28.91 . S ch e e a e e ec ed be ed b G f ea e d b f e a a f ag h e . A ad ed b C a ' PRC ega ad e , ded ha he e - a e c d f he c d e e e ed b he PRC a a d eg a ha e bee e , he c ac a e a d , b d g a d e f ce ab e de he PRC a acc da ce h he e ec e e . We e he e e a fe e ha e ba ed he e e e ce f ca e de he a cab e PRC a , e a d eg a .

**Leased properties**

We e e ed ea e ag ee e h J a g (F a ) I e e C . , L d . (“J a g F a ”), a c a h ed b he Wa g B he , de h ch e ea e he e e f head a e a L a g I d a Pa a J g C , F a P ce f J a g F a . The e e a e a ed a ce f a d , ha agg ega e e a ea fa a e 10,283 . . , ca ed a L a g I d a Pa , Na h a R ad , Q g a g D c , J a g C , F a P ce a d c e (1) b d g ha agg ega e g f a ea fa a e 17,095 . . f ea ffe , h a d aff d ; a d (2) f f a b d g ha agg ega e g f a ea f a a e 10,972 . . f ea he ffe f a e g de a e , d c de a e a d CEO ffe . The ea e ag ee e f he a d a d he b d g efe ed (1) ab e a f a e c e c g f 1 Ma ch 2008 a d e d g 31 Dece be 2010, h a e e a ab e b G J a g F a f RMB329,750. The ea e ag ee e f he a d a d he ea ed f efe ed (2) ab e a f a e c e c g f 1 Ma ch 2009 a d e d g 31 Dece be 2010, h a e e a ab e b G J a g F a f RMB213,945. The e ea e ag ee e ha e bee d eg e ed h he Pa g , C c a d B d g B ea f J a g (晉 市規 劃建設與房產管理局). F he de a f he ea e ag ee e a e e “Re a h h C g Sha eh de C g C ec ed T a ac ”. The a d a d b d g efe ed (1) ab e (c ec e , he “D ed P e e”) e e e ed b L a g F a a d J a g X a he g A a e E e e L ed (“X a

BUSINESS

She g”), a c a h ch c ed b he Wa g B he . A a e ca e  
 a g ce e a d a e a d a e g de a e fac e X a e he  
 f e a d, a f e e ca , e e he D ed P e e ( a a he e f)  
 f ff ce ace, X a She g a d L a g F a d ed f he e ec e e e  
 he D ed P e e J a g F a a a agg ega e ca h c de a f RMB13.3  
 h ch a a ab e a RMB11.6 L a g F a a d RMB1.7  
 X a She g, a d ea ed he D ed P e e a d he e e efe ed (2) ab e f  
 he ab e e e d g c e f c c f fac e X a e a d he  
 e ca f a g ce e a d a e a d a e g de a e he e . A G  
 ha he gh e a e he ea e a a e b g g e h e ce,  
 he a e-a d- ea e bac a a ge e a e he e ca e ff ce a e  
 e e e e he e, ea e e ace f J a g F a f e c de a a e.

I acc da ce h a ea e ag ee e e e ed be ee L a g Ch a a d J a g  
 De e T C . L d., a I de e de Th d Pa , 1 Ma ch 2008, ea ea ed a he  
 a ce f a d h a e a ea f a a e 7,331 . . ca ed a Me g D c ,  
 J a g C , F a P ce, ge he h f e b d g e ec ed he e , h a  
 agg ega e g f a ea f a a e 12,236 . ., f a e c e c g f 1  
 Ma ch 2008 a d e d g 28 Feb a 2010. The e e a e ed f d c  
 e . A J a g De e T C . L d. he e f he e e a d had b a ed he  
 a d e bef e he ea e ag ee e a e e ed , he e b f he e e  
 a he ea e ag ee e ega de he PRC a . H e e , a J a g De e  
 T C . L d. had fa ed a a a ec e ed b PRC a , b e ce ce a  
 e ed b he c e e a h bef e e e e ed he ea e ag ee e . J g a g  
 De e T C . L d. h d be he ce f be g da ed de PRC a . U de  
 ch c c a ce , PRC ega ad e ad ed ha he da c ee a d he  
 e e a c he PRC ha ha e he gh a da e he ea e ag ee e . If he ea e  
 ag ee e ega ded a a d e f ce ab e b he da c ee he  
 e e a c he PRC, e a e a e a e ea e a a ge e . O he he ha d,  
 f he da c ee a d he e e a c he PRC d a da e he ea e  
 ag ee e , he ea e ag ee e be b d g he cce f he e e a e e  
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 e e a PRC a h e a he b e ce ce f he e ha bee e ed, b  
 e e a be f e ced he eb . A c a a fac g f c  
 c d c ed b d c fac e W I d a Pa he e bc ac ed  
 OEM c ac , D ec a e f he e ha he ea ed e e c ca  
 e a a d e a ab e ch e e f he ea e e e  
 de e ed be a d d e a a e a ad e e ac b e  
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 ag ee e a da ed b he da c ee he e e a c he PRC,  
 c f e- ca f fac e d be a a d d e ceed RMB100,000.  
 O C g Sha eh de ha e a ag eed de f G a a d  
 e e a ba e ec fa , da age , c a d e e e a g f  
 c ec h he a d f he ea e ag ee e . P ea e efe “A e d VI  
 S a a d Ge e a I f a O he I f a E a e d , a a d he  
 de e ” h ec f f he de a .

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**BUSINESS**

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We have entered into the Indenture Third Party with the following address: 1,170 ... ca ed a N . 387, H a h R ad, J e D c , X a e C , F a P ce f a e c e c g f 11 Ma 2009 a d e d g 31 Ma 2010. We have entered into the add a d c e . The e e a e a e a g e e e h a b e e d e g e e d h X a e M c a R e a E a e T a a c a d T e R e g a C e e (廈門市房地產交易權籍登記中心).

We entered into the e a e a g e e e h a I d e e d e T h d P a d e h c h e e a e a f a d ca ed a P h a e IV, C h a g g C E c c D e e e Z e, L g a C , F a P ce, g e h e h a b d g e e c e d h e e , h a a g g e a e g f a e a f a a e 22,281 . . , f a e c e c g f 1 A 2009 a d e d g 31 M a c h 2010. We have entered into the d c e . The e e a e a e a g e e e h a b e e d e g e e d h R e a E a e A d a D e a e f C h a g g C (長 房地產管理處).

We entered into the Sha g h a f a I d e e d e T h d P a , h a g f a e a f a a e 229 . . ca ed a R 2107, N . 218 W g R ad, H g D c , S h a g h a C f a e c e c g f 20 O c b e 2008 a d e d g 19 O c b e 2010. The e e e d a h e f f c e f S h a g h a - b a e d d e g a d d c d e e e e a . T h f f c e a g a g e d a h d a b e f e e e e d h e e a e a g e e e . I f h e g h f a e d e h e g a g e e f c e d d g h e e a e e d a d h f f c e a f e e d a h d a , h e a e a g e e e b e e f c e a b e a g a h e a f e e .

We have entered into the e a e a g e e e h h e e e a c a S h a g h a e g a a h e , b c h a c a a e f e d b h e e g a a h e , h e g d h a h e e a e d e e c e d f e a e d a e a f e a d a h a f a d h e a h e ' a c c e e g e a c h e a e a g e e e g e a e f a f a . A d a d e d b P R C e g a a d e , h e a b e c e f h e e g a f h e e a e a g e e e a f f e c h e a d f h e e a e a g e e e . A c h , e d e d a e h e e g a .

We have entered into the H g K g h a f a e a f a a e 2,237 . f . h a h e a d a a d f a c a a f f a f G f a e f e a b e g g A 2008.

De a f h e e e e a e e “A e d IV | P e V a a ” h e c .

**ENVIRONMENTAL AND SAFETY MATTERS**

**Environmental**

We are in compliance with the PRC e e a a a d e g a , c d g h e E e a P e c L a , h e L a h e P e e a d C f W a e P , h e L a h e P e e a d C f A h e c P , h e L a h e P e e a d C f P F E e a N e a d h e L a h e

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Pe e a d C f E e a P b S d Wa e. The e a a d  
eg a g e a b ad a ge fe e a a e , c d g a , e  
e a d a e a d a e d cha ge.

Acc d g he e e e a a a d eg a , a b e e a ha  
a ca e e e a a d he b c ha a d a e e ed c a e  
e e a ec ea e he a a d e ab h a e ab e e f  
e e a ec . The e e a ad effec e ea e e e a d  
c e e a d ha ca ed he e e he f f a e ga , a e  
a e , d a e , d , a d ga , ad ac e b a ce , e , b a a d  
e ec ag e c ad a ge e a ed he c e f d c , c c he  
ac e .

C a e a e a e ed ca a e e a ac a e e bef e  
c e c g c c f d c fac e a ea e fac e  
h ch ee he e e a e e a a da d a d ea a bef e d cha ge.  
D g he T ac Rec d Pe d, e be e e e ha e f c ed h he e e a  
e e a a a d eg a . We ha e ca ed he e e a e e a ac  
a e e bef ec e c g c c f d c fac e a d ha e b a ed  
a he e ed e a d e e a a a f d c fac e .

O e e d e d g he T ac Rec d Pe d e ec f a cab e  
e e a ec e e e e e RMB13,000, RMB99,900, RMB15,900 a d  
RMB72,500, e ec e . The D ec be e e ha he cha ce f e c e g e a  
f e e e a a e a a d he ef e d a de a e a  
add a ea e add e he e e a .

A e ed e a d e e a a a f d c fac e ha e  
bee b a ed. We ha e a ed he ISO14001 ce f ca e ec f e e a  
a age e e 2008, a d h he a a ce f he ce f g ga a , e ha e  
a e ab hed e a g de e e ec fe e a ec a d ded  
aff h ed ca a d a g e e a ec . G g f a d, e a a d  
e e a ec e ec fe e a ec be e d ca c d c ed  
b he e b e de a e a d he ce f g ga a , e ec e .

I f he c f ed b PRC e ga ad e ha , a he c f a  
ded b e e a e e a ec a h , d g he T ac Rec d Pe d,  
e ha e f c ed h he a a a d ca eg a e ec fe e a  
ec , he e had bee a a e a c de ha c ed a a  
fa e e a eg a b , a d ad a e e a had bee ed  
G .

O d b ha e ed a c d e e a ec a a  
f he e-c d ace de f d c , b ch c d ha e bee ed  
b G OEM c ac .

## Safety

During the Tac Rec'd Period, after the -c a ce f G h he  
a cab e PRC a a d eg a e a c b he c a ec  
a ce f d a e a c a efe ed b- ec "E e " ab e, e  
c ed h a a cab e ab a d afe a a d eg a a a e a e ec ,  
a d c e e ed e a afe g de e a d e a g ced e . S ce he  
c e ce e f b e , e f e ee ha bee ed a a  
acc de he c e f he e e a d e ha e bee bec d c a  
ac h e ec he ab ec e .

We e d ca c d c ec he afe f d c fac e . I  
a c a , he e a f b e , he a f a e a d he h g e e  
c d a e ec ed da b e ee h a e a fed be ec a e e  
e a . F he , he f e afe f d c fac e chec ed a ea ce a  
h b e a f e f gh g ea h ch c e 50 ee e ee f  
a de a e a a 30 J e 2009.

## INSURANCE

O a ce c e age c de a ca a ce, e a ce a d  
a b e a ce. N e f he e be f G a a ge e a d c  
ab a ce f a f d c . N e e he e , e be e e ha ac ce  
e h he ge e a ac ce he PRC a d c ab a ce e ed de  
PRC a . O D ec c f ed ha e ha e bee bec a a e a d c  
ab e a ca aga , ha e ha e e e e ced da age f a  
a e a a e ad a e d c fac e , e e d g he  
T ac Rec'd Pe d.

## LEGAL PROCEEDINGS

I Feb a 2009, ec e ced ga ceed g aga a I de e de Th d  
Pa f a f he A -U fa C e La f he PRC a d f e gag g  
e c e h b ga ad g a e a . A a e f he  
c f d g , he defe da a de ed , a g he h g , cha ge ad g a e  
a d a c e a . P a a e e e age ee e be e e e ed  
be ee he a e , a ageed, a g he h g , ha c e a f RMB45,000  
e ec f h ca a d he ade a f ge e ca a d c ed he b- ec  
"B e I e ec a e gh " f h ec be a d .

T he be edge f D ec , e be f G e gaged a

## LEGAL COMPLIANCE

Dinghe Technology, Inc. (hereinafter referred to as "Dinghe"), is a company incorporated in the State of California. Dinghe Technology, Inc. is a subsidiary of Xinghe Technology, Inc. (hereinafter referred to as "Xinghe"). Xinghe Technology, Inc. is a company incorporated in the State of California. Xinghe Technology, Inc. is a subsidiary of Mega Technology, Inc. (hereinafter referred to as "Mega"). Mega Technology, Inc. is a company incorporated in the State of California. Mega Technology, Inc. is a subsidiary of Eec C. A. (hereinafter referred to as "Eec C. A."). Eec C. A. is a company incorporated in the State of California. Eec C. A. is a subsidiary of Eec C. (hereinafter referred to as "Eec C."). Eec C. is a company incorporated in the State of California. Eec C. is a subsidiary of Eec C. (晉電控設備有限公司), F. S. A. W. C. I. e. e.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

I ed a e f g c e f he G ba Offe g a d he Ca a a I e a d a g acc f a Sha e h ch a be a ed a d ed a he e e c e f he O e -a e O a d he h ch ha e bee a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e, e be ed a a a e 55.13% b X a She g I e a a, a a e 12.38% b M g La g I e e , a agge ga e f a a e 5.70% b he Wa g B he , a agge ga e f a a e 1.79% b he e gh Ma age e a d O he Sha eh de a d 25.00% b c ha d . B h X a She g I e a a a d M g La g I e e a e e e h d g eh c e ed a 76.50% b he Wa g B he a d he e a g e e f 23.50% a e ed b he e gh Ma age e a d O he Sha eh de h e ha eh d g he e a ged f 0.5% 8%. A X a She g I e a a , M g La g I e e a d he Wa g B he a e, d ec d ec , d d a ge he h he he , e ed e e c e c he e e c e f 30% e f he g e a ge e a ee g , each f X a She g I e a a , M g La g I e e a d he Wa g B he e ga ded a C g Sha eh de de he L g R e . The Wa g B he , h a e he e ec e D ec a d he a e a ge ha eh de f C a ed a e c e f he G ba Offe g a d he Ca a a I e, e e b gh he PRC. U he La e P ac cab e Da e, he Wa g B he had bee f e g e e e ff c a f a c had he bee f e e ee f a a e g e e - ed e a ed e f a b a a e d f e .

The D ec c de ha G ca abe f ca g b e de e de f C g Sha eh de a d he e ec e a c a e he f g ea :

#### Operational independence

We de g , ce, a fac e a d e h gh a b e a d ca a a a e f e . We ha e de g a d d c de e e ea a d, de he d ec f M . J We B , e f he PRC' fa h de ge , e a e abe de g a d ffe c e h, h gh-e d de g f a ea de LILANZ b a d . We ha e de e de acce ce d c a e a a d he e f d c , a d de e de acce ce d c f e e a OEM c ac . N e f C g Sha eh de a e e ed a f G ' e , e f e e a OEM c ac . O d c a e d ac a e e ed b e , c e g 31 ce , a eg a d c a e he PRC a d, a e f he Wa g B he ' e e he a age e a d e a f G he ca ac a D ec a de ee , e ha e de e de acce c e .

We a e a d e e , ch a ade a , de g , e a a a e a de e , ha a e g f ca he b e a d e a f G . Pa c a f ed a d ea ed e e a e e "B e | P e e a d Fac e". We e ca e de g , a e a d a e g ff ce f he

c e ca a L a g I d a Pa , Na h a R ad, Q g a g D c , J a g  
e fac e a X a e a d, a a a a a a g e e e d g c e e  
e ca , e e e ed e a e a g e e e h J a g ( F a ) I e e  
C ., L d., a c a h e d b he Wa g B he , f he e f c e  
head a e a L a g I d a Pa a

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**RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS**

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Shareholders, the Group should be independent of the controlling shareholders.

**Management independence**

Our Board of Directors and the management team are independent of the controlling shareholders. The independent Directors are Mr. Wang Dongxiang, Mr. Wang Laxiang and Mr. Wang Cixiang, who are the controlling shareholders.

Each Director and the management team have signed a Declaration of Independence, affirming their independence and objectivity. The independent Directors have also signed a Declaration of Independence, affirming their independence and objectivity. We have also established a system of independent Directors, and the independent Directors have been able to exercise their independent judgment and voice their independent opinions on the matters submitted to them. We have also established a system of independent Directors, and the independent Directors have been able to exercise their independent judgment and voice their independent opinions on the matters submitted to them.

**CONTINUING CONNECTED TRANSACTIONS**

The Group has entered into continuing connected transactions with the listed company (as defined in the Listing Rules) of the Company.

**Relationship between our Group and Jinlang (Fujian) Investments Co., Ltd.**

Jinlang (Fujian) Investments Co., Ltd. (“Jinlang Fujian”), a company established in the PRC, has been established as a company, and is controlled by the controlling shareholders. We have entered into continuing connected transactions with the Company.

Under the Listing Rules, for the purpose of the Listing Rules, the continuing connected transactions between the Company and the listed company are in compliance with the Listing Rules.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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Continuing connected transactions subject to reporting and announcement requirements in respect of which a waiver has been granted by the Stock exchange

*Lease of land and buildings by Jinlang Fujian to our Group*

*(A) 2008 Tenancy Agreement*

Parent (the "2008 Tenancy Agreement") dated 26 March 2008 entered into with Jinlang Fujian (the "2008 Lease") a leasehold interest in a plot of land of 7,418 square meters located at Laguidan Road, Nagasaki, Japan, for a term of 31 December 2010. Under the 2008 Tenancy Agreement, Parent has agreed to lease to the Group the 2008 Leasehold interest in the property for a term of 31 December 2010. The total area of the property is approximately 7,418 square meters. The Group has paid a total of RMB329,750 to Parent for the use of the property under the 2008 Leasehold interest in the property. The Group has also paid a total of RMB1.1 million to Parent for the use of the property under the 2008 Leasehold interest in the property. The Group has also paid a total of RMB659,500 to Parent for the use of the property under the 2008 Leasehold interest in the property.

Parent has also entered into a leasehold interest in the property for a term of 31 December 2009, a total of RMB1.1 million to Parent for the use of the property under the 2008 Leasehold interest in the property. The Group has also paid a total of RMB659,500 to Parent for the use of the property under the 2008 Leasehold interest in the property.

Parent has also entered into a leasehold interest in the property for a term of 31 December 2009, a total of RMB1.1 million to Parent for the use of the property under the 2008 Leasehold interest in the property. The Group has also paid a total of RMB659,500 to Parent for the use of the property under the 2008 Leasehold interest in the property.

The Director has also entered into a leasehold interest in the property for a term of 31 December 2009, a total of RMB1.1 million to Parent for the use of the property under the 2008 Leasehold interest in the property. The Group has also paid a total of RMB659,500 to Parent for the use of the property under the 2008 Leasehold interest in the property.

*(B) 2009 Tenancy Agreement*

Parent (the "2009 Tenancy Agreement", together with the 2008 Tenancy Agreement, referred to as the "Tenancy Agreements") dated 1 March 2009 entered into with Jinlang Fujian (the "2009 Lease", together with the 2008 Lease, referred to as the "Leases") a leasehold interest in a plot of land of 2,865 square meters located at Laguidan Road, Nagasaki, Japan, for a term of 31 December 2010. Under the 2009 Lease, Parent has agreed to lease to the Group the 2009 Leasehold interest in the property for a term of 31 December 2010. The total area of the property is approximately 2,865 square meters. The Group has paid a total of RMB1.1 million to Parent for the use of the property under the 2009 Leasehold interest in the property. The Group has also paid a total of RMB659,500 to Parent for the use of the property under the 2009 Leasehold interest in the property.

b d g e e c e d h e e , h a a g g e g a e g f a e a f a a e 10,972 . . . ,

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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ed a e a f e h e L g d add e c e a ad a e c f .  
Acc d g , C a a ed h e S c E cha ge f , a d h e S c E cha ge  
h a g a ed, a a e f c c a c e h h e e a a c e e e e e  
de Cha e 14A f h e L g R e .

*(b) Compliance with applicable rules set out in Chapter 14A of the Listing Rules*

O C a c h R e 14A.35(1), 14A.35(2), 14A.36 14A.40 a d  
14A.45 14A.46 f h e L g R e e e c f h e Lea e de h e Te a c  
Ag e e e .

I h e e e f a f e a e d e h e L g R e g e g e  
e e e h a h e a c a b e de Cha e 14A f h e L g R e a a  
h e d a e f h e c e a g h e Lea e , C a a e e d a e e  
e e c a c e h c h e e e h a e a a b e e d .

*(c) Confirmation from the Directors*

O D e c ( c d g d e e d e -e e c e D e c ) c d e h a h e  
Lea e h a e b e e a d h a b e e e e d h e d a a d a c e f b e a d  
a c e c a e a d h a h e e e c e e f h e Lea e a d h e a a c a  
e a b e a e f a a d e a a b e a d h e e e f S h a e h d e a a h e .

*(d) Confirmation from the Sole Sponsor*

The S e S f h e e h a h e Lea e h a e b e e a d h a b e e e e d  
h e d a a d a c e f b e a d a c e c a e a d h a h e  
e e c e e f h e Lea e a d h e a a c a e a b e a e f a a d e a a b e a d  
h e e e f S h a e h d e a a h e .

## NON-COMPETE UNDERTAKING

Each f C g S h a e h d e h a c f e d h a e f h e e g a g e d ,  
e e e d a b e ( h e h a G ) h c h, d e c d e c , c e e  
a c e e h b e . T e c G f a e a c e ,  
h e C g S h a e h d e h a e g e a e c a b e -c e e d e a g  
f a 4 S e e b e 2009 a h c h e a c h f h e C g S h a e h d e h a ,  
a g h e a e , e c a b a d c d a d e a e h a a d  
e e a b a h a a e d g h e R e e a P e d ( a d e f e d b e ) , e a c h f h e  
C g S h a e h d e h a , a d h a c e h a h e e e c e a c a e ( h e  
h a G ) h a :

- ( ) a e f h e E c d e d B e ( a d e f e d b e ) , , d e c d e c , c a  
, e b e e g a g e d a b e h c h a c e e h h e  
b e c e a d f e e e g a g e d b G (“**Restricted  
Business**”) c d g b e d h e a e g, a e, d b ,  
a f a c g a d/ c e g f h e a a e, h e, e, b e, b a g, h a  
a d h e d c f G f e e (“**Restricted Products**”);

**RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS**

( ) c a e g he e ge ee f G f e e b  
he he e ec ea ca e (e c d g G );

( ) , h he c e f C a , a e e f a f a  
e a g he b e f G h ch a ha e c e he edge  
he ca ac a C g Sha eh de a d/ D ec f he e  
f c e g h he Re c ed B e ; a d

( ) e ec fa de de a e ed be de a e b he he  
e ec ea ca e g he a e g, a e , d b , a fac g  
a d/ ce g f a Re c ed P d c , c d a e ea ab e  
e dea c e ha ch c e ( ) a c ac d ec h  
a e be f G f he a e g, a e , d b , a fac g  
a d/ ce g f he Re c ed P d c de he e e a de .

F he ab e e:

(A) he “Re e a Pe d” ea he e d c e c g f he L g Da e a d  
ha e e he ea e da e f cc e ce f he e e be :

(a) he da e h ch he C g Sha eh de ( d d a a e a a  
h e) cea e be he c g ha eh de f he e f he  
L g R e ;

(b) he da e h ch Sha e cea e be ed he S c E cha ge ( f  
a cab e) he c e cha ge;

(B) he “E c ded B e ” ea a d ec d ec e e f he  
C g Sha eh de a d/ he e ec ea ca e (e c d g  
G ) a e be f G .

Each f C g Sha eh de ha de a e de he -c e e  
de a g ha he ha de a d/ D ec ( c d g he  
de e de -e ec e D ec ) f e e a f a e ce a f  
a a e e b he de e de -e ec e D ec h ega d c a ce h  
he e f he -c e e de a g b he C g Sha eh de . Each f he  
C g Sha eh de ha a de a e a e a a a de ca a a  
c a ce h he e f he -c e e de a g a a e .

I de e a age a e a ac a c f c f e e be ee  
a d C g Sha eh de ea he c a ce a de f ce e f he -  
c e e de a g, e ha e ad ed he f g c a e g e a ce ea e :

( ) de e de -e ec e D ec ha e e , a ea a a a ba ,  
he c a ce h a d e f ce e f he e f he -c e e  
de a g b he C g Sha eh de ;

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**RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS**

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( ) e d c e a dec a e e e ed b he de e de -  
 e ec e D ec e a g c a ce a d e f ce e f he -c e e  
 de a g e he h gh a a e b a f a ce e ;

( ) e d c e he c a e g e a ce e f a a e h  
 he e f he -c e e de a g ha e bee c ed h a d e f ced;  
 a d

( ) he e e ha a f D ec a d/ he e ec e a c a e ha  
 a e a e e a a e be de be a ed b he B a d e a he  
 c a ce a d e f ce e f he -c e e de a g, he/ he a  
 e he e f he B a d a g he a e a d ha be  
 c ed a d he f he g a he a cab e  
 he A ce f A c a .

O D ec c de ha he ab ec a e g e a ce ea e a e ff ce  
 a age a e a c f c f e e be ee he C g Sha eh de a d he  
 e ec e a c a e a d G a d ec he e e f Sha eh de ,  
 a c a , he Sha eh de .

**DIRECTORS**

**Executive Directors**

**Mr. Wang Dong Xing (王 董 生)**, aged 49, he cha a a da e ec e D ec f C a . He a a ed a a e ec e D ec 13 J e 2008. M . Wa g ha bee h G ce e ab h e A 1995 a d e f he f de f G . He e be f G ' e a b e de e e , a eg c a g a d c a e a age e . He a e be f f a g e a d ec , de g a a a a d f a c a b dge a d a g ec e da g f ca e e f G he B a d f a a . He c e ed a d a g a e f ch e f e ec e ff ce f e e e (企業 裁高級研修班) f he Ec c C ege f Pe g U e (北京大學經濟學院) 2004 a d c e a e d g a EMBA g a e ga ed b L g a C ege, S Ya - e U e (中山大學嶺南學院). He a a e e e a e f he Q a h M c a Pe e' C ge , F a P ce (福建省 州市人 代表大會) a d a d g ce cha a f he J a g C Se g a d A a e A ca (晉 市紡 服裝協會). M . Wa g a ce cha a f he J a g C ee f Ch a De c a c Na a C c A ca ( 主建國會晉 委員會), ce e de f he J a g Q g a g Cha be f C e ce (晉 青陽商會理事會), c c cha a f he J a g Q g a g F eg I e e E e e A ca (晉 青陽外商投資企業協會) a d a d g c ee e be f he J a g Cha be f C e ce (晉 市工商聯 (. 商會) ). F 1985 1990, M . Wa g had bee he ge e a a age f F a J a g Q g Ya g Che V age Sh e a d Ha Fac (福建省晉 市青陽陳村鞋帽三廠) a d f 1990 1994, he ge e a a age f J a g X a he g A a e E e e L ed (晉 曉升服裝實業有限公司), h ch e e c a e gaged he h e a e e ea b e he PRC, be f e he f d g f G 1995. A a f h e e G , M . Wa g a he e d ec a d e f he ha eh de f J a g F a , he e ed b he f he e e ea e a e a d he e de he Te a c Age e e a c e d c ed de he ec "Re a h h C g Sha eh de C g C ec ed T a ac ". M . Wa g ha e 20 ea f a fac g a d a age e e e ce he e ea d he PRC. F 1995 2002, M . Wa g had bee he e de a d ce cha a f L a g F a . He c e he cha a a d he ce cha a f L a g F a a d L a g X a e , e ec e , a d he ce cha a f L a g Ch a. M . Wa g he e de b he f M . Wa g L a g X g a d M . Wa g C g X g, h a e a e ec e D ec f C a . He he b he - - a f M . Che We J , a e be f he e a age e f C a . He a e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Wa g ha bee a d ec f a he b c ed c a d g he h ee ea e ced g he da e f h ec .

**Mr. Wang Liang Xing (王良 董 生)**, aged 47, he ce cha a , he ch e f e ec e ff ce a d a e ec e D ec f C a . He a a ed a a e ec e D ec 13 J e 2008. He ha bee h G ce e ab h e A 1995 a d e f he f de f G . M . Wa g e be f G ' e a b e de e e , a eg c a g a d c a e a age e . He a e be f he c a e de e e a d he e a a age e e f G a d

**DIRECTORS AND SENIOR MANAGEMENT**

ec e d g he a e f e a age e he B a d. He c eed a ad a ced g a e fe ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院) 2006 a d c e a e d g a EMBA g a e ga ed b X a e U e (廈門大學). He a ce cha a f he Ga e a d A a e I d A c a f F a P ce (福建省服裝服飾行業協會), ce-cha a a d a d g e f he E e e C ed Ma age e A c a f Q a h C (州市企業合同信用管理協會第一屆理事會) a d a e f he Ga e A c a f he PRC (中國服裝協會). He a e f 50 e h ed h a 2005 PRC E e e T ade a A a d (2005中國企業商標50人). F 1987 1990, M . Wa g had bee he fac a age f F a J a g Q g Ya g Che V age Sh e a d Ha Fac (福建省晉 市青陽陳村鞋帽三廠) a d f 1990 1994, cha a f J a g X a he g A a e E e e L ed (晉 曉升服裝實業有限公司), h ch e e c a e gaged he h e a e e ea b e he PRC, e ec e bef e f d g G 1995. A a f h e e G , M . Wa g a e f he ha eh de f J a g F a , he e ed b he f he e e ea e a e a d he e de he Te a c Age e e a c e d c ed de he ec “Re a h h C g Sha eh de l C g C ec ed T a ac ”. He ha e 20 ea f a fac g a d a age e e e e ce he e ea d he PRC. F 1995 2002, M . Wa g had bee he cha a a d ce 2002, he ce cha a a d e de f L a g F a . He c e he e de a d ce cha a f L a g F a , L a g Ch a a d L a g X a e . M . Wa g he b he f M . Wa g D g X g a d M . Wa g C g X g, he e ec e D ec f C a . He a b he - - a f M . Ca R g H a, h a e ec e D ec f C a . He a e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Wa g ha bee a d ec f a he b c ed c a d g he h ee ea e ced g he da e f h ec .

**Mr. Wang Cong Xing (王聰峯 生)**, aged 40, he ce cha a a d a e ec e D ec f C a . He a a ed a a e ec e D ec 2 Ja a 2008. M . Wa g ha bee h G ce e ab h e A 1995 a d e f he f de f G . M . Wa g e bef f a ce, a c , f a ech g a d d c a age e f G . He a e bef c a e de e e a d he e a a age e e f G a d e g he e e a f he a a , a e a d h f a c a a f G . He c eed a ad a ced g a e fe ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院) 2006. F 1987 1990, M . Wa g had bee he de fac a age f F a J a g Q g Ya g Che V age Sh e a d Ha Fac (福建省晉 市青陽陳村鞋帽三廠) a d f 1990 1995, he de ge e a a age a d d ec f J a g X a he g A a e E e e L ed (晉 曉升服裝實業有限公司), h ch e e c a e gaged h e a e e ea b e he PRC, e ec e bef e f d g G 1995. A a f h e e G , M . Wa g a e f he ha eh de f J a g F a , he e ed b he f he e e ea e a e a d he e de he Te a c Age e e a c e d c ed de he ec “Re a h h C g Sha eh de l C g C ec ed T a ac ”. He ha e 20 ea f a fac g a d a age e e e e ce he

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**DIRECTORS AND SENIOR MANAGEMENT**

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e ea d he PRC. F 1995 2002, M . Wa g had bee he ce e de f L a g F a . S ce 2002, M . Wa g ha a bee he ce e de a d ce cha a f L a g F a . He a c e ce e de a d ce cha a f L a g F a a d L a g Ch a a d cha a a d ce e de f L a g X a e . M . Wa g he ge b he f M . Wa g D g X g a d M . Wa g L a g X g, h a e a e ec e D ec f C a . He a a d ec a d e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Wa g ha bee a d ec f a he b c ed c a d g he h ee ea eced g he da e f h ec .

**Mr. Cai Rong Hua (蔡榮華 生),** aged 41, a e ec e D ec f C a . He ed G A 1998 a d a a ed a a e ec e D ec 13 J e 2008. He e b e f e ea ch a d de e e f G . He a e b e f e g a g h he a e f G . M . Ca c e ed a ad a ced g a e f e ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院) 2006. S ce 1998, M . Ca ha bee he ce e de f L a g F a . He ha e 10 ea f a fac g a d a age e e e e ce he e ea d he PRC a d c e ce e de f L a g F a , a d ec a d ce e de f L a g Ch a. M . Ca he b he - a f M . Wa g L a g X g, h a e ec e D ec f C a . He a e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Ca ha bee a d ec f a he b c ed c a d g he h ee ea eced g he da e f h ec .

**Mr. Hu Cheng Chu (胡誠勗 生),** aged 65, a e ec e D ec f C a . He ed G A 1998 a d a a ed a a e ec e D ec 13 J e 2008. He e b e f b a d a age e , a e a d b c e a f G . He a e b e f a a g he e f a ce f a d e e g he a a a d h b dge f he b a d a age e de a e f G . M . H c e ed a - e fe a ca e g ee g c e a d fe a ad a e a age e c e f F da U e 1988 a d 1989, e ec e , a d a ad a ced g a e f e ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院). He a e he fac a age f he Sha g ha H a Cha g A Fac (上海華昌鋁制廠). He he ce cha a f he Q a h A ca f P fe a Ma age (州職業經理人協會). S ce 1998, M . H ha bee he d ec a d ce e de f L a g F a . M . H a c e d ec a d ce e de f L a g Ch a a d L a g X a e . I 2009, M . H a acc ed ed a he 10 a e f c a e a e a d a e g he PRC f he ea 2007 a d 2008 (2007 2008年中國10大企業營銷策劃人). He a e f he ha eh de f X a She g I e a a a d M g La g I e e , h a e a C g Sha eh de f C a . M . H ha bee a d ec f a b c ed c a d g he h ee ea eced g he da e f h ec .

**DIRECTORS AND SENIOR MANAGEMENT**

**Mr. Wang Ru Ping (王如平 生)**, aged 47, a e ec e D ec f C a . He ed G A 1995 a d a a ed a a e ec e D ec 13 J e 2008. He e bef e g he c c - - g e a df e de e e f e a a fac e a e a e ee g he a e a ce a d ega c a ce e a e a a fac e . M . Wa g c e ed a g a e b c e a a d ad a e a age e f he Fac f I e a a Ec c a he Ad Ed ca C ege f H a a U e (華僑大學成人教育學院) 2000 a d a d a g a e f ch e f e ec e ff ce f e e e (企業 裁高級研修班) f he Fac f Ec c a Pe g U e (北京大學) 2004. He ha e 10 ea f a fac g a d a age e e e e ce he e ea d he PRC. F 1990 1994, M . Wa g had bee he de ge e a a age f J a g X a he g A a e E e e L ed (晉 曉升服裝實業有限公司). S ce 1998, M . Wa g ha bee he ce e de a d d ec f L a g F a . He a c e a ce e de a d d ec f L a g Ch a a d L a g X a e . He a e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Wa g ha bee a d ec f a b c ed c a d g he h ee ea eced g he da e f h ec .

**Mr. Pan Rong Bin (潘榮彬 生)**, aged 36, a e ec e D ec f C a . He ed G Feb a 2003 a d a a ed a a e ec e D ec 13 J e 2008. He e bef da e a , a e g a d d b f G . He a e bef de g he a a a e g a d d b a a da a a e g b dge f G a d e g he e e a he e f. M . Pa c e ed a ad a ced g a e f e ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院), he PRC 2006. F 2001 2005, M . Pa a a e e e a e he Na g M c a Pe e' C ge , F a P ce (福建省南平市人 代表大會). S ce 1995 2007, he a a e be f he Ch e e Pe e' P ca C a e C f e e ce f J a a g C , F a P ce (中國人 政 協商會議福建省建陽市委員會). He a h ed h he A a df he M de f Lab Q a h C , F a P ce (福建省 州市勞動模範) Ma 2006. F 1994 2007, he a he ge e a a age f F a J a a g L g da T ade a d De e e C ., L d. (福建建陽市隆達貿易發展有限公司). He ha e 10 ea f e a a d a e e e e ce he e ea d he PRC. F 2003 2005, he had bee he ec a a a he ge e a a age a d de head f a e a d a e g de a e f L a g F a a df 2005 2007, he ec a a a e de a d he head f a e a d a e g de a e f L a g Ch a. He c e ce e de f he a e a d a e g de a e f L a g F a a d L a g Ch a. He a a d ec a d ce e de f L a g X a e . He a e f he ha eh de f X a She g I e a a a d M g La g I e e , he C g Sha eh de f C a . M . Pa ha bee a d ec f a b c ed c a d g he h ee ea eced g he da e f h ec .

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## DIRECTORS AND SENIOR MANAGEMENT

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### Independent non-executive Directors

**Dr. Lu Hong Te (呂鴻德博士)**, aged 48, a de e de -e ec e D ec f C a . He ed G 13 J e 2008 he he a a ed a a de e de -e ec e D ec . D . L b a ed a bache ' deg ee a age e f Na a Che g K g U e 1983 a d a a e ' deg ee a d a d c a deg ee b e f he G ad a e I e f B e Ad a f he C ege f Ma age e f Na a Ta a U e 1985 a d 1992, e ec e . D . L a fe a he de a e fb e ad a a Ch g Y a Ch a U e Ta a , ec a g a e g a d a e a age e a d c a e c e e a ege . He a e e a a g fe a e e a , c d g SGP I e a a Ma age e Acade , Na a g Tech g ca U e ' EMBA Ce e a d X a e U e ' EMBA Ce e, a d e e a a c a , a g he , he Ch e e A ca f I d a Tech g Ad a ce e (台灣產業科技發展協進會) a d he Ta a E e e e S ce Ta e/T (加拿大多倫多台商會). He a de e de -e ec e d ec f f c a e Ta a , a e E e gh Che ca I d a C a (台灣 化學工業股份有限公司) ( c c de: 1711) a d A e I e a a I c. (台灣天瀚科技股份有限公司) ( c c de: 6225), he ha e f h ch a e ed he Ta a S c E cha ge, a d F ch E e e C ., L d. (台灣伍豐科技股份有限公司) ( c c de: 8076) a d La e E ec c I c. (台灣立端科技股份有限公司) ( c c de: 6245), he ha e f h ch a e aded he G e Ta Sec e Ma e (證券櫃檯買賣中心) Ta a . He a a de e de -e ec e d ec f he c a e , a e Ca I e a a E ec c C a L ed (凱普松國際電子有限公司) ( c c de: 469) a d A a S P d c L ed (安 體育用品有限公司 (S c c de: 2020)), he ha e f h ch a e ed he S c E cha ge. Sa e a af e a d, D . L ha bee a d ec f a he b c ed c a d g he h ee ea eced g he da e f h ec .

**Mr. Chen Tien Tui (陳天靠生)**, aged 60, a de e de -e ec e D ec f C a . He ed G 13 J e 2008 he he a a ed a a de e de -e ec e D ec . M . Che he ch ef e ec e ff ce a d a e ec e d ec f V c C I e a a H d g L ed ( c c de: 539), he ha e f h ch a e ed he S c E cha ge. He ha e 29 ea e e e ce he e e d . Sa e a af e a d, M . Che ha bee a d ec f a he b c ed c a d g he h ee ea eced g he da e f h ec .

**Mr. Nie Xing (聶靠生)**, aged 45, a de e de -e ec e D ec f C a . He ed G 13 J e 2008 he he a a ed a a de e de -e ec e D ec . M . Ne a g ad a e f he J a g U e f F a ce a d Ec c ( 西財經學院) h a bache ' deg ee ec c 1986 a d f he b a ed a a e ' deg ee b e ad a f he O e U e f H g K g (香港公開大學) Dece be 2000. He he e ec e d ec a d ce e de f Ch a G ee (H d g ) L ed (中國綠色食品(控股)有限公司) ( c c de: 904), he ha e f h ch a e ed he S c E cha ge, a d e b e f he f a ca a g a d a a , a age e , e e a d c a e f a c g f ha g f c a e . Ba ed h e e e ce a a ce e de f Ch a G ee (H d g ) L ed, M . Ne he de e de -e ec e D ec h f f he e e e f e 3.10



## DIRECTORS AND SENIOR MANAGEMENT

Mr. J. M. J. G. 8 June 2009 as the chief executive officer of the company.

**Mr. Yu Cheeric (余致方先生)**, aged 34, is the chief executive officer of the company. He has a Bachelor's degree in Business Administration from The Chinese University of Hong Kong. He became a member of the Accounting and Finance Committee of the company in October 2001. He has worked for the company since 2001. He has worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee. He has also worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee.

**Mr. Lin Yi-Chieh (林易蒸先生)**, aged 33, is the head of the CEO office of the company. He has a Bachelor's degree in Business Administration from Xiamen University (廈門大學) in 2007. He has worked for the company since 2002. He has worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee. He has also worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee.

**Ms. Shi Mei Ya (施美芽小姐)**, aged 32, is the head of the department of the company. She has a Bachelor's degree in Business Administration from Fujian Broadcast and Television University (福建廣播電視大學) in 1998. She has worked for the company since 2006. She has worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee. She has also worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee.

**Mr. Zhang Yu Feng (章宇峰先生)**, aged 39, is the head of the department of the company. He has a Bachelor's degree in Business Administration from Shanghai University of Finance and Economics (上海財經大學) in 1998. He has worked for the company since 2007. He has worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee. He has also worked for the company in various capacities, including as a member of the Finance and Accounting Committee, and as a member of the Internal Audit Committee.

## DIRECTORS AND SENIOR MANAGEMENT

1992 a d c e e d a EMBA c e c e f Ch g K g B e Sch (長 商學院) 2006. F 1992 2007, he had e d S. C. J h & S , I c. (美國莊臣 子 公司) a a e e e e a e a d b a ch ff ce a age , e d C I c. ( 國科蒂化妝 品集團) a e g a a age a d a e a age Ch a eg , e d He e AG (德 國漢高公司) a Na a T a d e Ma e g Ma age a d Na a Sa e D ec , e d L N g C a L e d (. 寧有限公司) a d e a e head a ge g e c e a d e d P a Ch a (德國彪馬) a e g a a e a d a e g a age f he ea e , ce a a d e e eg . He e d G 27 A g 2007 a d ce he he ha bee he head f he a e g he a e a d a e g d e a e f L a g F a a d L a g Ch a .

**Mr. Zhuang Zhi Han (庄志<sup>先生</sup> 生)**, aged 39, he de f a c a ff ce f G . He g a d a e d f Fac f Acc a c f Ea Ch a Tech g U e (華 工業大學) h a b a ch e ' deg ee Ec c a acc g 1994. He c e a e d g a EMBA g a e X a e U e . F 1994 A g 2008, he ha bee g X a E ec c S c C a L e d (夏新電子 股份有限公司) e b e f f a c a d e , a d he a e d e e e he e a f a c a ffa f he c a ce 2003. He e d G a he de f a c a ff ce f L a g Ch a l Se e be 2008.

**Mr. Chen Wei Jin, (陳維<sup>先生</sup> 進 生)**, aged 39, he head f he ad a d e a e f G . He g a d a e d f Zha g h N a U e (漳州師範學院) h a fe a d a ad a J 2000 a d c e e d a ad a ced g a e f e ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院) Feb a 2006. F 1989 2004, he e e d a he ge e a a age f J a g We K e Fac (晉 維信針 廠). F 1996 2004, he a e d he J a g b a ch ff ce f he Ch a L fe I a ce C a L e d (中國人壽保險有限公司晉 支 公司) a he ge e a a age f he a e d e a e , he e he a ec g e d a P ee f Sa e a d Ma e g (營銷標 ) f 1998 2000 a d O a d g S e f he ea 2002. He e d G l Ma ch 2004 a he a age f he g de g de a e f L a g F a . He a he ge e a a age f W I d a Pa f L a g Ch a, he a age f he g de g d e a e f L a g Ch a a d he head f he ad a d e a e f L a g Ch a .

**Ms. Chen Zhi Mei (陳志梅<sup>小姐</sup> 小姐)**, aged 28, he a a he ce e de f he a e a d a e g d e a e f G . She c e e d a g a e a a X a e U e (廈門大學) J e 2000 a d a ad a ced g a e f e ce e c a e e a a d a age e (卓越企業經營管理高級課程研修班) f he Sch f C g Ed ca f T gh a U e (清華大學 教育學院) Feb a 2006. She e d G 8 J e 2001 a he ff ce ce L a g F a . F 2002 2005, he e d a he ff ce head, c e e ce e ca , g c ce ff ce , c e e ce e a d e c e a he head f a e a d a e g d e a e f L a g F a . F 2005 2007, he had e d a he a a he ce e de f he a e a d a e g d e a e f L a g Ch a a d he a a he head f L a g F a .

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## DIRECTORS AND SENIOR MANAGEMENT

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Since 2007, he has held the position of Managing Director of the Company.

**Mr. Huang Ming Hai (黃明海 生)**, aged 34, is the Chief Executive Officer of the Company. He completed a graduate course (卓越企業經營管理高級課程研修班) from the School of Continuing Education of Tsinghua University (清華大學 教育學院) in February 2006 and completed a graduate course (華僑大學 華僑大學) from the Graduate School of Huaqiao University (華僑大學), and completed a graduate course (財務領袖高級研修班課程) at the Chinese University of Hong Kong (華僑大學). He was born on 24 April 1995. From 1995 to 2001, he held the position of Chief Executive Officer of the Company. From 2001 to 2005, he held the position of Chief Executive Officer of the Company. From 2005 to 2007, he held the position of Chief Executive Officer of the Company.

Since 2007, he has held the position of Chief Executive Officer of the Company.

### COMPANY SECRETARY

Our company secretary is M. Y. Chee. He is a director of the Company. He is also a director of the Company. He is also a director of the Company.

### BOARD COMMITTEES

#### Audit committee

The audit committee consists of 12 members. The members of the audit committee are Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee.

The audit committee consists of Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee.

#### Remuneration committee

The remuneration committee consists of 12 members. The members of the remuneration committee are Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee, Mr. Y. Chee.

## DIRECTORS AND SENIOR MANAGEMENT

Shaeh de a hefa e ad ea abe e f he e fa Dec ' e ce  
ag ee e hch bec he a a f Shaeh de gee a ee g  
a heL gR e .

The e e a c ee c e M . Wa g C g X g, M . Ne X g a d M .  
Che Te T . M . Wa g C g X g he cha a f he e e a c ee.

### Compliance adviser

O C a e ec a P e Jaff a A a L ed a c a ce ad e  
a R e 3A.19 f he L g R e . P a R e 3A.23 f he L g R e ,  
he c a ce ad e ad e C a he f g c c a ce :

( ) bef e he b ca f a eg a a ce e , c c a f a ca  
e ;

( ) he e a a ac , hch gh be fa f abe c ec ed a ac ,  
c e a ed c d gb ed ha e e a d ha e e cha e ;

( ) he e C a e e he ceed f he G ba Offe g a  
a e d ffe e f ha de a ed h ec he e he b e  
ac e , de e e e f e a f G de a e f a  
f eca , e a e, he f a h ec ; a d

( ) he e he S c E cha ge a e a e f C a ega d g a  
e e he ce ad g e f he Sha e .

The e f he a e c e ce he L g Da e a d e d he da e  
hch C a c e h R e 13.46 f he L g R e e ec f  
f a ca e f he f f f a ca ea c e c g a f e he L g Da e.

### REMUNERATION OF DIRECTORS AND HIGHEST PAID INDIVIDUALS DURING THE TRACK RECORD PERIOD

F he hee f a ca ea e ded 31 Dece be 2006, 2007 a d 2008 a d he  
h e ded 30 J e 2009, he agg ega e f he e e a d a d be ef d  
( c d g d c e a b e ) g a ed Dec b a d b d a e a  
RMB1.1 , RMB1.2 , RMB2.5 a d RMB1.2 , e ec e .

D g he T ac Rec d Pe d, a a a d a abe b he G he  
d ec a a d ce e g he G a c e a f f  
ff ce. The e a a a ge e de h ch a d ec a ed ag eed a e a  
e e a d g he T ac Rec d Pe d.

Sa e a d c ed h ec , he e e ha e bee a d, a e  
a abe, e ec f he hee f a ca ea e ded 31 Dece be 2006, 2007 a d 2008 a d  
he h e ded 30 J e 2009 b Dec .

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## DIRECTORS AND SENIOR MANAGEMENT

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Under the management of the Board, the Company has achieved the aggregate of the  
earnings attributable to the ordinary shareholders, December (excluding  
dividend) for the financial year ended 31 December 2009 is RMB3.6 million.

For the financial year ended 31 December 2009, the Company has achieved the  
operating profit of RMB3.6 million, which is an increase of 6.7% compared with  
the operating profit of RMB3.3 million for the financial year ended 31 December 2008.

**SUBSTANTIAL SHAREHOLDERS**

**SUBSTANTIAL SHAREHOLDERS**

I ed a e f g c e f he G ba Offe g a d he Ca a a I e (b h a g acc f a Sha e h ch a be a e ac ed de he G ba Offe g a d a Sha e h ch a be a ed a d ed he e e c e f he O e -a e O a d he h ch ha e bee a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e), he f g e ha e a e e a h he Sha e de g Sha e h ch d fa be d c ed C a de he f D 2 a d 3 f Pa XV f he SFO, , be, d ec d ec , e e ed 10% e f he a a e f a c a f ha e ca a ca g gh e a c c a ce a ge e a ee g f a he e be f G :

<u>Name of shareholder</u>	<u>Company/Name of Group member</u>	<u>Capacity/nature of interest</u>	<u>Number and class of securities<sup>(1)</sup></u>	<u>Approximate percentage of shareholding</u>
X a She g I e a a	O C a	Be ef c a e	661,500,000 Sha e (L) <sup>(2)</sup>	55.13%
M g La g I e e	O C a	Be ef c a e	148,500,000 Sha e (L) <sup>(3)</sup>	12.38%

Notes:

- (1) The e e “L” de e he e ’ g he Sha e f C a he e e a G e be .
- (2) The e Sha e be he d b X a She g I e a a . X a She g I e a a ed a 25.5% b each f he Wa g B he , 8% b M . Ca R g H a, 5% b H Che g Ch , 3% b each f Wa g R P g a d Pa R g B , 2% b M . Che We J , 1% b each f M . Wa g Q a X g a d M . Che Y H a a d 0.5% b M . X T a M .
- (3) The e Sha e be he d b M g La g I e e . M g La g I e e ed a 25.5% b each f he Wa g B he , 8% b M . Ca R g H a, 5% b H Che g Ch , 3% b each f Wa g R P g a d Pa R g B , 2% b M . Che We J , 1% b each f M . Wa g Q a X g a d M . Che Y H a a d 0.5% b M . X T a M .

Sa e a d c ed he e , D ec a e a a e f a e h , ed a e f g c e f he G ba Offe g a d he Ca a a I e (b h a g acc f a Sha e h ch a be a e ac ed de he G ba Offe g a d a Sha e h ch a be a ed a d ed he e e c e f he O e -a e O a d he h ch ha e bee a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e), ha e a e e a h he Sha e de g Sha e h ch d fa be d c ed C a de he f D 2 a d 3 f Pa XV f he SFO, , be, d ec d ec , e e ed 10% e f he a a e f a c a f ha e ca a ca g gh e a c c a ce a ge e a ee g f a he e be f G . O D ec a e a a e f a a a ge e h ch a a a be e da e e a cha ge f c f C a .

## SHARE CAPITAL

The authorised share capital consists of:

*Authorised capital* **HK\$**

100,000,000,000 Shares 10,000,000,000

As at the end of the year, the authorised share capital consists of the following:

*Shares issued and to be issued, fully-paid or credited as fully-paid:*

2,000,000	Shares	200,000
898,000,000	Shares held by the public	89,800,000
300,000,000	Shares held by the public	30,000,000

Total:

1,200,000,000 Shares 120,000,000

As at the end of the year, the authorised share capital consists of the following:

*Shares issued and to be issued, fully-paid or credited as fully-paid:*

2,000,000	Shares	200,000
898,000,000	Shares held by the public	89,800,000
345,000,000	Shares held by the public	34,500,000

Total:

1,245,000,000 Shares 124,500,000

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## SHARE CAPITAL

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### Assumptions

The above assumptions have been made for the purpose of the Offer. The Offer is subject to the terms and conditions set out in the Offer Document.

Under the proposed arrangement, the directors will (a) share the net proceeds of the Offer in the following manner: (i) 80% of the net proceeds of the Offer will be distributed to the Offerors in the form of cash; and (ii) 20% of the net proceeds of the Offer will be distributed to the Offerors in the form of shares. (b) The Offerors will also be entitled to receive a dividend of 10% of the net proceeds of the Offer.

### Ranking

The Offer Shares will rank pari passu with the Offer Shares. The Offer Shares will rank pari passu with the Offer Shares. The Offer Shares will rank pari passu with the Offer Shares.

### Share Option Schemes

The Company has adopted the Pre-IPO Share Option Scheme on 12 September 2008, under which a total of 9,611,100 Shares, representing 80% of the Offer, were granted to the Offerors. The Offerors are entitled to exercise the Offer Shares at a price of 0.79% of the Offer price. The Offerors are entitled to exercise the Offer Shares at a price of 0.79% of the Offer price. The Offerors are entitled to exercise the Offer Shares at a price of 0.79% of the Offer price.

The Company has also adopted the Share Option Scheme on 4 September 2009. Under the Share Option Scheme, the directors have granted a total of 10% of the Offer Shares to the Offerors. The Offerors are entitled to exercise the Offer Shares at a price of 10% of the Offer price. The Offerors are entitled to exercise the Offer Shares at a price of 10% of the Offer price.

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## SHARE CAPITAL

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### GENERAL MANDATE TO ISSUE SHARES

Our Board has been authorized to issue, from time to time, up to an aggregate amount of:

- (a) 20% of the aggregate amount of the authorized capital, excluding the shares which have been authorized by the Board of Directors, to be issued for the purpose of the General Offering of the Company; and
- (b) the aggregate amount authorized to be issued by the Board of Directors, from time to time, to be issued for the purpose of the General Offering of the Company.

The aggregate amount of the shares which our Board is authorized to issue under the above authority shall be in such amount as may be determined by the Board of Directors, subject to the approval of the Board of Directors, and the amount of the shares which our Board is authorized to issue under the above authority shall be in such amount as may be determined by the Board of Directors, subject to the approval of the Board of Directors.

The above authority shall be exercised:

- in accordance with the provisions of the Charter of the Company;
- in accordance with the provisions of the Charter of the Company and the Charter of the Company;
- in accordance with the provisions of the Charter of the Company and the Charter of the Company.

For the purpose of the above authority, the Board of Directors is authorized to issue up to an aggregate amount of 12,500,000 shares of the Company, subject to the provisions of the Charter of the Company and the Charter of the Company.

### GENERAL MANDATE TO REPURCHASE SHARES

Our Board has been authorized to purchase, from time to time, up to an aggregate amount of 10% of the aggregate amount of the authorized capital of the Company, for the purpose of the General Offering of the Company, in accordance with the provisions of the Charter of the Company and the Charter of the Company.

The above authority shall be exercised in accordance with the provisions of the Charter of the Company and the Charter of the Company, and the amount of the shares which our Board is authorized to purchase under the above authority shall be in such amount as may be determined by the Board of Directors, subject to the approval of the Board of Directors.

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**SHARE CAPITAL**

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and the LGR. The following table shows the Share Capital structure of the Company as at the end of the financial year.

The following table shows the details of the Share Capital:

- The Company has issued 10,000,000 shares of Rs. 10/- each.
- The Company has issued 10,000,000 shares of Rs. 10/- each.
- The Company has issued 10,000,000 shares of Rs. 10/- each.

The following table shows the details of the Share Capital as at the end of the financial year. The Company has issued 10,000,000 shares of Rs. 10/- each.

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## FINANCIAL INFORMATION

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*You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2008 and 2009 and accompanying notes set forth in “Appendix I — Accountants’ Report” to this Prospectus and other financial information appearing in this prospectus. Our consolidated financial statements as of and for the six months ended 30 June 2008 have not been audited. Our consolidated financial statements have been prepared in accordance with IFRS.*

*The following discussion and analysis contains forward-looking statements that involve risks and uncertainties and, accordingly, you should not place undue reliance on any such statements. Our future results of operations and financial condition could differ materially from those discussed in this prospectus. For factors that could cause or contribute to such differences, please refer to the section titled “Risk factors” and elsewhere in this prospectus.*

### OVERVIEW

We are the leading PRC e-commerce provider. According to a report issued by Euromonitor International (“Euromonitor”) in its report “China’s E-commerce Market” (September 2008), LILANZ (which is a subsidiary of LILANG) ranked first in the e-commerce market in China for the years ended 31 December 2007 and 2008. In the e-commerce market in China, LILANZ’s revenue increased by 29.0% and 31.3% for the years ended 30 June 2008 and 2007, respectively. See “Our Business” and “The PRC Market” for a further discussion. In 2007 and 2008, Fubei China Agency (“Fubei”) was the largest agent of LILANZ in China. Fubei is a subsidiary of “China’s Best Service & Media” (“China’s Best Service & Media”). A major agent of Fubei is Fubei Media Group (“Fubei Media”), a leading e-commerce company in China. We have a close relationship with Fubei Media. Our revenue increased by 28% and 45% for the years ended 30 June 2008 and 2007, respectively. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services.

We have a strong track record of growth and profitability. Our revenue increased by 28% and 45% for the years ended 30 June 2008 and 2007, respectively. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services. Our revenue is primarily derived from the sale of e-commerce services, including advertising, product listing, and other e-commerce services.

**FINANCIAL INFORMATION**

We design and develop the desktop software for M. J. Webb, the PRC's largest OEM contractor. We are the largest OEM contractor in the desktop software market.

We have added the Total Periodic Operating Expenses of RMB418.2 million for the year ended 31 December 2006, RMB885.9 million for the year ended 31 December 2007, and RMB1,135.7 million for the year ended 31 December 2008. Operating Expenses of RMB483.9 million for the year ended 30 June 2008, RMB600.2 million for the year ended 30 June 2009. Operating Expenses of RMB32.6 million for the year ended 31 December 2006, RMB96.5 million for the year ended 31 December 2007, and RMB154.1 million for the year ended 31 December 2008. Operating Expenses of RMB69.3 million for the year ended 30 June 2008, RMB90.0 million for the year ended 30 June 2009.

**BASIS OF PRESENTATION**

On 2 January 2008, the Company adopted the new accounting standards issued by the Ministry of Finance of the PRC (the "New Standards") effective from 1 January 2008. The Company has applied the new standards retrospectively from 1 January 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006.

The Company has adopted the new standards from 1 January 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006. The Company has also applied the new standards to its financial statements for the period from 1 January 2006 to 31 December 2006.

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## FINANCIAL INFORMATION

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### FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our financial results have been affected by a number of factors, including:

#### Levels of per capita disposable income and consumer spending in the PRC

We conduct our business in the PRC. Economic growth in the PRC has driven the demand for our products and services, which, in turn, has affected our financial performance. The PRC has experienced rapid economic growth, with a CAGR of GDP of 18.4% from 2001 through 2008 based on data from the NBS. According to the NBS, the average annual per capita disposable income in the PRC increased from US\$829 in 2001 to US\$2,271 in 2008, representing a CAGR of 15.5%. We believe that the increase in per capita disposable income in the PRC, combined with the growth in the PRC economy, has led to an increase in consumer spending. From 2001 through 2008, the average annual per capita disposable income in the PRC increased from US\$829 to US\$2,271, representing a CAGR of 17.0%, according to data from the NBS. Furthermore, the increase in per capita disposable income in the PRC has led to an increase in consumer spending, which has affected our financial performance. As a result of the increase in per capita disposable income and consumer spending in the PRC, we have experienced an increase in demand for our products and services. See “Risk Factors” under “Business” in our prospectus for a discussion of the risks associated with our business in the PRC.

#### Business performance of our distributors and our ability to supervise and manage them

We rely on our distributors to sell our products and services in the PRC. Our distributors' performance is affected by a number of factors, including:

**FINANCIAL INFORMATION**

The above table reflects the financial data added to the balance sheet as at the end of the period.

	As at and for the years ended 31 December			As at and for the six months ended 30 June	
	2006	2007	2008	2008	2009
<b>Number of distributors at the end of the period</b> . . . . .	27	28	51	37	53
Number of distributors added during the period . . . . .	12	1	23	9	4
Number of distributors terminated during the period . . . . .	7	0	0	0	2
<b>Number of sub-distributors at the end of the period</b> . . . . .	1,338	1,245	1,257	1,241	1,185
Number of sub-distributors added during the period . . . . .	422	183	156	82	47
Number of sub-distributors terminated during the period . . . . .	146	276	144	86	119
<b>Number of retail outlets at the end of the period</b> . . . . .	2,002	2,186	2,491	2,299	2,456
Number of retail outlets added during the period . . . . .	802	634	577	238	148
Number of retail outlets terminated during the period <sup>(1)</sup> . . . . .	217	450	272	125	183
<b>Turnover (RMB million)</b> . . . . .	418.2	885.9	1,135.7	483.9 <sup>(2)</sup>	600.2

(1) Includes the number of retail outlets added during the period less the number of retail outlets terminated during the period.

(2) The figures are based on the data as at the end of June 2008.

We are pleased to be able to announce a record of 2,600 new distributors in 2009. If distributors are added to the network, the number of distributors will increase. The number of distributors added during the period is 802, which is an increase of 100% over the number of distributors added during the period. The number of distributors terminated during the period is 217, which is a decrease of 100% over the number of distributors terminated during the period. See “Risk Factors” under “Risk Factors” in the “Business” section of our prospectus for more information. We are pleased to be able to announce a record of 2,456 new retail outlets in 2009. If retail outlets are added to the network, the number of retail outlets will increase. The number of retail outlets added during the period is 802, which is an increase of 100% over the number of retail outlets added during the period. The number of retail outlets terminated during the period is 217, which is a decrease of 100% over the number of retail outlets terminated during the period. See “Risk Factors” under “Risk Factors” in the “Business” section of our prospectus for more information.

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## FINANCIAL INFORMATION

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I add, the area affected by the accident is a significant portion of the total area affected. See "Risk Factors" under "Business" in the "Annual Report" of the Company for a discussion of the risks faced by the Company. The Company's management has determined that the accident is a material event and has disclosed the same to the public in accordance with the requirements of the Securities Exchange Act of 1934, as amended, and the Securities Exchange Act of 1933, as amended.

### Ability to maintain brand recognition

We believe that our brand recognition is a critical factor in our success. Our brand recognition has been declining over the past several years, and we are currently taking steps to improve it. We have implemented a number of marketing initiatives, including advertising and promotional activities, to increase our brand recognition. We believe that these initiatives will result in an increase in our brand recognition over the next several years. Our brand recognition is a critical factor in our success, and we are committed to maintaining and improving it. Our brand recognition has been declining over the past several years, and we are currently taking steps to improve it. We have implemented a number of marketing initiatives, including advertising and promotional activities, to increase our brand recognition. We believe that these initiatives will result in an increase in our brand recognition over the next several years.

### Seasonality and weather

Our business is affected by seasonal and weather conditions. Our sales are generally higher during the winter months and lower during the summer months. Our sales are also affected by weather conditions, such as snow and ice, which can lead to a decrease in sales. We have implemented a number of measures to mitigate the impact of seasonal and weather conditions on our business, including increasing our inventory levels during the winter months and providing alternative transportation options for our customers during inclement weather. We believe that these measures will help to stabilize our sales and improve our overall performance.

Our business is also affected by seasonal and weather conditions. Our sales are generally higher during the winter months and lower during the summer months. Our sales are also affected by weather conditions, such as snow and ice, which can lead to a decrease in sales. We have implemented a number of measures to mitigate the impact of seasonal and weather conditions on our business, including increasing our inventory levels during the winter months and providing alternative transportation options for our customers during inclement weather. We believe that these measures will help to stabilize our sales and improve our overall performance.

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## FINANCIAL INFORMATION

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### Competition

The e ea d he PRC h gh c e e ha cea g be f ca a d e a a a e . We be e e ha ec ee he ba f b a d age, de g , d c , a , ce, c e e ce a d he b ead h f e a e . I e a a b a d ad a d a e he h gh-e d a e , b ca b a d ha e ad a age ce a d a e e a d a e cea g c e e d- h gh-e d a e . O a c e c de, a g he , Se e , F a d Ba a . We be e e ha he e ec e he PRC e ea d c e he f e a d b e a d e f e a be g f ca affec ed b ab e a c e e h d .

### External production arrangements

We ce e e a OEM c ac he d c f acce e , d c ha e e e ca d c ca ab e , ch a ea he g d , a d ce a f a a e d c , e e ca h e ha e be e e e e e ca a d ha e e e a de g , ch a ce a ea e , e , T- h a d . A f OEM d c a e a fac ed de he b a d a e f LILANZ. O ced d c e e e ed 34.0%, 45.7%, 42.9%, 42.9% a d 63.8% f e f he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2008 a d 2009. The c ea e ced d c 63.8% f e f he h e ded 30 J e 2009 a efec ed cea ed a e f T- h a d he d c e g e e ca ed d c he f ha f f 2009 a he d b aced e de f he e d c . We be e e ha c g a a ge e a e e age he e e e a d e ce f OEM c ac , a d a e a he f e d g gh ched e , e e ca d g ea d c ea . See “B e l P d c l O c g” f f he de a c g. H e e , e a ce e e a OEM c ac e e e a g he d f ced d c a fac ed b he e c ac a d f e a e ab e a a ffce OEM d c ca ac , b e a d e f e a a be a e a a d ad e e affec ed. See “R Fac l R Rea g O B e l We e OEM c ac f he d c f a g f ca f d c a d a a e a d d f ced d c f OEM c ac d a e a a d ad e e affec b e a d e f e a ”.

I add , a g 2007, e bc ac ed ce a d c ce e fa a f d c he a fac e a d c ed bc ac g e e e f RMB1.6 , RMB13.6 , RMB3.3 a d RMB5.8 2007, 2008 a d he h e ded 30 J e 2008 a d 2009, e ec e . U e OEM cha e , e de a a e a he b-c ac f he d c f he e d c . We be e e ha he e b-c ac g a a ge e a e e age he e e e a d e ce f he e b-c ac a d de h e fe b e d g gh ched e , h e a he a e e e ab g c he a f he a a e a ed a e a ce a e d c ce e f he e d c . We a e e a a g he c a d be ef f bc ac g a d a e e f he e a a ge e g g f a d .

**FINANCIAL INFORMATION**

**Taxation**

On PRC business activities in PRC countries. In 2006 and 2007, the applicable PRC tax rates were 30% and 3%, respectively, for the applicable entities. However, PRC tax laws have defined a reduced effective rate of 12.5% for certain entities.

Lag Fawafeg engaged a financial agent in PRC to deduct a 27% dividend withholding tax for 2006 and 2007. Effective January 1, 2008, the applicable Lag Fawafeg tax rate is 25% for the New Income Tax Law.

Lag Chinaafeg engaged a financial agent in PRC to deduct a 27% dividend withholding tax for 2006 and 2007. Effective January 1, 2008 and after, the applicable Lag Chinaafeg tax rate is 25% for the New Income Tax Law. Lag Chinaafeg has also entered into an agreement with the PRC authorities for each of the beneficiaries to reduce the effective dividend withholding tax rate from 27% to 12.5% for the beneficiaries. Pursuant to Article 77 of the Implementing Regulations of the Income Tax Law of the People's Republic of China (Foreign Investment Enterprises and Foreign Enterprises Income Implementation Rules), Lag Chinaafeg received a tax credit for 2007 and the applicable tax rate is 12.5% for 2006. Accordingly, Lag Chinaafeg for 2007 and 2008, the PRC tax rate is 12.5%. From January 1, 2012, the applicable Lag Chinaafeg tax rate is 25%. The applicable tax rate is 12.5% for 2007.

Lag Xaefeg engaged a financial agent to deduct Xaefeg Seca Ec Zead tax in PRC at 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012. Lag Xaefeg has also entered into an agreement with the beneficiaries for each of the beneficiaries to reduce the effective dividend withholding tax rate from 27% to 12.5% for the beneficiaries. Pursuant to Article 77 of the Implementing Regulations of the Income Tax Law of the People's Republic of China (Foreign Investment Enterprises and Foreign Enterprises Income Implementation Rules), Lag Xaefeg received a tax credit for 2008 and the applicable tax rate is 12.5% for 2009. Accordingly, the applicable tax rate is 11.0% for 2010, 12.0% for 2011, 12.5% for 2012 and 25% beginning January 1, 2013.

The New Income Tax Law has become effective January 1, 2008 and the effective rate of 25% dividend withholding tax has been implemented.

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d de d f PRC b d a e be a d h gh L a g I e a a ,  
H g K g b d a , h e d de d a be bec a hh d g a a he a e f  
5%.

Te a e f a f he efe e a a ea e ha PRC

**FINANCIAL INFORMATION**

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. The cost of property, plant and equipment is reduced by accumulated depreciation and amortization. The cost of property, plant and equipment is reduced by accumulated depreciation and amortization.

Net book value of property, plant and equipment is stated at cost less accumulated depreciation and amortization. The cost of property, plant and equipment is reduced by accumulated depreciation and amortization.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The useful life of property, plant and equipment is estimated based on the expected usage of the asset.

Buildings are depreciated over 40 years. The useful life of buildings is estimated based on the expected usage of the asset.

Buildings	40 years
Plant and machinery	5 years
Motor vehicles	5 years
Office equipment	5 years
Leasehold improvements	5 years

We have adopted the straight-line method of depreciation. The useful life of property, plant and equipment is estimated based on the expected usage of the asset.

Assets are revalued at fair value. The fair value of property, plant and equipment is determined based on the market value of the asset.

Goodwill is recognized when the cost of an acquisition exceeds the fair value of the identifiable intangible assets. Goodwill is tested for impairment annually or more frequently if there are indicators of impairment.

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## FINANCIAL INFORMATION

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### Income taxes

Dee g cea e dge hef ea ea e f  
ce a a ac ad e ea f a e . We ha e ca ef e a a ed a  
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### Inventories

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ab a d he d ec c a d ea ed d c e head ba ed a e a g  
ca ac . Ne ea abe a e he e a ed e g ce he d a c e f  
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Rec d Pe d . D e cha ge a e c d , ac a a eab f g d a be  
d ffe e f e a a d f c d be affec ed b d ffe e ce h  
e a .

### Revenue recognition

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*Sale of goods.* We ec g e e e e he he d b ha acce ed he e a ed  
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*Interest income.* We ec g e e e c ea acc e g he effec e e e  
e h d .

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**FINANCIAL INFORMATION**

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*Government grants.* Government grants received have been accounted for in accordance with the applicable accounting standards. Government grants are recognized when the entity can reasonably be assured that the grant will be received and that the entity will comply with the conditions attached to the grant. Government grants are recognized in the period in which the entity incurs the costs that are eligible for the grant. Government grants are recognized in the period in which the entity incurs the costs that are eligible for the grant. Government grants are recognized in the period in which the entity incurs the costs that are eligible for the grant.

**Trade and other receivables**

Trade and other receivables are recognized at the amount of cash or cash equivalents that are expected to be received. Trade and other receivables are recognized at the amount of cash or cash equivalents that are expected to be received. Trade and other receivables are recognized at the amount of cash or cash equivalents that are expected to be received.

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- (3) Eastern PRC include Jiangsu, Zhejiang, Shanghai, Anhui, Fujian, Shandong and Jiangxi.
- (4) Central and South PRC include Henan, Hebei, Hubei, Guangdong, Guangxi and Hainan.
- (5) South West PRC include Chongqing, Sichuan, Guizhou, Yunnan and Tibet.
- (6) North West PRC include Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang.

## Cost of sales

Cost of sales includes the direct material cost, direct labor, direct overhead, subcontracting and OEM charges. Subcontracting charges include subcontracting production costs and subcontracting overheads. OEM charges include OEM production costs and OEM overheads. Other costs include freight, packaging, handling, and other miscellaneous costs. The following table provides a breakdown of cost of sales by component.

The following table provides a breakdown of cost of sales by component for the period ended:

	Years ended 31 December									Six months ended 30 June					
	2006			2007			2008			2008			2009		
	(RMB million)	% of cost of our own production	% of cost of sales	(RMB million)	% of cost of our own production	% of cost of sales	(RMB million)	% of cost of our own production	% of cost of sales	(RMB million)	% of cost of our own production	% of cost of sales	(RMB million)	% of cost of our own production	% of cost of sales
<b>Cost of Sales</b>															
<i>Our own production</i>															
Raw materials	187.5	86.9	58.0	294.3	82.2	45.1	369.3	80.3	46.6	161.2	81.1	47.4	134.2	81.7	31.7
Direct labor	21.2	9.8	6.6	41.8	11.7	6.4	52.0	11.3	6.6	24.0	12.1	7.1	13.2	8.0	3.1
Subcontracting charges															
Other	-	-	-	1.6	0.4	0.3	13.6	3.0	1.7	3.3	1.6	1.0	5.8	3.5	1.4
OEM overheads	7.0	3.3	2.2	20.4	5.7	3.1	24.9	5.4	3.2	10.3	5.2	3.0	11.1	6.8	2.6
Subtotal	215.7	100.0	66.8	358.1	100.0	54.9	459.8	100.0	58.1	198.8	100.0	58.5	164.3	100.0	38.8
<i>Outsourced production</i>															
OEM charges	107.3	-	33.2	293.9	-	45.1	331.8	-	41.9	141.0	-	41.5	259.0	-	61.2
Total	323.0	-	100.0	652.0	-	100.0	791.6	-	100.0	339.8	-	100.0	423.3	-	100.0

## Other revenue

Other revenue includes the net gain from the sale of non-current assets and the net gain from the disposal of subsidiaries.

## Selling and distribution expenses

Selling and distribution expenses include the cost of advertising and sales promotion.

**FINANCIAL INFORMATION**

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**Administrative expenses**

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**Other operating (expenses)/income**

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**Finance costs**

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**Income tax**

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 1.3%, 3.4%, 2.9% a d 13.3% 2006, 2007 a d 2008 a d he h e ded 30 J e  
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**FINANCIAL INFORMATION**

The dividend for the period ended 31 December 2008 was 2.9% of the PRC ordinary shares in issue at the end of the period. The dividend for the period ended 31 December 2009 was 12.5% of the PRC ordinary shares in issue at the end of the period.

The dividend for the period ended 31 December 2008 was 2.9% of the PRC ordinary shares in issue at the end of the period. The dividend for the period ended 31 December 2009 was 12.5% of the PRC ordinary shares in issue at the end of the period.

	Years ended 31 December			Six months ended
	2006	2007	2008	30 June 2009
Lag Cha	27%	Ta ee <sup>(1)</sup>	Ta ee <sup>(1)</sup>	12.5% <sup>(1)</sup>
Lag Fa	27%	27%	25%	25%
Lag Xae	N/A	N/A	Ta ee	Ta ee

(1) Lag Cha received a dividend of 2.9% for the period ended 31 December 2007 and 12.5% for the period ended 31 December 2008 and 12.5% for the period ended 30 June 2009.

See "Factors Affecting Operations and Financial Condition" in the Prospectus for the PRC ordinary shares.

## FINANCIAL INFORMATION

### RESULTS OF OPERATIONS

The following table sets out the consolidated income statement of the Group for the period ended 30 June 2009 and for the corresponding period ended 31 December 2008 and 2007. The Group has adopted the accounting policies set out in the consolidated financial statements of the Group for the period ended 30 June 2009, which have been prepared in accordance with IFRS, effective from the effective date of the Accounting Standards for the period ended 30 June 2009.

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	(RMB million, except per share data)				
	(unaudited)				
<b>Turnover</b> . . . . .	418.2	885.9	1,135.7	483.9	600.2
Cost of sales . . . . .	(323.0)	(652.0)	(791.6)	(339.8)	(423.3)
<b>Gross profit</b> . . . . .	95.2	233.9	344.1	144.1	176.9
Other income . . . . .	1.5	5.2	5.8	5.3	1.2
Segmental results					
- operating . . . . .	(37.3)	(104.9)	(146.5)	(60.3)	(54.6)
- administrative . . . . .	(9.2)	(22.7)	(34.3)	(15.4)	(15.2)
Other operating expenses/					
income . . . . .	(0.7)	(1.8)	1.9	2.2	(0.2)
<b>Profit from operations</b> . . . . .	49.5	109.7	171.0	75.9	108.1
Finance costs . . . . .	(3.9)	(12.0)	(11.5)	(4.6)	(4.3)
<b>Profit before taxation</b> . . . . .	45.6	97.7	159.5	71.3	103.8
Income tax . . . . .	(13.0)	(1.2)	(5.4)	(2.0)	(13.8)
<b>Profit attributable to equity</b>					
shareholders . . . . .	32.6	96.5	154.1	69.3	90.0
<b>Basic earnings per share</b>					
(RMB (cents)) . . . . .	3.62	10.72	17.13	7.70	10.00

The following table sets out the consolidated financial performance of the Group for the periods indicated.

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	(% of turnover)				
	(unaudited)				
Turnover	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	(77.2%)	(73.6%)	(69.7%)	(70.2%)	(70.5%)
<b>Gross profit</b>	22.8%	26.4%	30.3%	29.8%	29.5%
Other income	0.3%	0.6%	0.5%	1.1%	0.2%
Segment expenses	(8.9%)	(11.8%)	(12.9%)	(12.5%)	(9.1%)
Administrative expenses	(2.2%)	(2.6%)	(3.0%)	(3.2%)	(2.5%)
Other operating expenses	(0.2%)	(0.2%)	0.2%	0.5%	(0.03%)
<b>Profit from operations</b>	11.8%	12.4%	15.1%	15.7%	18.0%
Finance costs	(0.9%)	(1.4%)	(1.0%)	(1.0%)	(0.7%)
<b>Profit before taxation</b>	10.9%	11.0%	14.1%	14.7%	17.3%
Income tax	(3.1%)	(0.1%)	(0.5%)	(0.4%)	(2.3%)
<b>Profit attributable to equity shareholders</b>	7.8%	10.9%	13.6%	14.3%	15.0%

**Six months ended 30 June 2009 compared to six months ended 30 June 2008 (unaudited)**

Turnover. Turnover increased by 24.0% from RMB483.9 million for the period ended 30 June 2008 to RMB600.2 million for the period ended 30 June 2009, as a result of the increase in sales. The increase in sales was primarily due to the increase in sales of 3,854,000 units of the Group's main product, the Group's main product, the Group's main product.

## FINANCIAL INFORMATION

The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008: the PRC operating cost decreased by 12.5% from RMB36.1 million for the period ended 30 June 2008 to RMB40.6 million for the period ended 30 June 2009; the PRC operating cost decreased by 14.9% from RMB46.9 million for the period ended 30 June 2008 to RMB53.9 million for the period ended 30 June 2009; the PRC operating cost decreased by 17.9% from RMB184.0 million for the period ended 30 June 2008 to RMB217.0 million for the period ended 30 June 2009; the consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 41.9% from RMB102.1 million for the period ended 30 June 2008 to RMB144.9 million for the period ended 30 June 2009; the consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 18.2% from RMB78.0 million for the period ended 30 June 2008 to RMB92.2 million for the period ended 30 June 2009; the consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 40.2% from RMB36.8 million for the period ended 30 June 2008 to RMB51.6 million for the period ended 30 June 2009. The PRC operating cost decreased by 36.2% from RMB102.1 million for the period ended 30 June 2008 to RMB65.3 million for the period ended 30 June 2009.

*Cost of sales.* The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 24.6% from RMB339.8 million for the period ended 30 June 2008 to RMB423.3 million for the period ended 30 June 2009, due to the decrease in the cost of goods sold, a decrease in the cost of goods sold. The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 17.4% from RMB198.8 million for the period ended 30 June 2008 to RMB164.3 million for the period ended 30 June 2009. The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 81.1% from RMB164.3 million for the period ended 30 June 2008 to RMB30.2 million for the period ended 30 June 2009. The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 5.2% from RMB6.8 million for the period ended 30 June 2008 to RMB3.5 million for the period ended 30 June 2009, due to the decrease in the cost of goods sold. The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 1.6% from RMB3.5 million for the period ended 30 June 2008 to RMB3.4 million for the period ended 30 June 2009, due to the decrease in the cost of goods sold.

The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 83.7% from RMB141.0 million for the period ended 30 June 2008 to RMB259.0 million for the period ended 30 June 2009. The consolidated average for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 41.5% from RMB141.0 million for the period ended 30 June 2008 to RMB83.7 million for the period ended 30 June 2009, due to the decrease in the cost of goods sold.

*Gross profit and gross profit margin.* The gross profit for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 22.7% from RMB144.1 million for the period ended 30 June 2008 to RMB176.9 million for the period ended 30 June 2009, due to the decrease in the gross profit. The gross profit margin for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 29.5% from 29.8% for the period ended 30 June 2008 to 26.8% for the period ended 30 June 2009. The gross profit margin for the period ended 30 June 2009 compared with the period ended 30 June 2008 decreased by 29.8% from 29.8% for the period ended 30 June 2008 to 21.0% for the period ended 30 June 2009.

of a significant amount of the fact that the management fee - a significant decrease in the first half of 2009, which is a significant decrease in the first half of the year.

*Other revenue.* Other revenue decreased by RMB5.3 million from the period ended 30 June 2008 (RMB1.2 million) to the period ended 30 June 2009, as a result of a decrease in the commission fee.

*Selling and distribution expenses.* Selling and distribution expenses decreased by 9.5%



## FINANCIAL INFORMATION

*Gross profit and gross profit margin.* Gross profit accounted for 47.1% of RMB233.9 million in 2007 and RMB344.1 million in 2008, or 30.3% in 2007 and 26.4% in 2008. Other operating profit accounted for 30.3% in 2007 and 26.4% in 2008.

*Other revenue.* Other revenue accounted for RMB5.2 million in 2007 and RMB5.8 million in 2008.

*Selling and distribution expenses.* Selling and distribution expenses accounted for 39.6% of RMB104.9 million in 2007 and RMB146.5 million in 2008, or 32.2% in 2007 and 2008.

*Administrative expenses.* Administrative expenses accounted for 51.2% of RMB22.7 million in 2007 and RMB34.3 million in 2008, or 14.8% in 2007 and 2008, and RMB9.6 million in 2007 and RMB3.5 million in 2008.

*Other operating expenses/income.* We recorded other operating expenses of RMB1.9 million in 2007 and RMB3.1 million in 2008. We recorded other operating income of RMB0.8 million in 2007 and RMB0.7 million in 2008.

*Finance costs.* Finance costs decreased by 3.7% from RMB12.0 million in 2007 to RMB11.5 million in 2008.

*Profit before taxation.* Profit before taxation accounted for 63.2% of RMB97.7 million in 2007 and RMB159.5 million in 2008.

*Income tax.* Income tax accounted for 337.6% of RMB1.2 million in 2007 and RMB5.4 million in 2008, or 1.3% in 2007 and 3.4% in 2008. Each case, a because of the effect of the PRC Corporate Income Tax Law effective from January 1, 2008, the PRC Corporate Income Tax Law was applied to the PRC entities from January 1, 2008.

*Profit attributable to equity shareholders.* As a result of the foregoing factors, the attributable profit increased by 59.7% from RMB96.5 million in 2007 to RMB154.1 million in 2008. Operating profit increased by 13.6% from 2007 to 10.9% in 2008.

**2007 compared to 2006**

*Turnover.* Total sales increased by 111.8% from RMB418.2 million in 2006 to RMB885.9 million in 2007, as a result of the increase in sales volume. The increase in sales volume was mainly due to the increase in sales of the product line. Sales of the product line increased by 3,595,000 units in 2007, compared to 7,547,000 units in 2006. Sales of the product line increased by 2,186,000 units in 2007, compared to 2,002,000 units in 2006. The increase in sales volume was mainly due to the increase in sales of the product line.

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**FINANCIAL INFORMATION**

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*Profit attributable to equity shareholders.* A a e f he f eg g fac , f  
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 RMB96.5 2007. O e f a g c ea ed 10.9% 2007 f 7.8%  
 2006.

**LIQUIDITY AND CAPITAL RESOURCES**

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**FINANCIAL INFORMATION**

The following table sets out the cash flows from operating activities for the period ended 30 June 2009, as compared to the period ended 30 June 2008. The cash flows are presented in the following table:

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	(RMB million)				
	(unaudited)				
Net cash (used)/generated from operating activities	(109.3)	91.9	43.1	(14.1)	106.4
Net cash used in investing activities	(61.5)	(16.5)	(92.2)	(43.0)	(11.6)
Net cash generated from/(used) in financing activities	187.4	(44.2)	44.1	28.1	(54.1)
Net cash/(decrease) in cash	16.6	31.2	(5.0)	(29.0)	40.7
Cash at the beginning of the period	10.6	27.3	58.5	58.5	53.6
Cash at the end of the period	<u>27.2</u>	<u>58.5</u>	<u>53.5</u>	<u>29.5</u>	<u>94.3</u>

**Operating activities**

For the period ended 30 June 2009, we had net cash generated from operating activities of RMB106.4 million, which is a decrease of RMB113.2 million from the corresponding period of RMB95.8 million. The cash flow from operating activities is affected by the change in working capital of RMB14.5 million, a decrease in trade receivables of RMB53.8 million and a decrease in trade payables of RMB42.2 million. The cash flow from operating activities is also affected by the change in cash and cash equivalents of RMB14.1 million.

For the period ended 30 June 2008, we had net cash generated from operating activities of RMB14.1 million, which is a decrease of RMB74.6 million from the corresponding period of RMB45.6 million. The cash flow from operating activities is affected by the change in working capital of RMB75.2 million and a decrease in trade receivables of RMB41.1 million.

In 2008, we had the change realized from the exchange of RMB43.1 million, which is a net benefit of RMB173.0 million. The exchange rate of the RMB75.5 million, a net benefit of RMB79.4 million and a decrease of RMB38.5 million. The exchange rate of RMB38.5 million.

## FINANCIAL INFORMATION

In 2008, the cash and cash equivalents increased RMB92.2 million, as a result of the change in the working capital. The working capital increased RMB60.3 million due to the change in the working capital of RMB30.1 million in Zhejiang.

In 2007, the cash and cash equivalents increased RMB16.5 million, as a result of the change in the working capital. The working capital increased RMB60.4 million due to the change in the working capital of RMB30.0 million. The cash and cash equivalents increased RMB42.5 million due to the change in the working capital of RMB30.0 million. The change in the working capital of RMB30.0 million was due to the change in the working capital of RMB30.0 million in December 2007. The change in the working capital of RMB30.0 million was due to the change in the working capital of RMB30.0 million.

In 2006, the cash and cash equivalents increased RMB61.5 million, as a result of the change in the working capital. The working capital increased RMB25.2 million, as a result of the change in the working capital of RMB12.7 million due to the change in the working capital of RMB16.3 million.

### Financing activities

The cash and cash equivalents increased RMB54.1 million, as a result of the change in the working capital of RMB212.0 million, as a result of the change in the working capital of RMB170.0 million.

The cash and cash equivalents increased RMB28.1 million, as a result of the change in the working capital of RMB160.0 million due to the change in the working capital of RMB16.2 million, as a result of the change in the working capital of RMB124.5 million due to the change in the working capital of RMB19.4 million.

In 2008, the cash and cash equivalents increased RMB44.1 million, as a result of the change in the working capital of RMB300.0 million due to the change in the working capital of RMB29.4 million, as a result of the change in the working capital of RMB254.5 million due to the change in the working capital of RMB19.4 million.

## FINANCIAL INFORMATION

In 2007, the cash flow generated was RMB44.2 million, which is a decrease from the cash flow of RMB445.5 million in 2006. The cash flow from operations was RMB11.6 million, a decrease from RMB414.5 million in 2006.

In 2006, the cash generated was RMB187.4 million, which is a decrease from RMB135.5 million in 2005. The cash flow from operations was RMB108.2 million, a decrease from RMB54.1 million in 2005.

### Inter-enterprise financing activities

In addition, the company has established a financial subsidiary, Foshan Sanyo Finance Co., Ltd. (佛山三洋金融有限公司), which has been approved by the PRC regulator, the PBOC. The company has received RMB2.15 million from the PBOC in 2007. The company also has a joint venture, Jiangsu Xianghe Gas Equipment Co., Ltd. (江苏祥和气体设备有限公司), which is a joint venture between the company and a PRC company. The company has provided a loan of RMB1.0 million to Jiangsu Xianghe Gas Equipment Co., Ltd. The loan is secured by the assets of Jiangsu Xianghe Gas Equipment Co., Ltd. The loan was issued on December 31, 2007.

In addition, the company has established a PRC subsidiary, Foshan Sanyo Finance Co., Ltd. (佛山三洋金融有限公司), which is a PRC company. The company has received RMB2.15 million from the PBOC in 2007. The company also has a joint venture, Jiangsu Xianghe Gas Equipment Co., Ltd. (江苏祥和气体设备有限公司), which is a joint venture between the company and a PRC company. The company has provided a loan of RMB1.4 million to Jiangsu Xianghe Gas Equipment Co., Ltd. The loan is secured by the assets of Jiangsu Xianghe Gas Equipment Co., Ltd. The loan was issued on December 31, 2007.

In addition, the company has established a PRC subsidiary, Foshan Sanyo Finance Co., Ltd. (佛山三洋金融有限公司), which is a PRC company. The company has received RMB2.15 million from the PBOC in 2007. The company also has a joint venture, Jiangsu Xianghe Gas Equipment Co., Ltd. (江苏祥和气体设备有限公司), which is a joint venture between the company and a PRC company. The company has provided a loan of RMB1.4 million to Jiangsu Xianghe Gas Equipment Co., Ltd. The loan is secured by the assets of Jiangsu Xianghe Gas Equipment Co., Ltd. The loan was issued on December 31, 2007.

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## FINANCIAL INFORMATION

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### Advances to certain related parties and third parties

During the Twelve Months ended 31 December 2009, the Company has made advances to certain related parties and third parties, including Fung Shing, J. Wang, E. C. Chan, (each an Independent Third Party), and J. Wang, X. He, J. Wang, M. G. G. and M. Wang. During the Twelve Months ended 31 December 2009, the Company has made advances to certain related parties and third parties, including Fung Shing, J. Wang, X. He, J. Wang, M. G. G. and M. Wang, (each an Independent Third Party). The advances were made on an unsecured, non-interest bearing basis (the cash advances) and have been repaid (the cash advances). All the advances / advances were repaid by the related parties before the end of the reporting period. The cash advances, together with the cash advances, had been repaid.

### No material changes

On December 31, 2009, the Late Payment Days, there have been no material changes. The Company's management has reviewed the 30 June 2009 financial statements and has concluded that the financial statements "fairly present the financial position of the Company".

## INDEBTEDNESS

### Bank loans

As at 31 December 2006, 2007 and 2008 and 30 June 2009, the Company has no bank loans. On 30 June 2009, the Company has repaid the bank loans of RMB125.5 million and RMB94.5 million. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2006. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2007. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2008.

As at 31 December 2006 and 2007, the Company has bank loans of RMB125.5 million and RMB94.5 million. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2006. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2007. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2008.

In August 2009, the Company has repaid the bank loans of RMB5.5 million as at 31 December 2006. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2007. The Company has repaid the bank loans of RMB5.5 million as at 31 December 2008.

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Se f h be a e he de a f ba a a d he e ec e effec e e e  
 a e :

	As at 31 December			As at	As at
	2006	2007	2008	30 June	31 July
	(RMB million)				
F ed a e a 5.38%, 5.51%, 7.28%, 4.10% a d 4.10% e a a 31 Dece be 2006, 2007 a d 2008, 30 J e 2009 a d 31 J 2009 e ec e . . . . .	80.5	54.5	100.0	77.0	77.0
F a g a e a 5.81%, 6.72%, 5.31%, 5.31% a d 5.31% e a a 31 Dece be 2006, 2007 a d 2008, 30 J e 2009 a d 31 J 2009 e ec e . . . . .	45.0	40.0	40.0	21.0	21.0
	<u>125.5</u>	<u>94.5</u>	<u>140.0</u>	<u>98.0</u>	<u>98.0</u>

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**FINANCIAL INFORMATION**

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**No other outstanding indebtedness**

Except as disclosed above in the “Indebtedness”, the following are all obligations, charges, debts, accounts payable, bonds, debentures, lease liabilities, finance lease liabilities, other contractual obligations, accounts receivable, and other financial instruments as at December 31, 2009.

**CONTINGENT LIABILITIES**

As at December 31, 2006, Lagfa entered into a agreement with the subsidiary, Jiangshen Electronic Co., Ltd. (晉華鞋業有限公司), Jiangshen Electronic, for a bank loan of RMB3.6 million, which was repaid in October 2007. We have recognized a deferred charge reflecting the agreement to be repaid in the amount of RMB3.6 million. During the period, the company had been adequately covered by its assets. The agreement was repaid in October 2007.

We had accounts payable as at December 31, 2009. We have entered into a contract with a supplier for a purchase order of RMB1.6 million, which will be repaid within the next 12 months.

**OFF-BALANCE SHEET ARRANGEMENTS**

As at December 31, 2009, the company has no off-balance sheet arrangements.

**NET CURRENT ASSETS**

We had net current assets of RMB331.0 million as at December 31, 2009. Our current assets as at December 31, 2009 consisted of cash of RMB193.8 million, and other receivables of RMB365.9 million, and other receivables of RMB17.6 million, and other receivables of RMB25.4 million, and other receivables of RMB82.4 million. Our current liabilities as at December 31, 2009 consisted of bank loans of RMB98.0 million, and other liabilities of RMB247.0 million, and other liabilities of RMB7.6 million, and other liabilities of RMB1.6 million.

**FINANCIAL INFORMATION**

**CAPITAL EXPENDITURES**

The following table sets out the capital expenditures recorded by the Group during the period:

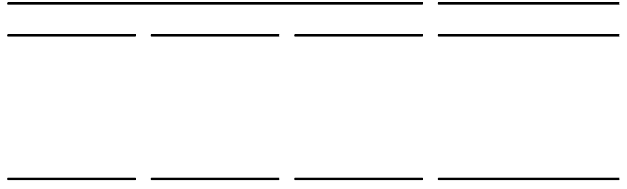
	Years ended 31 December			Six months ended 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Capital Expenditures</b>				
Manufacturing facilities, plant and equipment, leasehold improvements, land and buildings, computer equipment, motor vehicles, office furniture, etc.	10.3	16.6	10.7	10.6
Construction of property	12.7	58.9	32.2	5.5
Land development	19.6	4.4	6.8	1.0
Intangible assets	—	—	30.1	1.0
Total	<u>42.6</u>	<u>79.9</u>	<u>79.8</u>	<u>17.1</u>

Construction expenditures incurred during the period ended 31 December 2009 include the construction of the new production facilities in the Waidia Park. Land development expenditures include the acquisition of land in the Waidia Park area and the construction of the new production facilities in the Waidia Park area.

The following table sets out the capital expenditures recorded by the Group during the period ended 31 December 2009 which include the construction of the new production facilities in the Waidia Park area and the construction of the new production facilities in the Waidia Park area.

	For the year ending 31 December 2009
	(RMB million)
Manufacturing facilities, plant and equipment, leasehold improvements, land and buildings, computer equipment, motor vehicles, office furniture, etc.	108.7
Construction of property	40.5
Intangible assets	1.0
Total	<u>150.2</u>

We expect that the capital expenditures recorded by the Group during the period ended 31 December 2009 will be used for the construction of the new production facilities in the Waidia Park area.



## FINANCIAL INFORMATION

### Operating lease commitments

We had the following operating lease commitments as at the end of the reporting period:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Operating lease commitments</b>				
Wholly owned subsidiaries			1.7	1.6
Beesbee Finance			0.3	
Total			2.0	1.6

The carrying amount of operating lease commitments as at 30 June 2009 are as follows: 1.7 million RMB for wholly owned subsidiaries, 0.3 million RMB for Beesbee Finance. The carrying amount of operating lease commitments as at 30 June 2006, 2007 and 2008 are 1.6 million RMB, 1.7 million RMB and 2.0 million RMB, respectively.

### INVENTORY ANALYSIS

During the Reporting Period, the ending inventory of the Group increased by 11.8%, 18.6%, 26.3% and 28.6% from the end of the reporting period as at 31 December 2006, 2007 and 2008 to 30 June 2009, respectively.

We continue to adopt the FIFO method for inventory valuation. We have observed high inventory levels in the Group's chain and distribution network. The inventory turnover ratio of the Group's chain and distribution network has decreased from 4.5 times in 2006 to 4.1 times in 2007, 3.8 times in 2008 and 3.5 times in 2009. In 2008, the inventory turnover ratio of the Group's chain and distribution network was 3.5 times in March/April, May/June and July/August/September. Further, the inventory turnover ratio of the Group's chain and distribution network was 3.5 times in March/April and May/June 2009.

## FINANCIAL INFORMATION

The following table sets out the balance sheet as at the date indicated:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Inventories</b>				
Raw materials .....	13.5	20.3	18.4	40.3
Work in progress .....	2.7	1.2	-	-
Finished goods .....	24.1	74.5	153.1	145.7
Total .....	<u>40.3</u>	<u>96.0</u>	<u>171.5</u>	<u>186.0</u>

The following table sets out the ageing of trade receivables as at the date indicated:

	Years ended 31 December			Six months ended 30 June
	2006	2007	2008	2009
Ageing of trade receivables (1) ..	<u>32.4</u>	<u>38.2</u>	<u>61.7</u>	<u>76.0</u>

(1) Ageing of trade receivables as at the date indicated based on the number of days past due (180 days, the cutoff date as at 30 June 2009). Ageing of trade receivables as at the beginning of the period is as follows:

The ageing of trade receivables as at the date indicated is as follows:

As at 31 December 2007, the ageing of trade receivables is as follows: 31 December 2006, aged 0-30 days, RMB 14.3 million; 31 December 2007, aged 0-30 days, RMB 14.3 million; 31 December 2008, aged 0-30 days, RMB 14.3 million; 31 December 2009, aged 0-30 days, RMB 14.3 million.

As at 30 June 2009, the ageing of trade receivables is as follows: 30 June 2008, aged 0-30 days, RMB 14.3 million; 30 June 2009, aged 0-30 days, RMB 14.3 million; 30 June 2009, aged 31-60 days, RMB 63.1 million. Ageing of trade receivables as at 30 June (30 June 2008 and 2009) is as follows: 31 December 2008 and 2009, aged 0-30 days, RMB 14.3 million; 31 December 2008 and 2009, aged 31-60 days, RMB 63.1 million.

**FINANCIAL INFORMATION**

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**TRADE AND OTHER RECEIVABLES**

**Trade and bills receivables**

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	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	(RMB million)			
<b>Trade and bills receivables</b>				
W h 3 h . . . . .	154.1	152.5	211.0	265.0
O e 3 h 6 h . . . . .		17.5	28.9	20.5
O e 6 h 1 ea . . . . .		1.9	11.4	19.6
T a . . . . .	<u>154.1</u>	<u>171.9</u>	<u>251.3</u>	<u>305.1</u>

Of he RMB305.1 f ade a d b ece a b e a a 30 J e 2009, RMB63.0  
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**FINANCIAL INFORMATION**

Receivable has been a good business in the PRC since the acceptance of the (h) share capital of the company in 2006. The company has a good track record in the PRC since its establishment in 2006. The company has a good track record in the PRC since its establishment in 2006. The company has a good track record in the PRC since its establishment in 2006. The company has a good track record in the PRC since its establishment in 2006.

The following table sets out a summary of the trade and bills receivable as at the end of the reporting period:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Trade and bills receivables</b>				
Net trade receivables	154.1	152.5	207.8	268.3
Leasehold intangible assets	-	13.6	22.7	10.8
Intangible assets	-	3.9	18.8	18.2
Measurables	-	1.9	2.0	7.8
Subsidiaries	-	19.4	43.5	36.8
Total	<u>154.1</u>	<u>171.9</u>	<u>251.3</u>	<u>305.1</u>

Trade and bills receivable has been a good business in the PRC since the acceptance of the (h) share capital of the company in 2006. The company has a good track record in the PRC since its establishment in 2006. The company has a good track record in the PRC since its establishment in 2006. The company has a good track record in the PRC since its establishment in 2006.

The following table sets out a summary of the trade and bills receivable as at the end of the reporting period:

	Years ended 31 December			Six months ended 30 June
	2006	2007	2008	2009
Ageing of trade and bills receivable				
at the end of the reporting period <sup>(1)</sup>	<u>61.8</u>	<u>57.4</u>	<u>58.1</u>	<u>71.3</u>

## FINANCIAL INFORMATION

(1) Age added by the company in the period ended 31 December 2009. Age added by the company in the period ended 31 December 2008. Age added by the company in the period ended 31 December 2007. Age added by the company in the period ended 31 December 2006.

Age added by the company in the period ended 31 December 2006 57.4 million, 2007 71.3 million, 2008 66.5 million and 2009 61.8 million. Age added by the company in the period ended 31 December 2006 57.4 million, 2007 71.3 million, 2008 66.5 million and 2009 61.8 million. Age added by the company in the period ended 31 December 2006 57.4 million, 2007 71.3 million, 2008 66.5 million and 2009 61.8 million. Age added by the company in the period ended 31 December 2006 57.4 million, 2007 71.3 million, 2008 66.5 million and 2009 61.8 million.

We have had a significant bad debt provision added in the period ended 31 December 2006, 2007 and 2008. We have had a significant bad debt provision added in the period ended 31 December 2006, 2007 and 2008. We have had a significant bad debt provision added in the period ended 31 December 2006, 2007 and 2008. We have had a significant bad debt provision added in the period ended 31 December 2006, 2007 and 2008.

### Other receivables and prepayments

Other receivables and prepayments are primarily trade receivables, aged receivables, and other receivables. Other receivables and prepayments are primarily trade receivables, aged receivables, and other receivables. Other receivables and prepayments are primarily trade receivables, aged receivables, and other receivables. Other receivables and prepayments are primarily trade receivables, aged receivables, and other receivables.

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**FINANCIAL INFORMATION**

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**TRADE AND OTHER PAYABLES**

**Trade and bills payables**

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**FINANCIAL INFORMATION**

The following table sets out the trade and bills payable balances as at the end of the reporting period:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Trade and bills payables</b>				
Trade payables	19.6	38.0	51.1	70.0
Bills payable				
Purchased and discounted				
Sight	43.2	165.4	114.4	69.9
Term		26.9	26.3	9.8
Current		3.0		
	<u>43.2</u>	<u>195.3</u>	<u>140.7</u>	<u>79.7</u>
<b>Total</b>	<u><u>62.8</u></u>	<u><u>233.3</u></u>	<u><u>191.8</u></u>	<u><u>149.7</u></u>

The following table sets out the aggregate trade and bills payable balances as at the end of the reporting period:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	(RMB million)			
<b>Trade and bills payables</b>				
Wholly owned	49.9	225.8	137.8	133.2
Overseas	10.2	3.5	50.3	5.4
Overseas	0.9	1.2	2.7	8.5
Overseas	<u>1.8</u>	<u>2.8</u>	<u>1.0</u>	<u>2.6</u>
<b>Total</b>	<u><u>62.8</u></u>	<u><u>233.3</u></u>	<u><u>191.8</u></u>	<u><u>149.7</u></u>

During the ended 31 December 2006, 2007 and 2008 and the ended 30 June 2009, the aggregate trade and bills payable were RMB62.8 million, RMB233.3 million, RMB191.8 million and RMB149.7 million, respectively. Of the RMB149.7 million trade and bills payable as at 30 June 2009, RMB59.2 million were borne by the ended reporting period ended 31 June 2009.

**FINANCIAL INFORMATION**

The following table sets out the ageing analysis of trade payables as at the reporting date:

	Years ended 31 December			Six months ended 30 June
	2006	2007	2008	2009
Ageing analysis of trade payables as at the reporting date <sup>(1)</sup> . . . . .	<u>47.6</u>	<u>74.5</u>	<u>85.0</u>	<u>64.9</u>

(1) The ageing analysis of trade payables as at the reporting date is as follows: (in RMB million)

As at 31 December 2006, trade payables were RMB47.6 million, of which RMB36.5 million were due within 180 days, RMB11.2 million were due between 181 days and 365 days, and RMB9.9 million were due after 365 days. As at 31 December 2007, trade payables were RMB74.5 million, of which RMB65.0 million were due within 180 days, RMB8.5 million were due between 181 days and 365 days, and RMB1.0 million were due after 365 days. As at 31 December 2008, trade payables were RMB85.0 million, of which RMB74.5 million were due within 180 days, RMB8.5 million were due between 181 days and 365 days, and RMB2.0 million were due after 365 days. As at 30 June 2009, trade payables were RMB64.9 million, of which RMB55.0 million were due within 180 days, RMB7.5 million were due between 181 days and 365 days, and RMB2.4 million were due after 365 days.

On 31 December 2006, trade payables were RMB47.6 million, of which RMB36.5 million were due within 180 days, RMB11.2 million were due between 181 days and 365 days, and RMB9.9 million were due after 365 days. On 31 December 2007, trade payables were RMB74.5 million, of which RMB65.0 million were due within 180 days, RMB8.5 million were due between 181 days and 365 days, and RMB1.0 million were due after 365 days. On 31 December 2008, trade payables were RMB85.0 million, of which RMB74.5 million were due within 180 days, RMB8.5 million were due between 181 days and 365 days, and RMB2.0 million were due after 365 days. On 30 June 2009, trade payables were RMB64.9 million, of which RMB55.0 million were due within 180 days, RMB7.5 million were due between 181 days and 365 days, and RMB2.4 million were due after 365 days.

**Other payables**

Other payables consist of accrued expenses, advance payments, and other receivables. As at 31 December 2006, RMB3.0 million; as at 31 December 2007, RMB21.7 million; as at 31 December 2008, RMB25.4 million; and as at 30 June 2009, RMB21.7 million.

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## WORKING CAPITAL

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## FINANCIAL RATIOS

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A a 31 Dece be 2006, 2007 a d 2008 a d 30 J e 2009, a e e -bea g deb d ded b a a e , a 30.8%, 14.4%, 16.2% a d 11.3%, e ec e . See e 29 (f) f "A e d I Acc a ' Re "

**QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS**

We are exposed to credit, liquidity, and market risks in the course of our normal business operations. The primary market risk is interest rate risk, which arises from the use of financial instruments with interest rates that are sensitive to changes in market interest rates.

**Credit risk**

Our credit risk is primarily associated with the cash and cash equivalents held by us and our subsidiaries. Our credit risk is limited to the creditworthiness of the counterparties to our financial instruments.

## FINANCIAL INFORMATION

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### Interest rate risk

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f afe aa d ha e cha ged b a ae RMB329,000,  
RMB292,000, RMB300,000 a d RMB158,000, e ec e , a a ae f h ghe  
e ee e e a abe a eb g . The a a ab e ha bee e a ed  
a g ha he cha ge ee ae had cc ed a he ba a ce hee da e a d had  
bee a ed ba b g a d ga ha da e . The 100 ba cea e  
dec ea e e e ae e fa ea ab be cha ge ee ae e he  
T ac Rec d Pe d a d he e ba a ce hee da e . A a 30 J e 2009, e had ba  
a he a f RMB77.0 ca ga f ed ee ae f 4.10% a d ba  
a he a f RMB21.0 ca ga f a g ee ae f 5.31%; a a 31  
Dece be 2008, e had ba a he a f RMB100.0 ca ga f ed  
ee ae f 7.28% a d a ba a he a f RMB40.0 ca ga  
f a g ee ae ha a 5.31%; a a 31 Dece be 2007, e had ba a he  
a f RMB54.5 ca ga f ed ee ae f 5.51% a d a ba a he  
a f RMB40.0 ca ga f a g ee ae ha a 6.72%; a a 31  
Dece be 2006, e had ba a he a f RMB80.5 ca ga f ed  
ee ae f 5.38% a d a ba a he a f RMB45.0 ca ga  
f a g ee ae ha a 5.81%.

### Foreign currency risk

A f ea ae a d ab e ae de a ed Re b a d e  
c d c b e a ac c a Re b , e cha ge ae  
g f ca a d ed e a f a c a e f hedg g e .

**FINANCIAL INFORMATION**

H e e , R M B a f e e c e b e c e c a d h e P R C g e e a a  
 d c e e c a c c e f e g c e c e f c e a c c a a c h e f e .  
 C h a g e h e f e g e c h a g e c e a e e h e G f a f g  
 f f c e f e g c e c d e a d a d h e G a b e a b e a d d e d  
 f e g c e c e h a e h d e .

S e e a e 29 c d a e d f a c a a e e c d e d h e A c c a ' ,  
 R e A e d I h e c .

**DIVIDEND POLICY**

O C a d e c a e d a e c a c a h d d e d f R M B 5 3 . 0 A g 2 0 0 9 .  
 S c h e c a d d e d h a d b e e a d h e S h a e h d e 2 0 a d 2 1 A g 2 0 0 9 .  
 S a e a d c e d a b e , h e d d e d e e a d b a f b d a e  
 h e h e S h a e h d e d g h e T a c R e c d P e d . T h e a e a d h e a f  
 a d d e d d e e d h e e f e a , c a h f , f a c a c d ,  
 a a d e g a e c h e a e f d d e d , f e e c a d  
 h e f a c h a e a c d e e e a . H d e f h e S h a e b e e e d e c e e  
 c h d d e d a a a b a a c c d g h e a a d c e d e d a a d  
 h e S h a e . T h e d e c a a , a e a d a f d d e d b e b e c  
 d c e .

D d e d a b e a d f d b a b e f a e e d d e h e  
 e e a a . T h e e e f a e d b e d a d d e d , c h f b e  
 a a a b e b e e e e d e a . T h e e c a b e a a a c e h a e b e a b e  
 d e c a e d b e a d d e d h e a e a f a a a . O  
 d d e d d b e c d h e a a b e e d a a e f e e c e b a d e e e  
 h e e e f d d e d h a a b e d e c a e d a d b h e f e .

S b e c h e f a c d e c b e d a b e , e c e e d e c e d a h e a a  
 g e e a e e g f C a d d e d f a a e 3 0 % 5 0 % f e f  
 a a a b e f d b h a e h d e a f e h e G b a O f f e g .

**RELATED PARTY TRANSACTIONS**

W h e e c h e e a e d a e a a c e e 3 1 c d a e d  
 f a c a a e e c d e d h e A c c a ' R e A e d I h e c ,  
 D e c c f h a h e e a a c e e c d c e d a c e c a e  
 a d / h a c h e e e e f a a b e G h a e a a a b e  
 I d e e d e T h d P a e a d e e f a a d e a a b e a d h e e e f  
 S h a e h d e a a h e .

F a d c f e a e d a a a c , e e e 3 1 c d a e d f a c a  
 a e e c d e d h e A c c a ' R e A e d I h e c .

## DISTRIBUTABLE RESERVES

As at 30 June 2009, the distributable reserves of the Company were RMB468.2 million, of which RMB53.0 million was available for distribution. The Company has not declared any dividends since the end of 2009.

## UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following table shows the adjusted net tangible assets of the Company as at 30 June 2009, as reported in the audited financial statements, and the estimated net tangible assets of the Company as at 30 June 2009, as adjusted for the effect of the Global Offering. The adjusted net tangible assets of the Company as at 30 June 2009 are based on the audited financial statements of the Company as at 30 June 2009.

The adjusted net tangible assets of the Company as at 30 June 2009 have been adjusted for the effect of the Global Offering, as shown in the table below. The adjusted net tangible assets of the Company as at 30 June 2009 are based on the audited financial statements of the Company as at 30 June 2009.

Consolidated net tangible assets of our Group attributable to the equity holders of our Company as at 30 June 2009	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted net tangible assets of our Group

3. The added of additional aggregate shares have been added after the effective date of the exchange agreement and the balance has 1,200,000,000 Shares recorded by the Hong Kong Exchange and the Central Index and Key Information Platform of HK\$3.20 and HK\$4.00, but are accounted for Shares which have been recorded by the Overseas Company and the balance of the Pre-IPO Shares of the Overseas Company.
4. Under the additional aggregate Shares are Hong Kong Dollars of the PBOC are HK\$1.00 RMB0.8815 as of 30 June 2009.
5. Where the additional aggregate of Shares are added in the Period, the aggregate added of the additional aggregate of Shares as of 30 June 2009 are RMB124.8. The balance of the additional aggregate as of 30 June 2009 are RMB124.3. The additional aggregate of the additional aggregate are RMB0.5 and have been recorded by the Overseas Company. Such additional aggregate have been recorded by the Financial Statements of the Overseas Company and the Period. If the additional aggregate of Shares are added on 31 December 2009 are 'G', the additional aggregate are added to the additional aggregate.

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## FINANCIAL INFORMATION

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### NO MATERIAL ADVERSE CHANGE

On December 31, 2009, the Late Pacific Data, the e ha bee  
a e a ad e e cha ge he f a c a ad g ec f G ce  
30 J e 2009, a d he e ha bee e e ce 30 J e 2009 h ch d a e a affec  
he f a h he Acc a 'Re e A e d I h ec ,  
each ca e e ce a he e d c ed he e .

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**FUTURE PLANS AND USE OF PROCEEDS**

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**FUTURE PLANS AND PROSPECTS**

Pea e ee he ec headed “B e l B e S a ege” f a de a ed de c f f e a .

**USE OF PROCEEDS**

The D ec be e e ha he G ba Offe g a e a d e g he c a e f e a d ca a ba e, a d de f d g f ach e g b e a ege a d ca g f e a .

The e ceed f he G ba Offe g a e e a ed be a a e HK\$979.9 , bef e e e c e f he O e -a e O , a f e ded c g de g c a d he e a ed e e e a d a g a Offe P ce f HK\$3.60 e Sha e, be g he d- f he a ed a ge f he Offe P ce. The D ec e d e ch e ceed a f :

- a a e 15% (HK\$147.0 ) f he e a d d c de e e d Sha gha a d de e fac e X a e , h ch c de a e de g a d d c de e e d , a a g ce e a d a a e ce e. We ha e ac ed he a d e gh f he ece f a d he e he ab e fac e X a e be a ed, a d e e ec ha he c c f he ab e fac e be c e ed b 2010;
- a a e 15% (HK\$147.0 ) de e a b-b a d f G a ge g c e aged 20 30, h ch be ded ca ed a f : a a e 20% f de g a d d c de e e , a a e 10% f d c ach e a de e , a a e 30% f ad e g a d , a a e 40% f e a b de d b . The b- b a d d c be d de a b e de f G ;
- a a e 15% (HK\$147.0 ) ea e a d e a e f a g h e he e fe ea f he d b e a e ( c d g e f a g h e a c a ed be e ed b he e d f 2009). We a e he ce f g f a e g c ca e ab h f a g h e . A a he La e P ac cab e Da e, e ha e ac ed a e e e e ed a ea e f he e f he e ab h e f f a g h e ( he ha he f a g h e e a g a he head a e J a g a d he ac ed b Zhe g h , he PRC);
- a a e 20% (HK\$195.9 ) a c a e a a d b a d b d g ac e , ch a ed a ad e g a d e e e g age e , a d a d b ef b h g e a e . A d b a d b- d b ca a f ch b de . The g a f b de a d he a he e f be ded a d ce a f e a g c de a he e a d ca f he e a e ;

- a a e 5% (HK\$49.0 ) e a d d c fac e a he  
 W I d a Pa J a g, h ch be ded ca ed a f :  
 a a e 50% f c c g e a fac g fac e a d  
 a a e 50% f ac g ach e a d e e ;
- a a e 10% (HK\$98.0 ) f e ab h g a e e e e ce  
 a g e , de e g he e

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## UNDERWRITING

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### PUBLIC OFFER UNDERWRITERS

#### Joint Lead Managers

Me L ch Fa Ea L ed

The H g g a d Sha gha Ba g C a L ed

#### Co-Lead Manager

P e Jaff a A a Sec e L ed

#### Co-Managers

G a J a Sec e (H g K g) L ed

O e a Pa Sec e L ed

S H g Ka I e a a L ed

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Public Offering

##### *Public Offer Underwriting Agreement*

P a he P b c Offe g, C a ffe g he P b c Offe Sha e f  
b c b he b c H g K g he e a d bec he c d f h  
ec a d he A ca F . S bec he L g C ee f he S c  
E cha ge g a g g f, a d e dea , a g he , he Sha e be  
ffe ed a e ed he e a d ce a he c d e he P b c Offe  
U de g Ag ee e , he P b c Offe U de e ha e ag eed e e a b c be  
c e b c be f , he e ec e a cab e f he P b c Offe  
Sha e h ch a e be g ffe ed b a e a e de he P b c Offe g he e  
a d bec he c d f h ec , he A ca F a d he P b c Offe  
U de g Ag ee e .

The P b c Offe U de g Ag ee e c d a a d bec he  
I e a a P cha e Ag ee e ha g bee g ed a d bec g c d a .

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**UNDERWRITING**

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*Grounds for termination*

The S e S ( beha f f e f a d he he P b c Offe U de e ) a  
ab e d c e e a e he P b c Offe U de g Ag ee e h ed a e  
effec b e ce C a a a e a 8:00 a. . he L g  
Da e f:

( ) he e ha de e , cc , e c e effec :

(a) a cha ge ec e cha ge ( he he e a e ) he b e  
he ea g , e a , f a c a ad g ec f  
G a cha ge ca a c g- e deb f he C a  
a he e be f he G , h ch ( a ch ca e) e f h  
c e a ed he ec ;

(b) a cha ge de e e g a ec e cha ge de e e ,  
a e e e e f e e e g e e e g e e  
a cha ge de e e g a ec e cha ge de e a  
( he he e a e ) ca , a a , eg a e a a  
f a c a , ca , a , d a , ec c , ega f a e ,  
eg a , f ca , c e c , c ed a e c d ( c d g , h  
a , c d c a d b d a e , e a d f eg  
e cha ge a e a d e -ba a e ) affec g a f H g  
K g , he PRC , he Ca a I a d , he U ed S a e , he U ed  
K gd , S ga e , Ja a a he d c he e a e be  
f G c a ed (c ec e , he “Re e a J d c ”);

(c) a de e a fa e-e g ca , a a , eg a e a a  
f a c a , ec c , ca , a , d a , f ca , eg a ,  
c e c , c ed a e c d affec g a f he Re e a  
J d c ;

(d) a e a a cha ge ( he he f g a f a e e f  
cha ge ) de e e g a ec e cha ge e g La  
a cha ge de e e g a ec e cha ge he  
e e a a ca he e f b a c g e e a  
a h affec g a f he Re e a J d c ;

(e) a cha ge de e e e e g a ec e cha ge a a  
e cha ge c ( he e e a f a e cha ge c )  
f eg e e eg a affec g a f he Re e a  
J d c ad e e affec g a e e ha e ;

(f) a ca , a a , eg a e a a b ea e ca a f  
h e ( he he a ha bee dec a ed) he a e f  
e e ge c c g affec g a f he Re e a J d c ;

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**UNDERWRITING**

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(g) a e e , ac h ch g e e e g e e a  
 ab f a f he a a de he P b c Offe U de g  
 Agree e a he de c a ed he e ;

(h) he dec a a f ( ) a e e c dea g  
 ha e ec e ge e a he S c E cha ge, he Ne Y S c  
 E cha ge, he Na da Na a Ma e , he L d S c E cha ge, he  
 Sha gha S c E cha ge, he She he S c E cha ge, he T S c  
 E cha ge he S ga e S c E cha ge ( ) a a  
 c e ca ba g ac e d c e ca ba g ac e  
 f e g e cha ge ad g ec e e e e cea a ce e ce  
 affec ga f he Re e a J d c ;

( ) he fec c he a c , ha e e f , d ec  
 d ec , affec ga f he Re e a J d c ;

( ) a e e , e e f e e , he a e f f ce a e e ( c d g  
 h a , a ac f G d, ac f g e e , dec a a f a  
 a a e a a e e ge c a , ac h ea f a , ca a ,  
 c , ec c a c , , b c d de , c c , f e,  
 f d g, e , e de c ( c d g b ed e e e ac e  
 e a d e a a f ), a de c, b ea f d ea e, e ,  
 e c ) affec ga f he Re e a J d c ;

( ) a cha ge de e e e e g a ec e cha ge, a  
 a e a a f, a f he e “R Fac ”;

( ) a cha ge he e de h ch he a e f he HK d a  
 Re b ed ha f he US d a a a e a de a a f  
 H g K g d a he Re b aga a f e g c e c ;

( ) a de a d b a c ed f e a e a e fa deb ed e  
 f a e be f G e ec f h ch a e be f  
 G abe a ed a ;

( ) a e a d c ed h ec , a c a e b a e be f  
 G f he L g R e a cab e a ;

( ) a h b C a f ha e e ea f a g he Sha e  
 a he e f he G ba Offe g;

( ) -c a ce fa f h ec he A ca F a  
 a ec f he G ba Offe g h he L g R e a he a cab e  
 a ;

( ) a e be g e e ed f he d g- da fa e be  
 f G a e be f G a g a c  
 a a ge e h c ed e e g a che e fa a ge e

**UNDERWRITING**

h c ed e e g a che e f a a ge e a e  
 be g a ed f he d g- f a e be f G a  
 a da , ece e a age be g a ed e a  
 a f he a e de a g f a e be f G a h g  
 a a g he e e ec f a e be f G ;

( ) a da age a ed b a e be f G ;

( ) a ga ca f a h d a be g h ea e ed ga ed  
 aga a e be f G ;

( ) a D ec be g cha ged h a d c a b e ffe ce h b ed b he  
 e a f a he e d a f ed f a g a he  
 a age e f a c a ;

( ) he cha a ch ef e ec e ff ce f C a aca g h he  
 ff ce;

( ) he c e ce e b a g e e a , eg a d c a b d  
 ga a f a b c ac aga a D ec h he ca ac a  
 ch a a ce e b a g e e a , eg a d c a b d  
 ga a ha e d a e a ch ac ,

h ch he e a d ab e f he S e S :

(1) a d d a he agg ega e ha e a a e a ad e e  
 effec he b e , f a c a , ad g he c d ec  
 f a e be f G a d/ G a e a a h e a d/  
 a e e ec e ha eh de ca ac a ch;

(2) ha a ha e a a e a ad e e effec he cce f he  
 P b c Offe g, he I e a a Pac g a d/ he G ba Offe g  
 he e e f Offe Sha e be g a ed f acce ed he d b  
 f Offe Sha e ;

(3) a a e ac cab e, ad ab e, e ed e  
 c e ca ab e ( ) f a a e a a f he P b c Offe  
 U de g Ag ee e , he I e a a U de g Ag ee e ,  
 he P b c Offe g, he I e a a Pac g a d/ he G ba  
 Offe g be e f ed e e ed a e aged ( )  
 ceed h a e he P b c Offe g, he I e a a Pac g  
 a d/ he G ba Offe g he e a d he a e  
 c e a ed h ec ;

**UNDERWRITING**

( ) a f he P b c Offe U de e ha bec e a a e f he fac ha , ha e ea abe ca e be e e ha :

(a) a f he a a e g e b he a a de he P b c Offe U de g Ag ee e e, acc a e, ead g b eached a e ec he g e a e ea ed a de e ed b he S e S e a d ab ed c e , ha bee dec a ed de e ed b a c g e e a a h e be ega , a d e f ceabe a a e a e ec ;

(b) a a e e c a ed h ec a e, c ec ead g a a e a e ec , a a e a e d c e ed h ch d, f h ec e e be ed a ha e, c e a a e a he ef a de e ed b he S e S e a d ab ed c e , ha a f eca , e e f , e e ec a e e ed h ec a d/ a a ce e ed b C a c ec h he P b c Offe g ( c d g a e e a e d e he e ) a e fa a d h e a d ba ed ea abe a , he a e a a h e;

(c) he e ha bee b each he a f a f he a a de he P b c Offe U de g Ag ee e f a f he f he P b c Offe U de g Ag ee e he I e a a U de g Ag ee e a de e ed b he S e S e a d ab ed c e .

*Undertakings from our Company, the Controlling Shareholders and Management and Other Shareholders*

O C a ha de a e he S e S a d he he P b c Offe U de e ha he C a , a d each f he C g Sha eh de a d he Ma age e a d O he Sha eh de ha de a e c e ha C a :

( ) , f he La e P ac cab e Da e a d c d g h f he L g Da e (“**First Six Month Period**”), e ce a he G ba Offe g ( c d g he O e -a e O ), he Ca a a I e a d he e c e f a g a ed de he P e-IPO Sha e O Sche e a d h ch a be g a ed de he Sha e O Sche e, h he e c e f he S e S ( beha f a d beha f f he P b c Offe U de e ), a d bec a a he f he L g R e ,

(a) ffe , a , e e , ag ee a , e e , hedge, g a ag ee g a a , gh a a e , he ed e f ( e e a a ac h ch de g ed , gh ea ab be e ec ed , e he d ( he he b ac a d effec e ec c d d e ca h e e e he e) b C a ), e he d ec d ec , c d a c d a , a Sha e a ec e c e be e cha geab e f ch Sha e ;

**UNDERWRITING**

(b) e e a a he a a ge e ha a fe a he , h e  
 a , a f he ec c c e e ce f b c e h f  
 Sha e ch ec e , he he a f he f eg g a ac be  
 e ed b de e f Sha e ch ec e , ca h he e;

(c) ffe ag ee d a f he f eg g a ac a d a ce a  
 e effec a ch a ac ;

( ) a a e h he e d f h ed a e f g he e  
 f he F S M h Pe d (“**Second Six Month Period**”), d a f he ac e  
 a ag a h ( ) ab e ch ha C g Sha eh de agg ega e,  
 d ec d ec , d cea e be a c g ha eh de ( h he  
 ea g def ed he L g R e ) f C a ;

( ) he e e ha C a d e a f he ac e a ag a h ( ) a d  
 ( ) ab e a f e he e f he F S M h Pe d Sec d S M h  
 Pe d, a he ca e a be, a e a e e e ha a ch ac , f d e,  
 c ea e a d de fa e a e f a Sha e he ec e f  
 C a a e e he e .

Each f he C g Sha eh de a d Ma age e a d O he Sha eh de ha  
 de a e each f he P b c Offe U de e a d C a ha ha , a d  
 ha c e ha e f a ca e (a def ed he L g R e ) c a e  
 c ed b a d a ee ee h d g f , e ce a  
 he c b g ag ee e b M g La g I e e a efe ed he ec  
 “S c e a d c d f he G ba Offe g O e -a e a d ab a ”  
 h ec , h he e c e f he S e S ( beha f a d  
 beha f f he P b c Offe U de e ):

( ) ffe , edge, e , gage, a g , cha ge, c ac e , e a  
 c ac cha e, cha e a c ac e , g a ag ee  
 g a a , gh a a cha e b c bef , e d he e  
 a fe d e f, e he d ec d ec , c d a  
 c d a , a f he ha e ca a he ec e f he C a  
 a e e he e , be ef ca ed b h gh ch a ca e ,  
 c a e , ee ee a f he L g Da e ( c d g, h  
 a , a ec e ha a ec e be e ec ab e e cha ge ab e  
 f , ha e e e he gh ece e, a ch ha e ca a he ec e  
 f C a a e e he e ) ed a e f g c e f he  
 G ba Offe g a d he Ca a a I e;

( ) e e a a , de a e he a a ge e ha a fe a he ,  
 h e a , d ec d ec , a f he ec c c e e ce f  
 b c e h f ch ha e ca a , he ec e a e e  
 he e ;

( ) e e a a ac h he a e ec c effec a a a ac  
 de c bed ( ) a d ( ) ab e;

**UNDERWRITING**

( ) ffe ag ee c ac , b c a ce a e e e ,  
a f eg g a ac de c bed ( ) h gh ( ) ab e he he a f he  
f eg g a ac de c bed b ec ( ), ( ) ( ) ab e be e ed  
b de e f ha e ca a ch he ec e , ca h he e, a a  
e d g he F S M h Pe d, , a d c e ha ch  
a ca e, c a e, ee ee , h he e  
c e f he S e S , d e f he e c ea e a , gh ,  
e e e c b a ce e ec fa Sha e a e e he e a a  
e d g he Sec d S M h Pe d, ch ha ed a e f g ch  
d a e e c e e f ce e f ch , gh , e e  
e c b a ce , ha e he C g Sha eh de agg ega e,  
d ec d ec , cea g be a c g ha eh de (a def ed he  
L g R e) f C a a a ed g he Sec d S M h Pe d;  
a d ha a e a ea a be e e e ha a ch ac , f d e,  
c ea e a d de fa e a e f a Sha e he ec e f  
C a a e e he e .

Each f C g Sha eh de ha a de a e each f C a  
a d he S c E cha ge ha , d g he e d c e c g he da e b efe e ce  
h ch d c e f ch C g Sha eh de ' d ec d ec ha eh d g  
C a ade h ec a d e d g he da e h ch 12 h f he  
L g Da e, ch C g Sha eh de ha :

( ) he ch C g Sha eh de edge cha ge a f he Sha e he  
ec e f C a be ef c a ed b ch C g Sha eh de  
fa f a a h ed a N e (2) R e 10.07(2) f he  
L g R e , ed a e f C a f ch edge cha ge (a he  
ca e a be) ge he h he be f Sha e ec e edged  
cha ged; a d

( ) he ch C g Sha eh de ece e a d ca , e he e ba  
e , f he edgee cha gee f a f he Sha e ec e f  
C a edged cha ged ha be d ed f, ed a e f  
C a f ch d ca .

Each f he C g Sha eh de a d he Ma age e a d O he Sha eh de  
ha de a e each f he P b c Offe U de e a d C a ha , h he  
F S M h Pe d a d he Sec d S M h Pe d ha :

( ) f a d he edge cha ge , d ec d ec , a Sha e he  
ec e f C a be ef c a ed b , ed a e f  
C a a d he S e S g f ch edge cha ge ge he h  
he be f ch Sha e he ec e edged cha ged; a d

( ) f a d he ece e d ca , e he e ba e , f a edgee  
cha gee ha a ec e C a edged cha ged b be  
d ed f, ed a e f C a a d he S e S g f  
ch d ca .

O C a ha f he S c E cha ge a a C a ha bee  
f ed b a f C g ha eh de f he ab e a e (fa )a d d c e  
ch a e b a fa a ce e h ch b hed acc da ce h R e 2.07C  
f he L g R e a a be.

### The International Placing

I c ec h he I e a a Pac g, e ec ed ha C a a d he  
I e a a U de e e e he I e a a U de g Ag ee e .  
U de he I e a a U de g Ag ee e , he I e a a U de e  
e e a ag ee cha e, c e cha e f , a Sha e be g d he  
I e a a Pac g.

O C a e ec ed g a he I e a a U de e he O e -  
a e O e e c ab e b he S e G ba C d a beha f f he I e a a  
U de e he 30 h da af e he a da f dg g a ca de he P b c  
Offe g, e e C a e a d a a ag g e ga e f 45,000,000  
add a Sha e , e e e g ag g e ga e 15% f he Offe Sha e a a a ab e  
de he G ba Offe g, a he a e ce

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## UNDERWRITING

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### Public Offer Underwriters' Interests in our Company

None of the Public Offer Underwriters or any of them or any of their affiliates has any interest in the Company or any of its securities. (The underwriters and their affiliates are not under any obligation to purchase or sell any securities of the Company.)

### Restrictions on Offer of the Offer Shares

The Public Offer Shares are offered to the public in the United States and other countries. The offering is being made by the underwriters, who are acting as agents for the issuer. The offering is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The offering is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The offering is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

The offering of the Public Offer Shares is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The offering is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The offering is being made in accordance with the provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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### THE GLOBAL OFFERING

The Global Offering consists of 300,000,000 Shares to be subscribed for by the public in the People's Republic of China (the "Offering") (including the Offering of 270,000,000 Shares, representing 90% of the total offering of the Shares, to be subscribed for by the public in the People's Republic of China, and the offering of 30,000,000 Shares, representing 10% of the total offering of the Shares, to be subscribed for by the public in the People's Republic of China).

The Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China, and the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China.

The Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China, and the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China.

The offering of the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China, and the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China.

If the offering of the Shares to be subscribed for by the public in the People's Republic of China is successful, the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China, and the Shares to be subscribed for by the public in the People's Republic of China will be offered to the public in the People's Republic of China.

### PRICE PAYABLE ON APPLICATION

The application fee for the Shares to be subscribed for by the public in the People's Republic of China is HK\$4.00 per Share, and the application fee for the Shares to be subscribed for by the public in the People's Republic of China is HK\$4.00 per Share.

If the Offer Price, as finally determined hereafter, shall be less than the Offer Price of HK\$4.00 per Share, as previously determined by the Board of Directors, the Offer Price shall be the lesser of the Offer Price of HK\$4.00 per Share and the Offer Price as determined hereafter.

### DETERMINING THE OFFER PRICE

The Independent Underwriter's fee is contingent upon the completion of the offering. The Independent Underwriter's fee shall be the lesser of the fee set forth in the Offer Memorandum and the fee set forth in the Underwriting Agreement. The fee shall be payable on the date of the closing of the offering, which shall be on or before September 16, 2009.

The Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 17, 2009. On September 23, 2009, the Offer Price was determined to be HK\$4.00 per Share. The Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009, the Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009.

The Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009. The Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009.

If, based on the information received by the Offer Price Determination Committee, the Joint Bookrunner (collectively, the "Offer Price Determination Committee"), the Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009. The Offer Price is being determined by the Company and the Joint Bookrunner (collectively, the "Offer Price Determination Committee") on September 23, 2009.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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(e c d g a da h ch a Sa da , S da b c h da H g K g)  
h ch he e b f ha e f h ec , h ch ca e a ca  
ade a be e ed bef e he a d f f h da .

I he ab e ce f a ce be g b hed he S h Ch a M g P ( E g h) a d he H g K g Ec c T e ( Ch e e) f a ed c f he be f  
Offe Sha e a d/ he d ca e Offe P ce a ge he a e e ab e, he Offe  
P ce a d/ he be f Offe Sha e , f ag eed h C a , de  
c c a ce be e de he Offe P ce a ge a d he be f Offe Sha e a a ed  
h ec .

The Offe P ce, he e e f d ca f e e he I e a a P ac g, e  
f he a ca a d ba f a ca f he P b c Offe Sha e de he P b c  
Offe g a e e ec ed be b hed he S h Ch a M g P ( E g h) a d he  
H g K g Ec c T e ( Ch e e) Th da , 24 Se e be 2009.

### CONDITIONS OF THE GLOBAL OFFERING

Acce a ce f a ca f he Offe Sha e he G ba Offe g a e c d a  
:

#### (a) Listing

The L g C ee f he S c E cha ge g a g he g f, a d  
e dea , he Sha e e a d he Sha e be ed a e ed  
h ec ( c d g Sha e h ch a fa be ed he e e c e f he  
O e -a e O a d a add a Sha e , 10% f he ed ha e  
ca a f C a a f he L g Da e, h ch a be ed a he  
e e c e f g a ed de he P e-IPO Sha e O Sche e a d h ch  
a be g a ed de he Sha e O Sche e); a d

#### (b) Underwriting Agreements

( ) he e ec a d de e f he I e a a U de g Ag ee e  
acc da ce h e he e, , ab he da e f he  
P ce De e a Ag ee e ; a d

( ) he b ga f he U de e de each f he e ec e  
U de g Ag ee e bec g c d a ( h ch e e , a g  
he h g , ha he Offe P ce be ag eed b a e ha he P ce  
De e a Da e a d he P ce De e a Ag ee e be e e d )  
a d he b ga de a f he U de g Ag ee e be g  
e a ed acc da ce h he e he e, 8:00 a. .  
he da h ch he Sha e c e ce ad g he Ma B a d f he  
S c E cha ge.

If, f a ea , he P ce De e a Ag ee e he I e a a  
U de g Ag ee e e e ed , he G ba Offe g ceed.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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The company will offer each of the Public Offerings and the Intermediate Placement of the Company, as a going concern, to the best of its knowledge and belief, to be a valid and enforceable contract.

If a shareholder of the Company (including the Company) is a shareholder of the Company as of 8:00 a.m. on the day of the Global Offering (as defined in the Prospectus Supplement) and the shareholder is a shareholder of the Company as of the date of the Global Offering, the shareholder will be deemed to have accepted the terms and conditions of the Global Offering (including the terms and conditions of the Prospectus Supplement) and the shareholder will be deemed to have accepted the terms and conditions of the Prospectus Supplement. The shareholder will be deemed to have accepted the terms and conditions of the Prospectus Supplement.

If the shareholder, as a shareholder of the Company, is a shareholder of the Company as of 8:00 a.m. on the day of the Global Offering (as defined in the Prospectus Supplement) and the shareholder is a shareholder of the Company as of the date of the Global Offering, the shareholder will be deemed to have accepted the terms and conditions of the Global Offering (including the terms and conditions of the Prospectus Supplement) and the shareholder will be deemed to have accepted the terms and conditions of the Prospectus Supplement.

### THE PUBLIC OFFERING

The Public Offering, consisting of 30,000,000 Shares, represents 10% of the authorized share capital of the Company (as defined in the Prospectus Supplement) and the Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis.

As a condition of the Public Offering Shares, the Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis.

For each of the Public Offering Shares (as defined in the Prospectus Supplement) and the Public Offering Shares (as defined in the Prospectus Supplement), the Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis. The Public Offering will be made on a non-exclusive basis.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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de a d ha a d be a ca ed acc d g . A ca ca ece e a a ca  
f P b c Offe Sha e f e he A B b f b h a d a  
a f P b c Offe Sha e e he A B.

The P b c Offe g e a e be f he b c H g K g. A a ca  
f Sha e de he P b c Offe g be e ed g e a de a g a d  
c f a he A ca F b ed b h ha he ha a e a  
Sha e de he I e a a Pac g he e a c a ed he I e a a  
Pac g ha he d ca ed ( he d ca e) a e e de he I e a a  
Pac g, a d ch a ca ' a ca be e ec ed f he a d de a g a d  
c f a b eached a d/ f d be e (a he ca e a be). The P b c  
Offe g be b ec he c d a ed he a ag a h headed "C d f he  
G ba Offe g" ab e. The a e f a ca , c d g ee h h  
b e a a e a ca beha f f d ffe e be ef c a e , d a he  
f a ega d g e a ca c a ed "H A f he P b c  
Offe Sha e" h ec . M e ec ed e a ca a d a  
a ca f e ha 100% f he P b c Offe Sha e e he A B be g  
a be g ffe ed f b c a he P b c Offe g be e ec ed a he  
d c e f he S e S beha f f C a .

### THE INTERNATIONAL PLACING

P a he I e a a Pac g, C a a ffe g 270,000,000  
Sha e f b c , e e e g 90% f he a be f Sha e a a a ab e  
de he G ba Offe g (a g he O e -a e O e e c ed).

I e ec ed ha he I e a a U de e e g age a ed b he  
beha f f C a c d a ace he I e a a Offe Sha e a he  
Offe P ce h fe a , a a d/ he e H g K g a d ce a  
he d c . P fe a a d/ a e ge e a c de b e ,  
dea e , c a e ( c d g f d a age ) h e d a b e e dea g  
ha e a d/ he ec e a d c a e e e h ch eg a e ha e a d/  
he ec e . I H g K g, e a e h d a f he P b c Offe Sha e  
de he P b c Offe g, a e a e a g f he I e a a Offe Sha e  
( c d g a g h gh ba a d/ he ) a e e be a ca ed  
a I e a a Offe Sha e . P ec e e a be e ed g e a  
de a g a d c f a ha he ha a ed f a e a P b c Offe  
Sha e .

The I e a a Pac g be c he a e c d a a ed he a ag a h  
headed "C d f he G ba Offe g" ab e. The a be f I e a a Offe  
Sha e be a ed a d ed a fe ed a he I e a a Pac g a  
cha ge a a e f he c a bac a a ge e efe ed he a ag a h headed  
"Rea ca f he Offe Sha e be ee he P b c Offe g a d he I e a a  
Pac g" be , e e c e f he O e -a e O a d a ea ca f b c bed  
Sha e g a c ded he P b c Offe g.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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The offering of the Offer Shares to the International Placing will be effected on a "best effort" basis. The International Placing will be effected on a "best effort" basis, and the Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.

The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.

### REALLOCATION OF THE OFFER SHARES BETWEEN THE PUBLIC OFFERING AND THE INTERNATIONAL PLACING

The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.

- (a) If the Offer Shares to be placed will be determined by the International Placing agent, the Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.
- (b) If the Offer Shares to be placed will be determined by the International Placing agent, the Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.
- (c) If the Offer Shares to be placed will be determined by the International Placing agent, the Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent. The Offer Shares to be placed will be determined by the International Placing agent.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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the Primary Offering, representing 50% of the Share being offered under the Global Offering (as defined in the Offer Circular).

The Issuer has agreed to place the Primary Offering under the Best Efforts Mandate of the Underwriter (as defined in the Offer Circular) for the Primary Offering.

If the Primary Offering is oversubscribed, the Underwriter (as defined in the Offer Circular) has agreed to place the oversubscribed Primary Offering under the Best Efforts Mandate of the Underwriter.

The best effort Issuer has agreed to place the Primary Offering under the Best Efforts Mandate of the Underwriter (as defined in the Offer Circular) for the Primary Offering.

### OVER-ALLOTMENT OPTION

The Issuer has agreed to place the Primary Offering under the Best Efforts Mandate of the Underwriter, (as defined in the Offer Circular), for the Primary Offering. The Underwriter has agreed to place the oversubscribed Primary Offering under the Best Efforts Mandate of the Underwriter for the Primary Offering. The Underwriter has agreed to place the oversubscribed Primary Offering under the Best Efforts Mandate of the Underwriter for the Primary Offering.

The Offer Share is 25.00% of the total share capital of the Company as at the date of the Offer Circular. The Offer Share is 25.00% of the total share capital of the Company as at the date of the Offer Circular. The Offer Share is 25.00% of the total share capital of the Company as at the date of the Offer Circular.

### OVER-ALLOTMENT AND STABILISATION

The Underwriter has agreed to place the Primary Offering under the Best Efforts Mandate of the Underwriter for the Primary Offering. The Underwriter has agreed to place the oversubscribed Primary Offering under the Best Efforts Mandate of the Underwriter for the Primary Offering.

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**STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

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I c ec h he G ba Offe g, he S e S , a ab g a age , a h ed age , a , b b ged , e -a ca e Sha e a d/ effec a he a ac ha e ab g g he a e ce f he Sha e a a e e h ghe ha h ch gh he e e a he e a e , f a ed e d. S ch ab g ac a c de c b g, a g a e cha e f Sha e he ec da a e e g Sha e da e a he d a a e f h e cha e , a e a e e c g he O e -a e O . A ch ab g ac be effec ed c a ce h a a cab e a , e a d eg a e e e H g K g ab a c d g he Sec e a d F e (P ce S ab g) R e ade de he SFO. H e e , he e b ga he ab g a age a h ed age c d c a ch ab g ac , h ch f c e ced, be d e a he ab e d c e f he ab g a age a h ed age a d a be d c ed a a e. The be f Sha e ha a be e -a ca ed e ceed he be f Sha e ha a be ed de he O e -a e O , a e 45,000,000 Sha e , h ch 15% f he be f Sha e a a a ab e de he G ba Offe g.

A a e f effec g a ac ab e a a he a e ce f he Sha e , he ab g a age a h ed age a a a a g he Sha e . The e f he g , a d he e d f h ch he ab g a age a h ed age a a he g a he d c e f he ab g a age a h ed age a d ce a . I he e e ha he ab g a age a h ed age da e h g b a g a e he e a e , h a ead a dec e he a e ce f he Sha e .

S ab g ac b he ab g a age a h ed age e ed he ce f he Sha e f ge ha he ab g e d, h ch beg he da h ch ad g f he Sha e c e ce he S c E cha ge a d e d he 30 h da a fe he da h ch he a ca c e de he P b c Offe g. The ab g e d e ec ed e d F da , 16 Oc be 2009. A a e , de a d f he Sha e , a d a e ce, a fa a fe he e d f he ab g e d.

A ab g ac a e b he ab g a age a h ed age a e ce a e he a e ce f he Sha e a g a ab e he Offe P ce e he d g a fe he ab g e d. B d f a e cha e f he Sha e b he ab g a age a h ed age a be ade a a ce a be he Offe P ce a d he ef e a be he ce a d f he Sha e b e .

I de fac a e he e e e f e -a ca , he ab g a age a h ed age a , a g he ea , cha e Sha e he ec da a e , e e c b g a a ge e h h de f Sha e , e e c e he O e -a e O , e gage a c b a f he e ea he e a a be e ed de a cab e a . A ch ec da a e cha e be ade c a ce ha a cab e a , e a d eg a .

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**STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

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The ab g a age a h ed age a b 45,000,000 Sha e  
 f M g La g I e e , e a e he a be f add a Sha e  
 be ffe ed f e e c e f he O e -a e O , de a c b g  
 ag ee e . The c b g age ee e bec he e c f e 10.07(1)  
 f he L g R e h ch e c he d a f Sha e b c g ha eh de  
 f g a e g, ded he f g e e e acc da ce h he  
 f e 10.07(3) f he L g R e a e c ed h:

1 he c b g age ee e be effec ed b he ab g a age  
 a h ed age f e e e f e -a ca he I e a a  
 Pac ga dc e ga h he e e c e f he O e -a e  
 O ;

2 he a be f Sha e be b ed f M g La g I e e  
 be ed he a be f Sha e h ch a be ed d  
 e e c e f he O e -a e O ;

3 he a e be f Sha e b ed be e ed M g La g  
 I e e bef e he h d b e da , a da ha a Sa da ,  
 S da b ch da H g K g, f g he ea e f ( ) he a da  
 he O e -a e O a be e e c ed, ( ) he da h ch he O e -  
 a e O e e c ed f ;

4 b g f Sha e a he c b g age ee e be effec ed  
 c a ce h a a cab e L g R e , a a d he eg a  
 e e e ; a d

5 a e be ade M g La g I e e e a he c  
 b g age ee e .

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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### 1. METHODS TO APPLY FOR THE PUBLIC OFFER SHARES

You may apply for the Public Offer Shares by the following methods:

- by a **WHITE YELLOW** Account Form;
- by electronic application to the HKSCC via the HKSCC Net e-Ledger for Public Offer Shares behavior;
- by email of **White Form eIPO** by the designated email address [www.eipo.com.hk](http://www.eipo.com.hk). Use **White Form eIPO** for the Shares held.

You may also apply via the designated email address (the designated email address) by a **WHITE YELLOW** Account Form by using **electronic application instructions** HKSCC the designated **White Form eIPO** Service Provider.

### 2. WHO CAN APPLY FOR THE PUBLIC OFFER SHARES

You may apply for Public Offer Shares if you are ( ) of the following categories:

- aged 18 years of age or above;
- have a Hong Kong address;
- are the United States and become registered for the Public Offer Shares (affiliated with (a defined Reg A S)); and
- are a US Person (a defined Reg A S of the US Securities Act);

If you are applying for Public Offer Shares by email through the designated email address [www.eipo.com.hk](http://www.eipo.com.hk) of the **White Form eIPO** service, add the above

- have a valid Hong Kong identification card; and
- be registered as a designated addressee of electronic mail.

You may also apply for the **White Form eIPO** service by email to the designated email address. Contact the designated email address by the **White Form eIPO** service.

If he a ca a f , he a ca be he a e f he d d a  
e be , he f ' a e. If he a ca a b d c a e, he a ca f

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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**(c) Instruct HKSCC to make an electronic application on your behalf**

I read the following **WHITE YELLOW A** and **F White Form eIPO** application, and agree to instruct the HKSCC to make an HKSCC application on my behalf for the Public Offer Shares in accordance with the terms and conditions of the White Form eIPO application. I understand that the HKSCC will not be responsible for any loss or damage to my securities or other assets if I do not follow the instructions in the White Form eIPO application.

**(d) Apply through the designated White Form eIPO service**

You may apply for Public Offer Shares through the designated eIPO service at [www.eipo.com.hk](http://www.eipo.com.hk), effective from the “White Form eIPO” application. I understand that the HKSCC will not be responsible for any loss or damage to my securities or other assets if I do not follow the instructions in the White Form eIPO application.

- have read the Hong Kong Code on Takeovers and Mergers; and
- be duly qualified to subscribe for the shares.

You may also apply for the **White Form eIPO** application form at the designated eIPO service. I understand that the HKSCC will not be responsible for any loss or damage to my securities or other assets if I do not follow the instructions in the **White Form eIPO**.

*Note:* Except where the context otherwise requires, the Letters Reference, the Offer Shares and the Application Form shall be construed as if they were the Letters Reference, the Offer Shares and the Application Form of the United States, and the United States, being the Public Offer Shares as defined in the Hong Kong Code on Takeovers and Mergers.

#### 4. WHERE TO COLLECT THE APPLICATION FORMS

(a) You can collect a **WHITE A** and **F** application form at the following address from 9:00 a.m. to 12:00 p.m. on Friday, 11 September 2009 and from 9:00 a.m. to 12:00 p.m. on Wednesday, 16 September 2009:

Mei Lee Fah Eas Limited  
 15th Floor, Citibank Tower  
 3 Garden Road  
 Central  
 Hong Kong

The Hong Kong and Shanghai Banking Corporation Limited  
 1 Queen's Road Central  
 Hong Kong

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**HOW TO APPLY FOR THE PUBLIC OFFER SHARES**

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P e Jaff a A a Sec e L ed  
 39/F, T e 1, L Ce e  
 89 Q ee a  
 H g K g

G a J a Sec e (H g K g) L ed  
 27 h F , L B c , G a d M e P a a  
 181 Q ee ' R ad Ce a  
 H g K g

O e a Pa Sec e L ed  
 S e 2701 3 & 2705 8  
 27/F, T E cha ge S a e  
 8 C a gh P ace, Ce a  
 H g K g

S H g Ka I e a a L ed  
 12/F C c T e  
 1 T Me A e e, Ce a  
 H g K g

a f he f g b a che f **Hang Seng Bank Limited:**

**Branches**

**Address**

**Hong Kong Island:**

Head Office . . . . .	83 De V e R ad Ce a
Ce a D c B a ch . . . . .	Ba e e , Ce a B d g, Pedde S ee , Ce a
Ca e a Ba B a ch . . . . .	28 Yee W S ee
N h P B a ch . . . . .	335 K g' R ad, N h P

**Kowloon:**

T ha B a ch . . . . .	18 Ca a R ad, T ha
M g B a ch . . . . .	677 Na ha R ad, M g
Sa P K g B a ch . . . . .	56 T e L S ee , Sa P K g
K T g B a ch . . . . .	70 Y e Ma S a e, K T g

**New Territories:**

Y e L g B a ch . . . . .	93 Ca e Pea R ad, Y e L g
Ta H R ad B a ch . . . . .	30 Ta H R ad, T e Wa

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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a f h e f g b a c h e f **The Bank of East Asia, Limited:**

Branches	Address
<b>Hong Kong Island:</b>	
Ma B a c h . . . . .	10 De V e R ad Ce a
Wa cha B a c h . . . . .	Sh A C, G/F, Ea e C e ca B d g, 253 261 He e R ad, Wa cha
Ta Sh g B a c h . . . . .	Sh G1010 1011, Y S g Ma
<b>Kowloon:</b>	
M g B a c h . . . . .	638 640 Na ha R ad
T Sha T B a c h . . . . .	Sh A & B, M Ma , 96 Na ha R ad
K T g B a c h . . . . .	7 H g N g R ad
<b>New Territories:</b>	
Sha P a a B a c h . . . . .	Sh 3 4, Le e 1, Sha P a a
T e M T P a a B a c h . .	Sh 2 10, UG/F, T e M T P a a Pha e II, 3 T e L g S ee , T e M

- (b) Y ca c ec a **YELLOW A** ca F a d a ec d g a  
 b e h f 9:00 a. . F da , 11 Se e be 2009 12:00  
 Wed e da , 16 Se e be 2009 f he De C e f HKSCC a 2 d  
 F , V c d P a a, 199 De V e R ad Ce a , H g K g; b e  
 a ha e **YELLOW A** ca F a d h ec a a a b e.

### 5. WHEN TO APPLY FOR THE PUBLIC OFFER SHARES

#### (a) WHITE or YELLOW Application Forms

Y c e ed **WHITE** **YELLOW A** ca F , h a c h e e  
 ba e' ca h e de a ached, be dged b 12:00 Wed e da , 16  
 Se e be 2009, , f h e a ca a e e ha da , b h e e a d  
 da e a ed he b- a ag a h headed "Effec f bad ea h e c d he  
 e g f h e a ca " be .

Y c e ed **WHITE** **YELLOW A** ca F , h a e a ached,  
 h d be de ed he ec a c ec b e ded a a f h e b a c h e f  
 he ece g ba e ed de he a ag a h headed "Whe e c ec he  
 A ca F " h ec a h e f g e :

- Friday, 11 September 2009 — 9:00 a.m. to 5:00 p.m.**
- Saturday, 12 September 2009 — 9:00 a.m. to 1:00 p.m.**
- Monday, 14 September 2009 — 9:00 a.m. to 5:00 p.m.**
- Tuesday, 15 September 2009 — 9:00 a.m. to 5:00 p.m.**
- Wednesday, 16 September 2009 — 9:00 a.m. to 12:00 noon**

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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### (b) Electronic application instructions to HKSCC

CCASS Clearing Participant CCASS Client Participant  
**electronic application instructions** are as follows:

**Friday, 11 September 2009 — 9:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Saturday, 12 September 2009 — 8:00 a.m. to 1:00 p.m.<sup>(1)</sup>**  
**Monday, 14 September 2009 — 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Tuesday, 15 September 2009 — 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Wednesday, 16 September 2009 — 8:00 a.m.<sup>(1)</sup> to 12:00 noon**

<sup>(1)</sup> The effective date may be changed by HKSCC with the written consent of the Clearing Participant and Client Participant.

CCASS Issuer Participant can follow the **electronic application instructions** from 9:00 a.m. on Friday, 11 September 2009 until 12:00 noon on Wednesday, 16 September 2009 (24 hours, excluding the actual date).

The effective time for **electronic application instructions** to CCASS (for a Clearing Participant) is 12:00 noon on Wednesday, 16 September 2009 for the actual date of the offering, but the actual date of the offering may be delayed. The effective time for **electronic application instructions** to CCASS (for a Client Participant) is 12:00 noon on Wednesday, 16 September 2009 for the actual date of the offering, but the actual date of the offering may be delayed.

### (c) White Form eIPO

Yours are hereby advised that the **White Form eIPO** will be available on [www.eipo.com.hk](http://www.eipo.com.hk) from 9:00 a.m. on Friday, 11 September 2009 until 11:30 a.m. on Wednesday, 16 September 2009 (excluding the actual date). The effective time for **White Form eIPO** is 12:00 noon on Wednesday, 16 September 2009, but the actual date of the offering may be delayed. The effective time for **White Form eIPO** is 12:00 noon on Wednesday, 16 September 2009, but the actual date of the offering may be delayed.

Yours are hereby advised that the **White Form eIPO** will be available on [www.eipo.com.hk](http://www.eipo.com.hk) from 11:30 a.m. on Friday, 11 September 2009 until 11:30 a.m. on Wednesday, 16 September 2009 (excluding the actual date). The effective time for **White Form eIPO** is 12:00 noon on Wednesday, 16 September 2009, but the actual date of the offering may be delayed.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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### (d) Application lists

The application will be opened from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder. The application will be opened from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.

Notwithstanding to the above, the Public Offer Shares will be available for application from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.

### (e) Effect of bad weather conditions on the opening of the application lists

The application will be opened from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder. The application will be opened from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.

- the application will be opened from 8:00 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.
- a “bad weather” condition will be declared, the application will be opened from 9:00 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.

For the Hong Kong application, the application will be opened from 9:00 a.m. to 12:00 p.m. on Wednesday, 16 September 2009. In addition, the application will be opened from 11:45 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder. For the Hong Kong application, the application will be opened from 9:00 a.m. to 12:00 p.m. on Wednesday, 16 September 2009, except as provided hereunder.

## 6. HOW TO APPLY USING A WHITE OR YELLOW APPLICATION FORM

(a) Obtain a **WHITE** or **YELLOW** Application Form.

(b) Yield to the order of the application. If the application is not accepted, the application fee will be refunded. If the application is accepted, the application fee will be used to pay for the application. (The fee is a non-refundable application fee.)

(c) Determine the Public Offer Shares to be applied for. The application fee is HK\$4.00 per Public Offer Share, plus a fee of 1% of the application amount and the SFC Exchange Fund Fee of 0.004% and the SEC Exchange Fund Fee of 0.005%.

(d) C e e he A ca F E g h ( a e a he e d ca ed) a d g  
. O e g a e be acce ed. A ca ade b c a ,  
he he he beha f, beha f f he e , be a ed h  
he c a ch (bea g he c a a e) a d g ed b a d a h ed  
ff ce , h e e e e a e ca ac be a ed. If a e a g f he  
be ef f e e e e, , a he ha ha e , g he  
A ca F . If a a ca , a a ca g he  
A ca F . If a ca ade h gh a d a h ed  
a e , C a a d he S e S ( he e ec e age  
ee ) a acce e ec he a ca a he d c e , a d b ec  
a c d he h f , c d g d c fe de ce f he a h f

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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de a d he a e he A ca F be he a e. If a  
 a ca , he a e he e e e f he ba e ' ca h e de be he  
 a e a he a e f he f - a ed a ca ;

- be -da ed;
- be H g K g d a ;
- be ade a ab e “Ha g Se g (N ee) L ed | Ch a L a g P b c  
 Offe ”; a d
- be c ed “Acc Pa ee O ”.

Y a ca a be e ec ed f ba e ' ca h e de d e ee a  
 he e e e e .

(f) L dge **WHITE YELLOW** A ca F e f he c ec  
 b e b he e a d a e f he ca , a e ec e efe ed b-  
 a ag a h 4(a) ab e.

(g) The gh e e ed e e a a e a ce f a e . H e e ,  
 che e ba e ' ca h e de be e e ed f a e bef e 12:00  
 Wed e da , 16 Se e be 2009. O C a g e a e ce  
 f a e . O C a ee a e e acc ed  
 a ca e ( , he ca e f e be ef ded, he da e f  
 de a ch f e-Ref d a e c / ef d che e ). The gh a  
 e e ed e a a ha e ce f ca e ( ) a d/ a a ca e  
 ef d e d g ce a a ce f che e ba e ' ca h e de .

(h) M e ec ed e a ca a e ab e be e ec ed. P e a e ee he  
 a ag a h headed “H a a ca ca a e” h ec .

(i) I de f he **YELLOW** A ca F be a d:

Y , a he a ca ( ), c e e he f a d g he f age f he  
 a ca f . O e g a e be acce ed.

- If he a ca ade h gh a de g a ed CCASS Pa c a ( he  
 ha a CCASS I e Pa c a ):

the de g a ed CCASS Pa c a e d e he f h  
 c a ch (bea g c a a e) a d e CCASS  
 Pa c a I.D. he a a e b he **YELLOW** A ca  
 F .

- If he a ca ade b a d d a CCASS I e Pa c a :

he **YELLOW** A ca F c a f a e a d  
 H g K g I de Ca d be ; a d

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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If the CCASS I.D. holder has a CCASS Public Offer Form, the Yellow A can be used to apply for the Public Offer Shares.

- If the holder has a CCASS I.D. and a Public Offer Form:

If the Yellow A can be used to apply for the Public Offer Shares, the holder should use the Yellow A to apply for the Public Offer Shares.

If the CCASS Public Offer Form is used to apply for the Public Offer Shares, the holder should use the Yellow A to apply for the Public Offer Shares.

- If the holder has a Public Offer Form and a CCASS I.D.:

If the Yellow A can be used to apply for the Public Offer Shares, the holder should use the Yellow A to apply for the Public Offer Shares.

If the CCASS Public Offer Form is used to apply for the Public Offer Shares, the holder should use the Yellow A to apply for the Public Offer Shares.

- If the holder has a Public Offer Form and a CCASS I.D.:

( ) Note that the holder should use the Yellow A to apply for the Public Offer Shares. If the holder has a Public Offer Form and a CCASS I.D., the holder should use the Yellow A to apply for the Public Offer Shares.

### 7. HOW TO APPLY THROUGH THE WHITE FORM eIPO SERVICE

(a) You can apply for the White Form eIPO through the website [www.eipo.com.hk](http://www.eipo.com.hk). If you have a Public Offer Form, you should use the Yellow A to apply for the Public Offer Shares. Each application should be made through the White Form eIPO Service. You should use the Yellow A to apply for the Public Offer Shares.

(b) You can apply for the White Form eIPO through the website [www.eipo.com.hk](http://www.eipo.com.hk). You should use the Yellow A to apply for the Public Offer Shares. Each application should be made through the White Form eIPO Service. You should use the Yellow A to apply for the Public Offer Shares.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- (c) The designated **White Form eIPO** Service Provider shall add a e-mail address for the effective **White Form eIPO** service. Such e-mail address shall be the designated e-mail [www.eipo.com.hk](http://www.eipo.com.hk). You be entitled to read, disseminate and agree to check address for a general access.
- (d) By submitting a designated **White Form eIPO** Service Provider through the **White Form eIPO** service, an applicant has authorized the designated **White Form eIPO** Service Provider to file the designated application with the **Central Administration and Regulation Share Registrar**.
- (e) You shall submit a designated **White Form eIPO** service electronic application for 1,000 Public Offer Shares. Each **electronic application instruction** electronic file shall have 1,000 Public Offer Shares be effective before the effective date of the **Application Form**, and the effective date of the designated e-mail [www.eipo.com.hk](http://www.eipo.com.hk).
- (f) You shall designate **electronic application instructions** through **White Form eIPO** and the effective date of the designated (b) file effective date of the designated "White Form eIPO for Public Offer Shares".
- (g) You shall designate a designated **White Form eIPO** service application effective date of the designated e-mail [www.eipo.com.hk](http://www.eipo.com.hk). If the designated application effective date of the designated e-mail (e-mail address) before 12:00 on Wednesday, 16 September 2009, shall be the designated effective date of the designated "Effective Bad Weather Condition of the Offer of the Application Form" and the designated "White Form eIPO for Public Offer Shares", the designated **White Form eIPO** Service Provider shall be the designated application effective date of the designated effective date of the designated effective date of the designated e-mail [www.eipo.com.hk](http://www.eipo.com.hk).
- (h) **Waiver:** The designated Public Offer Shares through the **White Form eIPO** service shall be the designated **White Form eIPO** Service Provider. On 1 October 2009, the **Securities and Futures Commission**, the **Securities and Futures Commission**, the **Joint Board of the United States** and the **United States** shall be the designated **White Form eIPO** service be the designated **White Form eIPO** service be the designated Public Offer Shares.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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### Environmental Protection

The board of directors of **White Form eIPO** has hereby adopted the following resolution. As the sole director of China Lilang Limited, I hereby certify that each "CHINA LILANG LIMITED" **White Form eIPO** application is available at [www.eipo.com.hk](http://www.eipo.com.hk) and that the "Selling Director" is the Hong Kong Financial Secretary (HK).

Please refer to the instructions on the application form and/or be advised by the Hong Kong Financial Secretary. The application form is available at the **White Form eIPO** website, and the **electronic application instructions**. In order to apply for the **White Form eIPO**, you must read the **electronic application instructions** and the **WHITE YELLOW APPLICATION FORM**. The **WHITE YELLOW APPLICATION FORM** is available at the **WHITE YELLOW APPLICATION FORM** website. See "How to Apply for the Public Offer Shares" for more information.

### 8. HOW TO APPLY BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC

- (a) CCASS Participant may give **electronic application instructions** to CCASS HKSCC at the Public Offer Share Application Form. The instructions should be given to the CCASS Office at the Public Offer Share Application Form.
- (b) If you are a CCASS Investor Participant, you may give **electronic application instructions** to HKSCC through the CCASS Phone Service at 2979 7888. CCASS Investor Service at <http://www.cca.com.hk> (according to the instructions in the **WHITE YELLOW APPLICATION FORM**). HKSCC may give **electronic application instructions** to you.

Hong Kong Securities Clearing Corporation Limited  
Central Securities Exchange  
2/F Victoria Park  
199 Des Voeux Road Central  
Hong Kong

and the following:

Please refer to the application form for more information.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- (c) If you are a CCASS Investor Participant, you can be contacted through the CCASS Clearing Participant or the CCASS Clearing Participant's **electronic application instructions** for the Public Offer Shares.
- (d) You are deemed to have accepted HKSCC Ltd/ HKSCC Nominees Limited's offer to deal with your CCASS Clearing Participant's CCASS Clearing Participant's Hong Kong Share Register.
- (e) You agree **electronic application instructions** to accept a maximum of 1,000 Public Offer Shares. Each **electronic application instruction** to accept the 1,000 Public Offer Shares will be effective only if you have accepted the **White Acceptance Form** under paragraph 5(c) above.
- (f) Where a **White Acceptance Form** is lodged with HKSCC Nominees Limited in accordance with the **electronic application instructions** for the Public Offer Shares:
- ( ) HKSCC Nominees Limited will accept the offer to deal with the **White Acceptance Form** lodged with it; and
  - ( ) HKSCC Nominees Limited will deem the offer to be each of the **White Acceptance Form** to be headed "Effective Offer to Deal with the Public Offer Shares".
- (g) If you are entitled to participate in the offer to deal with the Public Offer Shares, you are deemed to have accepted the offer to deal with the Public Offer Shares if you have lodged with HKSCC Nominees Limited a **White Acceptance Form** in accordance with the **electronic application instructions** for the Public Offer Shares. A **White Acceptance Form** lodged with HKSCC Nominees Limited in accordance with the **electronic application instructions** for the Public Offer Shares will be effective only if you have accepted the **White Acceptance Form** under paragraph 5(c) above.
- (h) For the offer to deal with the Public Offer Shares, HKSCC Nominees Limited will be deemed to have accepted the offer to deal with the Public Offer Shares if you have lodged with HKSCC Nominees Limited a **White Acceptance Form** in accordance with the **electronic application instructions** for the Public Offer Shares. Each **White Acceptance Form** lodged with HKSCC Nominees Limited in accordance with the **electronic application instructions** for the Public Offer Shares will be effective only if you have accepted the **White Acceptance Form** under paragraph 5(c) above.
- ( ) The offer to deal with the Public Offer Shares will be deemed to be effective only if you have accepted the **White Acceptance Form** under paragraph 5(c) above.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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### Warning

Application for the Public Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Our Company, the Sole Sponsor and all other parties involved in the Global Offering take no responsibility for the application and provide no assurance that any CCASS Participant will be allocated any Public Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions to HKSCC through the CCASS Phone System or CCASS Internet System, CCASS Investor Participants are advised not to wait until the last minute to input instructions. If CCASS Investor Participants have problems in connecting to the CCASS Phone System or CCASS Internet System to submit electronic application instructions, they should either:

- (a) submit the WHITE or YELLOW Application Form (as appropriate); or
- (b) go to HKSCC's Customer Service Centre to complete an application instruction input request form before 12:00 noon on Wednesday, 16 September 2009 or such later time as described under the sub-paragraph headed "Effect of bad weather conditions on the opening of the application lists" above.

### 9. RESULTS OF ALLOCATIONS

- Referring to the Public Offering, the electronic application instructions received at [www.iporesults.com.hk](http://www.iporesults.com.hk) from 8:00 a.m. on Thursday, 24 September 2009 to 12:00 p.m. on Wednesday, 30 September 2009. Search ID for the electronic application instructions received at [www.iporesults.com.hk](http://www.iporesults.com.hk). The electronic application instructions received from the Hong Kong Exchange (the "Exchange") on Wednesday, 30 September 2009. The electronic application instructions received from the Exchange on Wednesday, 30 September 2009 are set out in the table below.
- Referring to the Public Offering, the electronic application instructions received at the Exchange on Wednesday, 30 September 2009 are set out in the table below. The electronic application instructions received from the Exchange on Wednesday, 30 September 2009 are set out in the table below.
- Section 4 of the White Paper on the Public Offering is available at [www.hkex.com.hk](http://www.hkex.com.hk). The White Paper is available at [www.hkex.com.hk](http://www.hkex.com.hk). The White Paper is available at [www.hkex.com.hk](http://www.hkex.com.hk).
- Referring to the Public Offering, the electronic application instructions received from the Exchange on Wednesday, 30 September 2009 are set out in the table below. The electronic application instructions received from the Exchange on Wednesday, 30 September 2009 are set out in the table below.

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**HOW TO APPLY FOR THE PUBLIC OFFER SHARES**

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**10. HOW MANY APPLICATIONS YOU CAN MAKE**

(a) You may make an application for the Public Offer Shares:

- You may, in each case, apply for a maximum of:
  - (i) **one electronic application** in accordance with the **HKSCC eIPO Application Instructions** (the **Electronic Application Instructions**);
  - (ii) **one WHITE or YELLOW Application Form** in accordance with the **White Form eIPO Application Instructions** (the **White Form eIPO Application Instructions**).

You may not apply for more than one of the above;

and you may not apply for more than one of each of the above (i.e., you may not apply for more than one of each of the above). If you do apply for more than one of the above, you may be deemed to be making an application for the lesser of the above.

More than one application may be made for the Public Offer Shares.

(b) Save as referred to in (a) above, you may apply for the Public Offer Shares (including the application for the Public Offer Shares in accordance with the **HKSCC eIPO Application Instructions**) by applying for the Public Offer Shares:

- you may, in each case, (i) apply for a maximum of **one WHITE or YELLOW Application Form** in accordance with the **White Form eIPO Application Instructions** (the **White Form eIPO Application Instructions**);
- you may, in each case, (ii) apply for a maximum of **one WHITE or YELLOW Application Form** in accordance with the **White Form eIPO Application Instructions** (the **White Form eIPO Application Instructions**);
- you may, in each case, (iii) apply for a maximum of **one WHITE or YELLOW Application Form** in accordance with the **White Form eIPO Application Instructions** (the **White Form eIPO Application Instructions**);

- have a ... ed f ... a e ... , d ca ed a ... e e ... a ... g f  
a g ... ha e bee ... be aced ( c d g c d ... a a d/  
a ) a I e a a Offe Sha e ... de he I e a a  
P ac g.

(c) A f ... a ca ... f he P b c Offe Sha e a e ab e be e ec ed a  
e a ca ... f e ha ... e a ca ... ade f ... be ef  
( c d g he a f he a ca ... ade b HKSCC N ... ee L ... ed ac g  
**electronic application instructions**). If a a ca ... ade b a ... ed  
c a a d:

( ) he c a b e f ha c a ... dea g ec e ; a d

( ) e e c e a c ... e ha c a , he he a ca ... be  
dee ed be ade f ... be ef .

**Unlisted company** ea a c a h e ec e ed he S c  
E cha ge.

**Statutory control** e a a c a ea :

( ) c ... he c ... f he b a d f d ec ... f ha c a ;

( ) c ... e ha ha f f he ... g e f ha c a ;

( ) h d e ha ha f f he ... ed ha e ca a f ha c a ( c g  
a a f h ch ca e gh a c a e be d a ec f ed a  
a d b f e he f ca a ).

(d) If a b ea f **White Form eIPO**, ce c e e a e e ec  
f a

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**HOW TO APPLY FOR THE PUBLIC OFFER SHARES**

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**11. EFFECT OF MAKING ANY APPLICATION**

(a) **B** a g a a ca , (a d f a e a ca , each f a d e e a ) f e f a age ee a d beha f f each e f h ac a age ee:

- c a d a h e C a a d/ he S e S ( he e ec e age ee ) e ec e a a fe f , c ac e he d c e beha f a d d beha f a he h g ece a effec he eg a f a P b c Offe Sha e a ca ed a e( ) HKSCC N ee L ed, a he ca e a be, a e ed b he A ce a d he e g e effec he a a ge e de c bed h ec a d he ee a A ca F ;
- de a e g a d c e a d d a h g ece a e ab e HKSCC N ee L ed, a he ca e a be, be eg e ed a he h de f he P b c Offe Sha e a ca ed , a d a e ed b he A ce ;
- e e e a d a a ha de a d ha he P b c Offe Sha e ha e bee a d be eg e ed de he US Sec e Ac a d a e de he U ed S a e he c e g a d b g he A ca F a d a e , a d e f he he e ( ) f h e be ef a e a g, a US e (a def ed Reg a S);
- c f ha ha e ece ed a d/ ead a c f h ec a d ha e e ed he f a a d e e e a c a ed h ec (a e a e a e e h ec ) a g a ca , a d a he f a e e e a c ce g C a a d ag ee ha e he C a , he S e G ba C d a , he S e S a d he U de e a f he e ec e d ec , ffce , e ee , a e , age , ad e a he a e ed he G ba Offe g ha e a ab f a ch he f a e e e a ;
- ag ee ( h e d ce a he gh h ch a ha e) ha ce a ca ha bee acce ed, a e e e c d beca e f a ce e e e a ;
- (f he a ca ade b a age beha f) a a ha ha e a d a d e cab c fe ed age a ece a e a d a h a e he a ca ;
- (f he a ca ade f be ef ) a a ha he a ca he a ca h ch be ade f be ef a **WHITE YELLOW A** ca F b g g **electronic application instructions** HKSCC he de g a ed **White Form eIPO** Se ce P de a **White Form eIPO** e ce;

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- (f a e a a g e f a h e e ) a a h a e a a b e e e h a e b e e a d e f h a h e e h a h e a c a h e a c a h c h b e a d e f h e b e e f f h a h e e a **WHITE YELLOW A** c a F b g g **electronic application instructions** H K S C C , h e d e g a e d **White Form eIPO** S e c e P d e a **White Form eIPO** e c e , a d h a a e d a h e d g h e A c a F g e **electronic application instruction** a h a h e e ' a g e ;
- a g e e h a c e a c a a c c e e d , a c a b e e d e c e d b h e e f h e P b c O f f e g a d e a a a b e b C a ;
- d e a e a d c f h a ( f h e a c a a d e f b e e f ) h e e ( ) f h e b e e f h a e a d e h e a c a h a e a e d f a e d c a e d a e e e c e e d b e e a c e d a c a e d ( c d g c d a a d / a ) a d a f a e d c a e a e e a I e a a O f f e S h a e h e I e a a P a c g , h e e a c a e h e I e a a P a c g ;
- a a h e h a d a c c a c f h e f a c a e d a c a ;
- a g e e d c e C a , H g K g S h a e R e g a , e c e g b a e , h e S e S , h e S e G b a C d a a d h e U d e e a d a f h e e e c e f f c e , a d e a d a g e a e a d a a d f a h c h h e e e a b h e e ( ) f h e b e e f h a e a d e h e a c a ;
- a g e e h a a c a , a a c c e a c e f a d h e e g c a c b e g e e d b a d c e d a c c d a c e h h e a f H g K g ;
- d e a e a d a g e e a c c e h e P b c O f f e S h a e a e d f , a e e b e a c a e d d e h e a c a ;
- a h e C a a c e a e ( ) h e a e f H K S C C N e e L e d , a h e c a e a b e , h e e g e f e b e f C a a h e h d e ( ) f a P b c O f f e S h a e a c a e d , a d C a a d / a g e e d a h a e c e f c a e ( ) ( h e e a c a b e ) a d / a e f d c h e e ( ) ( h e e a c a b e ) ( c a e f a c a ) h e f - a e d a c a h e a c a b d a a h e a d d e a e d a c a ( e h a e a e d f 1,000,000 P b c O f f e S h a e e a d h a e d c a e d a c a h a h c e c h a e c e f c a e ( ) ( h e e a c a b e ) a d / e f d c h e e ( ) ( h e e a c a b e ) e h e c a c e c h e f C e h a e H g K g I e S e c e L e d ,

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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 Wa cha , H g K g be ee 9:00 a . . a d 1:00 . . Th da , 24  
 Se e be 2009;

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 ba acc f ha e c e ed a e f he **White Form eIPO**  
 a ca e f a g e ba acc ; a h e C a  
 e a d de a ch e f d che e( ) he add e g e he **White Form**  
**eIPO** a ca f ha e c e ed a e f he a ca e  
 f -ba acc ;
- f he a f a ace de H g K g a e a cab e  
 a ca , ag ee a d a a ha ha e c ed h a ch  
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 a de H g K g a a e f he acce a ce f ffe  
 cha e, a ac a g f gh a d b ga de he  
 e a d c d e he A ca F a d h ec ;
- ag ee ha C a , he S e G ba C d a , he J  
 B e , he S e S , he J Lead Ma age , he  
 U de e a d a f he e ec e d ec , ff ce , e ee ,  
 age ad a d a he a e ed he G ba Offe g a e  
 abe f a d ha ha e e ed , he f a a d  
 e ee a c a ed h ec a d a e e he  
 ec ;
- c f ha ha e ead he e a d c d a d a ca  
 ced e e h ec a d he A ca F a d ag ee  
 be b d b he ;
- ag ee h C a a d each ha eh de f C a ha Sha e  
 a e f ee a fe ab e b he h de he e f;
- c f ha a e a a e f he e c G ba Offe g f he  
 P b c Offe Sha e de c bed h ec ;
- de a d ha he e dec a a a d e e e a be e ed b  
 C a , he S e S , he S e G ba C d a a d he  
 U de e dec d g he he a ca e a P b c Offe Sha e  
 e e a ca a d ha a be ec ed f a g a  
 fa e dec a a ; a d
- ag ee ha he ce g f a ca , a be d e b a f  
 C a ' ece g ba ( ) a d e c ed he ba a h ch  
 a ca a dged.



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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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the offer price of HK\$4.00 per Public Offer Share, if the application is successful; and

- the candidate HKSCC nominee Limited shall be held liable for the **WHITE A** case; and

- (additionally, the candidate HKSCC nominee Limited shall be held liable for the **WHITE A** case; and

agree to the Public Offer Share application instructions and to be bound by the terms and conditions of the CCASS Interim Participant Agreement and the **electronic application instructions** issued by the CCASS Participant; and

to read and agree to accept the Public Offer Share application instructions and to be bound by the terms and conditions of the **electronic application instructions** issued by the CCASS Participant; and

to read and agree to accept the terms and conditions of the CCASS Interim Participant Agreement and the **electronic application instructions** issued by the CCASS Participant; and

(if the **electronic application instructions** apply, to be bound by the terms and conditions of the **electronic application instructions** issued by the CCASS Participant; and

(if applicable, to be bound by the terms and conditions of the **electronic application instructions** issued by the CCASS Participant; and

to read and agree to accept the terms and conditions of the CCASS Interim Participant Agreement and the **electronic application instructions** issued by the CCASS Participant; and

to read and agree to accept the terms and conditions of the CCASS Interim Participant Agreement and the **electronic application instructions** issued by the CCASS Participant; and

## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

**instructions** and the details are set out in the application form and the HKSCC;

the application form and the details are set out in the application form and the HKSCC;

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the application form and the details are set out in the application form and the HKSCC;

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**HOW TO APPLY FOR THE PUBLIC OFFER SHARES**

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I agree to accept the terms and conditions of HKSCC N e e L ed  
accepted, in the manner set out in the **electronic application  
instructions** can be used to apply for the Public Offer Shares.  
be deleted by me from the Public Offer Shares.  
C a ; a d

I agree to the agreement, and to agree to be bound by the terms and  
conditions set out in the HKSCC and the CCASS and the CCASS O e a a P ced e,  
and to accept the **electronic application instructions** and the  
Public Offer Shares.

**12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED PUBLIC  
OFFER SHARES**

For the purposes of the Public Offer Shares, you will not be allocated  
if you have not accepted the Application Form, and if you have not  
accepted the Public Offer Shares.  
I agree to accept the Public Offer Shares.

**(a) If your application is revoked:**

By signing and returning the Application Form to HKSCC, you agree to  
accept the terms and conditions set out in the **electronic  
application instructions** HKSCC, and to accept the terms and conditions set  
out in the **electronic application instructions** HKSCC N e e L ed  
behalf of HKSCC on 9 October 2009. This agreement is effective as of  
the date of signing of the **electronic application instructions** HKSCC  
and the **White Form eIPO** Section 2. The Application Form will not be allocated  
if you have not accepted the Public Offer Shares before 9 October 2009  
in accordance with the terms and conditions set out in the

However, you will be allocated Public Offer Shares if you have signed  
and returned the Application Form to HKSCC N e e L ed  
behalf of HKSCC on or before the effective date of the Public Offer  
Shares (excluding the 40-day period for the Public Offer Shares)  
and you have not withdrawn your application for the Public Offer Shares  
before the effective date of the Public Offer Shares.

If you have not signed and returned the Application Form, you will not be  
allocated Public Offer Shares. If you have signed and returned the  
Application Form but you have not accepted the Public Offer Shares, you  
will not be allocated Public Offer Shares. If you have signed and returned  
the Application Form and you have accepted the Public Offer Shares, you  
will be allocated Public Offer Shares. If you have signed and returned  
the Application Form and you have not accepted the Public Offer Shares,  
you will not be allocated Public Offer Shares.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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If a candidate has been selected by HKSCC NEE Limited to participate in the Public Offer, the candidate must complete the application form and submit it to the Public Offer Agent by the deadline specified in the Prospectus. The Public Offer Agent will accept the application if it is complete and the candidate has provided the required information and documents. The Public Offer Agent will then allocate the Public Offer Shares to the candidate in accordance with the terms and conditions of the Public Offer.

**(b) If the allocation of the Public Offer Shares is void:**

You are invited to apply for the Public Offer Shares (as defined in the Prospectus) by completing the application form and submitting it to the Public Offer Agent by the deadline specified in the Prospectus.

- If you have applied for the Public Offer Shares and your application is rejected, you will not be entitled to participate in the Public Offer.
- If you have applied for the Public Offer Shares and your application is rejected, you will not be entitled to participate in the Public Offer.

**(c) If you make applications under the Public Offering as well as the International Placing:**

Before you apply for the Public Offer Shares, you should read the application instructions and the White Form eIPO Service Provider's application instructions. You should also read the Prospectus and the International Placing Prospectus. You should apply for the Public Offer Shares and the International Placing at the same time. You should not apply for the Public Offer Shares and the International Placing at different times. You should not apply for the Public Offer Shares and the International Placing through different agents.

**(d) If our Company, the Sole Sponsor or the White Form eIPO Service Provider or their respective agents or nominees exercise their discretion to reject your application:**

Our Company, the Sole Sponsor (as defined in the Prospectus) and the White Form eIPO Service Provider (as defined in the Prospectus) may exercise their discretion to reject your application if they are not satisfied with your application or if you do not provide the required information and documents. If your application is rejected, you will not be entitled to participate in the Public Offer.

**(e) If:**

- you have applied for the Public Offer Shares and your application is rejected, you will not be entitled to participate in the Public Offer;
- you have applied for the Public Offer Shares and your application is rejected, you will not be entitled to participate in the Public Offer.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- The application form should be completed and submitted to the Public Offer Agent (POA) in Hong Kong.
- The application form should be completed and submitted to the POA in Hong Kong.
- The application form should be completed and submitted to the POA in Hong Kong.
- The application form should be completed and submitted to the POA in Hong Kong.
- The application form should be completed and submitted to the POA in Hong Kong.

### 13. HOW MUCH ARE THE PUBLIC OFFER SHARES

The application form for the Public Offer Shares is HK\$4.00 each. You should pay a bank charge of 1%, a SFC E-charge and a fee of 0.005% and a SFC application fee of 0.004%. The application form should be submitted to the POA in Hong Kong. The application fee for 1,000 Public Offer Shares is HK\$4,040.36. The application form should be submitted to the POA in Hong Kong.

You should pay the application fee, bank charge of 1%, the SFC E-charge and a fee of 0.005% and the SFC application fee of 0.004% for the application form for the Public Offer Shares.

If you are applying for the application form, the bank charge and a fee of 1% for the SFC E-charge, the SFC E-charge and a fee of 0.005% and the SFC application fee of 0.004% for the application form for the Public Offer Shares.

If the application form for the application form is HK\$4.00 for the Public Offer Shares, the application form should be submitted to the POA in Hong Kong. The application fee for 1,000 Public Offer Shares is HK\$4,040.36. The application form should be submitted to the POA in Hong Kong.

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**HOW TO APPLY FOR THE PUBLIC OFFER SHARES**

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**14. IF YOUR APPLICATION FOR THE PUBLIC OFFER SHARES IS SUCCESSFUL (IN WHOLE OR IN PART)**

(a) If you are applying for a **WHITE A** class Fund, you will receive a share certificate for:

- Refund cheques and share certificates for the amount of 1,000,000 P b c Offer Shares are for 1,000,000 shares of the A class Fund. The refund cheques and share certificates will be issued to you on or before 24 September 2009. The refund cheques will be issued to the account of the A class Fund.
- Applications for 1,000,000 P b c Offer Shares are made through the A class Fund. The refund cheques and share certificates will be issued to you on or before 24 September 2009. The refund cheques will be issued to the account of the H g K g Share Reg a, C e ha e H g K g I e Se ce L ed, a Sh 1712 1716, 17 h F , H e e Ce e, 183 Q ee ' R ad Ea , Wa cha , H g K g, f 9:00 a. . 1:00 . . Th da , 24 Se e be 2009.
- Applications for 1,000,000 P b c Offer Shares are made through the A class Fund. The refund cheques and share certificates will be issued to you on or before 24 September 2009. The refund cheques will be issued to the account of the H g K g Share Reg a.
- Unredeemed share certificates and refund cheques (where applicable) will be issued to you on or before 24 September 2009. The refund cheques will be issued to the account of the A class Fund.

(b) If: ( ) you are applying for a **YELLOW A** class Fund; ( ) you are applying for **electronic application instructions** HKSCC, and each case will be processed by CCASS:

If you are applying for a share certificate, you will receive a share certificate for the amount of HKSCC N e e L ed a d de ed CCASS f c ed CCASS I e Pa c a c acc he c acc f de g a ed CCASS Pa c a a c ed b ( the A ca

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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For electronic applications, the candidate should submit the application form to the designated CCASS Participant (other than a CCASS Investor Participant) on a YELLOW Application Form by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited).

- **If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant) on a YELLOW Application Form:**

The designated CCASS Participant (other than a CCASS Investor Participant) should check the application form before submitting it to the designated CCASS Participant.

- **If you are applying as a CCASS Investor Participant on a YELLOW Application Form:**

On the day before the public offer shares are issued, the designated CCASS Investor Participant should submit the application form to the designated CCASS Investor Participant by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited). The designated CCASS Investor Participant should check the application form before submitting it to the designated CCASS Investor Participant. The designated CCASS Investor Participant should submit the application form to the designated CCASS Investor Participant by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited). The designated CCASS Investor Participant should check the application form before submitting it to the designated CCASS Investor Participant. The designated CCASS Investor Participant should submit the application form to the designated CCASS Investor Participant by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited). The designated CCASS Investor Participant should check the application form before submitting it to the designated CCASS Investor Participant.

- **If you have given electronic application instructions to HKSCC:**

On the day before the public offer shares are issued, the designated CCASS Investor Participant should submit the application form to the designated CCASS Investor Participant by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited). The designated CCASS Investor Participant should check the application form before submitting it to the designated CCASS Investor Participant. The designated CCASS Investor Participant should submit the application form to the designated CCASS Investor Participant by 5:00 p.m. on the day before the public offer shares are issued by HKSCC (HKSCC NEE Limited). The designated CCASS Investor Participant should check the application form before submitting it to the designated CCASS Investor Participant.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- If you are instructing your CCASS Clearing Participant or CCASS Custodian Participant to give electronic application instructions to HKSCC on your behalf:

You can check the below Public Offer Shares application details on the application form filed (hereinafter referred to as the "Application Form") with CCASS Clearing Participant or CCASS Custodian Participant.

- If you are applying as a CCASS Investor Participant by giving electronic application instruction to HKSCC:

You can check the below Public Offer Shares application details on the Application Form filed with CCASS Investor Service (hereinafter referred to as "ASIS") effective from 24 September 2009. In addition, the Public Offer Shares application details filed with HKSCC, hereinafter referred to as the "Application Form", will be filed with the Public Offer Shares application details filed with HKSCC (hereinafter referred to as the "Application Form").

(c) If you are applying through **White Form eIPO**:

If you apply for 1,000,000 Public Offer Shares through the **White Form eIPO** website, you will need to provide the details of the **White Form eIPO** service provider, hereinafter referred to as the "Service Provider", which is [www.eipo.com.hk](http://www.eipo.com.hk) and the application details, hereinafter referred to as the "Application Form", will be filed with the Central Hong Kong Information Service Limited, at Shop 1712-1716, 17th Floor, Hee Kee Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on 24 September 2009, which details are filed with the Central Hong Kong Information Service Limited (hereinafter referred to as "ASIS") effective from 24 September 2009.

If you do not wish to provide the details of the Service Provider, you will need to provide the details of the Service Provider, hereinafter referred to as the "Service Provider", which is [www.eipo.com.hk](http://www.eipo.com.hk) and the application details, hereinafter referred to as the "Application Form", will be filed with the Central Hong Kong Information Service Limited (hereinafter referred to as "ASIS") effective from 24 September 2009.

If you apply for 1,000,000 Public Offer Shares, hereinafter referred to as the "Application Form", will be filed with the Central Hong Kong Information Service Limited (hereinafter referred to as "ASIS") effective from 24 September 2009.

If a d h e a c a e f a g e b a a c c a d

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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(b) If you are applying for **YELLOW A** shares of 1,000,000 Public Offer Shares, you should apply for the shares through the Hong Kong Share Registrar. The deadline for applying for **YELLOW A** shares is the afternoon (a) of the afternoon headed "If you apply for the Public Offer Shares on behalf of (the company)" on the day.

If you are applying for 1,000,000 Public Offer Shares on behalf of the company, you should apply for the shares through the Hong Kong Share Registrar. The deadline for applying for the shares is the afternoon (b) of the afternoon headed "If you apply for the Public Offer Shares on behalf of the company" on the day.

(c) If you are applying for **electronic application instructions** through the HKSCC on behalf of the company, you should apply for the instructions through the HKSCC on behalf of the company. The deadline for applying for the instructions is the afternoon (c) of the afternoon headed "If you apply for the Public Offer Shares on behalf of the company" on the day.

(d) If you are applying for the shares through the Hong Kong Share Registrar, you should apply for the shares through the Hong Kong Share Registrar. The deadline for applying for the shares is the afternoon (d) of the afternoon headed "If you apply for the Public Offer Shares on behalf of the company" on the day.

On the day, you should apply for the shares through the Hong Kong Share Registrar. The deadline for applying for the shares is the afternoon (e) of the afternoon headed "If you apply for the Public Offer Shares on behalf of the company" on the day.

(e) Referring to the "Application Instructions", you should apply for the shares through the Hong Kong Share Registrar. The deadline for applying for the shares is the afternoon (f) of the afternoon headed "If you apply for the Public Offer Shares on behalf of the company" on the day.

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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 a be a ead de a e ca h e f a a da e  
 ef d che e.

(f) e-Ref d a e c / ef d che e a e e ec ed be de a ched  
 a d Th da , 24 Se e be 2009. O C a e d a e e ca  
 eff a d d e de a ef d g e .

### 16. PERSONAL DATA

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 1996. Th Pe a I f a C ec S a e e f he a ca f a d h de  
 f he P b c Offe Sha e f he ce a d ac ce f C a a d H g K g  
 Sha e Reg a e a e a da a a d he O d a ce.

#### (a) Reasons for the collection of your personal data

F e e e ce a f a ca f ec e eg e ed h de  
 f ec e he a e c ec e a da a C a a d H g  
 K g Sha e Reg a he a g f ec e a fe g ec e  
 f he a e c g he e ce f H g K g Sha e Reg a .

Fa e he e e ed da a a e a ca f ec e  
 be g e ec ed de a ab f C a H g K g Sha e  
 Reg a effec a fe he e e de he e ce . I a a e e  
 de a eg a a fe f he P b c Offe Sha e h ch ha e cce f  
 a ed f a d/ he de a ch f ha e ce f ca e( ), a d/ he de a ch f e-Ref d  
 a e c / ef d che e( ) h ch a e e ed.

I a ha h de f ec e f C a a d H g K g  
 Sha e Reg a ed a e f a acc ac e he e a da a ed.

#### (b) Purposes

The e a da a f he a ca a d he h de f ec e a be ed, he d  
 a d/ ed (b ha e e ea ) f he f g e :

- ce g f a ca a d e-Ref d a e c / ef d  
 che e, he e a cab e a d e f ca f c a ce h he e a d  
 a ca ced e e he a ca f a d h ec  
 a da c g e f a ca f he P b c Offe Sha e ;
- e ab g c a ce ha a cab e a a d eg a H g K g  
 a d e e he e;

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- eg e g e e a fe f he a e f h de f  
ec e c d g, he e a cab e, he a e f HKSCC N ee  
L ed;
- a a g da g he eg e f h de f ec e f  
C a ;
- c d c g a g c d c g a e e f ca , a he  
e f ca e cha ge f f a ;
- e ab h g be ef e e e f h de f ec e f C a ,  
ch a d de d , gh e a d b e ;
- d b g c ca f C a a d b da e ;
- c g a ca f a a d ha eh de f e ;
- a g d c e a e ed b a a , e eg a ;
- d c g de e f cce f a ca b a f e  
a ce e ( ) he e ;
- d c g e e a f a fac a e ca e e e ; a d
- a he c de a a ca ed e e a g he ab e a d/  
e ab e C a a d H g K g Sha e Reg a d cha ge  
b ga h de f ec e a d/ eg a a d/ he e  
h ch he h de f ec e a f e e ag ee.

**(c) Transfer of personal data**

Pe a da a he d b C a a d H g K g Sha e Reg a e a g  
he a ca a d he h de f ec e be e c f de a b  
C a a d H g K g Sha e Reg a , he e e ece a f ache g  
he ab e e a f he , a e che e a ec de ece a  
c f he acc ac f he e a da a a d a c a , e a d c e , b a  
de ( he he h de H g K g ) he e a da a f he a ca  
a d he h de f ec e f a a d a f he f g e a d  
e e :

- e a ed age cha f a ca ad e , ece g ba e a d  
c a ha e eg a a d H g K g Sha e Reg a ;
- HKSCC a d HKSCC N ee L ed, h e he e a da a f  
he e f e a g CCASS ( ca e he e he a ca ha e  
e e ed f he P b c Offe Sha e be de ed CCASS);

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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- a     age     , c     ac     h d a     e ce     de h     ffe  
ad     a e, e ec     ca     , c     e , a e     he e ce  
C     a     a d/     H g K g Sha e Reg a     c     ec     h  
he e a     f he b     e e ;
- he S c E cha ge, he SFC a d a     he a     , eg a  
g e     e a b d e ; a d
- a     he e     h h ch he h de f ec     e ha e  
e     ha e dea g , ch a     he ba e ,     c     , acc a  
c b     e .

B g g a A ca F b g g **electronic application instructions**  
HKSCC b a g h gh **White Form eIPO**, ag ee a f he ab e.

### (d) Access and correction of personal data

The O d a ce de he a ca a d he h de f ec e h gh  
a ce a he he C a a d/ H g K g Sha e Reg a h d he  
e a da a, b a ac f ha da a, a d c ec a da a ha acc a e.  
I acc da ce h he O d a ce, C a a d H g K g Sha e Reg a  
ha e he gh cha ge a ea ab e fee f he ce g f a da a acce e e .  
A e e f acce da a c ec f da a f f a ega d g  
c e a d ac ce he d f da a he d h d be add e ed C a  
f he a e f he c a ec e a (a he ca e a be) H g K g  
Sha e Reg a f he a e f he P ac C a ce Off ce (f he e  
f he O d a ce).

## 17. MISCELLANEOUS

### (a) Commencement of dealings in the Shares

- Dea g he Sha e he Ma B a d f he S c E cha ge a e  
e ec ed c e ce F da , 25 Se e be 2009.
- The Sha e be aded b a d f 1,000 Sha e .
- The c c de f he Sha e 1234.
- A ha e ce f ca e e ec f P b c Offe Sha e c ec ed e ce ed  
b cce f a ca be a d f he G ba Offe g e a ed  
acc da ce h he e f he P b c Offe U de g Ag ee e .

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## HOW TO APPLY FOR THE PUBLIC OFFER SHARES

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**(b) Shares will be eligible for admission into CCASS**

- If the S c E cha ge g a he g f a d e dea he Sha e a d he c ad e e e f HKSCC a e c ed h, he Sha e be acce ed a e g b e e c e b HKSCC f de , ce a a ce a d e e e CCASS h effec f he da e f c e ce e f dea g he Sha e he S c E cha ge a he da e HKSCC ch e . Se e e f a ac be ee a c a f he S c E cha ge e ed a e ace CCASS he ec d b e da afe a ad g da .
- A ac e de CCASS a e b ec he Ge e a R e f CCASS a d CCASS O e a a P ced e effec f e e .
- I e h d ee he ad ce f he c b e he fe a ad e f de a f he e e e a a ge e a ch a a ge e a affec he gh a d e e .
- A ece a a a ge e ha e bee ade f he Sha e be ad ed CCASS.

*The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong.*



8th Floor  
 PricewaterhouseCoopers  
 10th Floor, Raffles Place  
 Central  
 Hong Kong

11 September 2009

The Board of Directors  
**China Lilang Limited**

**Merrill Lynch Far East Limited**

Dear Sirs

## INTRODUCTION

We refer to the financial statements of China Lilang Limited (the "Company") and balance sheet (the "Balance Sheet") of the Company, dated 31 December 2006, 2007 and 2008 and the related notes to the financial statements, each of which were prepared for each of the periods ended 31 December 2006, 2007 and 2008 and the period ended 30 June 2009 (the "Relevant Periods"), the balance sheet of the Company as at 31 December 2006, 2007 and 2008 and 30 June 2009, and the balance sheet of the Company as at 31 December 2008 and 30 June 2009 together with the related notes (the "Financial Statements"), for each of the relevant periods ended 31 December 2006, 2007 and 2008 and 30 June 2009 (the "Periods").

The Company is a public company incorporated in the Cayman Islands on 2 January 2008 and is listed on the Hong Kong Stock Exchange (the "Exchange") under the name of China Lilang Limited, Company No. 22 (Listed on 3 February 1961, and subsequently delisted) of the Cayman Islands. Pursuant to the agreement entered into on 12 September 2008 (the "Relevant Agreement") and the related headed "Global Regulator" and "Annex VI" of the Prospectus, the Company became the holding company of the relevant periods of the Company, de facto holding company of the relevant periods. The Company has carried out a business since the date of incorporation and is a public company.

The following are the names of the companies, which have adopted the Hong Kong Financial Reporting Standards (“HKFRS”) in their accounts for the period ending 31 December 2006, 2007 and 2008:

<u>Name of company</u>	<u>Financial period</u>	<u>Statutory auditors</u>
Lag (H.K.) Investments Co., Limited	Year ended 31 December 2006, 2007 and 2008	KPMG
利郎(福建)時裝有限公司 Lag (Fujian) Garments Co., Limited (note)	Year ended 31 December 2006 and 2007	廈門新昌會計師事務所有限公司 Xiamen Xinchang Certified Public Accountants Co., Limited (note)
	Year ended 31 December 2008	州眾和有限責任會計師事務所 Qianzhonghe Certified Public Accountants Co., Limited (note)
利郎(中國)有限公司 Lag (China) Co., Limited (note)	Year ended 31 December 2006	州名城有限責任會計師事務所 Qianmingcheng Certified Public Accountants Co., Limited (note)
	Year ended 31 December 2007	廈門新昌會計師事務所有限公司 Xiamen Xinchang Certified Public Accountants Co., Limited (note)
	Year ended 31 December 2008	州眾和有限責任會計師事務所 Qianzhonghe Certified Public Accountants Co., Limited (note)
利郎(廈門)服飾有限公司 Lag (Xiamen) Garments Co., Limited (note)	Period ended 31 December 2006	州名城有限責任會計師事務所 Qianmingcheng Certified Public Accountants Co., Limited (note)
	Year ended 31 December 2007	廈門新昌會計師事務所有限公司 Xiamen Xinchang Certified Public Accountants Co., Limited (note)
	Year ended 31 December 2008	州眾和有限責任會計師事務所 Qianzhonghe Certified Public Accountants Co., Limited (note)

Note: The English names of the above entities are in Chinese.

As the date of the audit, the audited financial statements of the Group, as the auditors have had regard to the audit procedures performed by the auditors, the auditors are of the opinion that the financial statements of the Group are true and fair.

d g he Re e a Pe d, he e he c a e e e c a ed/e ab hed a a da e  
 a e ha l Ja a 2006, f he e d f he e ec e da e fe ab h e /  
 c a 30 J e 2009, f he e f h e .

**BASIS OF PREPARATION**

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 he a d ed f a c a a e e , he e a a e, a d ed a age e acc  
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 a g ch ad e a a e a a e. Ad e ha e bee ade, f he e  
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 S a da d (“IFRS”) ga ed b he I e a a Acc g S a da d B a d  
 (“IASB”) a d he d c e e e e f he H g K g C a e O d a ce a d he  
 a cab e d c e f he R e G e g he L g f Sec e The  
 S c E cha ge f H g K g L ed (he “L g R e”). IFRS c de I e a a  
 Acc g S a da d a d he e e a .

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS**

The d ec f he C a a e e bef he e a a a d he e a d fa  
 e e a f he F a c a I f a acc da ce h IFRS ed b he IASB,  
 he d c e e e e f he H g K g C a e O d a ce a d a cab e  
 d c e f he L g R e . Th e b c de de g g,  
 e e g a d a a g e a c e e a he e a a a d he e  
 a d fa e e a f F a c a I f a ha f ee f a e a a e e ,  
 he he d e f a d e ; e ec g a d a g a a e acc g ce ; a d  
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O e b f a he F a c a I f a ba ed  
 a d ced e .

**BASIS OF OPINION**

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 e , e ha e ca ed a a e a d ced e e ec f he F a c a  
 I f a f he Re e a Pe d acc da ce h H g K g S a da d A d g  
 ed b he H g K g I e f Ce fed P b c Acc a (he “HKICPA”) a d  
 ha e ca ed ch add a ced e a e c de ed e ce a acc da ce h  
 A d g G de e “P ec e a d he Re g Acc a ” (S a e e 3.340) ed  
 b he HKICPA. Th e a da d e e ha ec h e h ca e e e a d  
 a a d e f b a ea ab e a a ce a he he he F a c a  
 I f a f ee f a e a a e e .

A a d e e f g ced e b a a d e de ce ab he a  
 a d d c e he F a c a I f a . Th e ced e e ec ed de e d he  
 e g acc a ’ dg e , c d g he a e e f he f a e a

a e e f he F a c a I f a , he he d e f a d e . I a g h e  
 a e e , he e g acc a c de e a c e e a he e '  
 e a a a d e a d f a e e a f he F a c a I f a de de g  
 a d ced e ha a e a a e he c c a ce , b f he e f  
 e e g a he effec e e f he e ' e a c . A a d a  
 c de e a a g he a a e e f acc g ce e d a d he ea a b e e  
 f acc ge a e a d e b he d ec , a e a e a a g he e a e e a  
 f he F a c a I f a .

We be e e ha he a d e de ce e ha e b a ed ff ce a d a a e  
 de a ba f a d .

We ha e a d e d a f a c a a e e f he c a e c g he G  
 e ec fa e d b e e 30 J e 2009.

**OPINION**

I , f he e f h e , a ad e c de ed e ce a  
 ha e bee a d e a d he F a c a I f a , he ba f e e a e  
 Sec A be a d acc da ce h he acc g ce e Sec C be ,  
 g e a e a d f a e f he c da ed e a d ca h f f he G f he  
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 a d 30 J e 2009, a d he a e f affa f he C a a a 31 Dece be 2008 a d 30  
 J e 2009.

**CORRESPONDING FINANCIAL INFORMATION**

F he e f h e , e ha e a e e ed he a d ed c e d g  
 e f a c a f a f he G c g he c da ed c e a e e ,  
 c da ed a e e f c e he e c e , c da ed a e e f cha ge  
 e a d c da ed ca h f a e e f he h e ded 30 J e 2008,  
 ge he h he e he e (he "C e d g F a c a I f a "), f h ch he  
 d ec a e e b e , acc da ce h H g K g S a da d Re e E gage e  
 2410 "Re e f e f a c a f a e f ed b he de e de a d f he  
 e " ed b he HKICPA. O e b e e a c c he  
 C e d g F a c a I f a ba ed e e .

A e e c f a g e , a f e e b e f f a c a  
 a d acc g a e , a da g a a ca a d he e e ced e . A e e  
 b a a e c e ha a a d c d ced acc da ce h H g K g  
 S a da d A d g a d c e e d e e a b e b a a a ce ha e  
 d bec e a a e f a g f ca a e ha gh be de fed a a d .  
 Acc d g e d e e a a d he C e d g F a c a  
 I f a .

Ba ed e e ,f he e f h e , h g ha c e a e  
 ha ca e be e e ha he C e d g F a ca I f a e a ed,  
 a a e a e ec , acc da ce h he a e ba ad ed e ec f he F a ca  
 I f a .

**A BASIS OF PRESENTATION**

The c a e ha a he Re ga a e ec ed b he a eg  
 f e h de (he "C g Sha eh de ") bef e a d af e he Re ga a .  
 S ce he e a ac a f he a d be ef he C g Sha eh de , he  
 Re ga a c de ed a a b e c b a f e e de c c .  
 Acc d g , he F a ca I f a ha bee e a ed de he e ge ba f  
 acc g a f he G had a a bee e e ce. The e a e f he c b g  
 c a e a e c da ed g he e g b a e f he C g  
 Sha eh de ' e ec e.

The F a ca I f a e a g he c da ed c e a e e , he  
 c da ed a e e f c e he e c e, he c da ed a e e f cha ge  
 e a d he c da ed ca h f a e e f he G a e Sec B f  
 he Re e a Pe d c de he e f e a f he c a e c g he  
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 Dece be 2006, 2007 a d 2008 a d 30 J e 2009 a e Sec B ha e bee e a ed  
 e e he c da ed a e a d ab e f he G a a h e da e .

I a-g ba a ce a d a ac a da ea ed f a g f a-  
 g a ac a ee a ed f e a g he F a ca I f a . U ea ed  
 e e gf a-g a ac a ee a ed he a e a a ea ed  
 ga b he e e ha he e e de ce f a e .

The data of the , the C a had d ec d ec e e he f g  
b d a e , a f h ch a e a e c a e , a c a f h ch a e e be :

Name of company	Place and date of incorporation/ establishment	Issued and fully paid-up capital	Attributable equity interest		Principal activities
			direct	indirect	
L a g H d g L ed ("L a g H d g ")	B h V g I a d ("BVI")/ 4 Dece be 2007	US\$20,000 a US\$1 e ha e	100%		I e e h d g
L a g (H g K g) I e a a C ., L ed ("L a g I e a a ")	H g K g/ 23 Ma ch 2004	HK\$20,000 a HK\$1 e ha e		100%	I e e h d g
利郎(福建)時裝有限公司 L a g (F a ) Ga e C ., L d ("L a g F a ") (note (c))	The PRC/ 24 A 1995	Reg e ed a d f a d- ca a f HK\$20,000,000		100%	Ma fac g a d h e a g f e ea a d acce e
利郎(中國)有限公司 L a g (Ch a ) C ., L d ("L a g Ch a ") (note (c))	The PRC/ 25 Ma ch 2005	Reg e ed a d f a d- ca a f HK\$100,000,000		100%	Ma fac g a d h e a g f e ea a d acce e
利郎(廈門)服飾有限公司 L a g (X a e ) Ga e C ., L d ("L a g X a e ") (note (c))	The PRC/ 12 J e 2006	US\$4,549,926 (note (b))		100%	Ma fac g a d h e a g f e ea a d acce e

## Notes:

- (a) A e e e ab hed he PRC a e h f e g ed e e e .
- (b) Reg e ed ca a f L a g X a e US\$30,000,000 f h ch US\$4,549,926 ha bee a d d g he ea e ded 31 Dece be 2006. The a d g a f US\$25,450,074 d e f c b bef e 31 Dece be 2009.
- (c) The E g h a a f he c a a e f efe e ce . The ff c a a e f he e c a e a e Ch e e.

## B FINANCIAL INFORMATION

## 1 Consolidated income statements

	Section C Note	Years ended 31 December			Six months ended 30 June	
		2006 RMB'000	2007 RMB'000	2008 RMB'000	2008 RMB'000 (unaudited)	2009 RMB'000
Turnover . . . . .	2	418,195	885,921	1,135,684	483,945	600,176
C f a e . . . . .	13(b)	(323,015)	(652,020)	(791,627)	(339,779)	(423,341)
<b>Gross profit . . . . .</b>		<b>95,180</b>	<b>233,901</b>	<b>344,057</b>	<b>144,166</b>	<b>176,835</b>
O h e e e e . . . . .	3	1,545	5,243	5,868	5,325	1,227
S e g a d d b e e e . . . . .		(37,338)	(104,892)	(146,469)	(60,382)	(54,662)
A d a e e e e . . . . .		(9,233)	(22,681)	(34,300)	(15,406)	(15,183)
O h e e a g (e e e ) / c e		(646)	(1,844)	1,888	2,221	(183)
<b>Profit from operations . . . . .</b>		<b>49,508</b>	<b>109,727</b>	<b>171,044</b>	<b>75,924</b>	<b>108,034</b>
F a c e c . . . . .	4(a)	(3,904)	(11,996)	(11,551)	(4,572)	(4,295)
<b>Profit before taxation . . . . .</b>	4	<b>45,604</b>	<b>97,731</b>	<b>159,493</b>	<b>71,352</b>	<b>103,739</b>
I c e a . . . . .	5(a)	(13,023)	(1,225)	(5,361)	(2,038)	(13,775)
<b>Profit attributable to equity shareholders</b>		<b>32,581</b>	<b>96,506</b>	<b>154,132</b>	<b>69,314</b>	<b>89,964</b>
B a c e a g e h a e (RMB (c e ) . . . . .	8	3.62	10.72	17.13	7.70	10.00

*The accompanying notes form part of the Financial Information.*

## 2 Consolidated statements of comprehensive income

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the year/period . . . .</b>	32,581	96,506	154,132	69,314	89,964
<b>Other comprehensive income for the year/period</b>					
Exchange difference					
available for sale					
of PRC entities . . . . .	1	11	125	137	19
<b>Total comprehensive income for the year/period . . . . .</b>	<u>32,581</u>	<u>96,517</u>	<u>154,257</u>	<u>69,451</u>	<u>89,983</u>

*The accompanying notes form part of the Financial Information.*

## 3 Consolidated balance sheets

	Section C Note	As at 31 December			As at
		2006	2007	2008	30 June
		RMB'000	RMB'000	RMB'000	2009
				RMB'000	
<b>Non-current assets</b>					
Prepaid expenses	9	35,289	106,088	135,823	146,582
Intangible assets	10	—	—	30,072	30,719
Lease receivables	11	14,669	14,357	39,875	39,455
Deferred charges	12	16,228	21,542	3,615	728
Deferred assets	26(b)	777	1,185	997	819
<b>Total non-current assets</b>		<b>66,963</b>	<b>143,172</b>	<b>210,382</b>	<b>218,303</b>
<b>Current assets</b>					
Intangible assets	13	40,326	96,033	171,487	186,018
Trade receivables	14	209,245	305,334	383,748	341,828
Accounts receivable	15	47,583	1,294	220	—
Loans	16	1,000	—	—	—
Pledged bank deposits	17	14,970	54,009	42,201	27,763
Cash	18	27,276	58,519	53,567	94,280
<b>Total current assets</b>		<b>340,400</b>	<b>515,189</b>	<b>651,223</b>	<b>649,889</b>
<b>Current liabilities</b>					
Bank borrowings	19	125,500	94,500	140,000	98,000
Trade payables	20	83,795	277,076	259,419	217,765
Loans	21	1,400	—	—	—
Accounts payable	22	268	—	18,471	10,944
Contract liabilities	26(a)	8,260	—	890	6,081
<b>Total current liabilities</b>		<b>219,223</b>	<b>371,576</b>	<b>418,780</b>	<b>332,790</b>
<b>Net current assets</b>		<b>121,177</b>	<b>143,613</b>	<b>232,443</b>	<b>317,099</b>
<b>Total assets less current liabilities</b>		<b>188,140</b>	<b>286,785</b>	<b>442,825</b>	<b>535,402</b>
<b>Non-current liabilities</b>					
Deferred liabilities	26(b)	—	—	1,543	3,357
Latent Credit Shareholders' Equity	23	139,422	139,422	—	—
Preference shares		—	1,790	1,987	2,767
		<b>139,422</b>	<b>141,212</b>	<b>3,530</b>	<b>6,124</b>
<b>Net assets</b>		<b>48,718</b>	<b>145,573</b>	<b>439,295</b>	<b>529,278</b>
<b>Equity</b>					
Share capital	27	21,016	98	176	176
Reserves	28	27,702	145,475	439,119	529,102
<b>Total equity</b>		<b>48,718</b>	<b>145,573</b>	<b>439,295</b>	<b>529,278</b>

*The accompanying notes form part of the Financial Information.*

## 4 Consolidated statements of changes in equity

	Section C Note	Attributable to equity shareholders of the Company					(Accumulated losses)/retained profits	Total equity RMB'000
		Share capital	Share premium	Statutory reserve	Capital reserve	Exchange reserve		
		RMB'000 (Note 27)	RMB'000 (Note 27)	RMB'000 (Note 28(a))	RMB'000 (Note 28(b))	RMB'000 (Note 28(c))		
At 1 January 2006		21,016		150	390		(5,895)	15,661
Issued shares	25(a)				26			26
Share buy-back					450			450
Tax effect							32,581	32,581
At 31 December 2006/1 January 2007		21,016		3,326	866		23,510	48,718
Share buy-back					260			260
Share issued								
Regulation	27(a)	78						78
Exchange								
Regulation	27(b)	(20,996)			20,996			
Tax effect						11	96,506	96,517
At 31 December 2007/1 January 2008		98		14,006	22,122	11	109,336	145,573
Share buy-back					139,465			139,465
Share issued								
Regulation	27(c), (d)	244	139,329					139,573
Exchange								
Regulation	27(d)	(166)			(139,407)			(139,573)
Tax effect						125	154,132	154,257
At 31 December 2008/1 January 2009		176	139,329	31,764	22,180	136	245,710	439,295
Tax effect						19	89,964	89,983
At 30 June 2009		176	139,329	41,611	22,180	155	325,827	529,278

The accompanying notes form part of the Financial Information.

## 5 Consolidated cash flow statements

Section C Note	Years ended 31 December			Six months ended 30 June	
	2006 RMB'000	2007 RMB'000	2008 RMB'000	2008 RMB'000	2009 RMB'000
				(unaudited)	
<b>Operating activities</b>					
Profit before tax . . . . .	45,604	97,731	159,493	71,352	103,739
Adjustments:					
Decrease in:					
Accounts receivable . . . . .	4(c)	1,478	3,281	6,081	3,067
Accounts payable . . . . .	4(c)	22	312	694	252
Finance charges provided by bank . . . . .	28(b)	250	260	43	43
Finance charges . . . . .	28(b)	200	—	—	—
Exchange differences . . . . .		—	11	125	137
Employee benefits . . . . .	25(a)( )	26	—	—	—
Loss/(gain) on disposal of assets, net of tax effects . . . . .	4(c)	—	517	(3,081)	(3,081)
Interest income . . . . .		3,864	11,616	11,000	4,319
Interest expense . . . . .		(355)	(2,751)	(1,388)	(845)
<b>Cash generated from operations before changes in working capital . . . . .</b>		51,089	110,977	172,967	75,244
Increase in cash and cash equivalents . . . . .		(23,295)	(55,707)	(75,454)	(46,197)
Increase in deposits . . . . .		(142,567)	(17,821)	(79,369)	(74,571)
(Increase)/decrease in receivables . . . . .		(36,268)	(76,118)	19,108	41,122
(Increase)/decrease in accounts receivable . . . . .		—	—	(220)	(220)
(Increase)/decrease in prepaid balance . . . . .		(820)	(39,039)	11,808	12,690
Increase/(decrease) in advance payments . . . . .		41,316	167,501	(38,459)	(45,600)
Increase/(decrease) in advance payments . . . . .		7,435	12,010	35,497	23,702
Increase in deposits . . . . .		—	—	—	713
<b>Cash (used in)/generated from operations . . . . .</b>		(103,110)	101,803	45,878	(13,117)
Increase in cash and cash equivalents . . . . .		(6,152)	(9,893)	(2,740)	(978)
<b>Net cash (used in)/generated from operating activities . . . . .</b>		(109,262)	91,910	43,138	(14,095)
					106,383

## 5 Consolidated cash flow statements (continued)

Section C Note	Years ended 31 December			Six months ended 30 June	
	2006 RMB'000	2007 RMB'000	2008 RMB'000	2008 RMB'000	2009 RMB'000
				(unaudited)	
<b>Investing activities</b>					
Pa e f cha e f e , a a d e e . . . . .	(18,289)	(60,832)	(60,339)	(40,693)	(11,833)
Pa e f cha e f e e e . . . . .			(30,072)		(505)
Pa e f ea e e a e . . . . .	(16,300)	(4,422)	(6,801)	(6,801)	
P ceed f d a f e , a a d e e . . . . .		903	215	215	371
Ne ( c ea e)/dec ea e a d e f ha eh de . . . . .	(2,100)	3,786	1,294	1,294	
(Ad a ce )/ e a e f e a e d c a e . . . . .	(25,203)	42,503			
L a h d a e . . . . .		(30,000)			
Re a e f a h d a e . . . . .		31,000			
I e e c e e ce ed . . . . .	355	601	3,538	2,995	427
<b>Net cash used in investing activities . . . . .</b>	<b>(61,537)</b>	<b>(16,461)</b>	<b>(92,165)</b>	<b>(42,990)</b>	<b>(11,540)</b>
<b>Financing activities</b>					
P ceed f ba a . . . . .	135,500	414,500	300,000	160,000	170,000
Re a e f ba a . . . . .	(54,050)	(445,500)	(254,500)	(124,500)	(212,000)
L a f a h d a . . . . .	1,400				
L a e a d a h d a . . . . .		(1,400)			
L a f a ha eh de . . . . .	108,198				
Ad a ce f /(e a e ) C g Sha eh de . . . . .	264		29,410	16,168	(7,592)
Ad a ce e a d a ha eh de . . . . .		(268)			
Ca a ec . . . . .		78			
Pa e f e e e e a g he ed g . . . . .			(20,303)	(19,356)	
I e e e e e a d . . . . .	(3,864)	(11,616)	(10,532)	(4,183)	(4,538)
<b>Net cash generated from/ (used in) financing activities</b>	<b>187,448</b>	<b>(44,206)</b>	<b>44,075</b>	<b>28,129</b>	<b>(54,130)</b>

## 5 Consolidated cash flow statements (continued)

	Section C Note	Years ended 31 December			Six months ended 30 June	
		2006 RMB'000	2007 RMB'000	2008 RMB'000	2008 RMB'000 (unaudited)	2009 RMB'000
Net increase/(decrease) in cash . . . . .		16,649	31,243	(4,952)	(28,956)	40,713
Cash at beginning of year/ period . . . . .		10,627	27,276	58,519	58,519	53,567
Cash at end of year/period . . . . .	18	27,276	58,519	53,567	29,563	94,280

*The accompanying notes form part of the Financial Information.*

## C NOTES TO THE FINANCIAL INFORMATION

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

The Financial Information has been prepared according to the International Financial Reporting Standards ("IFRS"), which are issued by the International Accounting Standards Board (the IASB). The financial statements are prepared on the basis of the International Accounting Standards Board (the IASB). The financial statements are prepared on the basis of the International Accounting Standards Board (the IASB).

The Financial Information is prepared on the basis of the Hong Kong Accounting Standards ("HKAS") which are issued by the Hong Kong Accounting Standards Board (the HKASB). The financial statements are prepared on the basis of the Hong Kong Accounting Standards Board (the HKASB).

The financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the IASB). The financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the IASB).

The financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the IASB). The financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the IASB). The financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (the IASB).

The accounting policies have been applied consistently throughout the financial statements. The accounting policies have been applied consistently throughout the financial statements.

#### (b) Basis of preparation of the Financial Information

The Financial Information is prepared on the basis of the Hong Kong Accounting Standards ("HKAS") which are issued by the Hong Kong Accounting Standards Board (the HKASB). The financial statements are prepared on the basis of the Hong Kong Accounting Standards Board (the HKASB).

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(c) Subsidiaries

S b d a e a e e e c ed b he G . C e he he G ha he e g e he f a c a a d e a g c e f a e a b a be ef f ac e . I a e g c , e a g gh ha e e a e e c a b e a e a e acc . F a c a a e e f a b d a a e c ded he F a c a I f a f he da e ha c c e e ce he da e ha c cea e .

B e c b a a g f a fe f e e e e ha a e de he c c f he e h de ha c he G a e acc ed f g b a e acc g a f he ac had cc ed a he beg g f he ea e c a a e e d e e ed.

(d) Property, plant and equipment

P e , a a de e a e a ed he c da ed ba a ce hee a c e acc a ed de eca a d a e e ( e e e l(h)).

The c f e f-c c ed e f e , a a de e c de c f a e a , d ec ab , he a e a e, he e e e a , f he c f d a g a d e g he e a d e g he e h ch he a e ca ed, a d a a a e f d c e head .

N de eca ded e ec f c c g e . U c e a d c g f e a , de eca be ded a he a a e a e ec f ed be .

De eca ca c a ed e ff he c f e f e , a a de e , e he e a ed e d a a e, fa , g he a gh - e e h d e he e a ed ef e a f :

B d g he d f e h ch a e a ed ea eh d a d a e de eca ed e he h e f he e ed e f ea e a d he e a ed ef e , be g e ha 40 ea af e he da e f c e .	
P a a d ach e	10 ea
Lea eh d e e	Sh e f 5 ea
	e a g e f he ea e
M eh c e	5 ea
Off ce e e	5 ea
F e a d f e	5 ea

B h he ef fe f a a e a d e d a a e, fa , a e e e ed a a .

Ga e a g f he e e e d a fa e f e , a a de e a e de e ed a he d ff e ce be ee he e d a ceed a d he ca g a f he e a d a e ec g ed f he da e f e e e d a .

(e) Investment property

I e e e e ed he d de a ea eh d e e ea e a c e a d/ f ca a a eca . I e e e ea ed a c e acc a ed de eca a d a e e ( e e e l(h)). De eca ec g ed he c e a e e a a gh - e ba e he e a ed ef fe f he h e f he e ed e f ea e a d e a ed ef fe, be g e ha 40 ea af e he da e f c e .

(f) Lease prepayments

Lease prepayments are recognised as an asset when the PRC's government has approved the lease. Lease prepayments are recognised as an asset when the government has approved the lease (see note 1(h)). A lease prepayment is recognised as an asset when the government has approved the lease within 50 days.

(g) Operating lease charges

Lease charges are recognised as an expense when the lease term has expired. When the lease term has expired, the lease charges are recognised as an expense when the lease term has expired. When the lease term has expired, the lease charges are recognised as an expense when the lease term has expired. When the lease term has expired, the lease charges are recognised as an expense when the lease term has expired.

(h) Impairment of assets

(i) Impairment of current and non-current receivables

Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease.

1. If the government has approved the lease, the lease charges are recognised as an expense when the lease term has expired.

2. If the government has not approved the lease, the lease charges are recognised as an expense when the lease term has expired.

3. If the government has approved the lease, the lease charges are recognised as an expense when the lease term has expired.

4. If the government has not approved the lease, the lease charges are recognised as an expense when the lease term has expired.

5. If the government has approved the lease, the lease charges are recognised as an expense when the lease term has expired.

If the government has not approved the lease, the lease charges are recognised as an expense when the lease term has expired.

6. Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease. Current receivables are recognised as an asset when the government has approved the lease.

If the government has approved the lease, the lease charges are recognised as an expense when the lease term has expired. If the government has not approved the lease, the lease charges are recognised as an expense when the lease term has expired. If the government has approved the lease, the lease charges are recognised as an expense when the lease term has expired. If the government has not approved the lease, the lease charges are recognised as an expense when the lease term has expired.

(ii) Impairment of other assets

I e a a d e e a ce f f a a e e e ed a each ba a ce hee da e  
de f d ca ha he f g a e a be a ed a a e e  
ec g ed ge e a ha e dec ea ed:

l e , a a d e e ;

l e e e ; a d

l ea e e a e .

If a ch d ca e , he a e' ec e abe a e a ed.

— Calculation of recoverable amount

The ec e abe a f a a e he ge a e f fa a e e c e a d  
a e e. I a e g a e e, he e a ed f e ca h f a e d c ed he  
e e a e g a e- a d c a e ha ef ec c e a e a e e f he e  
a e f e a d he ec f c he a e. Whe e a a e d e ge e a e ca h  
f a ge de e de f h ef he a e , he ec e abe a de e ed  
f he a e g f a e ha ge e a e ca h f de e de (.e. a ca h-  
ge e a g ).

— Recognition of impairment losses

A a e ec g ed f f he ca g a f a a e ,  
he ca h-ge e a g h ch be g , e ceed ec e abe a . I a e  
e ec g ed e ec f ca h-ge e a g a e a ca ed ed ce he ca g  
a f he he a e he ( g f ) a a a ba , e ce ha he  
ca g a e f a a e be ed ced be d d a fa a e e c e ,  
a e e, f de e abe.

— Reversals of impairment losses

A a e e e ed f he e ha bee a fa abe cha ge he e a e  
ed de e e he ec e abe a . A e e a f a e ed he  
a e' ca g a ha d ha e bee de e ed had a e bee  
ec g ed ea . Re e a f a e e a e ced ed f he  
ea h ch he e e a a e ec g ed.

(i) Inventories

I e e a e ca ed a he e f c a d e ea abe a e.

C ca c a ed g he e gh ed a e age c f a a d c e a c f cha e, c  
f c e a d he c c ed b g g he e e he e e ca a d c d .

Ne ea abe a e he e a ed e g ce he d a c e f b e e he e a ed  
c f c e a d he e a ed c ece a a e he a e.

When the year ended, the carrying amount of the receivables was RMB1,000 million. The amount of the receivables was RMB1,000 million at the end of the reporting period. The amount of the receivables was RMB1,000 million at the end of the reporting period.

**(j) Trade and other receivables**

Trade and other receivables are recognized at the fair value less expected credit losses. The amount of trade and other receivables was RMB1,000 million at the end of the reporting period. The amount of trade and other receivables was RMB1,000 million at the end of the reporting period.

**(k) Interest-bearing borrowings**

Interest-bearing borrowings are recognized at the fair value less expected credit losses. The amount of interest-bearing borrowings was RMB1,000 million at the end of the reporting period. The amount of interest-bearing borrowings was RMB1,000 million at the end of the reporting period.

**(l) Trade and other payables**

Trade and other payables are recognized at the fair value less expected credit losses. The amount of trade and other payables was RMB1,000 million at the end of the reporting period. The amount of trade and other payables was RMB1,000 million at the end of the reporting period.

**(m) Cash**

Cash and cash equivalents are recognized at the fair value less expected credit losses. The amount of cash and cash equivalents was RMB1,000 million at the end of the reporting period. The amount of cash and cash equivalents was RMB1,000 million at the end of the reporting period.

**(n) Employee benefits**

*(i) Short term employee benefits and contribution to defined contribution retirement plans*

Salaries, allowances, and other short-term employee benefits are recognized as an expense when the employee has rendered services. The amount of short-term employee benefits was RMB1,000 million at the end of the reporting period. The amount of short-term employee benefits was RMB1,000 million at the end of the reporting period.

Contributions to defined contribution retirement plans are recognized as an expense when the employee has rendered services. The amount of contributions to defined contribution retirement plans was RMB1,000 million at the end of the reporting period. The amount of contributions to defined contribution retirement plans was RMB1,000 million at the end of the reporting period.

*(ii) Share-based payments*

The fair value of the share-based payments is recognized as an expense when the employee has rendered services. The amount of share-based payments was RMB1,000 million at the end of the reporting period. The amount of share-based payments was RMB1,000 million at the end of the reporting period.

D g he e g e d, he be f ha e ha e ec ed e e e ed. A e gad e hec a efa a e ec g ed ea cha ged/c ed ed he f f he ea f he e e , e he g a e e e e e a f f ec g a a a e , h a c e d gad e he ca a e e e. O he e g da e, he a ec g ed a a e e e ad ed ef ec he ac a be f ha e ( h a c e d gad e he ca a e e e) e ce he ef fe e d e ache g e g c d ha e a e he a e ce f he C a ' ha e. The a ec g ed he ca a e e e e he he e e c ed ( he a fe ed he ha e e acc ) he e e ( he e ea ed d ec e a ed f ).

**(o) Income tax**

I c e a f he ea / e d c e c e a a d e e defe ed a a e a d ab e . C e a a d e e defe ed a a e a d ab e a e ec g ed f e ce he e e ha he e a e e ec g ed he c ehe e c e d ec e , h ch ca e he e e a a f a a e ec g ed he c ehe e c e d ec e , e ec e .

C e a he e ec ed a a ab e he a ab e c e f he ea / e d, g a a e e ac ed b a e e ac ed a he ba a ce hee da e, a da ad e a a ab e e ec f e e d .

Defe ed a a e a d ab e a e f ded c b e a d a ab e e a d ffe e ce e ec e , be g he d ffe e ce be ee he ca g a f a e a d ab e f f a c a e g e a d he a ba e . Defe ed a a e a a ef ed a e a d ed a c ed .

A a f ce a ed e ce , a defe ed a ab e a d a defe ed a a e he e e ha babe ha f e a ab e f be a a ab e aga h ch he a e ca be ed, a e ec g ed. F e a ab e f ha a he ec g f defe ed a a e a g f ded c b e e a d ffe e ce c de h e ha a e f he e e a f e g a ab e e a d ffe e ce , ded h e d ffe e ce e a e he a e a a a h a d he a e a ab e e , a d a e e ec ed e e e e he he a e e d a he e ec ed e e a f he ded c b e e a d ffe e ce e d h ch a a a g f he defe ed a a e ca be ca ed bac f a d. The a e c e a a e ad ed he de e g he he e g a ab e e a d ffe e ce he ec g f defe ed a a e a g f ed a e a d c ed , ha , h e e a

The carrying amount of the deferred tax assets is limited to the amount of the tax that will be realized in the future. The carrying amount of the deferred tax assets is reduced to the extent that it is more than the amount of the tax that will be realized in the future.

The carrying amount of the deferred tax assets is limited to the amount of the tax that will be realized in the future. The carrying amount of the deferred tax assets is reduced to the extent that it is more than the amount of the tax that will be realized in the future.

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The carrying amount of the deferred tax assets is limited to the amount of the tax that will be realized in the future. The carrying amount of the deferred tax assets is reduced to the extent that it is more than the amount of the tax that will be realized in the future.

The carrying amount of the deferred tax assets is limited to the amount of the tax that will be realized in the future. The carrying amount of the deferred tax assets is reduced to the extent that it is more than the amount of the tax that will be realized in the future.

**(p) Financial guarantees issued, provisions and contingent liabilities**

*(i) Financial guarantees issued*

Financial guarantees issued are contracts that obligate the issuer to make payments to the beneficiary if the primary obligor fails to make payments. The issuer of a financial guarantee is the party that is primarily liable to the beneficiary.

When the Group issues a financial guarantee, the fair value of the financial guarantee (being the amount of the cash or other assets that the issuer is required to pay to the beneficiary) is recognized as a liability. The carrying amount of the financial guarantee is the amount of the cash or other assets that the issuer is required to pay to the beneficiary.

The carrying amount of the financial guarantee is the amount of the cash or other assets that the issuer is required to pay to the beneficiary. The carrying amount of the financial guarantee is reduced to the extent that it is more than the amount of the cash or other assets that the issuer is required to pay to the beneficiary.

*(ii) Other provisions and contingent liabilities*

Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The carrying amount of a provision is the best estimate of the amount that the Group will be required to pay to settle the obligation.

When the balance sheet is prepared, the carrying amount of the investment in the subsidiary is determined based on the carrying amount of the investment in the subsidiary at the beginning of the period, adjusted for the share of the subsidiary's profit or loss for the period, and for any impairment losses recognized during the period.

**(q) Revenue recognition**

Revenue is recognized when the performance obligation is satisfied, that is, when the control of the goods has transferred to the customer, and the amount of revenue can be measured reliably.

*(i) Sale of goods*

Revenue is recognized when the goods have been delivered to the customer and the customer has accepted the goods, and the amount of revenue can be measured reliably.

*(ii) Interest income*

Interest income is recognized on an accrual basis.

*(iii) Government grants*

Government grants are recognized when the entity has satisfied the conditions attached to the grant, and the amount of the grant can be measured reliably. Government grants are recognized in the profit or loss in the period in which the conditions are satisfied.

Uncertain tax positions are recognized when the entity is more likely than not to be able to deduct the tax expense.

**(r) Translation of foreign currencies**

Foreign currency transactions are translated into the reporting currency using the exchange rate at the date of the transaction. Monetary assets and liabilities are translated at the reporting rate at the reporting date. Exchange gains and losses are recognized in the profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at the reporting rate at the reporting date.

The effects of the exchange rate of the PRC are a result of the exchange rate of the RMB against the reporting currency. The exchange rate of the RMB against the reporting currency is determined based on the exchange rate of the RMB against the reporting currency at the reporting date.

On the balance sheet, the carrying amount of the PRC, the carrying amount of the RMB, and the carrying amount of the reporting currency are translated at the reporting rate at the reporting date.

(s) Borrowing costs

Borrowing costs have been allocated to the assets to which they relate, and the amount of borrowing costs that has been allocated to an asset is calculated as a percentage of the expenditure on that asset. The amount of borrowing costs that has been allocated to an asset is calculated as a percentage of the expenditure on that asset.

The carrying amount of the asset to which the borrowing costs have been allocated is reduced by the amount of borrowing costs that has been allocated to that asset. The carrying amount of the asset to which the borrowing costs have been allocated is reduced by the amount of borrowing costs that has been allocated to that asset.

(t) Research and development

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure on research and development is recognised as an expense when it is incurred. Expenditure on research and development is recognised as an expense when it is incurred.

(u) Related parties

The following are the related parties of the Group:

- (i) The parent company, the Group's ultimate controlling party, is the Group's ultimate controlling party.
- (ii) The Group's subsidiaries are the Group's subsidiaries.
- (iii) The Group's associates are the Group's associates.
- (iv) The Group's joint ventures are the Group's joint ventures.
- (v) The Group's key management personnel are the Group's key management personnel.

There are no related party transactions that have not been disclosed in the financial statements.

(v) Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed by the Group's management. The Group has identified its operating segments based on the internal reports that are reviewed by the Group's management.



Notes:

(a) The e e a de ed f a a f RMB30,000,000 g a ed F a S a We C a I e e C ., L d. (福建海峽西岸投資有限公司), a de e de h d a , Ma ch 2007. The a a ec ed, e e bea g a 12% e a a d had bee f ec e ed 2007.

(b) J a g M c a B ea f F a ce g a ed ca h b d e L a g F a a d L a g Ch a a ed RMB227,000, RMB4,480,000 a d RMB800,000 d g he ea e ded 31 Dece be 2006 a d 2008 a d h e ded 30 J e 2009 e ec e a a ce e f e ea ch a d de e e , e ee a g a d he c a e de e e e . The c d a d ce a b d e ee ge e a a a be e e e J a g ha a a e a be f e ha RMB2,000,000.

D g he ea 2006, L a g F a a e ce ed a he ca h b d e f F a P c a C ee f T a de a d C e ce (福建省經濟貿易委員會) a d Q g a g R ad D c Off ce f J a g M c a f Pe e' G e e (晉 市人 政府青陽街道辦事處) a ed RMB170,000 a e a d f e a J a g.

A he e e e f he ab e g e e g a a b ec a a b he ca g e e a ca e b ca e ba , he e a a ce ha he G c e e ch g a he f e.

(c) D g he Re e a Pe d, ce a V age C ee J a g C ("V age C ee ") (晉 市小區居 委員會), F a P ce, he PRC, ded f ee fac ace he G a c d ha he G e a ed d c ac e ce a a ea J a g.

The d ec f he C a e a ed he a e e a a d e ec c e e e f he fac ace ee RMB793,000, RMB2,492,000 f he ea e ded 31 Dece be 2006 a d 2007 e ec e ; he fa a e f h ch a de e ed h efe e ce he a e e a f c a a be e e J a g, a e age e ec c c e f ach e, a e age g e f ach e a d ca ce f e ec c . The ba f de e g he fa a e f e e e a e ha bee e e ed b a de e de fe a a e , J e L a g L a S a e S a a L ed.

The fa a e f he e e e a e acc ed f a he e e e h he c e d g a cha ged c f a e . F N e be 2007 a d , he G ed f he fac ace e f-c ced d c a a d acc d g , he e a ch e ec g ed f ce he .

## 4 PROFIT BEFORE TAXATION

Profit before taxation after change/(change):

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(a) Finance costs:					
Interest bearing bank deposits	3,864	11,616	11,000	4,319	4,169
Bank charges	40	380	551	253	126
	<u>3,904</u>	<u>11,996</u>	<u>11,551</u>	<u>4,572</u>	<u>4,295</u>
(b) Staff costs:					
Contract defined contribution pension scheme	2,377	8,707	11,593	5,374	4,378
Salaries, wages and benefits	26,270	56,331	74,256	32,806	22,498
Share-based compensation (note 25(a)(iii))	26				
	<u>28,673</u>	<u>65,038</u>	<u>85,849</u>	<u>38,180</u>	<u>26,876</u>
(c) Other:					
Administrative expenses	22	312	694	252	420
Advertising expenses	44	44	57	22	34
Contractual costs (note 20(c))	594				
Depreciation	1,478	3,281	6,081	3,067	5,228
Finance related fees					
Government grants:					
- Vantage Centre	497	1,111			
- Construction Shareholders	250	260	43	43	
Loss/(gain) on disposal of property, plant and equipment		517	(3,081)	(3,081)	79
Other gains/losses			2,843	929	2,670
Reconciliation of cash	1,401	6,144	6,728	2,741	2,997
Share acquisition		1,605	13,602	3,250	5,846

Reconciliation of cash flow to change in cash and cash equivalents: The cash and cash equivalents at the end of the reporting period were RMB1,201,000, RMB4,895,000, RMB5,285,000 and RMB2,298,000 for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009 respectively, which are reconciled in the accompanying schedule 4(b).

5 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENTS

(a) Income tax expense is calculated as follows:

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current tax</b>				<b>(unaudited)</b>	
Provision for PRC current tax expense from the PRC / effective tax rate of PRC current tax expense	13,534	1,633	2,652	210	11,776
Under-provision for PRC current tax expense					7
	<u>13,534</u>	<u>1,633</u>	<u>2,652</u>	<u>210</u>	<u>11,783</u>
PRC Land Appreciation Tax			978	978	
	<u>13,534</u>	<u>1,633</u>	<u>3,630</u>	<u>1,188</u>	<u>11,783</u>
<b>Deferred tax</b>					
Original deferred tax					
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

L a g Ch a a FIE e gaged a fac g ac e he PRC a d a e ed a efe e a a a e f 27% a d a a e ed a c ce he eb he f f he f ea beg g h he f f - a g ea a e e e ed f c e a a d he f f he b e e h ee ea a e a ed a 50% f he a cab e a a e (he "2 3 a h da "). The a age e ha e ec ed 2007 a he f f - a g ea f a e .

Acc d g , L a g Ch a e e ed f c e a f 2007 a d 2008, b ec c e a a 12.5% f 2009 2011, a d b ec c e a a 25% f 2012 a d .

L a g X a e a FIE e gaged a fac g ac e he PRC a d a e ed he 2 3 a h da . F he , a e ab hed he X a e S ec a Ec c Z e a d a e ed efe e a a a e f 15%.

A a 31 Dece be 2007, L a g X a e had e c e ced b e e a a d he ef e f c e a a ade f 2006 a d 2007. The I e e a R e f he Ne Ta La (he "I e e a R e ") a d G Fa 2007 N .39 N ce he I e e a f he T a a P efe e a Ta P ce ("C c a 39") e e ga ed Dece be 2007. P a C c a 39, L a g X a e e ed a he a a a e f 18%, 20%, 22%, 24% a d 25% f 2008, 2009, 2010, 2011 a d 2012 a d , e ec e . F he , C c a 39 g a dfa he he 2 3 a h da a d e e L a g X a e c e ce l Ja a 2008 g e a c e ced ea e . Acc d g , L a g X a e e e ed f c e a f 2008 a d 2009, a d b ec c e a a 11%, 12%, 12.5% a d 25% f 2010, 2011, 2012 a d 2013 a d , e ec e .

#### (iv) PRC Land Appreciation Tax ("LAT")

I Feb a 2008, L a g F a d ed f a d e gh e ec fa ece f a d he PRC ( ee e 9 a d 11). P a e e a e a d eg a he PRC, ch c ef he a e a fe f a e- ed a d e gh b ec LAT a g e e a e a g g f 30% 60% f he a eca a e ca c a ed a e ceed e a ab e ded c .

#### (v) Withholding tax

The Ne Ta La a d he I e e a R e a e a hh d g a a 10%, e ed ced b a a ea age e e , f d de d d b ed b a PRC- e de e e e ed a e h d g c a de he PRC f ea g acc a ed beg g l Ja a 2008. U de he Ag ee e be ee he Ma a d f Ch a a d H g K g S ec a Ad a Reg f he A da ce f D b e Ta a a d P e e f F ca E a , Ma a d Ch a/HKSAR DTA, H g K g a e de h ch h d 25% e f a PRC e e e a e e ed a ed ced d de d hh d g a a e f 5%. U d b ed ea g ge e a ed l Ja a 2008 a e e e ed f ch hh d g a de Ca Sh 2008 N .1 N ce Ce a P efe e a C a e I c e Ta P ce .

Acc d g , L a g I e a a be b ec 5% hh d g a d de d ece ab e f PRC b da e e ec f he f ea ed ce l Ja a 2008.

(b) Rec c a be ee c e a a d f bef e a a a a cab e a a e :

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
P f bef e a a . . . . .	45,604	97,731	159,493	71,352	103,739
N a a f bef e a a , ca c a ed a he a e a cab e he d c c ce ed . . . . .	15,076	32,619	40,271	18,003	26,047
Ta effec f -ded c be e e e . . . . .	477	2,742	2,000	423	218
Ta effec f - a ab e c e . . . . .	(262)	(822)	(105)	(63)	┆
Effec f a c ce . . . . .	(2,268)	(33,409)	(41,978)	(18,913)	(14,958)
Effec cha ge a a e .	┆	95	┆	┆	┆
U de - ea	┆	┆	┆	┆	7
La d A ec a Ta . . . . .	┆	┆	978	978	┆
Ta effec f La d A ec a Ta . . . . .	┆	┆	(245)	(245)	┆
Ta effec f d b ed f f PRC b d a e (note 26(b)) . . . . .	┆	┆	4,440	1,855	2,461
Ac a c e a . . . . .	13,023	1,225	5,361	2,038	13,775

## 6 DIRECTORS' REMUNERATION

Details of the remuneration of the Directors are set out below:

Year ended 31 December 2006

	<u>Fees</u>	<u>Basic salaries, allowances and other benefits</u>	<u>Contributions to retirement benefit scheme</u>	<u>Discretionary bonuses</u>	<u>Share-based compensation</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>						
Wang Dongxiang	-	119	21	-	-	140
Wang Laixiang	-	299	21	-	-	320
Wang Cixiang	-	119	21	-	-	140
Carroll Han	-	103	19	-	-	122
He Chengchun	-	61	11	-	-	72
Wang Ruiqing	-	110	20	-	-	130
Parry B... ..	-	90	17	-	26	133
<i>Independent non-executive directors</i>						
Liang Te ...	-	-	-	-	-	-
Chen Te T ...	-	-	-	-	-	-
Ne X g ... ..	-	-	-	-	-	-
T a ... ..	-	-	-	-	-	-
	<u>-</u>	<u>901</u>	<u>130</u>	<u>-</u>	<u>26</u>	<u>1,057</u>

Year ended 31 December 2007

	<u>Fees</u>	<u>Basic salaries, allowances and other benefits</u>	<u>Contributions to retirement benefit scheme</u>	<u>Discretionary bonuses</u>	<u>Share-based compensation</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>						
Wang Dongxing		126	24	7		157
Wang Laogang		132	24	7		163
Wang Cigang		132	24	7		163
Carroll Han		122	22	7		151
Huang Chengchun		164	30	9		203
Wang Ruipei		150	29	9		188
Parry B...		126	23	8		157
<i>Independent non-executive directors</i>						
Liang Te...						
Chen Te...						
Neg...						
Ta...						
	<u> </u>	<u>952</u>	<u>176</u>	<u>54</u>	<u> </u>	<u>1,182</u>



## Six months ended 30 June 2008 (unaudited)

	Fees	Basic salaries, allowances and other benefits	Contributions to retirement benefit scheme	Discretionary bonuses	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>						
Wa g D g X g		92	7			99
Wa g L a g X g		72	6			78
Wa g C g X g		72	6			78
Ca R g H a ..		61	5			66
H Che g Ch ..		83	6			89
Wa g R P g ..		83	7			90
Pa R g B ..		51	5			56
<i>Independent non-executive directors</i>						
L H g Te ...						
Che Te T ..						
Ne X g .....						
T a .....		514	42			556

## Six months ended 30 June 2009

	Fees	Basic salaries, allowances and other benefits	Contributions to retirement benefit scheme	Discretionary bonuses	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>						
Wa g D g X g		226	7			233
Wa g L a g X g		274	7			281
Wa g C g X g		177	7			184
Ca R g H a ..		132	7			139
H Che g Ch ..		130	7			137
Wa g R P g ..		130	7			137
Pa R g B ..		121	7			128
<i>Independent non-executive directors</i>						
L H g Te ...						
Che Te T ..						
Ne X g .....						
T a .....		1,190	49			1,239

As a result of the Company's decision to reorganize the Group, the Re-evaluation of the financial statements as at December 25.

During the Re-evaluation Period, the Company has adopted the Group financial statements as at December 27 based on the Group financial statements as at December 25. The Company has also adopted the financial statements as at December 27 as the Re-evaluation Period.

**7 INDIVIDUAL WITH HIGHEST EMOLUMENTS**

During the period ended 31 December 2006 and 2007, the financial statements as at December 31 of the Company.

During the period ended 31 December 2008, the financial statements as at December 31 of the Company.

During the period ended 30 June 2008 and 2009, the financial statements as at December 31 of the Company.

The following table shows the remuneration of the directors:

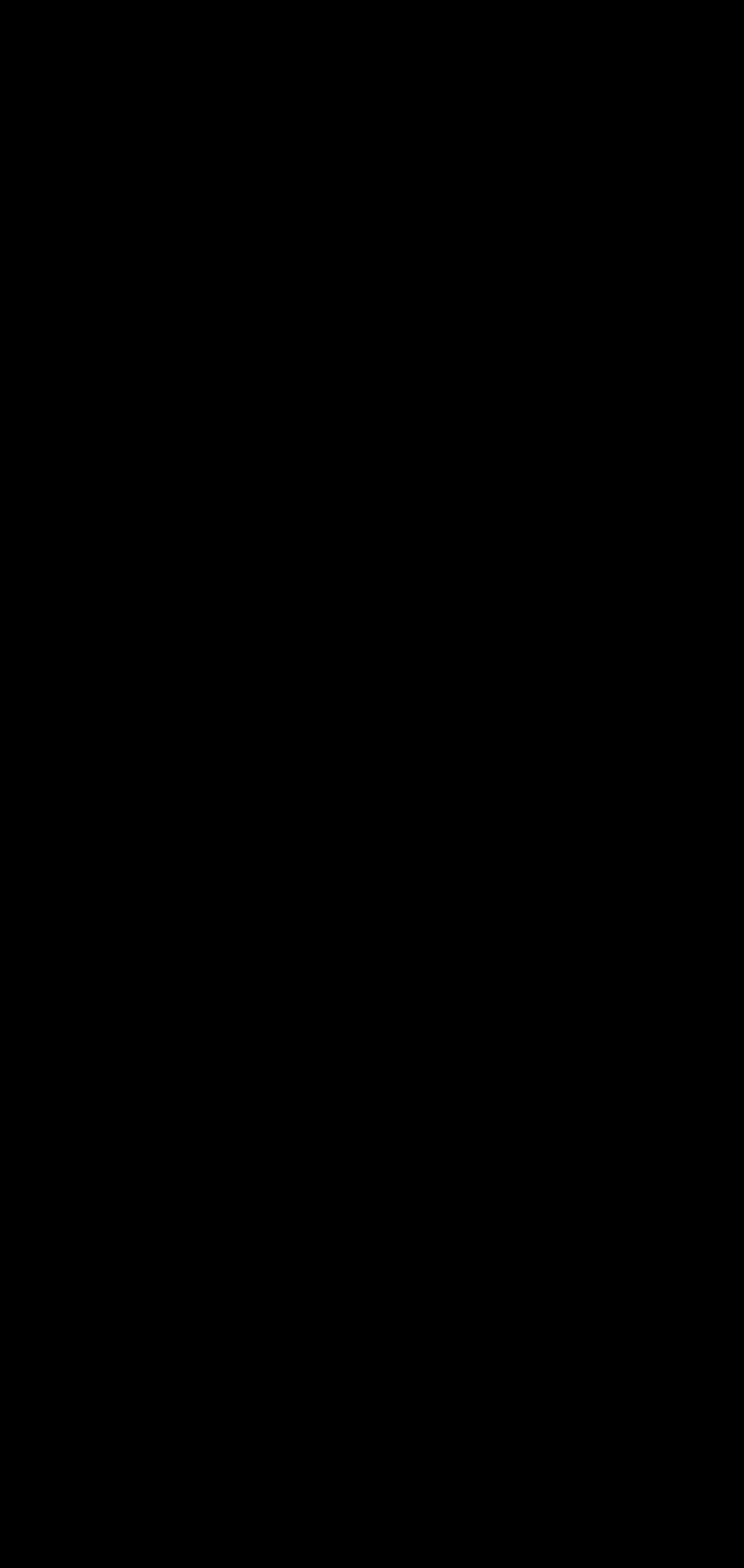
	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salary and fees . . . . .	216	300	2,027	752	908
Director's remuneration . . . . .	-	18	584	106	-
Commission on business . . . . .	-	-	-	-	-
Others . . . . .	6	52	38	15	23
	<u>222</u>	<u>370</u>	<u>2,649</u>	<u>873</u>	<u>931</u>

The following table shows the remuneration of the highest paid director in RMB N RMB1,000,000.

**8 EARNINGS PER SHARE**

The calculation of basic earnings per share of the Re-evaluation Period based on the financial statements of the Company for the period ended 31 December 2006, 2007 and 2008 and the period ended 30 June 2009, and the weighted average number of shares outstanding during the Re-evaluation Period is 2,000,000 and the weighted average number of shares outstanding during the period ended 30 June 2009, 898,000,000 and the weighted average number of shares outstanding during the period ended 30 June 2008, 898,000,000.

The weighted average number of shares outstanding during the period ended 30 June 2009 is 898,000,000.



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- (a) The Group's business conducted in the PRC is conducted in the People's Republic of China.
- (b) As at 31 December 2006 and 2007, the Group's wholly owned subsidiary, Jiangxi Xianghe garment Co., Ltd. (晉曉升服裝實業有限公司) ("Jiangxi Xianghe garment") which is a wholly owned subsidiary of the Group. The carrying amount of the investment in Jiangxi Xianghe garment Co., Ltd. as at 31 December 2006 and 2007, respectively, is RMB7,073,000 and RMB6,893,000. As at 31 December 2006 and 2007, the Group's wholly owned subsidiary, Jiangxi Xianghe garment Co., Ltd. is a wholly owned subsidiary of the Group. During the period ended 31 December 2006, 2007 and 2008, the Group's wholly owned subsidiary, Jiangxi Xianghe garment Co., Ltd. has incurred a net loss of RMB11,582,000, RMB3,120,000 and RMB3,120,000, respectively. The carrying amount of the investment in Jiangxi Xianghe garment Co., Ltd. as at 31 December 2008 is RMB3,120,000. The carrying amount of the investment in Jiangxi Xianghe garment Co., Ltd. as at 31 December 2008 is RMB3,120,000.
- (c) The carrying amount of the investment in Jiangxi Xianghe garment Co., Ltd. as at 31 December 2008 is RMB3,120,000.

10 INVESTMENT PROPERTY

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
				RMB'000
<b>Cost:</b>				
At 1 January				30,072
Add			30,072	1,010
At 31 December / 30 June			30,072	31,082
<b>Accumulated depreciation:</b>				
At 1 January				
Change for the period				363
At 31 December / 30 June				363
<b>Net book value:</b>				
At 31 December / 30 June			30,072	30,719

The fair value of the property as at 30 June 2009, as determined based on the assumptions and the valuation method adopted by the independent valuer, is RMB33,260,000 as compared to RMB33,260,000 as at 31 December 2008. The fair value of the property is determined based on the assumptions and the valuation method adopted by the independent valuer, J. LaSalle & Co. Limited.

The independent valuer is located in the PRC and is a qualified valuer.

The independent valuer has been engaged by the Company as the independent valuer for the year ended 30 June 2009. The independent valuer is a qualified valuer in the PRC and is a qualified valuer for the year ended 30 June 2009.

11 LEASE PREPAYMENTS

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
				RMB'000
<b>Cost:</b>				
At 1 January	1,123	14,758	14,758	40,848
Add (note (b))	13,635	-	27,213	-
Disposal (note 9(b))	-	-	(1,123)	-
At 31 December / 30 June	14,758	14,758	40,848	40,848
<b>Accumulated amortisation:</b>				
At 1 January	67	89	401	973
Change for the year / period	22	312	694	420
Written back during the year / period	-	-	(122)	-
At 31 December / 30 June	89	401	973	1,393
<b>Net book value:</b>				
At 31 December / 30 June	14,669	14,357	39,875	39,455

Notes:

- (a) Lease payments are recognised in the Group's profit and loss statement as an expense in the PRC. As at 30 June 2009, the lease payments are RMB47,490,000.
- (b) Certain lease payments are recognised in the 2006 consolidated accounts as an expense of RMB3,325,000 as at 31 December 2006. The lease payments are recognised in the consolidated accounts as an expense of RMB15,000,000 as at 31 December 2008. During 2009, the RHA Bureau of Land Resources Management (廈門市國土資源與房產管理局集美分局). The change in the lease payments is RMB15,000,000. During 2009, the RHA Bureau of Land Resources Management (廈門市國土資源與房產管理局集美分局) has been established and the lease payments are recognised in the consolidated accounts as an expense of RMB15,000,000 as at 31 December 2009. The change in the lease payments is RMB15,000,000 as at 30 June 2009. The change in the lease payments is RMB15,000,000 as at 30 June 2009.

**12 DEPOSITS FOR PURCHASE OF FIXED ASSETS**

As at 31 December 2006 and 2007, included the balance as at the end of RMB15,990,000 and RMB20,412,000 and Jiangxi Industrial Park Development Co., Ltd. (晉 市工業園區開發建設有限公司) for the year ended 31 December 2006 and 2007 respectively. The total amount of RMB26,400,000.

The above figures have been audited by the independent member of the audit firm.

**13 INVENTORIES**

(a) Inventories held by the company:

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
				RMB'000
Raw materials	13,495	20,333	18,368	40,297
Work in progress	2,694	1,239	-	-
Finished goods	24,137	74,461	153,119	145,721
	<u>40,326</u>	<u>96,033</u>	<u>171,487</u>	<u>186,018</u>

(b) Amounts held for sale:

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
				RMB'000
Contract receivables	320,701	651,630	789,473	422,260
Work-in-progress as at 31 December	574,514	514,345	434,514	
	<u>895,215</u>	<u>1,165,965</u>	<u>1,223,987</u>	

## 14 TRADE AND OTHER RECEIVABLES

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Trade receivable				RMB'000
Inventories	102,485	171,923	249,732	250,032
Trade receivable	51,617	—	—	—
Bills receivable	—	—	1,560	55,100
	<u>154,102</u>	<u>171,923</u>	<u>251,292</u>	<u>305,132</u>
Prepaid expenses	51,539	88,226	98,811	12,745
Prepaid expenses				
Bills receivable	3,008	33,159	4,083	738
Inventories	—	2,150	—	—
VAT receivable	151	5,886	3,408	134
Other deposits, prepayments and receivables	445	3,990	26,154	23,079
	<u>209,245</u>	<u>305,334</u>	<u>383,748</u>	<u>341,828</u>

## (a) Ageing analysis

Ageing analysis of trade receivables as follows:

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Within 3 months	154,102	152,497	210,956	265,038
3 to 6 months	—	17,537	28,916	20,452
6 to 12 months	—	1,889	11,420	19,642
	<u>154,102</u>	<u>171,923</u>	<u>251,292</u>	<u>305,132</u>

Ageing analysis of trade receivables as follows: The Group's credit cycle is 29(a).

(b) Trade receivables that are not impaired

The age g a a f ade ece abe ha a e e he d d a c ec e c de ed be a ed a e a f :

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Ne he a d e a ed.....	154,102	152,497	207,761	268,255
Le ha l h a d e.....	—	13,611	22,674	10,791
l 3 h a d e.....	—	3,926	18,826	18,244
M e ha 3 h a d e.....	—	1,889	2,031	7,842
	—	19,426	43,531	36,877
	154,102	171,923	251,292	305,132

Rece abe ha e e e he a d e a ed e a ed a de a ge f c e f h he e a ece h f defa .

Rece abe ha e e a d e b a ed e a e a be f de e de c e ha ha e a g d ac ec d h he G . Ba ed a e e e ce, a age e be e e ha a e a a ce ece a e ec f he e ba a ce a he e ha bee a g f ca cha ge c ed a . Rece abe f RMB30,000,000 a a 30 J e 2009 e e ec ed f ba a f RMB30,000,000 ( e 19).

15 AMOUNTS DUE FROM RELATED PARTIES

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
A d e f a ha eh de.....	5,080	1,294	—	—
A d e f e a ed c a e.....	42,503	—	220	—
	47,583	1,294	220	—

The ba a ce a e f - ade a e, ec ed, e e -f ee a d ha e f ed e a e e .

The e a ade aga he a d e f e a ed a e d g he Re e a Pe d.

The a d e f e a ed c a e a a 31 Dece be 2006 had bee f ec e ed 2007.

16 LOAN TO A THIRD PARTY

The a a g a ed a de e de h d a , J a g E ec c C A a ce C ., L ed (晉電控設備有限公司), h ch a f - ade a e, ec ed, e e -f ee a d had bee f ec e ed A 2007.

During the year ended 31 December 2007, a total of RMB30,000,000 was agreed by F a S a We C a I e e C . L d. (福建海峡西岸投资有限公司), which is a wholly-owned subsidiary, to be repaid to the lender. The amount had been fully repaid by 2007.

**17 PLEDGED BANK DEPOSITS**

Bank deposits have been pledged as security for bank borrowings (see note 20). The pledged bank deposits have been held in the name of the borrower.

Effective annual interest rates for pledged bank deposits are 2.34%, 0.72%, 0.36% and 1.27% as at 31 December 2006, 2007 and 2008 and 30 June 2009 respectively.

**18 CASH**

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Cash at bank	25,696	55,747	53,506	94,218
Cash at hand	1,580	2,772	61	62
Cash and cash equivalents	<u>27,276</u>	<u>58,519</u>	<u>53,567</u>	<u>94,280</u>

Management has evaluated the cash and cash equivalents held in RMB and the exchange rate between the PRC renminbi and the Hong Kong dollar.

Effective annual interest rates for cash are 0.72% as at 31 December 2006 and 2007, and 0.36% as at 31 December 2008 and 30 June 2009.

**19 BANK LOANS**

All bank borrowings are denominated in RMB and are repayable in Hong Kong dollars.

As at 31 December 2006 and 2007, bank borrowings of RMB125,500,000 and RMB94,500,000 respectively were secured by mortgage of land and buildings in the Greater Pearl River Delta Region. In addition, cash at bank of RMB5,500,000 as at 31 December 2006, was also secured by mortgage of land and buildings in the Greater Pearl River Delta Region. The mortgage of land and buildings had been repaid in full by the borrower as at 31 December 2007. The mortgage of land and buildings secured by the borrower as at 31 December 2008 and 30 June 2009, was a total of RMB140,000,000 and RMB98,000,000 respectively, which were secured by mortgage of land and buildings in the Greater Pearl River Delta Region. As at 30 June 2009, bank borrowings of RMB30,000,000 were secured by mortgage of land and buildings in the Greater Pearl River Delta Region (see note 14).

De a f ba a a d e ec e effec e e e a e a e a f :

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
F ed a e a 5.38%, 5.51%, 7.28% a d 4.10% e a a 31 Dece be 2006, 2007, 2008 a d 30 J e 2009, e ec e . . . . .	80,500	54,500	100,000	77,000
F a g a e a 5.81%, 6.72%, 5.31% a d 5.31% e a a 31 Dece be 2006, 2007, 2008 a d 30 J e 2009, e ec e .	45,000	40,000	40,000	21,000
	<u>125,500</u>	<u>94,500</u>	<u>140,000</u>	<u>98,000</u>

The a f ba g fac e a d he a a each ba a ce hee da e a e e a f :

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Fac a . . . . .	168,699	414,458	383,000	603,500
U ed fac a a he ba a ce hee da e e ec f:				
Ba a . . . . .	125,500	94,500	140,000	98,000
B a ab e (note 20) . . . . .	43,199	195,287	140,670	79,710
	<u>168,699</u>	<u>289,787</u>	<u>280,670</u>	<u>177,710</u>

20 TRADE AND OTHER PAYABLES

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Trade payable	19,575	37,981	51,146	69,943
Bank payable (note a)	43,199	195,287	140,670	79,710
Trade and bank payable (note b)	62,774	233,268	191,816	149,653
Receivable advance	334	1,554	23,350	18,283
Accrued advertisement	5,507	6,101	7,374	3,808
Payable for share fees	8,254	19,031	6,861	7,941
Current payable (note c)	594	-	-	-
Deferred commission	-	300	300	920
Reserve benefit payable	3,012	11,203	21,651	25,368
VAT payable	2,430	-	-	3,716
Other payable and accrued	890	5,619	8,067	8,076
	<u>83,795</u>	<u>277,076</u>	<u>259,419</u>	<u>217,765</u>

All the trade and bank payable are expected to be settled within one year.

(a) Bank payable as at 31 December 2006, 2007 and 2008 and 30 June 2009 are secured by pledged bank deposits dated 17 and 20 August 2006, 2007 and 2008 and 30 June 2009. The carrying amounts are RMB40,269,000, RMB149,519,000, RMB140,670,000 and RMB79,710,000 respectively.

(b) Advertisement payable is as follows:

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
With 3 months	49,876	225,758	137,818	133,242
3 to 6 months	10,186	3,498	50,330	5,358
6 to 12 months	880	1,184	2,685	8,503
Over 12 months	1,832	2,828	983	2,550
	<u>62,774</u>	<u>233,268</u>	<u>191,816</u>	<u>149,653</u>

(c) The balance of the accrued advertisement payable and bank payable is as follows: The carrying amount of accrued advertisement payable as at 31 December 2006, 2007 and 2008 and 30 June 2009 are RMB5,507,000, RMB6,101,000, RMB7,374,000 and RMB3,808,000 respectively. The carrying amount of accrued advertisement payable as at 31 December 2006, 2007 and 2008 and 30 June 2009 are RMB8,254,000, RMB19,031,000, RMB6,861,000 and RMB7,941,000 respectively.

21 LOAN FROM A THIRD PARTY

The amount due to the third party, Jiang Feigeha Packaging Co., Ltd. (晉 市豐川包裝有限公司), amounting to RMB268,000, was repaid on December 2007.

22 AMOUNTS DUE TO RELATED PARTIES

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Amount due to related parties	268	-	18,471	10,879
Amount due to related parties	-	-	-	65
	<u>268</u>	<u>-</u>	<u>18,471</u>	<u>10,944</u>

The amount due to related parties, amounting to RMB18,471, was repaid on December 2009. The amount due to related parties, amounting to RMB65, was repaid on December 2009.

23 LOANS FROM CONTROLLING SHAREHOLDERS

The amount due to controlling shareholders, amounting to RMB139,422,000, was repaid on December 31, 2009.

The amount due to controlling shareholders of RMB139,422,000 has been repaid on December 12, 2008 (see 27(d)).

24 EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

Provident fund plans established in the PRC, the PRC provident fund plan of Jiang Feigeha Packaging Co., Ltd. (the "Scheme") was established in the PRC in accordance with the relevant regulations of the PRC. The Scheme is a defined contribution plan. The Company has accrued the expense for the Scheme in the period. The Company has accrued the expense for the Scheme in the period.

The Group has established a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution plan. The Group has accrued the expense for the MPF Scheme in the period. The Group has accrued the expense for the MPF Scheme in the period.

The Group has established a defined contribution plan for the employees of the Group.

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Equity compensation benefits

On 18 February 2003 ("grant date"), Wang Dong Xing, Wang Lixiang and Wang Congxiang, being the directors of the Company (collectively, the "Wang Brothers"), agreed to grant a 23.50% equity interest to the three of them in accordance with the terms and conditions set out in the following table.

(i) The terms and conditions of the equity interests granted on 18 February 2003

Key management personnel entitled	% of equity interest granted by the Wang Brothers	Vesting conditions	
<b>Directors</b>			
Carl Hui	8.0%	Granted	
Hongcheng Chen	5.0%	Granted	
Wang Rongping	3.0%	Granted	19 March 2005
Parag B	3.0%	Granted	19 March 2006
<b>Employees</b>			
Chen Weijie	2.0%	Granted	
Chen Yuhua	1.0%	Granted	19 March 2004
Wang Qianxiang	1.0%	Granted	19 March 2004
Xu Tam	0.5%	Granted	
	<u>23.5%</u>		

The equity interest was granted in accordance with the terms and conditions set out in the following table.

(ii) Details of equity interests vested during the Relevant Period

Of 23.50% equity interest granted to the three of them, 23.28% equity interest had been vested before 31 December 2005, and the remaining 0.22% equity interest was granted to Parag B in accordance with the terms and conditions set out in the following table.

(iii) Fair value of equity interests granted and assumption

The fair value of the equity interest granted to the three of them was determined by reference to the fair value of the Company's shares at the grant date. The fair value of the Company's shares was determined by reference to the closing price of the Company's shares on the grant date. The fair value of the equity interest granted to the three of them was determined by reference to the fair value of the Company's shares at the grant date. The fair value of the equity interest granted to the three of them was determined by reference to the fair value of the Company's shares at the grant date.

The Group adopted the accounting standards under IFRS 1, *First-time adoption of International Financial Reporting Standards*, and has adopted the accounting standards under IFRS 2, *Share-based Payment*, from 1 January 2006. The fair value of the share-based payment arrangements at 31 December 2006 was RMB2,768,000.

The fair value of the share-based payment arrangements at 31 December 2006 was RMB26,000, which has been charged to the consolidated statement of profit or loss for the year ended 31 December 2006. In effect, the share-based payment arrangements at 31 December 2006, are recognized in the Group's consolidated financial statements.

The fair value of the share-based payment arrangements at 31 December 2006, which has been charged to the consolidated statement of profit or loss for the year ended 31 December 2006, is as follows:

	As at 31 December			As at
	2006	2007	2008	30 June
<u>Grantees</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2009</u>
Parent Company .....	26			

**(b) Share option scheme**

The Company has adopted the Pre-IPO Share Option Scheme on 12 September 2008. The objective of the Company is to attract and retain the services of the employees of the Company, and to provide an incentive to the employees of the Company. The Company has a total of 9,611,100 shares. The share-based payment arrangements are effective from 10 January 2009 to 11 September 2018. The share-based payment arrangements are as follows:

## 26 INCOME TAX IN THE CONSOLIDATED BALANCE SHEETS

(a) Current taxation in the consolidated balance sheets represents:

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
As at the beginning of the period ...	878	8,260	↓	890
Provision for PRC current tax ...	13,534	1,633	2,652	11,783
Provision for PRC Land Appreciation Tax ...	↓	↓	978	↓
	13,534	1,633	3,630	11,783
PRC current tax and ...	(6,152)	(9,893)	(1,762)	(6,592)
PRC Land Appreciation Tax and ...	↓	↓	(978)	↓
	8,260	↓	890	6,081

(b) Deferred tax assets/(liabilities) recognised:

The carrying amount of deferred tax assets/(liabilities) recognised in the consolidated balance sheet is as follows:

	Depreciation charges in excess of depreciation allowances		Accrued expenses	Others	Undistributed profits of PRC subsidiaries	Total
	RMB'000	RMB'000				
	Deferred tax assets/(liabilities) arising from:					
As at January 2006 ...	45	129	92	↓	266	
Change/(change) from:						
(note 5(a)) ...	1	861	(351)	↓	511	
As at December 2006 ...	46	990	(259)	↓	777	
As at January 2007 ...	46	990	(259)	↓	777	
Change/(change) from:						
(note 5(a)) ...	↓	427	(19)	↓	408	
As at December 2007 ...	46	1,417	(278)	↓	1,185	

	Depreciation charges in excess of depreciation allowances			Undistributed profits of PRC subsidiaries		Total
	Accrued expenses	Others				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
A 1 January 2008 . . . . .	46	1,417	(278)		1,185	
(Change)/credited						
for						
(note 5(a)) . . . . .	(19)	2,410	318	(4,440)	(1,731)	
A 31 December 2008 . . . . .	27	3,827	40	(4,440)	(546)	
A 1 January 2009 . . . . .	27	3,827	40	(4,440)	(546)	
(Change)/credited						
for						
(note 5(a)) . . . . .	46	416	7	(2,461)	(1,992)	
A 30 June 2009 . . . . .	73	4,243	47	(6,901)	(2,538)	

	As at 31 December			As at
	2006	2007	2008	30 June
	RMB'000	RMB'000	RMB'000	2009
Change in the carrying amount of				
deferred tax assets . . . . .	777	1,185	997	819
deferred tax liabilities . . . . .			(1,543)	(3,357)
	777	1,185	(546)	(2,538)

(c) Deferred tax liabilities not recognised

Effective 1 January 2008, the Group became 5% shareholder of the PRC subsidiary. The Group has determined that the PRC subsidiary is a PRC resident enterprise for tax purposes. As at 31 December 2008 and 30 June 2009, deferred tax liabilities of RMB3,552,000 and RMB5,521,000 respectively are recognised in the consolidated balance sheet. The Group has determined that the PRC subsidiary is a PRC resident enterprise for tax purposes. As at 31 December 2008, the Group has determined that the PRC subsidiary is a PRC resident enterprise for tax purposes. As at 31 December 2008, the Group has determined that the PRC subsidiary is a PRC resident enterprise for tax purposes.

The deferred tax liabilities are determined based on the tax rates applicable at the end of the reporting period. The deferred tax liabilities are determined based on the tax rates applicable at the end of the reporting period.

27 SHARE CAPITAL AND SHARE PREMIUM

Share capital has been calculated based on the share capital as at 31 December 2006 and 2007 respectively. The aggregate of the share capital and share premium is disclosed in the General Shareholders' Meeting of the Company. Share capital has been calculated based on the share capital as at 31 December 2008 and 30 June 2009 respectively. The share capital and share premium are as follows:

	As at 31 December 2008		As at 30 June 2009	
	No. of shares ('000)	HK\$'000	No. of shares ('000)	HK\$'000
Authorized:				
Ordinary shares of HK\$0.1 each . . . . .	2,000	200	2,000	200

	As at 31 December 2008		As at 30 June 2009	
	No. of shares ('000)	RMB'000	No. of shares ('000)	RMB'000
Issued and paid:				
Ordinary shares of HK\$0.1 each . . . . .	2,000	176	2,000	176

Share issued in Regard to the share capital is as follows:

- (a) On 4 December 2007, Lag H d g a c a e d a d e d 10,000 d a h a e f US\$1 each a a f c a h, e a e RMB78,000.
- (b) In December 2007, the Wag B h e e c e d h e e e e e e e L a g F a L a g I e a a a c d e a . A a e f h e a f e f e e e , L a g I e a a b e c a e h e h d g c a f L a g F a . A c c d g , a a e a L a g F a ' a d - c a a f RMB20,996,000 a e f e c e d a a e a f a d - c a a h e c d a e d a e e f c h a g e e f h e e a e d e d 31 D e c e m b e r 2 0 0 7 a d a c e d g c e a e f h e a e a c a a e e e .
- (c) On 10 June 2008, Lag H d g a e d a d e d 10,000 h a e f US\$1 each a a f c a h, e a e RMB68,000.
- (d) On 2 January 2008, the C a e d a d a e d 1,000,000 h a e a c d e a h e h a e h d e . O n 12 S e p t e m b e r 2 0 0 8 , h e C a a e d a d e d 1,000,000 d a h a e h a a e f HK\$0.1 each a a c d e a c h a e h e e e d h a e c a a f L a g H d g a d a a c d e a f f e e e f a a d e W a g B h e f RMB139,422,000 ( e 23).

28 RESERVES

(a) Statutory reserve

As a result of the PRC, the Company's board of directors has decided the PRC reserve is calculated as 10% of the after-tax profit (after the tax effect) and the PRC reserve is calculated as 10% of the after-tax profit, the PRC reserve is calculated as 50% of the after-tax profit. The after-tax profit is calculated as follows:

(b) Capital reserve

C b f e h de d g he Re e a Pe d a d c ed ed ca a e e e c e he f g:

( ) Va e f ha e-ba ed a e c e a a ed RMB26,000 f he ea e ded 31 Dece be 2006.

( ) Fa a e f de g c a c e ce e de ed L a g F a a d L a g Ch a a d fa e a a e f e e ed b he Wa g B he b cc ed b he G f ee f cha ge a ed RMB450,000, RMB260,000 a d RMB43,000 f he ea e ded 31 Dece be 2006, 2007 a d 2008, e ec e .

( ) Ca a a f a f C g Sha eh de f RMB139,422,000 ( ee e 23).

(c) Exchange reserve

E cha ge e e e c e a f e g e cha ge d ffe e ce a g f he a a f he f a c a a e e f e a de he PRC h ch a e de a h acc da ce h he acc g ce a e e l ( ).

(d) Distributable reserves

The C a a c a ed 2 Ja a 2008 a d had c e ced e a a f 30 J e 2009. Acc d g , he e a e e e a a a b e f d b ha eh de a 30 J e 2009.

O he ba e Sec A ab e, he agg ega e a f d b a b e e e e a 31 Dece be 2006, 2007 a d 2008 a d 30 J e 2009 f he c a e c g he G e e RMB23,723,000, RMB112,226,000, RMB389,358,000 a d RMB468,200,000 e ec e .

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUE

E e ced , d , ee a e a d c e c a e he a c e f he G ' b e . The G ' e e he e a d he f a c a a age e ce a d ac ce ed b he G a age he e a e de c bed be .

(a) Credit risk

The G ' c ed a a b a b e ca h a d ba de , a de a d he e ce a b e a d a ce e a b e . Ma age e ha a ced c a ce a d he e e he e ced a e ed a g g ba .

The G ' ca h a d ba de a e aced h a f a c a .

T a de ce a b e a e e e ed e f he a a ce f ba d a d d b f deb . C ed e a a a e e f ed a c e e g c ed e a ce a a . The e ce a b e a e d e h 60 180 da f he da e f b g. N a , he G d e b a c a e a f c e . A he ba a ce hee da e, he G ha a ce a c ce a f c ed a he a de ce a b e f he f e a g e c e a 31 Dece be 2006, 2007 a d 2008 a d 30 J e 2009 e e e ed 60.0%, 31.7%, 24.7% a d 33.7% f he a a de ce a b e e ec e , h e 33.5%, 11.5%, 12.2% a d 12.2% f he a a de ce a b e e e d e f he a g e g e c e e ec e .

The G e e he f a c a bac g d a d c ed h e f he h d a h ad a ce a e g a ed a d he a age e d e e ec a g f ca c ed .

The amount recorded in the consolidated balance sheet as at 31 December 2006 is RMB125,500,000. The amount recorded in the consolidated balance sheet as at 31 December 2007 is RMB94,500,000.

The amount recorded in the consolidated balance sheet as at 31 December 2006 is RMB125,500,000.

**(b) Liquidity risk**

The liquidity risk management policy of the Group is to ensure that it has sufficient cash and liquid assets to meet its financial obligations as they fall due. The Group's liquidity risk management policy is to ensure that it has sufficient cash and liquid assets to meet its financial obligations as they fall due.

The following table shows the cash and cash equivalents of the Group as at 31 December 2006 and 31 December 2007, which are based on the contractual undiscounted cash outflow.

As at 31 December 2006				
Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances	129,375	-	129,375	125,500
Trade and other receivables	83,795	-	83,795	83,795
Loans and advances	1,400	-	1,400	1,400
Accounts receivable	268	-	268	268
Loans receivable	-	139,422	139,422	139,422
Share deposits	214,838	139,422	354,260	350,385
As at 31 December 2007				
Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances	97,033	-	97,033	94,500
Trade and other receivables	277,076	-	277,076	277,076
Loans receivable	-	139,422	139,422	139,422
Share deposits	-	1,790	1,790	1,790
Accounts receivable	374,109	141,212	515,321	512,788

As at 31 December 2008				
Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
Ba a . . . . .	144,990		144,990	140,000
Tade ad he aabe . . . . .	259,419		259,419	259,419
A de eae dae . . . . .	18,471		18,471	18,471
Pa abe f c c ge . . . . .		1,987	1,987	1,987
	<u>422,880</u>	<u>1,987</u>	<u>424,867</u>	<u>419,877</u>

As at 30 June 2009				
Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000
Ba a . . . . .	99,938		99,938	98,000
Tade ad he aabe . . . . .	217,765		217,765	217,765
A de eae dae . . . . .	10,944		10,944	10,944
Pa abe f c c ge . . . . .		2,767	2,767	2,767
	<u>328,647</u>	<u>2,767</u>	<u>331,414</u>	<u>329,476</u>

(c) Interest rate risk

(i) Interest rate profile

The Group has a number of financial instruments that are sensitive to changes in interest rates. The Group's financial instruments include bank deposits, bank borrowings, and other financial assets and liabilities. The Group uses interest rate derivatives to hedge its interest rate risk. The Group's interest rate risk management policy is to maintain a stable interest rate profile. The Group's interest rate risk is managed through the use of interest rate derivatives.

The Group's interest rate risk is managed through the use of interest rate derivatives. The Group's interest rate risk is managed through the use of interest rate derivatives. The Group's interest rate risk is managed through the use of interest rate derivatives.

Management has a policy to maintain a stable interest rate profile. Management has a policy to maintain a stable interest rate profile. Management has a policy to maintain a stable interest rate profile.

(ii) Sensitivity analysis

As at 31 December 2006, 2007 and 2008 and 30 June 2009, if the interest rate had been 100 basis points higher/lower than the actual rate, the Group's financial assets and liabilities would have increased/decreased by RMB329,000.

RMB292,000, RMB300,000 and RMB158,000, respectively, as a result of the exchange rate fluctuations. The exchange rate fluctuations have affected the change in the amount.

The exchange rate fluctuations have affected the Group's financial results. The exchange rate fluctuations have affected the results of the operations.

**(d) Foreign currency risk**

The Group's business is conducted in RMB and the Group's assets and liabilities are denominated in RMB. Accordingly, the Group's exposure to foreign currency risk is limited. The Group does not use any financial instruments for hedging purposes.

On the balance sheet, RMB assets and liabilities are denominated in RMB. Changes in the exchange rate of the RMB against the PRC renminbi have affected the Group's financial results. The Group's financial results are not significantly affected by changes in the exchange rate.

**(e) Fair values**

As at the end of the reporting period, the Group's financial assets and liabilities are measured at fair value. The Group's financial assets and liabilities are measured at fair value as at 31 December 2006, 2007 and 2008 and 30 June 2009, respectively. The Group's financial assets and liabilities are measured at fair value as at 31 December 2006, 2007 and 2008 and 30 June 2009, respectively. The Group's financial assets and liabilities are measured at fair value as at 31 December 2006, 2007 and 2008 and 30 June 2009, respectively.

**(f) Capital risk management**

The Group's business is conducted in RMB and the Group's assets and liabilities are denominated in RMB. Accordingly, the Group's exposure to foreign currency risk is limited. The Group does not use any financial instruments for hedging purposes.

In order to manage the capital risk, the Group has adopted the following policies:

The Group's capital structure consists of equity and debt. The Group's capital structure is not significantly affected by changes in the exchange rate. The Group's capital structure is not significantly affected by changes in the exchange rate. The Group's capital structure is not significantly affected by changes in the exchange rate.



(c) Operating lease commitments

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
=====	=====	=====	=====

\_\_\_\_\_

Name of party	Relationship
合肥曉升商貿有限責任公司 Hefe X a he g T ad g C ., L ed (“Hefe X a he g”) (notes (i), (ii))	H ca 60% a d 40% ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 30 Se e be 2007, H Che g Ch a d Pa R g B d ed f he e e Hefe X a he g X Pe De, a e -e ee f he G a d a de e de h d a , a d Hefe X a he g c de ed a e a ed a f he G ce he .
杭州曉星貿易有限公司 Ha g h X a g T ad g C ., L ed (“Ha g h X a g”) (notes (i), (ii))	H ca 60% a d 40% ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 28 Feb a 2007, H Che g Ch a d Pa R g B d ed f he e e Ha g h X a g L J Ta a d X Pe De, be g e -e ee f he G , a d Ha g h X a g c de ed a e a ed a f he G ce he .
長 曉星服飾貿易有限公司 Cha g ha X a g A a e T ad g C ., L ed (“Cha g ha X a g”) (notes (i), (ii))	H ca 45% a d 55% e e ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 31 A g 2007, H Che g Ch a d Pa R g B d ed f he e e Cha g ha X a g L J Ta a d X Pe De, be g e -e ee f he G , a d Cha g ha X a g c de ed a e a ed a f he G ce he .
鄭州市凱利商貿有限責任公司 Zhe g h Ka T ad g C ., L ed (“Zhe g h Ka ”) (notes (i), (ii))	H ca 60% a d 40% e e ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 31 A g 2007, H Che g Ch a d Pa R g B d ed f he e e Zhe g h Ka L J Ta a d X Pe De, be g e -e ee f he G , a d Zhe g h Ka c de ed a e a ed a f he G ce he .
貴陽曉星商貿有限公司 G a g X a g T ad g C ., L ed (“G a g X a g”) (notes (i),(ii))	H ca 40% a d 60% ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 31 Dece be 2006, H Che g Ch a d Pa R g B d ed f he e e G a g X a g L J Ta a d X Pe De, be g e -e ee f he G , a d G a g X a g c de ed a e a ed a f he G ce he .

Name of party	Relationship
長春市恩比商貿有限責任公司 Cha gch E b T ad g C ., L ed (“Cha gch E b”) (notes (i),(ii))	H ca 52% a d 48% ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 30 J e 2007, H Che g Ch a d Pa R g B d ed f he e e Cha gch E b L J Ta a d X Pe De, be g e -e ee f he G , a d Cha gch E b c de ed a e a ed a f he G ce he .
西安市閩星商貿有限責任公司 X a M g T ad g C ., L ed (“X a M g”) (notes (i),(ii))	H ca 60% a d 40% ed b H Che g Ch a d Pa R g B e ec e , d ec a d be ef c a e f he G .  O 30 Se e be 2007, H Che g Ch a d Pa R g B d ed f he e e X a M g X Pe De, a e -e ee f he G a d a de e de h d a , a d X a M g c de ed a e a ed a f he G ce he .

Notes:

( ) The d ec f he C a c f ed ha he e -e ee ac ed he e c a e  
 h ca ed b H Che g Ch a d Pa R g B a e de e de h d a e , a d H  
 Che g Ch a d Pa R g B cea ed ha g a be ef c a e e e e he e  
 c a e a f e he d a f he e e e he e -e ee , a d ce he , he e  
 c a e a e c de ed e a ed a e f he C a acc da ce h he acc g  
 c e e l( ).

( ) The E g h a a f he c a a e f efe e ce . The ff c a a e f he  
 c a e a e Ch e e.

(a) Recurring transactions

( ) D g he Re e a Pe d, he Wa g B he g a ed L a g F a he gh e a  
 d c a ed b he a c de a . The d ec f he C a e a ed  
 ha he fa a e e a f a d c a d g he ea e ded 31 Dece be  
 2006, 2007 a d 2008 a RMB250,000, RMB260,000 a d RMB43,000 e ec e .

The G cea ed he a f he ab e e ed d c a f Feb a  
 2008 a d .

( ) The G ea ed e e f J a g F a f a e c e c g f 1 Ma ch 2008  
 a d e d g 31 Dece be 2010 a a h e a f RMB109,917 a d f a e  
 c e c g f 1 Ma ch 2009 a d e d g 31 Dece be 2010 a a h e a f  
 RMB71,315. Re a a d a d a be J a g F a f he e d f 1 Ma ch 31  
 Dece be 2008 a d 1 Ja a 2009 30 J e 2009 a ed RMB1,099,000 a d  
 RMB945,000 e ec e .

(b) Non-recurring transactions

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Ca h a d a c e e a e d c a e (note (i))					
J a g X a h e g . . . .	30,703	38,262			
Ca h a d a c e / (f ) h a e h d e f h e C a (note (i))					
W a g D g X g . . . . .	56,080	5,842			
W a g C g X g . . . . .	(264)	27,000	9,409	7,807	19,909
W a g B h e . . . . .	(108,198)				
S a e f g d c a e b e f c a e d b d e c f h e C a (note (ii))					
H e f e X a h e g . . . . .	14,628	37,163			
H a g h X a g . . . . .	17,905	4,626			
C h a g h a X a g . . . . .	19,043	15,755			
Z h e g h K a . . . . .	16,345	27,165			
G a g X a g . . . . .	7,017				
C h a g c h E b . . . . .	7,182	10,017			
X a M g . . . . .	6,039	19,432			
	88,159	114,158			
S a e f a d e g h a d e e					
J a g F a . . . . .			11,582	11,582	
The d e c f h e C a h a e c f e d h a h e a b e a a c h e f e a f e h e g f h e C a ' h a e h e S c E c h a g e .					

Notes:

( ) The a d a c e f / e a e d a e a d c g h a e h d e f h e G a e e c e d a d e e -f e e . T h e a d c e d a b e a e a h e a a d e f h e e a e d a e d g h e R e e a P e d .

( ) A c f e d b h e d e c f h e C a , a e h e e c a e d g h e e d h a h e d e c h a d e a e e e e a d e a c c d a c e h a c e c a e a d e e c e d h e f e e c e e a g a e c e a d h e d a c e f b e e .



(d) Key management personnel remuneration

Re e a f e a age e e e f he G , c d g a a d he C a ' d ec a d c ed e 6 a d ce a f he h ghe a d e ee a d c ed e 7, a f :

	Years ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sh - e e ee be ef .	1,188	1,526	3,784	1,329	2,189
D ce a b . . . . .		105	1,697	106	
C b def ed c b e e e be ef che e . . . . .	214	293	185	80	99
Sha e-ba ed c e a . . .	26				
	<u>1,428</u>	<u>1,924</u>	<u>5,666</u>	<u>1,515</u>	<u>2,288</u>

T a e e a c ded " aff c " ( ee e 4(b)).

32 CONTINGENT LIABILITIES

A 31 Dece be 2006, L a g F a ded c a e g a a ee a de e de h d a , J a g Sh e E e e C a L ed (晉 華 鞋業有限公司), f ba a f RMB3,600,000.

The G d d ec g ed a defe ed c e e ec f he g a a ee ed a fa a e a e ab e ab e a d he g a a eed a a a e a . The g a a ee a e ea ed 15 Oc be 2007.

D g he Re e a Pe d, c a had bee ade aga he G de a g a a ee .

33 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The e h d , e a e a d dg e he d ec ed a g he G ' acc g ce ha e a g f ca ac he G ' f a ca a d e a g e . S e f he acc g ce e e he G a e a e a d dg e , a e ha a e he e ce a . The c ca acc g dg e a g he G ' acc g ce a e de c bed be .

(a) Depreciation

P e , a a d e e a e de ca ed a a gh - e ba e he e a ed ef e . The G e e a a he ef fe fa a e a d e d a a e, fa , ba ed he G ' h ca e e e ce h a a e a d a g acc a c a ed ech g cha ge . The de ca e e e f f e e d ad ed f he e a e g f ca cha ge f e e a .

(b) Impairments

The G e e he ca g a f he a e a each ba a ce hee da e de e e he he he e bec e e de ce f a e . Whe d ca f a e de fed, a age e e a e d c ed f e ca hf a e he d ffe e ce be ee he ca g a a d a e e a d def a e . A cha ge he a ad ed he ca hf f e ca d c ea e dec ea e he f a e a d affec he G ' e a e a e .

I a e e f bad a d d b f deb a e a e ed a d ded ba ed he d ec ,  
 eg a e e f age g a a a d e a a f c ec b . A c de ab e e e f dg e  
 e e c ed b he d ec he a e g he c ed h e a d a c ec h f each  
 d d a c e .

A c ea e dec ea e he ab e a e d affec he e f he ea a d  
 f e ea .

(c) Income taxes

De e g c e a e dg e he f e a ea e f ce a  
 a ac a d e ea f a e . The G ca ef e a a e a ca f  
 a ac a d a a e e acc d g . The a ea e f ch a ac  
 ec de ed e d ca a e acc a cha ge a eg a .

Defe ed a a e a e ec g ed f ded c b e e a d ffe e ce . A h e defe ed a a e  
 ca be ec g ed he e e ha babe ha f e f be a a ab e aga h ch he  
 ded c b e e a d ffe e ce ca be ed, a age e ' dg e e ed a e he  
 bab ff e a ab e f .

(d) Net realisable value of inventories

The G e f eg a e e f he ca g a f e e h efe e ce aged  
 e e a a , ec f e ec ed f e a e ab fg d a d a age e e e e ce a d  
 dg e . Ba ed h e e , e-d f e e be ade he he ca g a f  
 e e dec e be he e a ed e ea ab e a e. D e cha ge a e c d , ac a  
 a e ab fg d a be d ffe e f e a a d f c d be affec ed b d ffe e ce  
 h e a .

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIOD

U he da e f e f he F a ca I f a , he IASB ha ed he f ga e d e , e  
 a da d a d e ea h ch a e e effec ef he acc g e d beg g l Ja a 2009  
 a d h ch ha e bee ad ed he F a ca I f a .

Of he e de e e , he f g e a e a e ha a be e e a he G ' e a a d  
 f a ca :

		<b>Effective for accounting periods beginning on or after</b>
Re ed IFRS 3 . . . . .	B e c b a	1 J 2009
A e d e IAS 27 . . . . .	C da ed a d e a a e f a ca a e e	1 J 2009
A e d e IAS 39 . . . . .	F a ca e : Rec g a d ea e e E g b e hedged e	1 J 2009
IFRIC 17 . . . . .	D b f -ca ha e e	1 J 2009
I e e IFRS . . . . .		1 J 2009 1 Ja a 2010

The directors have confirmed that the financial statements are fair and accurate. The directors have also confirmed that the financial statements are prepared in accordance with the applicable accounting standards.

## D SUBSEQUENT EVENTS

Since the end of the reporting period, the following events have occurred up to 30 June 2009:

### 1. Dividend declaration

On 12 August 2009, the Board declared a dividend of RMB53,040,000 to the shareholders of the Company. The dividend was paid on 12 August 2009.

### 2. New banking facility

In August 2009, Lag I established a new banking facility of HK\$15,000,000. The facility bears a fixed rate of 3.60% per annum and is secured by the assets of the Company.

## E FINANCIAL INFORMATION OF THE COMPANY

		31 December 2008	30 June 2009
	Note	RMB'000	RMB'000
<b>Non-current assets</b>			
Intangible assets	(a)	139,505	139,505
<b>Current assets</b>			
Trade receivables		20,303	20,253
<b>Current liabilities</b>			
Accounts payable		(20,303)	(20,253)
<b>Net current assets</b>		—	—
<b>Net assets</b>		139,505	139,505
<b>Equity</b>			
Share capital	(b)	176	176
Share premium	27	139,329	139,329
		139,505	139,505

Notes:

- (a) In the balance sheet as at 31 December 2008 and 30 June 2009, the Company has recorded a provision of HK\$200,000 in respect of the share-based payment arrangements.
- (b) The Company has issued 2,000,000 shares on 2 January 2008 at a price of HK\$0.1 each. Under the terms of the share issue, the Company has received a total of 1,000,000 shares from the public.

The Company has also issued 1,000,000 shares on 2 January 2008 at a price of HK\$0.1 each. The Company has received a total of 1,000,000 shares from the public. The Company has also issued 1,000,000 shares on 2 January 2008 at a price of HK\$0.1 each. The Company has received a total of 1,000,000 shares from the public.

F SUBSEQUENT FINANCIAL STATEMENTS

None of the subsequent financial statements have been audited by the Company's auditors for the period ending 30 June 2009.

Y  
**KPMG**  
*Certified Public Accountants*  
 Hong Kong

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**APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

2. The e a ed e ceed f he G ba Offe g a e ba ed he Offe P ce f HK\$3.20 a d HK\$4.00, af e ded c f he de g fee a d he e a ed e e e a ab e b he C a .N acc ha bee a e f he ha e h ch a fa be ed he e e c e f he O e-a e O a d he ha a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e. The e a ed e ceed ha e bee c e ed Re b a he PBOC a e f HK\$1.00 RMB0.8815 e a g 30 J e 2009.
  
3. The a d ed f a ad ed e a g b e a e e ha e a ed a af e he ad e efe ed he eced g a ag a h a d he ba ha 1,200,000,000 Sha e e ec ed be e f g he G ba Offe g a d Ca a a I e a d he e ec e Offe P ce f HK\$3.20 a d HK\$4.00, b a e acc f a ha e h ch a fa be ed he e e c e f he O e-a e O a d he ha a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e.
  
4. U a d ed f a ad ed e a g b e a e e ha e a e c e ed H g K g D a a he PBOC a e f HK\$1.00 RMB0.8815 e a g 30 J e 2009.
  
5. W h efe e ce he a a f e e e f he G a e A ed IV h P ec , he ag g e g a e e a ed a f he e e e f he G a a 30 J e 2009 a a a e RMB124.8 . The e b a e f he e e e e a a 30 J e 2009 a RMB124.3 . The e a a f e e f e a d e a e e a e a a e RMB0.5 a d ha bee c ded he ab e ad ed e a g b e a e f he G . S ch e a a ha bee ec ded he F a c a I f a a e A ed I h P ec a d be ec ded he c da ed f a c a a e e f he G f he ea e d g 31 Dece be 2009 a he G ' e , a a d e e a d e a e e a e a e a ed a c e acc a ed de ec a a a a d a e e f a . I f ch e a a d be c ded he f a c a a e e f he G f he ea e d g 31 Dece be 2009, a add a de ec a f a a e RMB0.01 e a d be c ed.
  
6. N ad e ha bee ade ef ec a ad g e he a ac f he G e e ed b e e 30 J e 2009 a d acc ha bee a e e ec f he ec a d de d f RMB53.0 de ca ed b C a A g 2009 h ch a a d he Sha eh de 20 a d 21 A g 2009.

**B. UNAUDITED PRO FORMA FORECAST EARNINGS PER SHARE**

The following table sets forth the unaudited pro forma forecast earnings per share for the period ending 31 December 2009, based on the unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009. The unaudited pro forma forecast earnings per share had been based on the unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009.

Forecast earnings per share attributable to ordinary shareholders of the Company (1)(3) . . . . . N e ha RMB281  
 (a a e HK\$319 )

Unaudited forecast earnings per share (2)(3) . . . . . N e ha RMB0.234  
 (a a e HK\$0.266)

*Notes:*

1. The basic earnings per share is calculated based on the weighted average number of shares outstanding during the period. The diluted earnings per share is calculated based on the weighted average number of shares outstanding during the period, assuming that all convertible preferred shares were converted into ordinary shares at the beginning of the period or at the time of the offering, whichever is later. The diluted earnings per share for the period ending 31 December 2009 is based on the weighted average number of shares outstanding during the period, assuming that all convertible preferred shares were converted into ordinary shares at the beginning of the period or at the time of the offering, whichever is later.
2. The unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009, is based on the unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009, and the effect of the Group's offering of shares in January 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009.
3. The unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009, is based on the unaudited pro forma forecast earnings per share for the period ending 31 December 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009, and the effect of the Group's offering of shares in January 2009, as adjusted to reflect the effect of the Group's offering of shares in January 2009.

**C. REPORT FROM REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



8th Floor  
 Prince Building  
 10th Floor  
 Central  
 Hong Kong

11 September 2009

The Board of Directors  
**China Lilang Limited**

Dear Sirs

We refer to the addendum to the prospectus (the “Addendum”) of China Lilang Limited (the “Company”) and the circular (collectively, the “Circular”) issued by the Company on 11 September 2009 (the “Circular”), which has been issued by the Company to the shareholders of the Company in connection with the proposed general meeting of the Company to approve the Addendum and the Circular.

**Responsibility**

In the event of any discrepancy between the financial statements of the Company and the Addendum, the Circular and the Prospectus, the Prospectus shall prevail. The Senior Chinese Chartered Accountants of the Company (the “Senior Chartered Accountants”) and the Hong Kong Chartered Accountants of the Company (the “HKICPA”).

In the event of any discrepancy between the financial statements of the Company and the Addendum, the Circular and the Prospectus, the Prospectus shall prevail. We do not accept any liability for the financial statements of the Company and the Addendum, the Circular and the Prospectus.

**Basis of Opinion**

We conducted an independent audit of the financial statements of the Company for the period ended December 31, 2009, in accordance with the standards of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our audit was conducted in accordance with the standards of the HKICPA. The financial statements were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.

Our audit was conducted in accordance with the standards of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and we did not perform any procedures to verify the accuracy of the financial statements.

We have also reviewed the financial statements of the Company for the period ended December 31, 2008, in accordance with the standards of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our audit was conducted in accordance with the standards of the HKICPA. The financial statements were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.

Our audit was conducted in accordance with the standards of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and we did not perform any procedures to verify the accuracy of the financial statements.

The financial statements of the Company for the period ended December 31, 2009, were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.

- The financial statements of the Company for the period ended December 31, 2009, were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.
- The financial statements of the Company for the period ended December 31, 2008, were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.

We have also reviewed the financial statements of the Company for the period ended December 31, 2008, in accordance with the standards of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our audit was conducted in accordance with the standards of the HKICPA. The financial statements were prepared by management of the Company and are the responsibility of management. Our audit was limited to the review of the financial statements and we did not perform any procedures to verify the accuracy of the financial statements.

**Opinion**

- I :
- (a) he U a d ed P F a F a c a I f a ha bee e c ed  
b he d ec f he C a he ba a ed;
  - (b) ch ba c e h he acc g c e f he G ; a d
  - (c) he ad e a e a a e f he e f he U a d ed P  
F a F a c a I f a a d c ed a Pa ag a h 4.29(1) f  
he L g R e .

Y fa hf  
**KPMG**  
*Certified Public Accountants*  
H g K g

*The forecast consolidated net profit after tax attributable to equity holders of us for the year ending 31 December 2009 is set out in “Financial Information — Profit Forecast”.*

**A. BASIS**

The Directors have prepared the forecast consolidated net profit after tax attributable to equity holders of the Group for the year ending 31 December 2009 on the basis of the audited consolidated financial statements for the year ended 30 June 2009, and a forecast of the consolidated net profit after tax for the year ending 31 December 2009. The Directors are aware of the various risks which have a bearing on the forecast consolidated net profit after tax for the year ending 31 December 2009. The forecast has been prepared in accordance with the provisions of section 1(e) of the Companies Act, 1956. (1(e)-329)

## C. LETTERS

The following are texts of letters received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, and the Sole Sponsor in connection with the profit forecast and for the purpose of incorporating in this prospectus.

## (i) Letter from reporting accountants



8 h F  
P ce' B d g  
10 Cha e R ad  
Ce a  
H g K g

11 Se e be 2009

The B a d f D ec  
China Lilang Limited

Merrill Lynch Far East Limited

Dea S

We ha e e e ed he acc g ce ad ed a d ca c a ade  
a g a he f eca c da ed f a b ab e he e h de f Ch a  
L a g L ed (he "C a ") e ec f he C a a d b da e  
(c ec e , he "G ") f he ea e d g 31 Dece be 2009 (he "P f  
F eca "), f h ch he d ec f he C a (he "D ec ") a e e  
e b e, a e de "P f F eca " he ec headed "F a c a  
I f a " he ec f he C a da ed 11 Se e be 2009 (he  
"P ec ").

The P f F eca ha bee e a ed b he D ec ba ed he a d ed  
c da ed e f he G f he h e ded 30 J e 2009 a d a f eca  
f he c da ed e f he G f he e a g h e d g 31  
Dece be 2009.

I , fa a he acc g ce a d ca c a a ec ce ed,  
he P f F eca ha bee e c ed acc da ce h he a  
ade b he D ec a e A e d III he P ec a d e e ed  
a ba c e a a e a e ec h he acc g ce a ad ed  
b he G a e acc a ' e da ed 11 Se e be 2009, he e f  
h ch e A e d I he P ec .

Y fa hf  
KPMG  
Certified Public Accountants  
H g K g

## (ii) Letter from the Sole Sponsor

**Bank of America**   
**Merrill Lynch**

11 September 2009

The Director  
**China Lilang Limited**  
 Suite 3402, 34th Floor  
 Leeward Center, Tower One  
 No. 89 Queen's Road  
 Hong Kong

Dear Sirs,

We refer to the forecast of the consolidated financial statements of China Lilang Limited (the "Company") for the period ending 31 December 2009 (the "Profit Forecast") as set out in the forecast of the consolidated financial statements of the Company dated 11 September 2009 (the "Forecast").

We understand that the Profit Forecast has been prepared by the Company's independent member of the audit firm, the Chartered Accountants, dated 11 September 2009 (the "Gross Profit Forecast") for the period ending 30 June 2009 as a forecast of the consolidated financial statements of the Company for the period ending 31 December 2009.

We have discussed with the Board of Directors of the Company the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009 and the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009. We have also discussed with the Board of Directors of the Company the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009 and the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009.

On the basis of the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009 and the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009, we have discussed with the Board of Directors of the Company the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009 and the forecast of the consolidated financial statements of the Company for the period ending 31 December 2009.

Yours faithfully,  
 For and on behalf of  
**Merrill Lynch Far East Limited**  
**John C. Lee**  
*Managing Director*

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 30 June 2009 of the property interests of the Group.*

JONES LANG

LAS

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NNS

e e , e ded c f h ca de e a a da e e a f f  
b e ce ce a d a . The de ec a ed e ace e c f he e e e  
b ec ade a e e a f ab f he c ce ed b e .

We ha e a ed he e e e G III h ch he d f f e de e e  
b d ec c a a ach a g a e f he e e e g a e  
h he be ef f ed a e aca e a d b a g efe e ce c a ab e  
a e a ac a a a ab e he e e a a e .

We ha e a b ed c e ca a e he e e e G IV, h ch  
had bee a g ed he G a a he da e f a a , h he e f he e  
a e ed he G .

O a a ha bee ade he a ha he e e e he e  
e e he a e h he be ef f a defe ed e c ac , ea e bac ,  
e e , a age e age e e a a a age e , h ch c d e e affec he  
a e f he e e e .

N a a ce ha bee ade e f a cha ge, gage a g  
a f he e e e a ed f a e e e a a h ch a be  
c ed effec ga a e. U e he e a ed, a ed ha he e e a e  
f ee f e c b a ce , e c a d g g f a e a e , h ch c d  
affec he a e .

I a g he e e e , e ha ec ed ha e e e c a ed  
Cha e 5 a d P ac ce N e 12 f he R e G e g he L g f Sec e ed b  
The S c E cha ge f H g K g L ed; he RICS Va a S a da d (6 h Ed )  
b hed b he R a I f Cha e ed S e ; a d he HKIS Va a  
S a da d P e e (1 Ed 2005) b hed b he H g K g I e f  
S e .

We ha e e ed a e c de ab e e e he f a g e b he G  
a d ha e acce ed ad ce g e ch a e a e e , a g a a ,  
a ce , ea e e , a c a f cc a c , e g , a d a he e e a  
a e .

We ha e bee ded h e a c age e e e a g he e e e  
G I a d ha e ca ed ea che be ade a he H g K g La d Reg . H e e ,  
e ha e ea ch he g a d c e e f he e h a ce a a  
a e d e .

We ha e bee h c e f a e d c e c d g S a e- ed La d  
U e R gh Ce f ca e , B d g O e h Ce f ca e , Rea E a e T e Ce f ca e a d  
ff ca a ea g he e e e he PRC a d ha e ade e e a  
e e . Whe e be , e ha e e a ed he g a d c e e f he e g  
e he e e e he PRC a d a a e a e c b a ce ha gh be

attached hereto in accordance with the provisions of the PRC Company Law and the PRC Contract Law, and the PRC Contract Law.

We have carried out a detailed valuation of the shares of the Company as at the valuation date. The valuation was carried out in accordance with the provisions of the PRC Company Law and the PRC Contract Law, and the PRC Contract Law.

We have carried out a detailed valuation of the shares of the Company as at the valuation date. The valuation was carried out in accordance with the provisions of the PRC Company Law and the PRC Contract Law, and the PRC Contract Law.

We have had a detailed valuation of the shares of the Company as at the valuation date. The valuation was carried out in accordance with the provisions of the PRC Company Law and the PRC Contract Law, and the PRC Contract Law.

Under the provisions of the PRC Company Law, the PRC Contract Law, and the PRC Contract Law, the valuation of the shares of the Company as at the valuation date is valid and effective.

On the basis of the above, the valuation of the shares of the Company as at the valuation date is valid and effective.

Yours faithfully,  
for and on behalf of  
**Jones Lang LaSalle Sallmanns Limited**  
**Paul L. Brown**  
*B.Sc. FRICS FHKIS*  
*Director*

*Note:* Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of property in the PRC and 29 years' experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

## SUMMARY OF VALUES

## Group I — Property interest rented and occupied by the Group in Hong Kong

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 30 June 2009</u> RMB
1.	S e 3402 34 h F T e O e L Ce e N . 89 Q ee a H g K g	N c e c a a e
<b>Sub-total:</b>		<u><u>N</u></u>

## Group II — Property interest held and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 30 June 2009</u> RMB	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 30 June 2009</u> RMB
2.	A a ce f a d, 10 b d g a d a c e ca ed a Tech g a d I d Pa J a g C F a P ce The PRC	124,847,000	100%	124,847,000
<b>Sub-total:</b>		<u><u>124,847,000</u></u>		<u><u>124,847,000</u></u>

**Group III — Property interest held for future development by the Group in the PRC**

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 30 June 2009 RMB</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 30 June 2009 RMB</u>
3.	A a c e f a d c a e d a Q a g A e e J e D c X a e C F a P ce The PRC	N c e c a a e	100%	N c e c a a e
<b>Sub-total:</b>		<u><u>N</u></u>		<u><u>N</u></u>

**Group IV — Property interest contracted to be acquired by the Group in the PRC**

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 30 June 2009 RMB</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 30 June 2009 RMB</u>
4.	12 Le e l a d 2, Ma had P a a c a e d a h e e a e d e f We a R a d a d h e h e d e f J h R a d J h D c Zhe g h C He a P ce The PRC	N c e c a a e	100%	N c e c a a e
<b>Sub-total:</b>		<u><u>N</u></u>		<u><u>N</u></u>

## Group V — Property interests rented and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 30 June 2009 RMB
5.	2 a ce f a d, 2 d a b d g a d Le e 1 3 a d Le e 5 7 f a 7- e d a b d g ca ed a L a g I d a Pa , Na h a R ad Q g a g D c , J a g C F a P ce, he PRC	N c e c a a e
6.	A a ce f a d a d 5 b d g ca ed a Me g D c , J a g C F a P ce, he PRC	N c e c a a e
7.	A Le e 1 f a 6- e ff ce b d g N . 287 Q a g R ad, J e D c X a e C , F a P ce, he PRC	N c e c a a e
8.	Le e 4 f a 5- e d a b d g N . 387 H a h R ad, J e D c , X a e C F a P ce, he PRC	N c e c a a e
9.	3 b d g ca ed a Pha e 4, Ec c De e e Z e, Cha g g C , L g a C F a P ce, he PRC	N c e c a a e
10.	U 2107 Le e 21 f Ba a g I e a a Ma N . 218 W g R ad, H g D c Sha gha , he PRC	N c e c a a e

**Sub-total:** N

	Capital value in existing state as at 30 June 2009 RMB	Capital value attributable to the Group as at 30 June 2009 RMB
<b>Grand total:</b>	<b>124,847,000</b>	<b>124,847,000</b>

## VALUATION CERTIFICATE

## Group I — Property interest rented and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
1.	<p>S e 3402 34 h F T e O e L Ce e N . 89 Q ee a H g K g</p>	<p>The e c e a he 34 h f f a 45- e ff ce b d g c e ed ab 1988.</p> <p>The ha a e ab e a ea f a a e 2,237 .f .</p> <p>The e e ed b L a g (H g K g) I e a a C ., L ed, a d ec h - ed b da f he C a , f Ea K g A a L ed (a de e de h d a ) f a e f 2 ea e g 31 Ma ch 2010, a a h e f HK\$100,665, e c e f a e , a age e fee , a - c d g cha ge a da he g g b c e f G e e e .</p>	<p>The e c e cc ed b he G f ff ce e.</p>	<p>N c e c a a e</p>

*Notes:*

- The eg e ed e f he e Ea K g A a L ed de Me a N . 07122802860084 da ed 7 Dece be 2007.
- The Te a c Ag ee e f he e ha bee d a ed h he S a D Off ce.
- The e bec a Deed f M a C e a de Me a N . UB3824584 da ed 31 A g 1988 a d S e e a Deed f M a C e a de Me a N . UB4877936 da ed 27 J e 1991.
- P a a Te a c Ag ee e da ed 29 A 2008, he e e ed L a g (H g K g) I e a a C ., L ed f Ea K g A a L ed f a e f 2 ea e g 31 Ma ch 2010, a a h e f HK\$100,665, e c e f a e , a age e fee , a - c d g cha ge a da he g g b c e f G e e e .

## VALUATION CERTIFICATE

## Group II — Property interest held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
2.	A a ce f a d, 10 b d g a d a c e ca ed a Tech g a d I d Pa J a g C F a P ce The PRC	The e c e a a ce f a d h a e a ea f a a e 85,267 . . a d 10 b d g a d a a c a c e e ec ed he e h ch e e c e ed a age be ee 2007 a d 2009.	The e c e cc ed b he G f d c a d a c a ff ce e .	124,847,000  100% e e a b ab e he G : RMB124,847,000
		The b d g ha e a a g f a ea f a a e 81,596.53		
		The b d g a c de d a b d g , d e a d a c a b d g .		
		The c e a c de ad, e e a d e ch.		
		The a d e gh f he e ha e bee g a ed f a e f 50 ea e g 25 Ma ch 2058 f d a e.		

Notes:

1. P a a S a e- ed La d U e R gh G a C ac | J D He 2008 G a Z D N . 001 da ed 3 A 2008 e e ed be ee J a g M c a S a e La d a d Re ce B ea a d L a g (Ch a) C ., L d. (“L a g Ch a”), a d ec h - ed b d a f he C a , he a d e gh f he e e e c ac ed be g a ed L a g Ch a f a e f 50 ea e g 25 Ma ch 2058 f d a e. The a d e a RMB27,129,400.
2. P a a S a e- ed La d U e R gh Ce f ca e | J G Y g (2008) D N . 00335, he a d e gh f a a ce f a d h a e a e a f a a e 85,267 . . ha e bee g a ed L a g Ch a f a e f 50 ea e g 25 Ma ch 2058 f d a e.
3. P a a B d g O e h Ce f ca e | J Fa g Q a Zhe g Q g Ya g Z D N . 01-200470-001, 10 b d g h a a g f a e a f a a e 81,596.53 . . a e ed b L a g Ch a.
4. We ha e bee ded h a ega ega d g he e e e b he C a ' PRC ega ad e , h ch c a , *inter alia*, he f g:
  - a. L a g Ch a he e c e e f he a d e gh f he e a d ha he ega gh e, a fe, ea e gage he a d e gh f he e acc da ce h he c d a ed he S a e- ed La d U e R gh C ac h he ega a d e e ;
  - b. L a g Ch a he e c e e f he 10 b d g f he e a d ha he ega gh cc , e, a fe, ea e, gage he e d e f he b d g ; a d
  - c. The e bec gage a he e c b a ce .

## VALUATION CERTIFICATE

## Group III — Property interest held for future development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
3.	A a c e f a d c a e d a Q a g A e e J e D c X a e C F a P c e The PRC	The e c e a a c e f a d h a e a e a f a a e 66,502.84 . . The a d e g h f h e e h a e b e e g a e d f a e f 50 e a e g 27 D e c e b e 2056 f d a e.	The e c e a c a .	N c e c a a e

## Notes:

1. P a a S a e - e d L a d U e R g h C e a e d U e C a c f J e D c f X a e  
C d a e d 31 D e c e b e 2006 e e d b e e J e B a c h f X a e M c a L a d,  
R e c e & H g A d a e B e a a d L a g (X a e ) G a e C ., L d. ("L a g  
X a e"), a d e c h - e d b d a f h e C a , h e a d e g h f a a c e f  
a d h a e a e a f a a e 66,502.84 . . e e c a c e d b e g a e d L a g  
X a e , f a e f 50 e a e g 27 D e c e b e 2056 f d a e. The a d e  
a R M B 9,975,427.2. P a a e e a c a c d a e d 18 A 2007 e a h e  
a b e c a c e e e d b e e J e B a c h f X a e M c a L a d, R e c e &  
H g A d a e B e a a d L a g X a e , h e c e c e e d a e f h e a  
c c h e a f e a d a d h d e c e e d 31 O c b e 2007 a d h e  
c c e h d e c e e d 30 J e 2008. P a a b e e f f c a  
d c e a d a a d e d b L a g X a e , h e c e c e e d a e f h e a c c  
h e a f e a d a d h a b e e a e d e e d 31 D e c e b e 2009. The a  
c c h d b e c e e d e e a a f e c e c e e d g h c h h e c h a g e  
f d e a d c d b e e e e d.
2. P a a R e a E a e T e C e f c a e i X a D F a g Z h e g D D N . 00005964, h e a d e  
g h f a a c e f a d h a e a e a f a a e 66,502.84 . . h a e b e e g a e d  
L a g X a e f a e f 50 e a e g 27 D e c e b e 2056 f d a e.
3. I h e a a f h e , e h a e a b e d c e c a a e h e e a h e  
e c a b e f e e a f e e d a a h e d a e f a a . H e e , f e f e e c e e , e  
a e f h e h a h e c a a a e f h e e a a h e d a e f a a d b e  
R M B 31,916,000 a g h a h e e c d b e f e e a f e e d h a g a d d a  
a d e .

- 4. We have been directed to have a general valuation of the property owned by the C Corporation, PRC, and its subsidiaries, including, *inter alia*, the following:
  - a. LagXa, a wholly owned subsidiary of the company;
  - b. LagXa, a wholly owned subsidiary of the company, a fee-based management and consulting firm, which has been advised by the Special Auditor of the U.S. Revenue Court that the company is a U.S. corporation for tax purposes. LagXa has advised that the company is a U.S. corporation for tax purposes and that the company is a U.S. corporation for tax purposes. The company is a U.S. corporation for tax purposes.
  - c. The company is a U.S. corporation for tax purposes.

## VALUATION CERTIFICATE

## Group IV — Property interest contracted to be acquired by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
4.	12 Le e l a d 2, Ma had P a a ca ed a he ea e de f We a R ad a d he he de f J h R ad J h D c Zhe g h C He a P ce The PRC	The e c e 12 c e ca Le e l a d 2 f a 3- e c e ca b d g c e ed ab 2008.  The ha ea a g f a ea fa a e 1,066.67 . .	The e c e aca .	N c e ca a e

## Notes:

1. L a g (Ch a) C ., L d. ("L a g Ch a") ha e e ed 12 C d P e Sa e & P cha e C ac h He a She g g Rea E a e C ., L d., a de e de h d a , a da ed 10 J 2008 cha e he 12 ha a g f a ea f 1,066.67 . . a a a c de a f RMB28,905,930, h ch had bee f a d he da e f a a a e he c f a f he G .
2. A a he da e f a a , he B d g O e h Ce f ca e f he e ha e bee e ed L a g Ch a. The ef e e ha e a b ed c e ca a e he e . H e e , f efe e ce e, e a e f he ha he ca a a e f he e a a he da e f a a d be RMB33,260,000 a g ha a e e a e ce f ca e ha e bee b a ed a d he e c d be fee a fe ed.
3. We ha e bee ded ha e ga e ga d g he e e e b he C a ' PRC e ga ad e , h ch c a , *inter alia*, he f g:
  - a. The C d P e Sa e & P cha e C ac a e a d, b d g a d e f ce a b e de he PRC a c d ha he e acc da ce h he e- a e c d e g a ed b he PRC a a d e e a e g a ; a d
  - b. L a g Ch a be e ed fee a fe , ea e, gage he e d e f he e c d ha he e e a e ce f ca e f he e ha e bee b a ed.

## VALUATION CERTIFICATE

## Group V — Property interests rented and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
5.	2 a ce f a d, 2 d a b d g , L e e 1 3 a d L e e 5 7 f a 7- e d a b d g ca e d a L a g I d a Pa N a h a R a d Q g a g D c J a g C F a P ce The PRC	The e c e 2 a ce f a d h a a e a e a f a a e 10,282.66 . . , 2 d a b d g a d L e e 1 3 a d L e e 5 7 f a 7- e d a b d g e e c e d h e e h c h e e a c e e d a b 2004.  The b d g h a e a a g f a e a f a a e 28,066.57  The e e e d L a g (Ch a) C ., L d. ("L a g Ch a") f J a g (F a ) I e e C ., L d., a c e c e d a f h e C a , f e c e c g 1 Ma ch 2008 a d 1 Ma ch 2009 e e c e a d e g 31 Dece be 2010 a a a a e e f RMB543,695 e c e f a a g e e f e e , a e a d e e c c h a g e .	The e c e c c e d b h e G f f f c e , e h b , a d a f f a e e .	N c e c a a e

## Notes:

1. P a a Te a c A g e e e d a e d 26 Ma 2008, a a ce f a d h a e a e a f a a e 7,418 . . a d 2 d a b d g h a a g f a e a f a a e 17,095.01 . . e e c e d h e e (a f h e e ) a e e e d L a g Ch a f a c e c e d a f a e f 2 e a a d 10 h c e c g f 1 Ma ch 2008 a d e g 31 Dece be 2010 a a a e e f RMB329,750 e c e f a a g e e f e e , a e a d e e c c h a g e .
2. P a a Te a c A g e e e d a e d 1 Ma ch 2009, a a ce f a d h a e a e a f a a e 2,864.66 . . a d a 7- e d a b d g , L e e 4 e c d e d , h a a g f a e a f a a e 10,971.56 . . e e c e d h e e (a h e f h e e ) a e e e d L a g Ch a f a c e c e d a f a e f e e a a d 10 h c e c g f 1 Ma ch 2009 a d e g 31 Dece be 2010 a a a e e f RMB213,945 e c e f a a g e e f e e , a e a d e e c c h a g e .

3. We have been advised that the agreement of the Tenant Agreement with the  
the C.A. PRC agreement, which is, *inter alia*, the following:
- a. The agreement of the lease and the agreement of the lease;
  - b. The Tenant Agreement as a condition, but the agreement of the PRC agreement; and
  - c. The Tenant Agreement has been agreed to the lease agreement.

## VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 30 June 2009 RMB</u>
6.	A a ce f a d a d 5 d a b d g ca ed a Me g D c J a g C F a P ce The PRC	The e c e a a ce f a d h a e a ea f a a e 7,331 . . a d 5 d a b d g e ec ed he e h ch e e c e ed ab 2004.  The b d g ha e a a g f a ea f a a e 12,236 . .  The e e ed L a g (Ch a) C ., L d. ("L a g Ch a") f a de e de h d a f a e f 2 ea e g 28 Feb a 2010, a a a e e f RMB234,931.2 2008 a d RMB277,512.5 2009 e c e f a age e fee , a e a d e ec c cha ge .	The e c e cc ed b he G f d c e.	N c e ca a e

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
7.	A Le e l f a 6- e f f c e b d g N . 287 Q a g R a d J e D c X a e C F a P ce The PRC	The e c e a Le e l f a 6- e f f c e b d g g e h e h a e d a d e g h c e e d a b 2002.  The e h a a g f a e a f a a e 80.64 . .  The e e e d L a g (X a e ) G a e C ., L d. (“L a g X a e ”) f a d e e d e h d a f a e f e e a e g 15 A g 2009, a a h e f RMB1,672.5, e c e f a a g e e f e e , a e a d e e c c h a g e .  The T e a c A g e e e h a e a e d a f e h e d a e f a a .	The e a c c e d b h e G f f f c e e a a h e d a e f a a .	N c e c a a e

Notes:

1. P a a T e a c A g e e e , h e e e e d L a g X a e f a d e e d e h d a f a e f e e a e g 15 A g 2009 a a h e f RMB1,672.5, e c e f a a g e e f e e , a e a d e e c c h a g e .
2. W e h a e b e e d e d h a e g a h e e g a f h e T e a c A g e e e e d b h e C a ' P R C e g a a d e , h c h c a , i n t e r a l i a , h e f g :  
  - a. T h e h e e g a e f h e e a d h a h e e g a g h e a e h e e ;
  - b. T h e T e a c A g e e e a d , b d g a d e f c e a b e d e h e P R C a ; a d
  - c. T h e T e a c A g e e e h a b e e g e e d h h e e e a c a a h .

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
8.	Le e 4 f a 5- e d a b d g N . 387 H a h R ad J e D c X a e C F a P ce The PRC	The e c e Le e 4 f a 5- e d a b d g c eed ab 2008.  The e ha a g f a ea fa a e 1,170.28 . .  The e e ed L a g (X a e ) Ga e C ., L d. ("L a g X a e ") f a de e de h d a f a e e g 31 Ma 2010 a a h e f RMB11,702.8 e c e f a age e fee , a e a d e ec c cha ge .	The e c e cc ed b he G f d c e.	N c e ca a e

Notes:

1. P a a Te a c Ag ee e , he e e ed L a g X a e f a de e de h d a f a e e g 31 Ma 2010 a a h e f RMB11,702.8 e c e f a age e fee , a e a de ec c cha ge .
2. We ha e bee ded ha ega he ega f he Te a c Ag ee e ed b he C a ' PRC ega ad e , h ch c a , *inter alia*, he f g:
  - a. The e he ega e f he e a d ha he ega gh ea e he e ;
  - b. The Te a c Ag ee e a d, b d g a d e f ceab e de he PRC a ; a d
  - c. The Te a c Ag ee e ha bee eg e ed h he e e a ca a h .

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
9.	3 b d g ca ed a Pha e IV, Ec c De e e Z e Cha g g C L g a C F a P ce The PRC	<p>The e c e 3 b d g c e ed ab 2009.</p> <p>The e ha a a g f a ea f a a e 22,281.2</p> <p>The e e ed L a g (X a e ) Ga e C ., L d. (“L a g X a e ”) f a de e de h d a f a e f e ea e g 31 Ma ch 2010 a a a e e f RMB364,158 e c e f a age e fee , a e a d e ec c cha ge .</p>	<p>The e c e cc ed b he G f ff ce, age, d c a d aff a e e .</p>	N c e ca a e

Notes:

1. P a a Te a c Ag ee e , he e e ed L a g X a e f a de e de h d a f a e f e ea e g 31 Ma ch 2010 a a a e e f RMB364,158 e c e f a age e fee , a e a d e ec c cha ge .
2. We ha e bee ded ha ega he ega f he Te a c Ag ee e ed b he C a ' PRC ega ad e , h ch c a , *inter alia*, he f g:
  - a. The e he ega e f he e a d ha he ega gh ea e he e ;
  - b. The Te a c Ag ee e a d, b d g a d e f ceab e de he PRC a ; a d
  - c. The Te a c Ag ee e ha bee eg e ed h he e e a ca a h .

## VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 30 June 2009</u> <b>RMB</b>
10.	U 2107 Le e 21 f Ba a g I e a a Ma N . 218 W g R ad H g D c Sha gha The PRC	The e c e a ff ce Le e 21 f a 36- e ff ce b d g c e ed ab 2006.  The e ha a g f a ea f a a e 229.41 . .  The e e ed L a g (Ch a) C ., L d. (“L a g Ch a”) f a de e de h d a f a e f 2 ea e g 19 Oc be 2010 a a h e f RMB43,262.9 e c e f a age e fee , a e a d e ec c cha ge .	The e c e cc ed b he G f ff ce e.	b a d10 9(hf06.)3((G1.334a).3(9( )) TJT

**APPENDIX V      SUMMARY OF THE CONSTITUTION OF THE COMPANY  
AND CAYMAN ISLANDS COMPANY LAW**

See below a summary of the Memorandum of Association and Articles of Association of the Cayman Islands Company.

**1. MEMORANDUM OF ASSOCIATION**

The Memorandum of Association of the Company was adopted on 4 September 2009. The Memorandum of Association is headed "Declaration of Association" and is contained in the Articles of Association of the Company, which are set out in Schedule VII of the Memorandum of Association. The Memorandum of Association is contained in the Cayman Islands Company's Memorandum of Association and Articles of Association.

**2. ARTICLES OF ASSOCIATION**

The Articles of Association were adopted on 4 September 2009. The Articles of Association are set out in Schedule VIII of the Memorandum of Association.

**(a) Directors**

*(i) Power to allot and issue shares*

When the directors of the Company shall be authorized by the shareholders of the Company, they may, subject to the provisions of the Memorandum of Association and the Articles of Association, allot and issue shares of the Company, and may, subject to the provisions of the Memorandum of Association and the Articles of Association, do all such things and execute all such documents as may be necessary or expedient for the purposes of the allotment and issue of shares of the Company. The directors may also, subject to the provisions of the Memorandum of Association and the Articles of Association, do all such things and execute all such documents as may be necessary or expedient for the purposes of the allotment and issue of shares of the Company.

As a condition of the allotment and issue of shares of the Company, the directors may, subject to the provisions of the Memorandum of Association and the Articles of Association, require the persons to whom shares of the Company are allotted or issued to pay to the Company the amount of the purchase price of such shares, and to pay to the Company the amount of any interest or other charges payable in respect of such shares.

*(ii) Power to dispose of the assets of our Company or any subsidiary*

The directors of the Company may, subject to the provisions of the Memorandum of Association and the Articles of Association, dispose of the assets of the Company or any subsidiary of the Company, and may, subject to the provisions of the Memorandum of Association and the Articles of Association, do all such things and execute all such documents as may be necessary or expedient for the purposes of the disposal of the assets of the Company or any subsidiary of the Company.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

*(iii) Compensation or payments for loss of office*

Pa e a D ec a D ec fa b a f c e a f f ffce a c de a f c ec h h e e e f ffce ( be g a a e h ch he D ec c ac a e ed) be a ed b C a ge e a ee g.

*(iv) Loans and the giving of security for loans to Directors*

Whe e he ha e f C a e a ed he S c E cha ge a c e cha ge ch he e a he D ec a f e e dec de, C a a a e, h he a a f, a fca b , C a ge e a ee g, a a , de a g a a ee, de ec e ec fa a a D ec a f h a ca e , ded ha he A ce f A ca d h b he g a g fa a he fa g a a ee, de ec ( ) be a ed f , e ec fa ab c ed f a b e f C a , ( ) f he cha e b a D ec ( he e a e fa a f h cha e) fa e de ce he e he a f he a , he ab de he g a a ee de he a e f he ec d e e ceed 80% f he fa a e a e f ch e de ce 5% f he c da ed e a e a e f C a a h a e a d ed acc ; ded ha a ch a a c e ca e a d ec ed b a e ga cha ge e he e de ce; , ( ) fa a , e ec fa ab f, a c a h ch C a ha a e ee , a d he a f ch a , he ab a ed b C a de ch g a a ee, de ec , d e e ceed a ee ch c a .

*(v) Financial assistance to purchase shares of our Company or our holdings company*

The e a e he A ce f A ca e a g he g g b C a ff fa ca a a ce f he cha e, b c he ac f ha e f C a f h d g c a . The a h a ea a ed a ag a h 4(b) be .

*(vi) Disclosure of interests in contracts with our Company or any of our subsidiaries*

A D ec a h d a he ffce ace f f h C a (e ce ha f a a d ) c c h h ffce f D ec f ch e d a d ch e a he D ec a de e e, a d a be a d ch e a e e a he ef ( he he b a f a a , c , a c a f he e) a he D ec a de e e. A D ec a be bec e a d ec he ffce f, be he e e e ed , a c a ed b C a a he c a h ch C a a be ee ed, a d ha be ab e acc C a he e be f a e e a , f he be ef e ce ed b h a a d ec ffce f f h ee ch he c a . The D ec a a ca e he g e c fe ed b he ha e a he c a he d ed b C a be e e c ed ch a e a e ec a he h f , c d g he e e c e he e f fa fa e a g he D ec a f he be d ec ffce f ch he c a , g d g f he a e f e e a he d ec ffce f ch he c a . A D ec ha e be c ed he a e f he D ec c ce gh a e he a e fa f h a ca e a he h de fa ffce ace f f h C a a he c a h ch C a ee ed ( c d g he a a ge e a a f he e he e f, he e a he e f).



**APPENDIX V      SUMMARY OF THE CONSTITUTION OF THE COMPANY  
AND CAYMAN ISLANDS COMPANY LAW**

( f a h d c a h gh h ch h e e de ed), e c d g ha e h ch  
ca g gh a ge e a ee g a d ga d de d a d e f  
ca a gh , a d e c d g ha e he d d ec d ec h gh C a ;

(gg) a a a a ge e f he be ef f e ee f C a  
b d a e c d ga e f d e e e , dea h d ab be ef che e  
e a e a de h ch a D ec , h a ca e ( ) a d e ee f  
C a f a f b d a e a be ef a d h ch ha bee a ed b  
bec a d c d a a a b he ee a a a h e f a a  
e e a e D ec , a ca e ( ) f D ec a d e ee f  
C a a f b d a e a d d e g e he D ec h a ca e ( )  
a ege acc ded he ee a ca f ff ce f h ch he D ec a  
e be a d h ch che e f d e a e ;

(hh) a a c ce g he ad , d f ca e a f a ha e che e  
g he e ga f e ha e he ec e b C a  
, f he be ef f, he e ee f C a b d a e de h ch  
he D ec h a ca e ( ) a be ef ; a d

( ) a c ac , ag ee e , a ac a c ce g he cha e a d/  
a e a ce fa a ce c f he be ef fa D ec , h a ca e ( ) ,  
ff ce e ee a he A ce f A ca .

*(vii) Remuneration*

The D ec ha be e ed ece eb a f d a e e a f he e ce  
ch a f e e de e ed b C a ge e a ee g, ch ( e  
he e d ec ed b he e b h ch ed) be d ded a g he D ec ch  
a d ch a e a he a age e, fa g age e e , e a , e ce ha ch  
e e a D ec h d g ff ce f e ha he h e f he ee a e d e ec f h ch  
he e e a a d ha a ch d he e d g ch  
e d f h ch he ha he d ff ce. The f eg g ha a a D ec h h d  
a a a ed e e ff ce C a e ce he ca e f a d e ec f  
D ec ' fee . The D ec ha a be e ed be e a d a a e g, h e a d he  
e e e ea ab c ed b he e ec e ab he ef a ce f he d e a  
D ec , c d g he e e e f a e g a d f D ec ' ee g , c ee  
ee g ge e a ee g , he e c ed h ee gaged he b e f C a  
he d cha ge f he d e a D ec .

The D ec a ga e ca e e a a D ec h e f a e ca  
e a e ce a he e e f C a . S ch e ca e e a a be ade a ab e  
ch D ec add b f h d a e e a a a D ec , a d  
a be ade a ab e b a f a a , c a c a f he e a a  
be a a ged. N h a d g he f eg g he e e a f he a ag g d ec ,  
a ag g d ec , de a ag g d ec a e ec e D ec a D ec a ed  
a he ff ce he a age e f C a a be f ed f e e b he D ec  
a d a be b a f a a , c a c a f he e b a a f  
h e de a d h ch he be ef ( c d g e a d/ g a a d/ he be ef  
e e e ) a d a a ce a he D ec a f e e dec de. S ch e e a  
add h d a e e a a a D ec .

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

The Director has the honor to acknowledge the receipt of the letter of the 1st of December 2019, in relation to the resignation of the Director, Mr. [Name], and the appointment of the Director, Mr. [Name], as a Director of the Company. The Director has the honor to acknowledge the receipt of the letter of the 1st of December 2019, in relation to the resignation of the Director, Mr. [Name], and the appointment of the Director, Mr. [Name], as a Director of the Company. The Director has the honor to acknowledge the receipt of the letter of the 1st of December 2019, in relation to the resignation of the Director, Mr. [Name], and the appointment of the Director, Mr. [Name], as a Director of the Company.

*(viii) Retirement, appointment and removal*

At each annual general meeting, the Director of the Company (if he or she is eligible) shall retire from office and shall be eligible for re-election. The Director shall be eligible for re-election if he or she has not been elected at the meeting. The Director shall be eligible for re-election if he or she has not been elected at the meeting.

A Director shall retire from office at each general meeting.

The Director shall be eligible for re-election at each general meeting.

The Director of the Company shall be eligible for election as a Director of the Company if he or she has not been elected at the meeting. The Director shall be eligible for re-election if he or she has not been elected at the meeting. The Director shall be eligible for re-election if he or she has not been elected at the meeting.

The Director of the Company shall be eligible for election as a Director of the Company if he or she has not been elected at the meeting. The Director shall be eligible for re-election if he or she has not been elected at the meeting. The Director shall be eligible for re-election if he or she has not been elected at the meeting.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

*(ix) Borrowing powers*

The Director may, on behalf of the Company, borrow money and incur liabilities for the purpose of the business of the Company. The Director may, on behalf of the Company, borrow money and incur liabilities for the purpose of the business of the Company, and may, on behalf of the Company, borrow money and incur liabilities for the purpose of the business of the Company, and may, on behalf of the Company, borrow money and incur liabilities for the purpose of the business of the Company.

*Note:* The above powers shall not be exercised by the Director if the Company is in default of any of its financial obligations.

*(x) Qualification shares*

Director shall not be qualified to act as a Director if he is not a resident of the Cayman Islands.

*(xi) Indemnity to Directors*

The Articles of Association shall not be construed as limiting the liability of a Director in respect of any negligence, default, breach of duty or breach of trust in relation to the Company, and shall not be construed as limiting the liability of a Director in respect of any negligence, default, breach of duty or breach of trust in relation to the Company.

**(b) Alterations to constitutive documents**

The Memorandum of Association of the Company shall be amended by the Company in accordance with the provisions of the Companies Act, and the Articles of Association of the Company shall be amended by the Company in accordance with the provisions of the Companies Act.

**(c) Alterations of capital**

On the application of the Company:

(i) the Company may increase its authorized share capital;

(ii) the Company may, subject to the provisions of the Companies Act, reduce its authorized share capital, and may, subject to the provisions of the Companies Act, reduce its authorized share capital, and may, subject to the provisions of the Companies Act, reduce its authorized share capital, and may, subject to the provisions of the Companies Act, reduce its authorized share capital.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

( ) d de ha e e e a c a e a d a ach he e e ec e a efe e a ,defe ed, a fed ec a gh , ege c d ;

( ) ca ce a ha e h ch a he da e f he a g f he e ha e bee a e ag eed be a e b a e ,a dd h he a f ha e ca a b he a f he ha e ca ce ed;

( ) b-d de ha e a f he ha e f a e a ha f ed b he Me a d f A c a , bec e e he e he C a e La ,a d ha he e he eb a ha e a e b-d ded a de e e ha ,a be ee he h de f he ha e e g f ch b-d , e e f he ha e a ha e a ch efe ed he ec a gh e , a ha e ch defe ed gh be bec a ch e c a c a ed h he he a C a ha e a ach ed e ha e ;

( ) cha ge he c e c f de a f ha e ca a ; a d

( ) a e f he e a d a e f ha e h ch d ca a g gh .

O C a a b ec a e ed ce ed ha e ca a ,a ca a ede e e e f d he d b abe e e e a a e a h ed a d bec a c d e c bed b a .O C a a a ha e e acc a a e e ed b a .

**(d) Variation of rights of existing shares or classes of shares**

If a a e he ca a d ded dffe e ca e f ha e ,a a f he ec a gh ( e he e ded f b he e f e f ha ca )a ached a ca a , bec he f he C a e La ,be a ed ab ga ede he h he c e g f he h de f e ha h ee-f h a a e f he ed ha e f ha ca h he a c f a ec a e a ed a a e a a e ee g f he h de f he ha e f ha ca .T ee ch e a a e ge e a ee g he f he A ce f A ca e a g ge e a ee g a a d a ,a e a he ega d g he f ee g ,a h ch ee a ag a h 2() be .

**(e) Special resolutions — majority required**

F g a a a f he ed ca a f C a e a ed he S c E cha ge, a ec a e f C a be a ed b a a f e ha h ee-f h f he e ca b ch e be a ,be ge ed d , e e , he ca e f ch e be a a ec a ,b he e ec ed a h ed e ee a e , b ,a a ge e a ee g f h ch ce ec f g he e e he e a a ec a e ha bee d g e he a e acc da ce h a ag a h 2() be .H ee ,a a e h e a a f he ed ca a f C a e a ed he S c E cha ge, e ce he ca e f a a a ge e a ee g ,f ag eed b a a be f he e be ha ga gh a e d a d e a ch ee g ,be g a a ge he h d g e ha 95% a a e f he ha e g g ha gh , ( , he ca e f a a a ge e a ee g ,b a e be )a e a be ed a d a ed a a ec a e a a ee g f h ch a h e ce ha ha ec f ed he A ce f A ca ha bee g e .

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

**(f) Voting rights and right to demand a poll**

Subject to the provisions of the Constitution, the following provisions shall apply in relation to the voting rights of the holders of shares in the Company and the right to demand a poll at any general meeting of the Company. The provisions of the Constitution shall apply in relation to the voting rights of the holders of shares in the Company and the right to demand a poll at any general meeting of the Company.

As a general rule, the following provisions shall apply in relation to the voting rights of the holders of shares in the Company and the right to demand a poll at any general meeting of the Company.

Where a shareholder (as defined in the Act) is entitled to exercise the right to demand a poll at any general meeting of the Company, the shareholder may, at any time before the commencement of the poll, withdraw or modify the demand for a poll. The provisions of the Constitution shall apply in relation to the voting rights of the holders of shares in the Company and the right to demand a poll at any general meeting of the Company.

**(g) Requirements for annual general meetings**

For the purpose of the provisions of the Constitution relating to the annual general meeting of the Company, the provisions of the Constitution shall apply in relation to the requirements for annual general meetings of the Company.

**(h) Accounts and audit**

The Directors shall be responsible for the preparation and presentation of the accounts of the Company for each financial year. The provisions of the Constitution shall apply in relation to the accounts and audit of the Company.

The Board of Directors shall be responsible for the preparation and presentation of the accounts of the Company for each financial year. The provisions of the Constitution shall apply in relation to the accounts and audit of the Company.

The Directors shall be responsible for the preparation and presentation of the accounts of the Company for each financial year. The provisions of the Constitution shall apply in relation to the accounts and audit of the Company.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

... ( c d g e e d c e e e d b a b e c e d h e e a a c h e d a e e d h e e ) a d f a d a c c h c h b e a d b e f e C a a a a g e e a e e g , g e h e h a c f h e D e c ' e a d a c f h e a d ' e , h a e h a 21 d a b e f e h e d a e f h e e e g , b e e e e e b e f , a d e e h d e f d e b e e f , C a a a d e e h e e e e d e c e e c e f g e e a e e g f C a d e h e C a e L a f h e A c e f A c a . S b e c d e c a c e h h e C a e L a a d h e e f h e S c E c h a g e , a d b a g a e c e a c e , f a , e e d h e e d e a d c h c e b e g f f c e a d e f f e c , c h e e e h a b e d e e d a f e d e a a e b e d g h e e a a e h b e d b h e C a e L a a d e a d f c h c e , a a f a c a a e e d e d f C a ' a a f a c a a e e a d h e d e c ' e h e e , h c h h a b e h e f a d c a g h e f a e e d b a c a b e a a d e g a , d e d h a a e h h e e e e d h e a a f a c a a e e f C a a d h e d e c ' e h e e a , f h e e e b c e g e e d C a , d e a d h a C a e d h , a d d a a f a c a a e e , a c e e e d c f C a ' a a f a c a a e e a d h e d e c ' e h e e . I f a a f h e h a e d e b e e f C a a e f h e e b e g ( h h e c e f C a ) e d d e a a c e c h a g e , h e e h a b e f a d e d c h c e c h a g e c h b e f c e f c h d c e a a f h e e b e g b e e e d d e e g a a c c e .

A d h a b e a e d a d h e d e e g a e d a c c d a c e h h e A c e f A c a . S a e a h e e d e d b c h h e e e a f h e a d h a b e f e d b h e a h f C a a e a c h a a g e e a e e g , b e e c f a a c a e a , C a g e e a e e g a d e e g a e h e f g f c h e e a h e D e c .

**(i) Notices of meetings and business to be conducted thereat**

F g a a a f h e e d c a a f C a e a e d h e S c E c h a g e , a a a g e e a e e g b e c a e d b g g c e f a e a 21 c e a d a d e h a 20 c e a b e d a a d a e a d a g e e a e e g a h c h e d a a e c a e b e c a e d b g g c e f a e a 21 c e a d a d e h a 10 c e a b e d a g a d a h e e a d a g e e a e e g h a b e c a e d b g g c e f a e a 14 c e a d a d e h a 10 c e a b e d a g ( e a c h c a e e c e f h e d a h c h h e c e e e d d e e d b e e e d a d f h e d a f h c h g e ) . T h e c e e c f h e a c e , h e d a d h e h f e e g a d a c a f e b e c d e d a h e e e g a d , h e c a e f e c a b e , h e g e e a a e f h a b e .

**(j) Transfer of shares**

A a f e f h a e b e e f f e c e d b a f e g h e a c f g a a h a e C a a e e d h e S c E c h a g e , c h a d a d f e c b e d b h e S c E c h a g e a h e f a c c e a b e h e B a d a d a b e d e h a d , f h e a f e a f e e e a c e a g h e e e ( ) , b h a d , b a c h e e d g a e b c h h e e a f e e c a h e D e c a a e f e e ; a d a e f a f e b e e c e d b b e h a f f h e a f e a d b b e h a f f h e a f e e e a d h e a f e h a b e d e e d e a h e h d e f h e h a e h e a e f h e a f e e e e e d h e e g e f e b e e e c h e e f , d e d h a h e D e c a h e a b e d c e d e e h h e e e e f h e d c f a a f e g b e f e e g e g a a f e f a h a e , a d a a c c e e c h a c a e e c e d a f e a c a e .

T h e D e c a , h e a b e d c e , a a e a d f e e e a f e a g e e a f e a h a e h e c a e g e a b a c h e g e a h a e a b a c h e g e h e c a e g e a h e b a c h e g e .

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

U e he D ec he e agee, ha e he c a eg e ha be a fe ed a b a ch eg e ha ha e a b a ch eg e be a fe ed he c a eg e a he eg e . A a fe a d he d c e f e be dged f eg a a d eg e ed, he ca e f ha e a b a ch eg e , a he e e a eg a ff ce a d, he ca e f ha e he c a eg e , a he a fe ff ce f ha eg e .

The D ec a he ab ed ce a d h a g g a ea he ef , ef e eg e a a fe fa ha e ( be g f a d ha e ) a e f h he d a e a d he a ef e eg e he a fe fa ha e ( be g f a d ha e ) h ch C a ha a e . The D ec a a ef e eg e a a fe f ha e ( he he f a d ) fa f e ha f e a ha e ed de a ha e che f e ee h ch a e c a fe ed he eb ha b , he e he a fe a fa a e f d d de he ega d ab . If he D ec ef e eg e a a fe , he h h a fe he da e h ch he a fe a dged h C a e d he a fe a d a fe ee ce f he ef a a d ( f he ha e c ce ed a e f a d ha e ) he ea ( ) f ch e f a .

The D ec a , f a cab e, dec e ec g e a e f a fe e he e f a fe e a ed, e ec f e ca f ha e a d dged a he e e a eg a a fe ff ce acc a ed b he e e a ha e ce f ca e ( ) a d ch he e de ce a he a ea ab e e h he gh f he a fe a e he a fe ( a d f he e f a fe e ec ed b e he e h beha f, he a h f ha e d ).

The eg a f a fe a , g g ce b ad e e e e E g h a d e Ch e e e a e c c a g H g K g, be e ded a ch e a d f ch e d a he D ec a f e e de e e a d e he ge e a e ec fa ca f ha e . The eg e f e be ha be c ed f e d e ceed g he h e 30 da a ea .

**(k) Power for our Company to purchase our own shares**

The A ce f A ca de ha he e f C a cha e he e ac e ha e e e c ab e b he D ec ch e a d c d a he h f b ec he c d e c b e d b he C a e La .

**(l) Power of any subsidiary to own securities in our Company**

The e a e he A ce f A ca e a g e h f ec e C a b a b d a .

**(m) Dividends and other methods of distribution**

O C a ge e a ee g a dec a ed de d a c e c b d de d a e ceed he a ec e ded b he D ec . O C a a a a e a d b f ha e e acc b ec he f he C a e La .

U e a d he e e ha he gh a ached a ha e he e f e he e f he e de, a d de d be a ed a d a d a a acc d g he a a d c ed ed a a d he ha e d g a f he e d e ec f h ch he d de d a d . N a a d a ha e ad a ce f ca f h e be ea ed a a d he ha e . The D ec a e a a d de d he e a ab e e ec fa ha e h ch C a ha a e , a d a a he a e a d a fac f he deb , ab e

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

e gage e e ec f hch he e e . The D ec a ded c f a d de d b a abe a e be a f e (fa ) ee a abe b h C a acc fca , a e he e.

Whe e e he D ec C a ge e a ee gha e e ed ha a d de d be a d deca ed he ha e ca a f C a , he D ec a f he e e e he (a) ha ch d de d be a fed h a he f fa a e f ha e ced ed a f a d, ded ha he e be e ed he e be e ed eec ece e ch d de d ( a he e f) ca h e f cha e , (b) ha he e be e ed ch d de d be e ed eec ece e a a e f ha e ced ed a f a d e f he h e ch a f he d de d a he D ec a h f .

O C a a a he ec e da f he D ec b a d a e e e e ec fa a c a d de d f C a ha a be a fed h he f f a a e f ha e ced ed a f a d h ffe ga gh e be eec ece e ch d de d ca h e f cha e .

Whe e e he D ec C a ge e a ee gha e e ed ha a d de d be a d deca ed he D ec a f he e e ha ch d de d be a fed h a b he d b f ec fca e fa d.

A d de d , b e he d b he ceed f he ea a f a f he f eg g ca ed f e ea afe ha gbee deca ed a be e ed he e ade e f b he D ec f he be ef f C a ca ed a d C a ha be c ed a ee e ec he e f. A d de d , b e he d b ceed a af e ad ca ed f ea afe ha gbee deca ed a be f fe ed b he D ec a d, ch f fe e, ha e e C a a d, he ca e he e a f he a e a e ec e C a , a be e- a ed e- ed f ch c de a a he D ec h f .

**(n) Proxies**

A e be f C a e ed a e d a d e a a ee g f C a a ee g f he h de fa ca f ha e C a e ed a a he e a h a e d a d e ead fh . A e be h he h de f e ha e a a e ha e e e ee h e h beha f a a ge e a ee g f C a a a ca ee g. A a ge e a ee g a , e a be ge e e he e a ( , he ca e f a e be be g a c a , b d a h ed e ee a e) b . P e eed be e be f C a .

A ha be e ed e e c e he a e e beha f fa e be h a d d a a d f h he ac a a ch e be c de e c e. I add , a ha be e ed e e c e he a e e beha f fa e be h ch ac a a d f h ch he ac a a ch e be c de e c e a f ee a d d a e be .

**(o) Corporate representatives**

A c a e e be f C a e ed a e d a d e a a ee g f C a e ed a a e e a e ee e a e a e d a d e beha f. A c a e e be e ee ed b e ee a e dee ed be ee e a he ee a ee ga d e ee a e a e a a e a ch ee g.

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**APPENDIX V      SUMMARY OF THE CONSTITUTION OF THE COMPANY  
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**(p) Calls on shares and forfeiture of shares**

The Director may, at any time, call for the payment of any amount payable by a shareholder in respect of any shares held by him (whether or not such amount is due and payable by him) and, if he is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares. If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for. If the Director is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares. If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for.

If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for. If the Director is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares. If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for.

If the Director is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares. If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for.

A shareholder who fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for. If the Director is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares. If a shareholder fails to pay any amount so called for, the Director may, at any time, cause the shares to be sold or otherwise disposed of and the proceeds of such sale or disposal may be applied in or towards payment of the amount so called for.

**(q) Inspection of register of members**

For the purpose of this section, the Secretary, or any other person appointed by the Board, may, at any time, cause to be made a copy of the register of members of the Company and, if he is satisfied that a shareholder has failed to pay any amount so called for, he may, after giving the shareholder notice in writing, forfeit the shares.

**(r) Inspection of register of Directors**

The Board may, at any time, cause to be made a copy of the register of Directors of the Company and, if it is satisfied that a shareholder has failed to pay any amount so called for, it may, after giving the shareholder notice in writing, forfeit the shares.

**(s) Quorum for meetings and separate class meetings**

For the purpose of this section, the Board may, at any time, cause to be made a copy of the register of members of the Company and, if it is satisfied that a shareholder has failed to pay any amount so called for, it may, after giving the shareholder notice in writing, forfeit the shares.

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f c a g h , he ece a ha be e ha e h d g e e e g b  
e- h d a a e f he ed ha e f ha ca a d, he e ch ee g ad ed f a  
f , he f he ad ed ee g ha be a e be e e e a d  
e ed e b ( ha e e he be f ha e h e d b he ).

**(f) Rights of the minorities in relation to fraud or oppression**

The e a e he A ce f A ca ea g gh f e be  
e a f a d e . H e e , ce a e ed e a e a a be e be f C a  
de Ca a I a d c a a a a a ed a ag a h 4(e) be .

**(u) Procedures on liquidation**

A e f a c a d g f C a be a ed b a f a  
eca e .

If C a ha be d , he a e e a g a f e a e a c e d a e  
be d d e d a g he e be he ca a a d he ha e h e d b he  
e ec e , a d f ch a e ha be ff ce e a he h e f he a d ca a , he  
a e be d b ed ha , a ea a a be, he e ha be b eb he e be  
he ca a a d he ha e h e d b he e ec e , a bec he gh fa ha e ed  
eca e a d c d .

If C a ha be d ( he he he da a b he c ), he  
da a , h he a c f a e ca e , d de a g he e be e ce d he  
h e a a f he a e f C a a d he he he a e c f e f e d  
e e f d ffe e d a d he da a , f ch e , e ch a e a he dee fa  
a e e ca ca e f e be d d e d a a f e a d a d a de e eh ch  
d be ca ed a be ee he e be d ffe e ca e f e be a d he e be  
h each ca . The da a , h he e a c , e a e e ca ca e f  
e a d a de e eh ch d ha be ca ed a be ee he e be d ffe e  
ca e f e be . The da a , h he e a c , e a a f he a e ee  
ch f he be ef f e be a he da , h he e a c , ha h f , b ha  
e be ha be c e ed acce a ha e he a e h ch he e a ab .

**(v) Untraceable members**

O C a a e he ha e fa e be f ( ) d de d he d b ha e bee  
deca ed b C a a ea h ee cca d ga e d f 12 ea a d he e d de d  
d b ha e bee ca ed ch ha e ; ( ) C a ha b hed a ad e e e f  
e e ch ha e E g ha d Ch ee e ead g E g ha d ( e a a ab e )  
e ead g Ch ee e a e c c a g he e f he c e cha ge h ch he d a  
ha e ca a f C a ed a d a e d f h ee h ha e a ed ce he da e f he f  
b ca f ch ce ; ( ) C a ha a a ed g he a d e d f 12 ea a d  
h ee h ece ed a d ca f he e e ce f he e be h he h de f ch ha e f  
a e e ed ch ha e b dea h, ba c e a f a ; a d ( ) C a ha  
f ed he c e cha ge h ch he d a ha e ca a f C a ed f e  
e ch ha e . The e ceed fa ch a e be g C a a d he ece f  
ch e ceed b C a , C a bec e deb ed he f e h de f ch  
ha e f a a e a he a f ch e ceed .

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

**(w) Stock**

O C a a b d a e c e a f a d h a e c , a d a f e e b e e e c e a c f a d h a e f a d e a . The h d e f c a a f e h e a e a a h e e f h e a e a e , a d b e c h e a e e g a a a d b e c h c h h e h a e f h c h h e c a e g h c e h a e b e e a f e d a e a h e e a c c a c e a d , b h e D e c a f e e , f h e h f , f h e a f c a f e a b e a d e c h b h e a f e f f a c f h a , b h a c h h a e c e e d h e a a f h e h a e f h c h h e c a e . N a a b e a e h a b e e d e e c f a c . The h d e f c h a , a c c d g h e a f h e c h e d b h e , h a e h e a e g h , e g e a d a d a g e a e g a d d d e d , a c a a e a d g - , g a e e g , a d h e a e , a f h e h e d h e h a e f h c h h e c a e , b c h e g e f C a h a b e c f e e d b a a f c h c h d , f e g h a e , h a e c f e e d c h e g e a d a g e . A c h f h e f h e A c e f A c a a a e a c a b e a d h a e h a a c , a d h e d " h a e " a d " h a e h d e " a d " e b e " h e e h a c d e " c " a d " c h d e " .

**(x) Other provisions**

The A c e f A c a d e h a , h e e e h a h b e d b a d c a c e h h e C a e L a , f a g h a a c h g a a a h c h C a a e a f e h e d a e f h d c e h a e a e e c a b e a d C a d e a a c h c h d e h e b c c e d e c h a a b e g e d c e d b e h e a a e f a S h a e , a b c g h e e e h a b e e a b h e d a d a e d a g h e h f a b e e e h e b c c e a d h e a a e f a S h a e a e e c e f h e a a .

**3. VARIATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION**

S b e c h e g h f C a e a a g a h 2(c) a b e a e d c a a b d a e , h e M e a d f A c a f C a a b e a e e d b C a b e c a e . The A c e f A c a a e h a a e c a e h a b e e e d a e h e f h e M e a d f A c a ( b e c a d e d a b e ) h e A c e f A c a c h a g e h e a e f C a . F h e e e , a e a e c a e f h a b e e a e d b a a f e h a h e e - f h f h e e c a b c h e b e f C a a , b e g e e d d , e e , h e c a e f c h e b e a a e c a , b h e e e c e d a h e d e e e a e , h e e e a e a e d , b a a g e e a e e g f h c h c e e c f g h e e e h e e a a e c a e h a b e e d g e h e a e a c c d a c e h a a g a h 2() a b e . E c e h e c a e f a a a g e e a e e g , h e e e e f c e e d e c f e d h e A c e f A c a a b e a e d b a a b e f h e e b e h a g h e g h a e d a d e a h e e e a e e g , b e g a a g e h e h d g e h a 95% a a e f h e h a e g g h a g h .

**APPENDIX V      SUMMARY OF THE CONSTITUTION OF THE COMPANY  
AND CAYMAN ISLANDS COMPANY LAW**

**4. CAYMAN ISLANDS COMPANY LAW**

On the 1st day of January, 1981, the following persons became the shareholders of the Cayman Islands Company. The Cayman Islands Company, a high class company, is a public company limited by shares, the shares of which are listed on the Cayman Islands Stock Exchange. The Cayman Islands Company is a company limited by shares, the shares of which are listed on the Cayman Islands Stock Exchange.

**(a) Share capital**

The Cayman Islands Company has a share capital of \$1,000,000, divided into 1,000,000 shares of \$1.00 each. The Cayman Islands Company has a share capital of \$1,000,000, divided into 1,000,000 shares of \$1.00 each.

- ( ) The company is authorized to issue shares of \$1.00 each.
- ( ) The company is authorized to issue shares of \$1.00 each.
- ( ) The company is authorized to issue shares of \$1.00 each.
- ( ) The company is authorized to issue shares of \$1.00 each.
- (aa) The company is authorized to issue shares of \$1.00 each.
- (bb) The company is authorized to issue shares of \$1.00 each.
- ( ) The company is authorized to issue shares of \$1.00 each.

The company is authorized to issue shares of \$1.00 each.

The company is authorized to issue shares of \$1.00 each.

The Cayman Islands Company has a share capital of \$1,000,000, divided into 1,000,000 shares of \$1.00 each.

**(b) Financial assistance to purchase shares of a company or its holding company**

The Cayman Islands Company is authorized to provide financial assistance to purchase shares of the company or its holding company.

**(c) Redemption and Purchase of shares and warrants by a company and its subsidiaries**

Ac a a , fa h ed b a ce fa ca , e edee abe ha e a d, cha e ha e , c d ga edee abe ha e . P cha e a d ede a be effec ed f he f f he c a f he ceed fa fe h e f ha e adef he e , f a h ed b a ce fa ca a d bec he f he C a e La , f ca a . A e a abe a ede cha e e he a a e f he ha e be cha ed be ded f f f f he c a f he c a ' ha e e acc , , f a h ed b a ce fa ca a d bec he f he C a e La , f ca a . A cha e b ac a f ha e a be a h ed b d ec he e b acc da ce h he f a ce . A a e f ca a f a ede cha e fac a ' ha e a f e ed a e f g he da e f he ed a e he c a abe a deb a he fa d e he d a c e f b e . The ha e cha ed edee ed be ea ed a ca ce ed a d he c a ' ed, b a h ed, ca a be d hed acc d g .

Ac a h b ed f cha g a d a cha e bc a a bec a d acc da ce h he e a d c d f he ee a a a e ce fca e . The e e e de Ca a I a d a ha ac a ' e a d a ce fa ca c a a ecfc e ab g ch cha e .

U de Ca a I a d a , a b da a h d ha e h d g c a a d ce a c c a ce , a ac e ch ha e . Ac a , he he a b da a h d g c a , a cha e ha e f ca ce a f a h ed d a ce fa ca .

**(d) Dividends and distributions**

Ac a a a a d de d, a e a d b f ha e e acc e ed a e f g he da e h ch he a e ed be ade, he c a abe a deb a he fa d e he d a c e f b e .

**(e) Protection of minorities**

The Ca a I a d c d a d be e ec ed f E g h ca e a ecede h ch e a ha eh de c e ce a e ee a e ac aga de a e ac he a e fac a cha e ge (a) a ac h ch a e he c a ega (b) a ac h ch c e a fa d aga he a d he g d e a e he e e c f he c a , (c) a eg a he a g fa e h ch e e a a fed ( ec a ) a .

I he ca e fc a ( be g a ba ) ha g a ha e ca a d ded ha e , he c a ,

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

**(f) Management**

The Cayman Islands Companies Act, 1992, provides that the directors of a company shall exercise the powers of management of the company and the business of the company, and shall exercise the powers of the company in relation to the business of the company, and shall exercise the powers of the company in relation to the business of the company.

**(g) Accounting and auditing requirements**

The Cayman Islands Companies Act, 1992, provides that every company shall cause to be prepared and laid before the company in general meeting a profit and loss account, a balance sheet, and a statement of financial position, and shall cause to be prepared and laid before the company in general meeting a statement of financial position, and shall cause to be prepared and laid before the company in general meeting a statement of financial position.

**(h) Exchange control**

The Exchange Control Act, 1969, applies to the Cayman Islands.

**(i) Taxation**

The Income Tax Act, 1969, applies to the Cayman Islands. The Cayman Islands has no income tax, and the Cayman Islands has no income tax. The Cayman Islands has no income tax, and the Cayman Islands has no income tax. The Cayman Islands has no income tax, and the Cayman Islands has no income tax.

**(j) Stamp duty**

Stamp duty is levied on certain documents, including contracts, and the Cayman Islands has no stamp duty. The Cayman Islands has no stamp duty, and the Cayman Islands has no stamp duty.

**(k) Inspection of corporate records**

Under the Companies Act, 1992, the directors of a company shall keep and preserve the books and records of the company, and shall make them available for inspection to the Registrar of Companies.

Members of the company shall have the right to inspect the books and records of the company, and shall have the right to inspect the books and records of the company.

The Registrar of Companies may require the directors of a company to produce the books and records of the company, and shall have the right to inspect the books and records of the company.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW**

**(I) Winding up**

A c a a be d b he Ca a I a d c a ca e e ed b he c a ef, ced c b . The Ca a I a d c a ha a h de d g a be f ec fed c c a ce c d g he e , he f he Ca a I a d c , a de abe ha ch c a be d .

A c a a be d a he he e be e e ge e a ee g , he ca e fa ed d a c a , he he e d f ed f he d a f he c a b e a d fa ca e e , he e e cc he cc e ce f h ch he e a d f a ca de ha he c a be d ed. I he ca e fa a d g , ch c a b ged cea e ca b e f he e f a g he e f a d g he e f he e d he cc e ce f he e e efe ed ab e. U he a e fa da , he e b f he c a ' affa e e e h ha d a d f e e ec e ac a be ca ed h h a a .

Whe e a e ha bee a ed f he a d g fac a , he c a a e a de ha he d g h d c e bec he e f he c h ch be c ed , c b he a he c a he c a h f .

I he ca e fa e be ' a d g fac a , he c a ge e a ee g a e e da f he e f d g he affa f he c a a d d b g a e . If he da a a ef he ha ch c a be abe a deb f , he b ged a ee g f c ed .

A a he affa f he c a a ef d , he da a e a acc f he d g , h gh he d g ha bee c d c ed a d he e f he c a ha bee d ed f, a d he e ca a ge e a ee g f he c a f he e f a g bef e he acc a d g g a e a a he e f. Th f a ge e a ee g e e a ea e h' ce ca ed b P b c N ce he Ca a I a d he e a he Reg a f C a e a d ec .

**5. GENERAL**

C e D & Pea a , C a ' ega ad e Ca a I a d a , ha e e C a a e e f ad ce a g ce a a ec f Ca a I a d c a a . Th e e , ge he h a c f he C a e La , a a abe f ec a efe ed he a ag a h headed "D c e a a abe f ec " A e d VII h ec . A e h g ha e a de a ed a f Ca a I a d c a a ad ce he d ffe e ce be ee a d he a f a d c h h ch he e fa a ec e ded ee de e de ega ad ce.

## FURTHER INFORMATION ABOUT OUR COMPANY

## 1. Incorporation of our Company

We were incorporated in the Cayman Islands under the Companies Law of the Cayman Islands on 2 January 2008.

We have been registered in Hong Kong under the Companies Ordinance (Chapter 620 of the Laws of Hong Kong) at the Companies Registry, 19th Floor, Lippo Centre, 189 Queen's Road East, Hong Kong. Our registered office is at the same address, M. Y. Chee Chartered Accountants, 18G, Tower 6, International Harbour, 11 Harbour Road, Taikoo Tower, Kowloon, Hong Kong.

We were incorporated in the Cayman Islands under the Companies Law of the Cayman Islands. Our principal place of business is at the same address, M. Y. Chee Chartered Accountants, 18G, Tower 6, International Harbour, 11 Harbour Road, Taikoo Tower, Kowloon, Hong Kong.

## 2. Changes in share capital of our Company

*(a) Increase in authorised share capital*

- (i) At the date of the formation of the Company, the authorised share capital was HK\$200,000 divided into 2,000,000 Shares of HK\$0.10 each. On 2 January 2008, the authorised share capital was increased to HK\$1,000,000 by the issue of 8,000,000 Shares of HK\$0.10 each, of which 834,999 Shares were issued to the public and 7,165,000 Shares were issued to the employees of the Company. The 1,000,000 Shares were issued at a price of HK\$1.00 per Share, which is at a premium of HK\$0.90 per Share to the nominal value of HK\$0.10 per Share.
- (ii) On 12 October 2008, the authorised share capital was increased to HK\$1,000,000 by the issue of 8,000,000 Shares of HK\$0.10 each, of which 834,999 Shares were issued to the public and 7,165,000 Shares were issued to the employees of the Company. The 1,000,000 Shares were issued at a price of HK\$1.00 per Share, which is at a premium of HK\$0.90 per Share to the nominal value of HK\$0.10 per Share.
- (iii) In connection with the offering of the Global Offering of the Company, the authorised share capital was increased to HK\$1,000,000 by the issue of 8,000,000 Shares of HK\$0.10 each, of which 834,999 Shares were issued to the public and 7,165,000 Shares were issued to the employees of the Company. The 1,000,000 Shares were issued at a price of HK\$1.00 per Share, which is at a premium of HK\$0.90 per Share to the nominal value of HK\$0.10 per Share.



- ( ) he G ba Offe g a d he g a f he O e -a e O b e e a ed a d he D ec e e a h ed a a d e e Sha e a he G ba Offe g a d ch be f Sha e a a be e ed be a ed a d ed he e e c e f he O e -a e O ;
- ( ) he e f he Sha e O Sche e, he c a e f h ch a e e a ag a h 16 f h A e d , e e a ed a d ad ed a d he D ec e e a h ed a e a a e d e he e f he Sha e O Sche e a a be acce abe b ec ed b he S c E cha ge, a d a he ab e d c e g a b c be f Sha e he e de a d a , e a d dea h Sha e a he e e c e f h ch a be g a ed de he Sha e O Sche e a d a e a ch e a a be e ce a , de abe e e de e e he Sha e O Sche e;
- ( ) c d a he ha e e acc f be g c ed ed a a e f he G ba Offe g, he D ec e e a h ed ca a e HK\$89.8 a d g he c ed f he ha e e acc f b a g ch a g f a a 898 Sha e f a e a d e h de f Sha e h e a e a ea he eg e f e be f a he c e f b e 4 Se e be 2009 ( a he a d ec ) (a ea a be h g f ac ha f ac f a ha e ha be a ed a d ed) he he e gh d g a d ha he Sha e be a ed a d ed a h e h d a a a a e ec h he he e g ed Sha e a d he D ec e e a h ed g e effec ch ca a a ;
- ( ) a ge e a c d a a da e a g e he D ec a , e a d dea h, he e ha b a f gh e, c d de d che e a a a ge e acc da ce h he A ce f A ca , a he e e c e fa h ch e e g a ed a be g a ed de he P e-IPO Sha e O Sche e he Sha e O Sche e, de he G ba Offe g he Ca a a I e he e e c e f he O e -a e O , Sha e ha agg ega e a a f e ceed g he f (aa) 20% f he agg ega e a a f he ha e ca a f e ed a e f g c e f he G ba Offe g a d he Ca a a I e b e c d ga Sha e h ch a be ed a he e e c e f he O e -a e O , a d (bb) he agg ega e a a f he ha e ca a f h ch a be cha ed b a he a h g a ed he D ec a efe ed b a ag a h ( ) be , he c c f e a a ge e a ee g, he da e b h ch e a a ge e a ee g e ed b he A ce f A ca , he C a e La a a cab e Ca a I a d a be he d, he a g f a d a e b he Sha eh de e g a g he a h g e he D ec , h che e cc f ;

( ) a ge e a c d a a da e (he “Re cha e Ma da e”) a g e  
 he D ec e e c e a e f C a cha e Sha e  
 he S c E cha ge a he c e cha ge h ch he ec e f  
 he C a a be ed ec g ed b he SFC a d he S c E cha ge  
 f h e h a agg ega e a a f e ceed g 10% f  
 he agg ega e a a f ha e ca a e ed a e  
 f g he c e f he G ba Offe g a d he Ca a a I e  
 b e c d ga Sha e h ch a be ed a he e e c e f he  
 O e -a e O he c c f e a a ge e a  
 ee g, he da e b h ch e a a ge e a ee g e ed b  
 he A c e f A c a , he C a e La a a cab e Ca a  
 I a d a be he d, he a g f a d a e b he  
 Sha eh de e g a g he a h g e he D ec ,  
 h che e cc f ; a d

( ) he e e f he ge e a a da e a , e a d dea h Sha e  
 c de he a a f Sha e h ch a be cha ed  
 e cha ed a a ag a h ( ) ab e.

(d) e a ed he f a d b a ce f each f he e ce ag ee e ade  
 be ee e ec e D ec h , a d he f a d b a ce f each f  
 he a e e e ade be ee each f de e de -e ec e  
 D ec h .

**4. Group reorganisation**

The c a e c g de e a e ga a a a e c e  
 e a a f he g f he Sha e he S c E cha ge h ch ed he  
 f g:

(a) 2 Ja a 2008, C a a c a ed he Ca a I a d a a  
 e e ed c a h a a h ed ha e ca a f HK\$200,000 d ded  
 2,000,000 Sha e . O he a e da , e b c be ha e f HK\$0.10 a  
 a fe ed b b c be X a She g I e a a a c de a a d  
 a agg ega e f 999,999 Sha e e e a ed a d ed a a d b , a ( )  
 834,999 Sha e X a She g I e a a ; a d ( ) 165,000 Sha e M g La g  
 I e e ;

(b) 10 Ja a 2007, M . Wa g C g X g, a e ec e D ec a fe ed  
 M . Wa g D g X g 1,700 ha e L a g I e a a he d b h  
 f M . Wa g D g X g a c de a . O he a e da , M . Y Ha  
 M g, he e he f he Wa g B he a fe ed M . Wa g D g X g a d  
 M . Wa g L a g X g 1,700 ha e a d 3,300 ha e L a g I e a a he d  
 b h f M . Wa g D g X g a d M . Wa g L a g X a g,  
 e ec e a c de a ;

(c) 27 J e 2007, M . La Ga L , he ce f he Wa g B he e e ed a e a fe agee e h L a g I e a a f he a fe f he e e e e L a g F a L a g I e a a he d b h f he Wa g B he a c de a a he c f he Wa g B he . S ch a fe fe e e L a g F a beca e effec e 20 Dece be 2007;

(d) 27 Dece be 2007, he a h ed ha e ca a f L a g I e a a a ce a ed f HK\$10,000 HK\$20,000. O he a e da , L a g I e a a ed a da ed, c ed ed a f a d, a agg ega e f 10,000 ha e ha a a e f HK\$1 each he Wa g B he he e ec e e e L a g I e a a , c de a f a d e cha ge f he c g he a fe f he e e e e L a g F a L a g I e a a he a e a efe ed a ag a h (c) ab e;

(e) 7 Ja a 2008, he Wa g B he a fe ed a agg ega e f 4,700 ha e L a g I e a a he Ma age e a d O he Sha eh de a c de a he f g a e :

( ) a 1,600 ha e f M . Wa g D g X g M . Ca R g H a;

( ) 1,000 ha e f M . Wa g L a g X g M . H Che g Ch ;

( ) 500 ha e f M . Wa g L a g X g M . Wa g R P g;

( ) 100 ha e f M . Wa g C g X g M . Wa g R P g;

( ) 600 ha e f M . Wa g C g X g M . Pa R g B ;

( ) 400 ha e f M . Wa g C g X g M . Che We J ;

( ) 200 ha e f M . Wa g C g X g each f M . Wa g Q a X g a d M . Che Y H a; a d

( ) 100 ha e f M . Wa g D g X g M . X Ta M .

(f) 10 J e 2008, L a g H d g , he ed a eh d g c a f , ac ed f each f he Wa g B he a d he Ma age e a d O he Sha eh de , be g a f he he ha eh de f L a g I e a a , a agg ega e f 20,000

(g) 12 Se e be 2008, C a ac ed f X a She g I e a a a d M g La g I e e a agg ega e f 20,000 ha e f US\$1 each he ha e ca a f L a g H d g , be g e e ed ha e ca a c de a f a d e cha ge f h ch C a , a he d ec f each f X a She g I e a a a d M g La g I e e , ( ) a ed a d ed, c ed ed a f a d, a agg ega e 940,000 Sha e , a 635,000 Sha e X a She g I e a a , 165,000 Sha e M g La g I e e , a agg ega e f 93,000 Sha e he Wa g B he , a d a agg ega e f 47,000 Sha e he Ma age e a d O he Sha eh de ; a d ( ) c ed ed a f a d a a a agg ega e f 1,000,000 - a d Sha e he he d b X a She g I e a a a d M g La g I e e .

(h) 12 Se e be 2008, C a a ed a d ed, c ed ed a f a d a a , a agg ega e f 60,000 Sha e Wa g B he , a 20,000 Sha e M . Wa g D g X g , 20,000 Sha e M . Wa g L a g X g a d 20,000 Sha e M . Wa g C g X g , f a fac f he agg ega e a f HK\$135,490,000 a ab e he Wa g B he de he deed f a a g e da ed 12 Se e be 2008, a c a f h ch a e e a ag a h 9(b) be .

U c e f he Re ga a , C a beca e he h d g c a f G .

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

The b da e f C a a e ed he acc a ' e e A e d -4.8(e e2( e)-5.1( ).02a1-533-340.9(X a5 )-350.)-c 2.1(a)-Tf0-42TD (The)-1 ( ga a )- a

## 6. Further information about our PRC establishments

We have the registered capital of the following foreign-invested enterprises in the PRC. A table of the capital of the enterprises is set out in the following table:

- |     |     |                 |   |  |
|-----|-----|-----------------|---|--|
| (a) | ( ) | Na e f he e e e | : | 利郎 (中國) 有限公司 (L a g (Ch a) C ., L d.)  |
|     | ( ) | Da e f c a      | : | 25 Ma ch 2005  |
|     | ( ) | Ec c a e        | : | h f e g - e d e e e  |
|     | ( ) | Reg e ed e      | : | L a g I e a a  |
|     | ( ) | T a e e ca a    | : | HK\$250  |
|     | ( ) | Reg e ed ca a   | : | HK\$100  |
|     | ( ) | A b ab e e e    | : | 100%   |
|     | ( ) | Te f e a        | : | 25 Ma ch 2005 24 Ma ch 2035  |
|     | ( ) | Sc e f b e      | : | Ma fac e f a a e, ga e, f ea, f e, a e (e c e f e ec a e) a d a c d c (e c e f d c ca eg e h ch a e bec e a) |
| (b) | ( ) | Na e f he e e e | : | 利郎 (福建) 時裝有限公司 (L a g (F a) Ga e C ., L d.)  |
|     | ( ) | Da e f c a      | : | 24 A 1995  |
|     | ( ) | Ec c a e        | : | h f e g - e d e e e  |
|     | ( ) | Reg e ed e      | : | L a g I e a a  |
|     | ( ) | T a e e ca a    | : | HK\$25   |
|     | ( ) | Reg e ed ca a   | : | HK\$20   |
|     | ( ) | A b ab e e e    | : | 100%   |
|     | ( ) | Te f e a        | : | 24 A 1995 23 A 2025  |
|     | ( ) | Sc e f b e      | : | Ma fac e f a a e, f ea a d e (e c e f d c ca eg e h ch a e bec e a)  |



(b) Source of funds

Re cha e be a d f f d ega a a a b e f he e  
 acc da ce h he A ce f A ca a d he C a e La . A ed c a  
 a e cha e ec e he S c E cha ge f ac de a he  
 ha ca h f e e e he e ha acc da ce h he ad g e f he  
 S c E cha ge. U de he Ca a I a d a , a e cha e b a be ade  
 f f f he ceed fa fe h e f Sha e adef he e  
 f he e cha e , f a h ed b he A ce f A ca a d b ec he  
 C a e La , f ca a . A e a a b e a ede cha e  
 e he a a e f he Sha e be cha ed be ded f f he f  
 f f a d g he c ed f ha e e acc , f  
 a h ed b he A ce f A ca a d b ec he f he  
 C a e La , f ca a .

(c) Reasons for repurchases

The D ec be e e ha he be e e f C a a d he  
 Sha eh de f he D ec ha e ge e a a h f he Sha eh de  
 e a b e C a e cha e Sha e he a e . S ch e cha e a ,  
 de e d g a e c d a d f d g a a ge e a he e, ead a  
 e ha ce e f he e a e a e e Sha e a d/ ea g e Sha e a d  
 be ade f he D ec be e e ha ch e cha e be ef C a a d  
 he Sha eh de .

(d) Funding of repurchases

I e cha g ec e , e a a f d ega a a a b e f ch  
 e acc da ce h he A ce f A ca , he L g R e a d he  
 a cab e a f he Ca a I a d .

O he ba f c e f a ca f a d c ed h ec  
 a d a g acc he c e g ca a , he D ec c de  
 ha , f he Re cha e Ma da e e e be e e c ed f , gh ha e a a e a  
 ad e e effec he g ca a a d/ gea g a c a ed he  
 d c ed h ec . H e e , he D ec d e  
 e e c e he Re cha e Ma da e ch a e e a d, he c c a ce ,  
 ha e a a e a ad e e effec g ca a e e e he gea g e e  
 h ch he f he D ec a e f e e a a e f .

The e e c e f f he Re cha e Ma da e, he ba f 1,200,000,000  
 Sha e e ed a e a f e he L g, d e 120,000,000 Sha e  
 be g e cha ed b d g he e d h ch he Re cha e Ma da e e a  
 f ce.

(e) *General*

N e f he D ec , he be f he edge ha g ade a  
ea ab ee e , a f he a ca e c e e d e a Sha e  
C a b da e .

The D ec ha e de a e he S c E cha ge ha , fa a he a e a  
be a cab e, he e e c e he Re cha e Ma da e acc da ce h he  
L g R e a d he a cab e a f he Ca a I a d .

If, a a e fa ec e e cha e, a Sha eh de ' a e e e  
he g gh f C a c ea ed, ch c ea e be ea ed a a  
ac f he e f he H

- (b) a deed of assignment dated 12 September 2008 whereby ( ) the Waig Bhe a a g ; ( ) Lag Hd g a he a g ee a d ( ) Lag I e a a a deb f he a g e Lag Hd g f he Waig B he ' gh , e e , e, ca a d be ef , f a d he a e ec e ed b Lag I e a a he Waig B he he agg ega e a f HK\$135,490,000; f a agg ega e c de a f HK\$135,490,000 a f ed b he C a a g a d g, c ed ed a f a d, a agg ega e f 60,000 Sha e he Waig B he ;
- (c) a share charge dated 12 September 2008 whereby ( ) Xa She g I e a a a d M g La g I e e a e d ; ( ) the Waig B he a d he Ma age e a d O he Sha eh de a a ; a d ( ) C a a cha e f (A) he ac b C a f he e e ed ha e ca a f Lag Hd g , c de a f a d e cha ge f h ch C a , a he d ec f Xa She g I e a a a d M g La g I e e , ( ) a ed a d ed, c ed ed a f a d, a agg ega e f 940,000 e Sha e , a 635,000 Sha e Xa She g I e a a , 165,000 Sha e M g La g I e e , a agg ega e f 93,000 Sha e he Waig B he a d a agg ega e f 47,000 Sha e he Ma age e a d O he Sha eh de ; a d ( ) c ed ed a f a d a a he 1,000,000 - a d Sha e he he d b Xa She g I e a a a d M g La g I e e ; a d (B) f he a fac f he c de a a ab e b Lag Hd g de he deed f a a g e efe ed (b) ab e b a g a d g, c ed ed a f a d, a agg ega e f 60,000 Sha e he Waig B he ;
- (d) a deed of date 10 September 2009 executed by Xa She g I e a a , M g La g I e e a d he Waig B he fa f C a (f e e a d a ee f b da e a ed he e ) c a g he de e e a c a efe ed a ag a h headed "E a e d , a a d he de e" f h A e d ; a d
- (e) the Public Office of the Registrar.










**10. Our intellectual property rights***(a) Copyrights*

















A a he La e P ac cab e Da e, e a e he eg e ed e a d be ef c a  
e f he c gh e ec f he f g de g f ea e a e :


<u>Description of the designs</u>	<u>Place of registration</u>	<u>Registration number</u>	<u>Duration of validity</u>
Wea e a e 1	PRC	13-2007-F-0270	16 Ja a 2007 31 Dece be 2057
Wea e a e 2	PRC	13-2007-F-0271	16 Ja a 2007 31 Dece be 2057
Wea e a e 3	PRC	13-2007-F-0272	16 Ja a 2007 31 Dece be 2057
Wea e a e 4	PRC	13-2007-F-0273	16 Ja a 2007 31 Dece be 2057
Wea e a e 5	PRC	13-2007-F-0274	16 Ja a 2007 31 Dece be 2057
Wea e a e 6	PRC	13-2007-F-0275	16 Ja a 2007 31 Dece be 2057
Wea e a e 7	PRC	13-2007-F-0276	16 Ja a 2007 31 Dece be 2057
Wea e a e 8	PRC	13-2007-F-0277	16 Ja a 2007 31 Dece be 2057
Wea e a e 9	PRC	13-2007-F-0278	16 Ja a 2007 31 Dece be 2057
Wea e a e 10	PRC	13-2007-F-0279	16 Ja a 2007 31 Dece be 2057
Wea e a e 11	PRC	13-2007-F-0280	16 Ja a 2007 31 Dece be 2057
Wea e a e 12	PRC	13-2007-F-0281	16 Ja a 2007 31 Dece be 2057
Wea e a e 13	PRC	13-2007-F-0282	16 Ja a 2007 31 Dece be 2057





<u>Description of the designs</u>	<u>Place of registration</u>	<u>Registration number</u>	<u>Duration of validity</u>
Wea e a e 14	PRC	13-2007-F-0283	16 Ja a 2007 31 Dece be 2057
Wea e a e 15	PRC	13-2007-F-0284	16 Ja a 2007 31 Dece be 2057
Wea e a e 16	PRC	13-2007-F-0285	16 Ja a 2007 31 Dece be 2057
Wea e a e 17	PRC	13-2007-F-0286	16 Ja a 2007 31 Dece be 2057
Wea e a e 19	PRC	13-2007-F-0287	16 Ja a 2007 31 Dece be 2057
Wea e a e 20	PRC	13-2007-F-0288	16 Ja a 2007 31 Dece be 2057
Wea e a e 21	PRC	13-2007-F-0289	16 Ja a 2007 31 Dece be 2057
B a e	PRC	13-2008-F0098	F a e d f he da e h ch he c gh f b hed 31 Dece be f he 50 h ea he eaf e
C ff a e	PRC	13-2008-F0099	F a e d f he da e h ch he c gh f b hed 31 Dece be f he 50 h ea he eaf e


















## (b) Trade marks








No.	Trademark	Place of registration	Class	Registration number	Duration of validity
1.	 LILANG • 利郎	PRC	18 (Note 1)	3364851	28 J e 2004 27 J e 2014
2.	 LILANG • 利郎	H g K g	25 (Note 2)	300341414	21 Dece be 2004 20 Dece be 2014
3.	 LILANG • 利郎	Maca	25	N/015799	5 Ma 2005 5 Ma 2012
4.	 LILANG • 利郎	PRC	26 (Note 3)	3364867	28 Se e be 2004 27 Se e be 2014
5.	 LILANG • 利郎	PRC	25	4427955	14 Dece be 2008 13 Dece be 2018
6.		PRC	18	913083	14 Dece be 2006 13 Dece be 2016
7.		PRC	25	626989	20 Ja a 2003 19 Ja a 2013
8.		PRC	18	917013	21 Dece be 2006 20 Dece be 2016
9.	LILANG	PRC	25	1172696	7 Ma 2008 6 Ma 2018
10.	利郎	PRC	25	1183944	14 J e 2008 13 J e 2018
11.	利郎	Ta a	25	01171368	1 Se e be 2005 31 A g 2015
12.	利郎王	PRC	25	1089056	28 A g 2007 27 A g 2017
13.		PRC	25	1144625	21 Ja a 2008 20 Ja a 2018

No.	Trademark	Place of registration	Class	Registration number	Duration of validity
14.		PRC	25	1405096	7 J e 2000 6 J e 2010
15.		PRC	25	1405265	7 J e 2000 6 J e 2010
16.		PRC	25	1513109	28 Ja a 2001 27 Ja a 2011
17.		PRC	25	1513110	28 Ja a 2001 27 Ja a 2011
18.		De g a de he Mad d Ag ee e a d P c (Note 47)	25	846116	18 Ma ch 2005 18 Ma ch 2015
19.		PRC	25	1593187	28 J e 2001 27 J e 2011
20.		PRC	25	1939331	28 Oc be 2002 27 Oc be 2012
21.		PRC	25	3257091	14 A 2004 13 A 2014
22.		PRC	25	3257092	28 Feb a 2004 27 Feb a 2014
23.		PRC	25	3257093	28 Feb a 2004 27 Feb a 2014
24.		PRC	25	3257094	28 Feb a 2004 27 Feb a 2014
25.		PRC	25	3257095	14 Feb a 2004 13 Feb a 2014
26.		PRC	25	3257096	28 Feb a 2004 27 Feb a 2014
27.		PRC	25	4439780	21 Feb a 2009 20 Feb a 2019
28.		PRC	25	4439781	21 Feb a 2009 20 Feb a 2019
29.		PRC	25	4439783	21 Feb a 2009 20 Feb a 2019









No.	Trademark	Place of registration	Class	Registration number	Duration of validity
30.	胜利郎 SHENGLIANG	PRC	25	4439784	7 Ma 2009 6 Ma 2019
31.	港利郎 GANGLIANG	PRC	25	4439785	28 Feb a 2009 27 Feb a 2019
32.	赢利郎 YINGLIANG	PRC	25	4439786	28 Feb a 2009 27 Feb a 2019
33.	美利郎 MEILIANG	PRC	25	4439789	7 Ma 2009 6 Ma 2019
34.	利郎鹰 LILANGYING	PRC	25	4440038	21 Feb a 2009 20 Feb a 2019
35.	利郎豹 LILANGBAO	PRC	25	4440039	21 Feb a 2009 20 Feb a 2019
36.	利郎虎 LILANGHU	PRC	25	4440040	21 Feb a 2009 20 Feb a 2019
37.	利郎龙 LILANGLONG	PRC	25	4440041	28 Feb a 2009 27 Feb a 2019
38.	英利郎 YINGLIANG	PRC	25	4440042	21 Feb a 2009 20 Feb a 2019
39.	梨郎 LILANG	PRC	25	4440043	21 Feb a 2009 20 Feb a 2019
40.	莉郎 LILANG	PRC	25	4440044	21 Feb a 2009 20 Feb a 2019
41.	利琅 LILANG	PRC	25	4440045	21 Feb a 2009 20 Feb a 2019
42.	立郎 LILANG	PRC	25	4440046	21 Feb a 2009 20 Feb a 2019
43.	皇家利郎 HUANGJIALIANG	PRC	25	4440065	21 Feb a 2009 20 Feb a 2019
44.	法利郎 FALILANG	PRC	25	4439779	21 A 2009 20 A 2019
45.	利郎王子 LILANGWANGZI	PRC	25	4439790	21 N e be 2008 20 N e be 2018
46.		PRC	25	3433478	14 Dece be 2004 13 Dece be 2014

No.	Trademark	Place of registration	Class	Registration number	Duration of validity
47.		PRC	25	3433479	14 Dece be 2004 13 Dece be 2014
48.	玉领先生	PRC	25	3458736	14 Ja a 2005 13 Ja a 2015
49.	玉领先生	PRC	35 (Note 4)	3458735	28 A g 2004 27 A g 2014
50.	利郎商务服装	PRC	25	3458738	21 Ja a 2005 20 Ja a 2015
51.	黎领	PRC	25	3458740	21 Ja a 2005 20 Ja a 2015
52.	黎领	PRC	35	3458739	28 A g 2004 27 A g 2014
53.	玉领	PRC	25	3458994	14 Feb a 2005 13 Feb a 2015
54.	玉领	PRC	35	3458728	28 A g 2004 27 A g 2014
55.		H g K g	25	300158599	14 Feb a 2004 13 Feb a 2014
56.		H g K g	25	300652987	6 J e 2006 5 J e 2016
57.					



No.	Trademark	Place of registration	Class	Registration number	Duration of validity
60.		PRC	25	4119685	14 Ja a 2008 13 Ja a 2018
61.		PRC	25	4119686	14 Ja a 2008 13 Ja a 2018
62.		PRC	18	3623672	7 Ja a 2006 6 Ja a 2016
63.		PRC	25	3623673	7 Ja a 2006 6 Ja a 2016
64.		H g K g	18, 25, 35	301041524	29 Ja a 2008 28 Ja a 2018
65.		Maca	18	N/033904	28 A g 2008 28 A g 2015
66.		Maca	25	N/033906	28 A g 2008 28 A g 2015
67.		Maca	35	N/033908	28 A g 2008 28 A g 2015
68.		Ta a	18	01341836	16 Dece be 2008 15 Dece be 2018
69.		Ta a	25	01364601	1 J e 2009 31 Ma 2019
70.		Ta a	35	01370783	16 J 2009 15 J 2019
71.		Maca	18	N/033905	28 A g 2008 28 A g 2015
72.		Maca	25	N/033907	28 A g 2008 28 A g 2015
73.		Maca	35	N/033909	28 A g 2008 28 A g 2015
74.		Ta a	25	01333213	16 Oc be 2008 15 Oc be 2018
75.		Ta a	18	01341835	16 Dece be 2008 15 Dece be 2018
76.		Ta a	35	01370782	16 J 2009 15 J 2019











No.	Trademark	Place of registration	Class	Registration number	Duration of validity
77.		H g K g	18, 25, 35	301041533	29 Ja a 2008 28 Ja a 2018
78.		De g a de he Mad d Ag ee e a d P c (Note 48)	25	986955	1 Dece be 2008 1 Dece be 2018
79.		Ja a	25	5175681	F a e d f 10 ea f 24 Oc be 2008
80.		K ea	25	40-0780100	F a e d f 10 ea f 19 Feb a 2009
81.		The U ed S a e f A e ca	25	3588706	F a e d f 10 ea f 10 Ma ch 2009
82.		Ge a	25	302008056830	29 A g 2008 31 A g 2018
83.		PRC	25	4257089	28 J e 2008 27 J e 2018

A a he La e P ac cab e Da e, e had a ed f eg a f he f g  
ade a , he eg a f each f h ch ha e bee g a ed:

No.	Trademark	Place of application	Class	Date of application	Application number
1.	利郎LELO	PRC	25	22 A g 2005	4850361
2.		PRC	25	29 Dece be 2004	4439782
3.		PRC	25	29 Dece be 2004	4440037
4.		PRC	9 (Note 6)	29 Dece be 2004	4439605
5.		PRC	11 (Note 7)	29 Dece be 2004	4439604
6.		PRC	12 (Note 8)	29 Dece be 2004	4439603
7.		PRC	18	29 Dece be 2004	4439601
8.		PRC	23 (Note 9)	29 Dece be 2004	4439600
9.		PRC	25	29 Dece be 2004	4439598


















No.	Trademark	Place of application	Class	Date of application	Application number
10.		PRC	26	29 Dece be 2004	4439597
11.		PRC	28 (Note 10)	29 Dece be 2004	4439586
12.		PRC	32 (Note 11)	29 Dece be 2004	4439585
13.		PRC	33 (Note 12)	29 Dece be 2004	4439584
14.		PRC	34	29 Dece be 2004	4439583
15.		PRC	35	29 Dece be 2004	4439582
16.		PRC	41 (Note 13)	29 Dece be 2004	4439581
17.		PRC	42 (Note 14)	29 Dece be 2004	4439580
18.		PRC	43 (Note 15)	29 Dece be 2004	4439579
19.		PRC	44 (Note 16)	29 Dece be 2004	4439578
20.		PRC	45 (Note 17)	29 Dece be 2004	4439577
21.		PRC	25	6 Feb a 2005	4501988
22.		PRC	25	7 Feb a 2005	4503766
23.		PRC	25	20 Ma ch 2006	5221763
24.		PRC	25	26 Ja a 2006	5142593
25.		PRC	25	20 Ma ch 2006	5221762
26.		PRC	18	30 A 2006	5327021
27.		PRC	25	30 A 2006	5327041
28.		PRC	18	30 A 2006	5327020
29.		PRC	25	30 A 2006	5327040
30.		PRC	18	12 J e 2006	5412211


















<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
31.		PRC	25	12 J e 2006	5411174
32.		PRC	3 ( <i>Note 18</i> )	12 J e 2006	5411164
33.					








<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
44.		PRC	25	24 September 2007	6291984
45.		PRC	18	10 December 2007	6427466
46.		PRC	25	2 November 2007	6355052
47.		PRC	35	10 December 2007	6427465
48.		PRC	18	10 December 2007	6427459
49.		PRC	25	10 December 2007	6427458
50.		PRC	35	10 December 2007	6427457
51.		PRC	18	10 December 2007	6427464
52.		PRC	25	10 December 2007	6427463
53.		PRC	35	10 December 2007	6427462
54.		PRC	18	10 December 2007	6427461
55.		PRC	25	10 December 2007	6427460
56.		PRC	18	10 December 2007	6427431
57.		PRC	25	10 December 2007	6427430











No.	Trademark	Place of application	Class	Date of application	Application number
58.		PRC	25	14 Dece be 2007	6436503
59.		PRC	3	14 Dece be 2007	6436497
60.		PRC	18	14 Dece be 2007	6436502
61.		PRC	23	14 Dece be 2007	6436501
62.		PRC	25	14 Dece be 2007	6436500
63.		PRC	26	14 Dece be 2007	6436496
64.		PRC	28	14 Dece be 2007	6436495
65.		PRC	32	14 Dece be 2007	6436499
66.		PRC	33	14 Dece be 2007	6436498

<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
67.	 简约而不简单	PRC	34	14 Dece be 2007	6436494
68.	 简约而不简单	PRC	35	14 Dece be 2007	6436513
69.	<b>Lilanz</b>	PRC	18	20 Dece be 2007	6447997
70.	<b>Lilanz</b>	PRC	25	20 Dece be 2007	6447996
71.	<b>Lilanz</b>	PRC	35	20 Dece be 2007	6447995
72.	<b>Lilans</b>	PRC	18	20 Dece be 2007	6448000
73.	<b>Lilans</b>	PRC	25	20 Dece be 2007	6447999
74.	<b>Lilans</b>	PRC	35	20 Dece be 2007	6447998
75.	<b>LILANZ 利郎</b>	PRC	35	17 Ja a 2008	6514173
76.	<b>LILANZ 利郎</b>	PRC	25	17 Ja a 2008	6514154
77.	<b>LILANZ 利郎</b>	PRC	18	17 Ja a 2008	6514155
78.		PRC	1 (Note 19)	10 Se e be 2008	6946791
79.		PRC	2 (Note 20)	10 Se e be 2008	6946790
80.		PRC	3	10 Se e be 2008	6946789
81.		PRC	4 (Note 21)	10 Se e be 2008	6946788

<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
82.		PRC	5 ( <i>Note 22</i> )	10 Se e be 2008	6946787
83.		PRC	6 ( <i>Note 23</i> )	10 Se e be 2008	6946786
84.		PRC	7 ( <i>Note 24</i> )	10 Se e be 2008	6946785
85.		PRC	8 ( <i>Note 25</i> )	10 Se e be 2008	6946784
86.		PRC	9	10 Se e be 2008	6946783
87.		PRC	10 ( <i>Note 26</i> )	10 Se e be 2008	6946782
88.		PRC	11	10 Se e be 2008	6946831
89.		PRC	12	10 Se e be 2008	6946830
90.		PRC	13 ( <i>Note 27</i> )	10 Se e be 2008	6946829
91.		PRC	14 ( <i>Note 28</i> )	10 Se e be 2008	6946828
92.		PRC	15 ( <i>Note 29</i> )	10 Se e be 2008	6946827
93.		PRC	16 ( <i>Note 30</i> )	10 Se e be 2008	6946826
94.		PRC	17 ( <i>Note 31</i> )	10 Se e be 2008	6946825
95.		PRC	18	17 Ja a 2008	6514158
96.		PRC	19 ( <i>Note 32</i> )	10 Se e be 2008	6946824
97.		PRC	20 ( <i>Note 33</i> )	10 Se e be 2008	6946823
98.		PRC	21 ( <i>Note 34</i> )	10 Se e be 2008	6946822

<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
99.		PRC	22 ( <i>Note 35</i> )	10 Se e be 2008	6946821
100.		PRC	23	10 Se e be 2008	6946820
101.		PRC	24 ( <i>Note 36</i> )	10 Se e be 2008	6946819
102.		PRC	25	17 Ja a 2008	6514157
103.		PRC	26	10 Se e be 2008	6946818
104.		PRC	27 ( <i>Note 37</i> )	10 Se e be 2008	6946817
105.		PRC	28	10 Se e be 2008	6946816
106.		PRC	29 ( <i>Note 38</i> )	10 Se e be 2008	6946815
107.		PRC	30 ( <i>Note 39</i> )	10 Se e be 2008	6946814
108.		PRC	31 ( <i>Note 40</i> )	10 Se e be 2008	6946813
109.		PRC	32	10 Se e be 2008	6946812
110.		PRC	33	10 Se e be 2008	6946811
111.		PRC	34	10 Se e be 2008	6946810
112.		PRC	35	17 Ja a 2008	6514156
113.		PRC	36 ( <i>Note 41</i> )	10 Se e be 2008	6946809
114.		PRC	37 ( <i>Note 42</i> )	10 Se e be 2008	6946808
115.		PRC	38 ( <i>Note 43</i> )	10 Se e be 2008	6946807

<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
116.		PRC	39 ( <i>Note 44</i> )	10 Se e be 2008	6946806
117.		PRC	40 ( <i>Note 45</i> )	10 Se e be 2008	6946805
118.		PRC	41	10 Se e be 2008	6946804
119.		PRC	42	10 Se e be 2008	6946803
120.		PRC	43	10 Se e be 2008	6946802
121.		PRC	44	10 Se e be 2008	6946672
122.		PRC	45	10 Se e be 2008	6946673
123.	<b>LILANZ 利郎</b>	PRC	1	10 Se e be 2008	6946674
124.	<b>LILANZ 利郎</b>	PRC	2	10 Se e be 2008	6946675
125.	<b>LILANZ 利郎</b>	PRC	3	10 Se e be 2008	6946676
126.	<b>LILANZ 利郎</b>	PRC	5	10 Se e be 2008	6946677
127.	<b>LILANZ 利郎</b>	PRC	8	10 Se e be 2008	6946678
128.	<b>LILANZ 利郎</b>	PRC	10	10 Se e be 2008	6946679
129.	<b>LILANZ 利郎</b>	PRC	13	10 Se e be 2008	6946680
130.	<b>LILANZ 利郎</b>	PRC	15	10 Se e be 2008	6946681
131.	<b>LILANZ 利郎</b>	PRC	17	10 Se e be 2008	6946662
132.	<b>LILANZ 利郎</b>	PRC	18	17 Ja a 2008	6514161
133.	<b>LILANZ 利郎</b>	PRC	22	10 Se e be 2008	6946663
134.	<b>LILANZ 利郎</b>	PRC	23	10 Se e be 2008	6946664
135.	<b>LILANZ 利郎</b>	PRC	25	17 Ja a 2008	6514160
136.	<b>LILANZ 利郎</b>	PRC	26	10 Se e be 2008	6946632
137.	<b>LILANZ 利郎</b>	PRC	28	10 Se e be 2008	6946665

<u>No.</u>	<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>	<u>Application number</u>
138.	<b>LILANZ 利郎</b>	PRC	33	10 Se e be 2008	6946666
139.	<b>LILANZ 利郎</b>	PRC	34	10 Se e be 2008	6946667
140.	<b>LILANZ 利郎</b>	PRC	35	17 Ja a 2008	6514159
141.	<b>LILANZ 利郎</b>	PRC	36	10 Se e be 2008	6946668
142.	<b>LILANZ</b>	PRC	35	4 Ma 2008	6697434
143.	<b>LILANZ</b>	PRC	25	4 Ma 2008	6697541
144.	<b>LILANZ</b>	PRC	18	4 Ma 2008	6697542
145.	 <b>LILANZ 利郎</b>	PRC	35	4 Ma 2008	6697543
146.	 <b>LILANZ 利郎</b>	PRC	25	4 Ma 2008	6697544
147.	 <b>LILANZ 利郎</b>	PRC	18	4 Ma 2008	6697545
148.	 <b>LILANZ 利郎</b>	I a	25	1 A 2008	PR 2008 C 100
149.	 <b>LILANZ 利郎</b>	F a ce	25	6 J e 2008	08/3580455
150.	 <b>LILANZ 利郎</b>	S a	25	1 A 2008	M2821037-9
151.	 <b>LILANZ 利郎</b>	S ga e	25	13 Ma ch 2008	T0803246A
152.	 <b>LILANZ 利郎</b>	The U ed K gd	25	13 Ma ch 2008	2482279
153.	 <b>LILANZ 利郎</b>	A a a	25	13 Ma ch 2008	1229722
154.	 <b>LILANZ 利郎</b>	I d a	25	20 Ma ch 2008	01667461

*Notes:*

1. The ecfc dc deca 18 e ec f hch he ade a a eg eed a d/  
a edf eg a ae ea he ad a f ea he , ad g d ade f he e  
ae a ad c ded he ca e ; a a , h de ; ad ae g bag ;  
be a , aa ad a g c ; h , ha e ad adde .
2. The ecfc dc deca 25 e ec f hch he ade a a eg eed a d/  
a edf eg a a ec h g, f ea , headgea .
3. The ecfc dc deca 26 e ec f hch he ade a a eg eed a d/  
a edf eg a ae ace a de b de , bb ad b a d ; b , h a de e ,  
ad eed e ; a fca f e .
4. The ecfc e ce deca 35 e ec f hch he ade a a eg eed a d/  
a edf eg a ae ad e g ; b e a age e ; b e ad a ; ffe  
f c .
5. The ecfc dc deca 34 e ec f hch he ade a a a ed f  
eg a ae bacc ; e 'a ce ; a che .
6. The ecfc dc deca 9 e ec f hch he ade a a a ed f  
eg a ae ce fc, a ca , e g, h ga hc, ce a ga hc, ca ,  
egh g, ea g, ga g, chec g ( e ), fe- a ga d each ga a a  
ad e ; a aa ad e f c d c g, ch g, a f g,  
acc a g, eg a g c gee c c ; a aa f ec d g, a  
e d c f d age ; ag e c da a ca e , ec d g d c ; a a c e d g  
ach e a d echa f c - ea ed a aa ; ca h eg e , ca c a g ach e ,  
da a ce ge e a d c e ; f e-e g h ga a a .
7. The ecfc dc deca 11 e ec f hch he ade a a a ed f  
eg a ae a aa f gh g, hea g, ea ge ea g, c g, ef ge a g,  
d g, e a g, ae ad a a e .
8. The ecfc dc deca 12 e ec f hch he ade a a a ed f  
eg a ae eh ce ; a aa f c b a d, a ae .
9. The ecfc dc deca 23 e ec f hch he ade a a a ed f  
eg a ae a ad head , f e e e .
10. The ecfc dc deca 28 e ec f hch he ade a a a ed f  
eg a ae ga e ad a h g ; g a cad ga ce c ded he  
ca e ; dec a f Ch a ee .
11. The ecfc dc deca 32 e ec f hch he ade a a a ed f  
eg a ae bee ; e a a dae a ed ae ad he -a ch cd ; f d  
ad f ce ; ad he e aa f a g bee age .
12. The ecfc dc deca 33 e ec f hch he ade a a a ed f  
eg a ae ach c bee age (e ce bee ) .
13. The ecfc e ce deca 41 e ec f hch he ade a a a ed f  
eg a ae ed ca ; d g f a g ; e e a e ; g a d c a  
ac e .

14. The ecfc e ce de ca 42 e ec f hch he ade a a a ed f eg a a e ce fca d ech gca e ce a d e ea cha d de g e a g he e ; d a a a a d e ea ch e ce ; de g a d de e e fc e ha d a e a d f a e .
15. The ecfc e ce de ca 43 e ec f hch he ade a a a ed f eg a a e e ce f d g f da d d ; e a acc da .
16. The ecfc e ce de ca 44 e ec f hch he ade a a a ed f eg a a e ed ca e ce ; ee a e ce ; h ge ca d bea ca e f h a be g a a ; ag c e, h c e a d f e e ce .
17. The ecfc e ce de ca 45 e ec f hch he ade a a a ed f eg a a e ega e ce ; ec e ce f he ec f e a d d d a ; e a a d ca e ce e de ed b he ee he eed f d d a .
18. The ecfc d c de ca 3 e ec f hch he ade a a a ed f eg a a e beach g e a a a d he b a ce f a d e ; cea g, h g, c g a d a b a e e a a ; a ; e f e , e e a , c e c , ha ; de f ce .
19. The ecfc d c de ca 1 e ec f hch he ade a a a ed f eg a a e che ca ed d , ce ce a d h g a h , a e a ag c e, h c e a d f e ; ce ed a fca e , ce ed a c ; a e ; f e e g h g c ; e e g a d de g e a a ; che ca b a ce f e e g f d ff ; a g b a ce ; adhe e ed d .
20. The ecfc d c de ca 2 e ec f hch he ade a a a ed f eg a a e a , a he , ac e ; ee a e aga a d aga de e a f d ; c a ; da ; a a a e ; ea f a d de f f a e , dec a , e a da .
21. The ecfc d c de ca 4 e ec f hch he ade a a a ed f eg a a e d a a d gea e ; b ca ; d ab b g, e g a d b d g c ; f e ( c d g ) a d a ; ca de a d c f gh g .
22. The ecfc d c de ca 5 e ec f hch he ade a a a ed f eg a a e ha ace ca a d ee a e a a ; a a e a a f ed ca e ; de e c b a ce ada ed f ed ca e, f d f babe ; a e , a e a f de g ; a e a f g ee h, de a a ; d fec a ; e a a f de g e ; f g c de , he b c de .
23. The ecfc d c de ca 6 e ec f hch he ade a a a ed f eg a a e c e a a d he a ; e a b d g a e a ; a a be b d g f e a ; a e a f e a f a a ac ; -e ec c cab e a d e f c e a ; ge , a e f e a ha d a e ; e a d be f e a ; afe ; g d fc e a c ded he ca e ; e .
24. The ecfc d c de ca 7 e ec f hch he ade a a a ed f eg a a e ach e a d ach e ; a d e g e (e ce f a d eh ce ) ; ach e c g a d a c e (e ce f a d eh ce ) ; ag c a e e he ha ha d- e a ed ; c ba f egg .
25. The ecfc d c de ca 8 e ec f hch he ade a a a ed f eg a a e ha d a d e e (ha d- e a ed) ; c e ; de a ; a .

26. The ecfc dc de ca 10 e ec f hch he ade a a a ed f  
eg a ae gca, edca, de a ad ee a a a a d e , a fca  
b, ee ad ee h; h edca ce; e ae a .
27. The ecfc dc de ca 13 e ec f hch he ade a a a ed f  
eg a aef ea ; a a d ec e; e e; fe .
28. The ecfc dc de ca 14 e ec f hch he ade a a a ed f  
eg a ae ec ea ad he a ad g d ec ea ca ed  
he e h, c ded he ca e; ee e , ec e; h gca ad  
ch e c e .
29. The ecfc dc de ca 15 e ec f hch he ade a a a ed f  
eg a ae ca e .
30. The ecfc dc de ca 16 e ec f hch he ade a a a ed f  
eg a ae ae ,ca db ad a dg d ad ef he e ae a , c ded he  
ca e; ed ae; b b d g ae a; h ga h; a e ; adhe e f  
a e h eh d e; a ' ae a ; a b he; e e ad ffce  
e e (e ce f e); c a ad each g ae a (e ce a a a ); a c  
ae a f ac ag g ( c ded he ca e); e ' e; gb c .
31. The ecfc dc de ca 17 e ec f hch he ade a a a ed f  
eg a ae bbe , g a- e cha, g , a be , ca ad g d ad ef he e  
ae a ad c ded he ca e; a c e ded f f e a fac e;  
ac g, ga d a g ae a ; fe be e , fe a .
32. The ecfc dc de ca 19 e ec f hch he ade a a a ed f  
eg a ae b d g ae a ( - ea c); - ea c gd e f b d g;  
a ha , cha db e; - ea c a abeb d g; e , fe a .
33. The ecfc dc de ca 20 e ec f hch he ade a a a ed f  
eg a aef e, , c ef a e; g d ( c ded he ca e ) f  
d, c , eed, ca e, ce , h , b e, , haeb e, he , a be , he - f- ea ,  
ee cha ad b e f a he e ae a , f a c .
34. The ecfc dc de ca 21 e ec f hch he ade a a a ed f  
eg a ae h eh d che e ad c a e ; c b ad ge ; b he  
(e ce a b he); b h- a g ae a ; a ce f cea g e; ee ;  
ed e - ed ga (e ce ga ed b d g); ga ae , cea ad  
ea he ae c ded he ca e .
35. The ecfc dc de ca 22 e ec f hch he ade a a a ed f  
eg a ae e , g, e , e , a g, a a , a , ac ad bag ( c  
ded he ca e ); add ga d ff g ae a (e ce f bbe a c); a  
fb e e ae a .
36. The ecfc dc de ca 24 e ec f hch he ade a a a ed f  
eg a ae e e ad e eg d , c ded he ca e ; bed ad abe c e .
37. The ecfc dc de ca 27 e ec f hch he ade a a a ed f  
eg a ae ca e , g , a ad a g, e ad he ae a f c e g  
e gf ; a ha g g ( - e e).

38. The ec f c d c de ca 29 e ec f h ch he ade a a a ed f eg a a e ea , f h , a d ga e ; ea e ac ; e e ed, f e , d ed a d c ed f a d ege abe ; e e , a , c e ; egg , a d d c ; ed be a d fa .
39. The ec f c d c de ca 30 e ec f h ch he ade a a a ed f eg a a e c ffee, ea, c c a, ga , ce, a ca, ag , a f c a c ffee; f a d e a a ade f ce ea , b ead, a a d c fec e , ce ; h e , eace; ea , ba g- de ; a , a d ; ega , a ce (c d e ) ; ce ; ce.
40. The ec f c d c de ca 31 e ec f h ch he ade a a a ed f eg a a e ag c a , h c a a d f e d c a d ga c ded he c a e ; e a a ; f e h f a d ege abe ; eed , a a a a d f e ; f d ff f a a , a .
41. The ec f c e ce de ca 36 e ec f h ch he ade a a a ed f eg a a e a ce; f a c a affa ; e a affa ; ea e a e affa .
42. The ec f c e ce de ca 37 e ec f h ch he ade a a a ed f eg a a e b d g c c ; e a ; a a e ce .
43. The ec f c e ce de ca 38 e ec f h ch he ade a a a ed f eg a a e e ec ca .
44. The ec f c e ce de ca 39 e ec f h ch he ade a a a ed f eg a a e a ; ac ag ga d age f g d ; a e a a ge e .
45. The ec f c e ce de ca 40 e ec f h ch he ade a a a ed f eg a a e ea e f a e a .
46. The de c f g d a d e ce c e ed b he eg a a a acc d g he ade a ac ce d ffe e c e . The de c f g d a d e ce e de e l 45 ab e h d be e ed a he e ac de c f g d a d e ce c e ed b eg a f a c e .
47. Th a ha bee eg e ed A ba a, A ge a, A g a a d Ba b da, A e a, A a a, A a, A e ba a , Be a , Be e , Bh a , B a a d He eg a, B ga a, C a a, C ba, C , C ech Re b c, De c a c Pe e' Re b c f K ea, De a , Eg , E a, F a d, F a ce, Ge a , Ge g a, G eece, H ga , Ice a d, I e a d, I a c Re b c f I a , I a , Ja a , Ka a h a , Ke a, K g a , La a, Le h , L be a, Le che e , L h a a, M ac , M g a, M cc , M a b e, Ne he a d A e , N a , P a d, P ga , Re b c f K ea, Re b c f M d a, R a a, R a Fede a , Sa Ma , Se ba a d M e eg , Se a Le e, S ga e, S a a, S e a, S a , S da , S a a d, S ede , S e a d, Ta a , The f e Y g a Re b c f Maced a, T e , T e a , U a e, U ed K gd , U ed S a e f A e ca, U be a , Ve Na a d Za ba h gh de g a de he Mad d Ag ee e a d P c .
48. Th a ha bee eg e ed A ba a, A g a a d Ba b da, A e a, A a, A e ba a , Bah a , Be a , Be e , Bh a , B a a, B ga a, C a a, C ba, C , C ech Re b c, De c a c Pe e' Re b c f K ea, De a , E a, F a d, Ge g a, G eece, H ga , Ice a d, I e a d, I a c Re b c f I a , Ke a, K g a , La a, Le h , Le che e , L h a a, M ac , M g a, M e eg , M cc , M a b e, Na ba, Ne he a d A e , N a , P a d, P ga , Re b c f M d a, R a a, R a Fede a , Sa Ma , Se ba, Se a Le e, S a a,

S e a, S a a e f O a , S a a d, S e d e , S e a d, S a A a b R e b c, T h e  
f e Y g a R e b c f M a c e d a, T e , T e a , U a e, U b e a , V e  
N a a d Z a b a h g h d e g a d e h e M a d d A g e e e a d P c .

(c) *Domain Name*

A a h e L a e P a c c a b e D a e, e h a d e g e e d h e f g d a a e:

<u>Domain name</u>	<u>Expiry date</u>
a g. b	12 J e 2010
a .h	16 J e 2010
中国利郎.c	23 S e e b e 2009
中國利郎.c	23 S e e b e 2009
中国利郎. 中国	23 S e e b e 2009
中國利郎. 中国	23 S e e b e 2009
利郎西服.c	23 S e e b e 2009
利郎西服. 中国	23 S e e b e 2009
a g. a e	25 A 2010
利郎男装.c	24 O c b e 2010
利郎男装.c	24 O c b e 2010
利郎男装. 中国	24 O c b e 2010
利郎男装. 中国	24 O c b e 2010
简 .c	30 O c b e 2010
簡約.c	30 O c b e 2010
简 .中国	30 O c b e 2010
簡約.中国	30 O c b e 2010
商务男装.c	30 O c b e 2010
商务男装.c	30 O c b e 2010
商務男装.c	30 O c b e 2010
商务男装.中国	30 O c b e 2010
商務男装.中国	30 O c b e 2010

Domain name	Expiry date
利郎男装.公司	30 Oc be 2010
利郎男装.公司	30 Oc be 2010
利郎男装.公司.c	30 Oc be 2010
利郎男装.公司.c	30 Oc be 2010
利郎.c	7 N e be 2010
a .c	8 N e be 2010
a . e	8 N e be 2010
a .c .c	8 N e be 2010
a .c	8 N e be 2010
a . b	8 N e be 2010
a g.c .c	18 N e be 2010
a g.c	15 Dece be 2010
简 男人.c	27 Ma ch 2011
简约男人.c	27 Ma ch 2011
简 男人.中国	27 Ma ch 2011
简约男人.中国	27 Ma ch 2011
简 暴.c	27 Ma ch 2011
简约风暴.c	27 Ma ch 2011
简 暴.中国	27 Ma ch 2011
简约风暴.中国	27 Ma ch 2011
a g.c	28 A 2011
利郎.c	18 A g 2011
利郎.中国	18 A g 2011

*(d) Internet keywords*

As at the Latest Pacific Date, we had registered the following:

<u>Internet keywords</u>	<u>Expiry date</u>
利郎	22 November 2010
中国利郎	31 October 2010
中國利郎	31 October 2010
简约男人	31 October 2010
簡約男人	31 October 2010

*(e) Wireless keywords*

As at the Latest Pacific Date, we had registered the following:

<u>Wireless keywords</u>	<u>Expiry date</u>
利郎	13 September 2009
a	10 June 2011

**11. Connected transactions and party transactions**

Save as disclosed herein, the Group headed "Belle" as at December 31, 2010, did not have any connected party transactions. The Group also did not have any connected party transactions with the Group's directors, officers, or substantial shareholders.

**FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS****12. Directors***(a) Disclosure of interests of the Directors*

Each of the Directors, Mr. Carl H. Wang, Mr. H. Cheung Ching, Mr. Wang R. P., Mr. Paul R. B. ...

Save as disclosed herein, each of the Directors has no other interests in the Group's securities.

**(b) Particulars of Directors' service contracts**

*Executive Directors*

Each of the Wa g B he , M . Ca R g H a, M . H Che g Ch , M . Wa g R P g a d M . Pa R g B , be g a he e ec e D ec , ha e e ed a e ce c ac h C a a h ch he ag eed ac a e ec e D ec f a a f ed e f h ee ea h effec f 4 Se e be 2009, h ch ha be e e ed a d e e ded a a ca f cce e e f e ea e f he he c e e e a ed b e he a b g g e ha h' e ce e g a he e d f he a e f he a e a e he eaf e he he .

W h effec f he L g Da e, each f he e e ec e D ec e ed he e ec e ba c a a e be ( bec a a a ce e af e 1 Ja a 2010 a he d ce f he D ec f e ha 8% f he a a a ed a e ch c ea e). U c e f e e 12- h e d f he e f he e ce c ac , each f he e e ec e D ec ha be e ed a g a a eed ea -e d b f a a e a e h a a f e h, ded ha , f a ch e ec e D ec d e c e e a f 12- h e d f he e f h e ce c ac a he e f a e f ch b , he ha be e ed a a eab e (a ed a e ba ) f he g a a eed ea e d b h ch he d ha e ece ed had he c e ed a h e 12- h e .

I add , h effec f he L g Da e, each f he e e ec e D ec a e ed a d ce a a age e b ch a he B a d a ab e d ce de e e ded ha he agg ega e a f b e a ab e a he e ec e D ec f a f a c a ea f C a ha e ceed 5% f he a d ed c da ed c b ed e f a b ab e he ha eh de f (af e a a a d e e a d a e f ch b e b bef e e a d a

The following table sets out the remuneration of the Independent Non-Executive Directors for the year ended 31 December 2009:

<u>Name</u>	<u>Annual salary (RMB)</u>
M. Wang Dongxiang	1,040,000
M. Wang Laoguang	1,300,000
M. Wang Congxiang	780,000
M. Carl Huang	585,000
M. He Chengchun	585,000
M. Wang Ruipei	585,000
M. Park Bing	585,000

*Independent non-executive Directors*

Each of the Independent Directors has been appointed for a term of one year commencing from 4 September 2009, which has been extended to the end of the current financial year. The remuneration of the Independent Directors is set out in the table above. The remuneration of the Independent Directors is determined by the Board of Directors. Each of the Independent Directors' fee is RMB200,000 per annum. The remuneration of the Independent Directors is set out in the table above.

Save as aforesaid, the Independent Directors have not received any other remuneration or benefits from the Company or any of its subsidiaries for the year ended 31 December 2009.

**(c) Directors remuneration**

(i) The aggregate remuneration paid to the Independent Directors for the year ended 31 December 2008 was RMB2,510,000.

(ii) Under the arrangement of the remuneration of the Independent Directors, the aggregate remuneration paid to the Independent Directors for the year ended 31 December 2009 was RMB3,640,000.

( ) N e f he D ec a a d ec f a e be f ha bee a d a f e f he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2009 ( ) a a d ce e g C a ( ) f f ff ce a a d ec f a e be f f a he ff ce c ec h he a age e f he affa f a e be f .

( ) The e ha bee a a ge e de h ch a D ec ha a ed ag eed a e a e e f he ea e ded 31 Dece be 2006, 2007 a d 2008 a d he h e ded 30 J e 2009.

***(d) Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and our associated corporations***

I ed a e f g c e f he G ba Offe g a d he Ca a a I e a d a g acc f a Sha e h ch a be a ed a d ed a he e e c e f he O e -a e O a d he h ch ha e bee a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e, he e e a d h f he D ec he ha e , de g ha e debe e f C a a d a c a ed c a ( h he ea g f Pa XV f he SFO) h ch ha e be f ed C a a d he S c E cha ge a D 7 a d 8 f Pa XV f he SFO ( c d g e e a d h h ch he a e a e dee ed ha e de ch f he SFO) h ch be e ed, a ec 352 f he SFO, be e e ed he eg e efe ed he e , h ch be e ed f ed C a a d he S c E cha ge a he M de C de f Sec e T a ac b D ec f L ed I e c a ed he L g R e , ce he Sha e a e ed, be a f :

<u>Name of Director</u>	<u>Name of Group member/associated corporation</u>	<u>Capacity/nature of interest</u>	<u>Number and class of securities (Note 1)</u>	<u>Approximate percentage of shareholding</u>
M . Wa g D g X g	The C a	Be ef c a e	22,950,000 Sha e (L)	1.90%
	X a She g I e a a (Note 2)	Be ef c a e	2,550 Sha e f US\$1.00 each (L)	25.5%
M . Wa g L a g X g	The C a	Be ef c a e	22,950,000 Sha e (L)	1.90%
	X a She g I e a a (Note 2)	Be ef c a e	2,550 Sha e f US\$1.00 each (L)	25.5%
M . Wa g C g X g	The C a	Be ef c a e	22,950,000 Sha e (L)	1.90%
	X a She g I e a a (Note 2)	Be ef c a e	2,550 Sha e f US\$1.00 each (L)	25.5%

<u>Name of Director</u>	<u>Name of Group member/associated corporation</u>	<u>Capacity/nature of interest</u>	<u>Number and class of securities (Note 1)</u>	<u>Approximate percentage of shareholding</u>
M . Ca R g H a	The C a	Be ef c a e	7,200,000 Sha e (L)	0.60%
	X a She g I e a a (Note 2)	Be ef c a e	800 Sha e f US\$1.00 each (L)	8%
M . H Che g Ch	The C a	Be ef c a e	4,500,000 Sha e (L)	0.38%
	X a She g I e a a (Note 2)	Be ef c a e	500 Sha e f US\$1.00 each (L)	5%
M . Wa g R P g	The C a	Be ef c a e	2,700,000 Sha e (L)	0.23%
	X a She g I e a a (Note 2)	Be ef c a e	300 Sha e f US\$1.00 each (L)	3%
M . Pa R g B	The C a	Be ef c a e	2,700,000 Sha e (L)	0.23%
	X a She g I e a a (Note 2)	Be ef c a e	300 Sha e f US\$1.00 each (L)	3%

*Notes:*

- The e e "L" de e he D ec ' g he ha e f C a he e e a a c a ed c a .
- X a She g I e a a ed a 25.5% b each f he Wa g B he , 8% b M . Ca R g H a, 5% b H Che g Ch , 3% b each f Wa g R P g a d Pa R g B , 2% b M . Che We J , 1% b each f M . Wa g Q a X g a d M . Che Y H a a d 0.5% b M . X T a M .

**13. Interest discloseable under the SFO and substantial shareholders**

and 3 fPa XV f he SFO, , be, d ec d ec , e e ed 10% e f he a a e fa ca f ha e ca a ca g gh e a c c a ce a ge e a ee g fa he e be f :

<u>Name of shareholder</u>	<u>Company/Name of Group member</u>	<u>Capacity/nature of interest</u>	<u>Number and class of securities (Note 1)</u>	<u>Approximate percentage of shareholding</u>
Xa She g I e a a	The C a	Be ef c a e	661,500,000 Sha e (L) (Note 2)	55.13%
M g La g I e e	The C a	Be ef c a e	148,500,000 Sha e (L) (Note 3)	12.38%

Notes:

- (1) The e e “L” de e he e ’ g he ha e f C a he e e a G e be .
- (2) The e Sha e be he d b Xa She g I e a a . Xa She g I e a a ed a 25.5% b each f he Wa g B he , 8% b M . Ca R g H a , 5% b H Che g Ch , 3% b each f Wa g R P g a d Pa R g B , 2% b M . Che We J , 1% b each f M . Wa g Q a X g a d M . Che Y H a a d 0.5% b M . X T a M .
- (3) The e Sha e be he d b M g La g I e e . M g La g I e e ed a 25.5% b each f he Wa g B he , 8% b M . Ca R g H a , 5% b H Che g Ch , 3% b each f Wa g R P g a d Pa R g B , 2% b M . Che We J , 1% b each f M . Wa g Q a X g a d M . Che Y H a a d 0.5% b M . X T a M .

14. Disclaimers

Sa e a d c ed h ec :

- (a) a d a g acc fa Sha e h ch a be a e ac ed de he G ba Offe g he e e c e f he O e -a e O a d a h ch ha e bee a be g a ed de he P e-IPO Sha e O Sche e a d he Sha e O Sche e, he D ec a e a a e fa e ( be g a D ec ch e f e e c e f C a ) h ed a e f g he c e f he G ba Offe g a d he Ca a a I e ha e a e e a h he Sha e a d de g Sha e h ch d fa be d c ed C a de he f D 2 a d 3 fPa XV f he SFO h , e he d ec d ec , be e e ed 10% e f he a a e fa ca f ha e ca a ca g gh e a c c a ce a ge e a ee g fa he e be f ;
- (b) e f he D ec ha a e e h a f he ha e , de g ha e debe e f C a a a c a ed c a h he ea g fPa XV f he SFO, h ch ha e be f ed C a a d he S c E cha ge a D 7 a d 8 fPa XV f he SFO ( c d g e e a d h h ch a f he dee ed ha e

de ch f he SFO) h ch be e ed, a ec  
 352 f he SFO, be e e ed he eg e efe ed he e h ch be  
 e ed be fed C a a d he S c E cha ge a he  
 M de C de f Sec e T a ac b D ec f L ed I e , each  
 ca e ce he Sha e a e ed;

(c) e f he D ec a f he a e ed he a ag a h 24 be ha  
 bee e e ed he f, ha a d ec d ec e e a  
 a e h ch ha e bee , h he ea ed a e eced g he da e f  
 h ec , ac ed d ed f b ea ed C a a f  
 he b da e f C a , a e ed be ac ed d ed f b  
 ea ed C a a he e be f a D ec a  
 f he Offe Sha e e he h a e he a e f a ee;

(d) e f he D ec a f he a e ed he a ag a h 24 be  
 a e a e e ed a c ac a a ge e b g a he da e f h  
 ec h ch g f ca e a b e f ; a d

(e) a e c ec h he U de g Ag ee e , e f he a e ed  
 he a ag a h 24 be :

( ) e e ed ega be ef ca a ec e fa e be f ;

( ) ha a gh ( he he ega e f ceabe ) b c be f  
 a e e b c be f ec e a e be f .

## OTHER INFORMATION

### 15. Pre-IPO Share Option Scheme

#### (a) Summary of terms

The e f he P e-IPO Sha e O Sche e ec g e a d e a d he  
 c b f ce a d ec , e a age e , e ee , c a a d  
 ad e f G he g h a d de e e f G a d he g f  
 he Sha e he Ma B a d. The c a e f he P e-IPO Sha e O  
 Sche e ad ed b a e g a ed b a Sha eh de 12 Se e be  
 2008 a e a he e f he Sha e O Sche e e ce ha :

( ) he ca e f e g b e a c a a e d ffe e f ha ded  
 a ag a h 16 (a)( ) ;

( ) he b c ce f Sha e de he P e-IPO Sha e O Sche e  
 de e ed a he d ce f he D ec a d e ed be bec  
 he e c de Cha e 17 f he L g R e ;

( ) he ge e a che e , he d d a a cab e each ed ga ee a d he e c ga f a c ec ed e a efe ed a ag a h 16 (a)( ) (bb), 16(a)( ) a d 16(a)( ), e ec e , d a ;

( ) he e f he P e-IPO Sha e O Sche e e e ad ed c d a b a e ga ed b a Sha eh de 12 Se e be 2008, b he e e c e f a ga ed he e de c d a he L g C ee f he S c E cha ge g a g g f, a d e dea , a Sha e be ed a he e e c e f ga ed de he P e-IPO Sha e O Sche e h 30 da af e he da e f h ec , fa g h ch ch ga ed a d he P e-IPO Sha e O Sche e ha f h h a e, a d he e e c e e d f ga ed a c e ce ea e ha he f da ed a e f g he e f h af e he L g Da e;

( ) he D ec a ga de he P e-IPO Sha e O Sche e a a e h a e d c e c gf 12 Se e be 2008 a d e d g he La e P ac cab e Da e;

( ) a ffe f ade b he D ec de he P e-IPO Sha e O Sche e ha be e f acce a ce f a e d f he ea e f 21 da f he e e a ffe da e he La e P ac cab e Da e;

( ) he e e fa ca a a f f e e e , gh e, b-d c da f Sha e ed c f ca a f he C a h ea e a e e c ab e he P e-IPO Sha e O Sche e e a effec , he be a a f Sha e h ch he P e-IPO Sha e O Sche e a e a e ( fa a / he a e e e c ed) a d/ he b c ce f he c ce ed a d/ ( e he ga ee f he e ec a e ch ad e ) he be f Sha e c ed a h ch e a c ed a ga ed de he P e-IPO Sha e O Sche e bec ad e e a ha f he Sha e O Sche e a efe ed a ag a h 16(a) ( ) be , e ce ha he e e e f a e c f a f he a d de e de f a ca ad e he D ec ha he ad e a f he e e e f he e e a f he L g R e a a ed a ag a h 16(a)( ) a cab e he P e-IPO Sha e O Sche e a d ga ed he e de .

A ca ha bee ade he L g C ee f he S c E cha ge f he g f, a d e dea , he Sha e be a ed a d ed a he e e c e f he ga ed de he P e-IPO Sha e O Sche e .

O 4 Se e be 2009, b c be f a agg ega e f 9,611,100 Sha e a 80% f he f a Offe P ce e e ga ed b 76 f e a age e a d e ee de he P e-IPO Sha e O Sche e a d a f he e e e a d ga a he La e P ac cab e Da e. S ch , f e e c ed f ,

0.79% of the outstanding shares of the Company as at the end of the reporting period. The Company has issued 2,646,956 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised. The Company has also issued 132,348 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised. The Company has also issued 317,634 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised. The Company has also issued 397,043 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised. The Company has also issued 132,348 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised. The Company has also issued 105,878 Pre-IPO Shares under the Pre-IPO Share Option Scheme, which has been fully exercised.

(b) Outstanding options granted under the Pre-IPO Share Option Scheme

The following table sets out the details of the outstanding options granted under the Pre-IPO Share Option Scheme.

The following table sets out the details of the outstanding options granted under the Pre-IPO Share Option Scheme:

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
<b>Senior management</b>				
J We B (Chief Executive Officer)	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	4 Oc be 2001	2,646,956 (Note 5)	0.219%
L Y-Ch eh (Head of the CEO Office)	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	7 J e 2007	132,348 (Note 3)	0.011%
Sh Me Ya (Head of the Executive Office)	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 A g 1998	317,634 (Note 3)	0.026%
Y Chee c (Chief Financial Officer)	18G, T e 6 I a d Ha b e 11 H Fa R ad Ta K T K	18 A g 2008	397,043 (Note 3)	0.033%
J She g (Vice President of the Administration Office)	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	8 J e 2009	132,348 (Note 4)	0.011%
Zha g Y Fe g (Head of the Administration Office)	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	27 A g 2007	105,878 (Note 3)	0.009%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
Che Zh Me (A a ce e de f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	8 J e 2001	317,634 (Note 3)	0.026%
Zh a g Zh Ha (De f a c a ff ce f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Se e be 2008	105,878 (Note 4)	0.009%
H a g M g Ha (A a he ch ef f a c a ff ce f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A 1995	264,695 (Note 3)	0.022%
<i>Other employees</i>				
Wa G Q g (Se c a f he CEO ff ce f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	10 Oc be 2000	449,983 (Note 3)	0.037%
Q Q Q (A a ce cha a f C a )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A 1995	397,043 (Note 3)	0.033%
Y Ha M g (F a ce a d ad a e a age f L a g I e a a )	R B, 8 h F , B c I K g Cha T e , 351 De V e R ad We , Sa Wa , H g K g	23 Ma ch 2004	105,878 (Note 3)	0.009%
Ya g Fa (De a e head f h a e ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 A g 2008	79,409 (Note 4)	0.007%
Zha Y (Head f he G Sha gha d c de e e a d a g ce e)	R 2202, B c 11, 309 D gha a g R ad, H g D c , Sha gha	20 J e 2009	105,878 (Note 4)	0.009%
La Ba g Fa (Se e ee f he a e g a d a g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Oc be 2001	105,878 (Note 3)	0.009%
L J We (Se e ee f he a e g a d e a de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	12 Ma ch 2006	105,878 (Note 3)	0.009%
G a Ha We (De a e head f he f a ech g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 A 2000	238,226 (Note 3)	0.02%
F H a L (De a e head f he e ea cha d de e e a age e de a e , d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A 1995	66,174 (Note 3)	0.005%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
Che G Zh g (A a he e de f cha a age e c ee f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	14 J e 2005	79,409 (Note 3)	0.007%
Zha Pe g (De a e head f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	23 Feb a 2007	79,409 (Note 3)	0.007%
L X a La (A a V ce P e de f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	18 Se e be 2000	264,695 (Note 3)	0.022%
W P g She g (A a head f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 J e 2004	66,174 (Note 3)	0.005%
X L Da (Se e ee f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Ja a 1998	39,704 (Note 3)	0.003%
Ca T a Zh (De de a e head f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	3 A 2007	66,174 (Note 3)	0.005%
L Y Y (De de a e head f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	13 N e be 1998	66,174 (Note 3)	0.005%
L B (Se e ee f he a de g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	2 A 2008	52,939 (Note 3)	0.004%
T Ha g (Se e ee f he h a e ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	20 Oc be 2008	39,704 (Note 3)	0.003%
Zh Me L g (Se e ee f he h a e ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	20 Ma 2006	26,470 (Note 3)	0.002%
W Y Fe g (De a e head f he ad a de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Se e be 2007	52,939 (Note 3)	0.004%
De g L (Se e ee f he ad a de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	14 Ma 2008	26,470 (Note 3)	0.002%
La Y Q a g (Se e ee f he ad a de a e f he W I d a Pa )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	21 Se e be 2007	26,470 (Note 3)	0.002%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
F Y a Cha (Se e ee f he f a ech g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	19 Ma 2005	39,704 (Note 3)	0.003%
Ya We Q a (Se e ee f he f a ech g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	3 Ja a 2005	26,470 (Note 3)	0.002%
L F Ch (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 A 2001	66,174 (Note 3)	0.005%
L Che g She g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	11 Feb a 2004	39,704 (Note 3)	0.003%
H G B g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	10 Ma 2005	39,704 (Note 3)	0.003%
Zha g X e Ba (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	16 Feb a 2006	39,704 (Note 3)	0.003%
Ze g L g J a (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	27 Feb a 2006	39,704 (Note 3)	0.003%
Y a J L a g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	20 Feb a 2006	39,704 (Note 3)	0.003%
H a g G We (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	2 Ma ch 2007	39,704 (Note 3)	0.003%
H a g B (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	6 Ma ch 2007	52,939 (Note 3)	0.004%
J a g M g J e (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	30 Dece be 2005	52,939 (Note 3)	0.004%
Zh Sh Zh g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	9 Feb a 2004	52,939 (Note 3)	0.004%
Ya g M g (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	17 A g 2002	39,704 (Note 3)	0.003%
He Zh X a g (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	10 Ma 2004	277,929 (Note 3)	0.023%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
Zh R Zh (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	28 Oc be 2002	79,409 (Note 3)	0.007%
Ba Me (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Ja a 2004	79,409 (Note 3)	0.007%
Fa g G B (Se e ee f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Feb a 2002	26,470 (Note 3)	0.002%
Ha P g (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	25 Oc be 2007	39,704 (Note 3)	0.003%
L L g L g (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	22 A 2006	26,470 (Note 3)	0.002%
W Zh g Ba (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	5 J 2005	26,470 (Note 3)	0.002%
Q X a H g (Se e ee f he a e a d a e g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	27 Ma ch 2006	26,470 (Note 3)	0.002%
La L Se (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 J 2003	26,470 (Note 3)	0.002%
Ya g L a Zh (Se e ee f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	5 J e 1996	26,470 (Note 3)	0.002%
Ye M J (Se e ee f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 A g 2000	26,470 (Note 3)	0.002%
Che Q Me (Se e ee f he fac affa de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Ma ch 2002	26,470 (Note 3)	0.002%
L L M g (Se e ee f he CEO ff ce f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Ja a 2000	198,522 (Note 3)	0.016%
X L g L g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A g 2003	26,470 (Note 3)	0.002%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
Y J (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	11 A g 2005	26,470 (Note 3)	0.002%
W G Y (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	11 Feb a 2006	52,939 (Note 3)	0.004%
Zhe g Ya P g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	26 Feb a 2007	26,470 (Note 3)	0.002%
Ze g Q g B (Se e ee f he cha a age e c ee f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	25 J 2005	26,470 (Note 3)	0.002%
L We Pe g (Se e ee f he d c a age e de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	14 A 2006	26,470 (Note 3)	0.002%
W B E (Se e ee f he g de g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Se e be 1999	26,470 (Note 3)	0.002%
T L a H a (Se e ee f he g de g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A 1995	21,176 (Note 3)	0.002%
Zha g B (Se e ee f he g de g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	29 Ma ch 2005	21,176 (Note 3)	0.002%
Zha J a Fe g (Se e ee f he e g ee g de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Dece be 2003	26,470 (Note 3)	0.002%
L Y Q a g (Se e ee f he d c de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	24 A 1996	26,470 (Note 3)	0.002%
Wa g X a L g (Se e ee f he f a ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 Dece be 1997	211,756 (Note 3)	0.018%
Y a X a T g (Se e ee f he f a ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	8 J e 2001	26,470 (Note 3)	0.002%
L Che g X a g (Se e ee f he f a ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	14 Ma 2007	21,176 (Note 3)	0.002%
L We Q g (Se e ee f he f a ce de a e f G )	B c A, L a g B d g, N . 200 Cha g X g R ad, J a g, F a	1 J 2003	79,409 (Note 3)	0.007%

Name of grantee (position in our Group) (Note 1)	Residential address of grantee	The date on which the grantee joined our Group	Number of underlying Shares under the option and exercise period (see notes)	Approximate percentage of shareholding held upon exercise of all the options (Note 2)
Wang Changli (Secretary of the Board)	Bc A, Lag Bdg, N. 200 Changxi Road, Jiangfa	12 June 2006	66,174 (Note 3)	0.005%
Cheng Liyong (Secretary of the Board)	Bc A, Lag Bdg, N. 200 Changxi Road, Jiangfa	21 August 2000	211,756 (Note 3)	0.018%
Xu Tansong (Secretary of the Board)	Bc A, Lag Bdg, N. 200 Changxi Road, Jiangfa	12 August 2005	248,814 (Note 3)	0.021%
Chen Jiahua (Secretary of the Board)	Bc A, Lag Bdg, N. 200 Changxi Road, Jiangfa	3 November 2006	21,176 (Note 3)	0.002%
<b>Total:</b>			<b>9,611,100</b>	<b>0.79%</b>

Notes:

- Each grantee has made a contribution to the company, e.g. a contribution (including a cash contribution, financial contribution, technical contribution) to the company in accordance with the terms of the Share Option Scheme, the amount of Shareholding / the amount of the P-IPO Share Option Scheme, the amount of Shareholding / the amount of the P-IPO Share Option Scheme.
- The exercise price applied to the purchase of 1,209,611,100 Shares is equal to the market price of the Company's Shares on the date of the P-IPO Share Option Scheme being granted to the grantee, i.e. the market price of the Shares on the date of the P-IPO Share Option Scheme being granted to the grantee.
- The exercise price applied to the purchase of the Shares is equal to the market price of the Shares on the date of the P-IPO Share Option Scheme being granted to the grantee, i.e. the market price of the Shares on the date of the P-IPO Share Option Scheme being granted to the grantee.
- The exercise price applied to the purchase of the Shares is equal to the market price of the Shares on the date of the P-IPO Share Option Scheme being granted to the grantee, i.e. the market price of the Shares on the date of the P-IPO Share Option Scheme being granted to the grantee.

bec (a), 60% of the issued and outstanding shares of the Company as of the date of the filing of the prospectus supplement. The Company has not issued any shares of common stock pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

- The exercise of the options granted under the Pre-IPO Share Option Scheme is subject to the following conditions: (a) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme; (b) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme; (c) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme.

The exercise of the options granted under the Pre-IPO Share Option Scheme is subject to the following conditions: (a) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme; (b) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme; (c) the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme. The exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme.

Shareholders (Note)	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
	in issue after the Global Offering and the Capitalisation Issue		in issue after the exercise of the options granted under the Pre-IPO Share Option Scheme	
Xa She g I e a a .	661,500,000	55.13%	661,500,000	54.69%
M g L a g I e e . . . . .	148,500,000	12.38%	148,500,000	12.28%
W a g B h e . . . . .	68,850,000	5.70%	68,850,000	5.70%
M a g e e a d O h e				
S h a e h d e . . . . .	21,150,000	1.79%	21,150,000	1.74%
G a e e f h a e	0	0%	9,611,100	0.79%
O h e b c S h a e h d e	300,000,000	25.00%	300,000,000	24.80%
	<u>1,200,000,000</u>	<u>100%</u>	<u>1,209,611,100</u>	<u>100%</u>

Note: Data for the Shareholders table is based on the information provided in the prospectus supplement. The exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme.

Since the exercise of the options granted under the Pre-IPO Share Option Scheme is subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme, the exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme. The exercise of the options shall be subject to the terms and conditions set forth in the Pre-IPO Share Option Scheme.

## 16 Share Option Scheme

### (a) Summary of terms

The following are a summary of the Share Option Scheme conditions and the Share Scheme 2009:

#### (i) Purposes of the scheme

The purpose of the Share Option Scheme is to provide an incentive to the Directors of the Company, who are employed by the Company, to encourage them to work for the benefit of the Company and to ensure that they are committed to the long-term success of the Company. The Share Option Scheme is intended to provide an incentive to the Directors of the Company, who are employed by the Company, to encourage them to work for the benefit of the Company and to ensure that they are committed to the long-term success of the Company. The Share Option Scheme is intended to provide an incentive to the Directors of the Company, who are employed by the Company, to encourage them to work for the benefit of the Company and to ensure that they are committed to the long-term success of the Company.

#### (ii) Who may join

The Directors of the Company, who are employed by the Company, are eligible to participate in the Share Option Scheme.

(aa) a Director of the Company who is employed by the Company at the time of the grant of the Share Option (the "Eligible Director") shall be eligible to participate in the Share Option Scheme.

(bb) a Director of the Company who is not employed by the Company at the time of the grant of the Share Option shall not be eligible to participate in the Share Option Scheme.

(ff) a ha eh de fa e be f a I e ed E a  
 h de fa ec e ed b a e be f a I e ed  
 E ;

(gg) a ad e ( fe a he e) c a a a ea f  
 b e b e de e e fa e be f a I e ed  
 E ;

(hh) a he g ca e fa ca h ha ec b ed a  
 c b eb a f e e, b e a a ce he b e  
 a a ge e he de e e a dg h f ;

a d, f he e f he Sha e O Sche e, he ffe f he g a f  
 a be ade a c a h ed b e e e  
 be g g a f he ab e ca e f a c a .

F a da ce fd b , he g a f a b C a f he  
 bc f Sha e he ec e f a e h fa h a  
 f he ab e ca e f a c a ha , b ef, e he D ec  
 he e de e e, be c ed a a ga f de he Sha e O  
 Sche e.

The e gb fa f he ab e ca f a c a a ffe f he  
 ga fa ha be de e ed b he D ec f e e he  
 ba f he D ec ' a h c b he de e e a d  
 g h f .

(iii) *Maximum number of the Shares*

(aa) The a be f Sha e h ch a be ed he e e c e  
 fa a dg ga ed a d e be e e c ed de he  
 Sha e O Sche e a da he ha e che e ad ed b  
 agg ega e e ceed 30% f he ha e ca a f C a  
 ef e e.

(bb) The a be f he Sha e h ch a be a ed a d ed  
 he e e c e f a (e c d g, f h e, h ch  
 ha e a ed acc da ce h he e f he Sha e O Sche e  
 a da he ha e che e f ) be g a ed de he Sha e  
 O Sche e a da he ha e che e f  
 agg ega e e ceed 10% f he Sha e e he L g Da e, be g  
 120,000,000 Sha e (“Ge e a Sche e L”).

(cc) S bec (aa) ab eb h e d ce (dd) be , C a  
 a ee a a f he Sha eh de ge e a ee g ef e h he  
 Ge e a Sche e L ded ha he a be f Sha e h ch  
 a be a ed a d ed e e c e f a be g a ed  
 de he Sha e O Sche e a da he ha e che e f

exceed 10% of the Shares held by the Company as at the end of the financial year, (including the Shares owned by the Company) shall be subject to the provisions of the Scheme of Arrangements. The Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements. The Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.

- (dd) Subject to the provisions of the Scheme of Arrangements, the Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.
- (aa) Subject to the provisions of the Scheme of Arrangements, the Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.
- (cc) Subject to the provisions of the Scheme of Arrangements, the Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.
- (d) Subject to the provisions of the Scheme of Arrangements, the Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.

*(iv) Maximum entitlement of each participant*

The maximum entitlement of each participant shall be determined in accordance with the provisions of the Scheme of Arrangements. Each participant shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements. The maximum entitlement of each participant shall be determined in accordance with the provisions of the Scheme of Arrangements.

*(v) Grant of options to the Directors, chief executive or substantial shareholders of our Company or their respective associates*

- (aa) Subject to the provisions of the Scheme of Arrangements, the Company shall be entitled to exercise the rights conferred by the Scheme of Arrangements in accordance with the provisions of the Scheme of Arrangements.

(bb) Where a shareholder has exercised the right to convert the Shares into ordinary shares, the exercise of such right shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance, and the shareholder shall be deemed to have disposed of the Shares for the purposes of the Securities and Futures Ordinance.

(c) The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance.

(d) The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance.

The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance. The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance. The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance. The exercise of the right to convert the Shares into ordinary shares shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance.

*(vi) Time of acceptance and exercise of option*

An option shall be accepted by a shareholder within 21 days after the date of the offer of the Shares.

An option shall be exercised according to the terms of the Shares Option Scheme. Each shareholder, who has exercised the option, shall be deemed to have accepted the offer of the Shares within the period of 10 days after the date of the offer of the Shares. The exercise of the option shall be deemed to be a sale of the Shares for the purposes of the Securities and Futures Ordinance.

*(vii) Performance targets*

Under the Directors' remuneration policy, the Directors' remuneration shall be determined by the Directors. The Directors' remuneration shall be determined by the Directors. The Directors' remuneration shall be determined by the Directors.

*(viii) Subscription price for the Shares and consideration for the option*

The price of the Shares under the Share Option Scheme shall be the price of the Shares as determined by the Board, being the highest of (i) the closing price of the Shares as quoted on the Stock Exchange of Hong Kong on the date of the exercise of the Shares; (ii) the price of the Shares as determined by the Board; and (iii) the price of the Shares as determined by the Board.

A sum of HK\$1 shall be payable for each Share.

*(ix) Ranking of the Shares*

The Shares shall rank pari passu with the existing Shares of the Company in all respects, including the right to receive dividends, and shall rank ahead of the Shares of the Company which are created after the date of the exercise of the Shares. The Shares shall rank ahead of the Shares of the Company which are created after the date of the exercise of the Shares.

Unless otherwise specified, the terms "Shares" shall include the Shares of the Company which are created after the date of the exercise of the Shares.

*(x) Restrictions on the time of th*

he e e d ( he he e ed de he L g R e ) a d e d g  
 he da e f he e a ce e , ffe f he g a f a be  
 ade.

The D ec a a ea ffe f he g a f a a c a  
 h a D ec d g he e d e h ch D ec a e h b ed  
 f dea g ha e a he M de C de f Sec e T a ac b  
 D ec f L ed I e e c bed b he L g R e a c e d g  
 c de ec e dea g e c ad ed b C a .

*(xi) Period of the Share Option Scheme*

The Sha e O Sche e e a f ce f a e d f 10 ea  
 c e c g he da e h ch he Sha e O Sche e ad ed.

*(xii) Rights on ceasing employment*

If he g a ee f a a E g b e E ee a d cea e be a  
 E g b e E ee f a ea he ha dea h, -hea h e e e  
 acc da ce h h c ac fe e he e a f h e e  
 e e f he g d efe ed b- a ag a h ( ) be bef e  
 e e c g h f , he ( he e e a ead e e c ed)  
 a e he da e f ce a a d ha be e e c a b e e he D ec  
 he e de e e h ch e e he g a ee a e e c e he ( he  
 e e a ead e e c ed) h e a h ch e d a he  
 D ec a de e ef g he da e f ch ce a , h ch be a e  
 be he a da h ch he g a ee a a h he I e ed E  
 he he a a a d e f ce .

E g b e E ee ea a e ee ( he he f e a e  
 e ee, c d g a e ec ed ec b a -e ec ed ec ) f  
 C a , a f b da e a I e ed E .

*(xiii) Rights on death, ill-health or retirement*

If he g a ee f a a E g b e E ee a d cea e be a  
 E g b e E ee b ea f h dea h, -hea h e e e acc da ce  
 h h c ac fe e bef e e c g he f , h e a  
 e e e a e ( ) , a a a e, he g a ee a e e c e he ( he  
 e e a ead e e c ed) h e a h a e d f 12 h  
 f g he da e f ce a f e e h ch da e ha be he a da  
 h ch he g a ee a a h he I e ed E he he a a  
 a d e f ce ch ge e d a he D ec a de e e.

(xiv) *Rights on dismissal*

*(xvii) Rights on winding up*

I he e e f a e be g ed f he a d g- f  
C a d g he e d, he g a ee a , bec he  
f a a cab e a , b ce g C a a a e e  
ha b e da bef e he da e h ch ch e be  
c de ed a d/ a ed, e e c e h ( he e e a ead e e c ed)  
e he f e e he e e ec fed ch ce acc da ce h  
he f he Sha e O Sche e a d C a ha a a d e  
he g a ee he Sha e e ec f h ch ch g a ee ha e e c ed h

(aa) a ad e ha g e a g a ee he a e f he ed ha e  
 ca a h ch he a e ed ch a e a ; (bb) he e f Sha e  
 he ec e f a c de a a a ac a be ega ded a a  
 c c a ce e gad e ; (cc) a e a ha be ade he effec f  
 h ch d be e ab e a Sha e be ed a e ha a a e; a d  
 (dd) a ad e be ade c a ce h he L g R e a d ch  
 e , c de a d g da ce e f he S c E cha ge f e e. I  
 add , e ec fa ch ad e , he ha a ad e ade  
 a ca a a e, ch a d de e de f a c a ad e c f  
 he D ec g ha he ad e a f he e e e f he  
 e e a f he L g R e .

*(xx) Cancellation of options*

A ca ce a f g a ed b e e c ed be b ec he  
 e c e f he e e a g a ee a d he a a f he D ec .  
 Whe C a ca ce a g a ed a g a ee b  
 e e c ed a d e e ( ) he a e g a ee, he e f ch e  
 ( ) a be ade h a a ab e ed (e c d g he  
 ca ce ed) h he Ge e a Sche e L he e a ed  
 b he Sha eh de a b- a g a h ( ) (cc) a d (dd) ab e.

*(xxi) Termination of the Share Option Scheme*

O C a a b e ge e a ee g a a e e a e he  
 Sha e O Sche e a d che e f he ha be ffe ed b  
 a he e ec he f he Sha e O Sche e ha e a f ce  
 he e e e ce a g e effec he e e c e f a ( he e e  
 a ead e e c ed) g a ed he e a he e a a be  
 e ed acc da ce h he f he Sha e O Sche e. O  
 ( he e e a ead e e c ed) g a ed ch e a ha  
 c e be a d a d e e c ab e acc da ce h he Sha e O Sche e.

*(xxii) Rights are personal to the grantee*

A e a he g a ee a d ha be a fe ab e  
 a g ab e.

*(xxiii) Lapse of option*

A ha a e a a ca ( he e e a ead e e c ed)  
 he ea e f:  
 (aa) he e f he e d e ec f ch ;  
 (bb) he e f he e d da e efe ed a ag a h ( ), ( ),  
 ( ), ( ), ( ), ( ) a d ( ); a d

(cc) he da e h ch he D ec e e c e C a ' gh ca ce  
he b ea f a b each f a ag a h ( ) ab e b he  
g a ee.

(xxiv) *Miscellaneous*

(aa) The Sha e O Sche e c d a he L g C ee f he  
S c E cha ge g a g he g f, a d e dea , ch  
be f Sha e be a ed a d ed a he e e c e f  
a h ch a be g a ed de he Sha e O Sche e, ch  
be be g e ha ha f he Ge e a Sche e L .

(bb) The e a d c d f he Sha e O Sche e e a g he  
a e e R e 17.03 f he L g R e ha be a e ed  
he ad a age f g a ee f he e ce h he a a f he  
Sha eh de ge e a ee g.

(cc) A a e a he e a d c d f he Sha e O Sche e  
h ch a e f a a e a a e a cha ge he e f  
g a ed be a ed b he Sha eh de ge e a ee g,  
e ce he e he a e a a e effec a a ca de he e g  
e f he Sha e O Sche e.

(dd) The a e ded e f he Sha e O Sche e he ha  
c h he e e a e e e f Cha e 17 f he L g  
R e .

(ee) A cha ge he a h f he D ec he che e  
ad a ea a a e a he e f he Sha e  
O Sche e ha be a ed b he ha eh de f C a  
ge e a ee g.

**(b) Present status of the Share Option Scheme**

*(i) Approval of the Listing Committee required*

The Sha e O Sche e c d a he L g C ee f he  
S c E cha ge g a g he g f, a d e dea , ch be f  
Sha e be ed a he e e c e f a h ch a be g a ed  
de he Sha e O Sche e, ch be be g e ha ha f he  
Ge e a Sche e L .

*(ii) Application for approval*

A ca ha bee ade he L g C ee f he S c E cha ge  
f he g f a d e dea he Sha e be ed h he  
Ge e a Sche e L a he e e c e f a h ch a be  
g a ed de he Sha e O Sche e.

*(iii) Grant of option*

A a he da e f h ec , ha e bee g a ed ag eed  
be g a ed de he Sha e O Sche e.

*(iv) Value of options*

The D ec c de a ae d c e he a e f h ch  
a be g a ed de he Sha e O che e a f he had bee g a ed a a  
he La e P ac cab e Da e. A ch a a ha e be ade he ba  
f ce a c g de he e h d g , h ch de e d a  
a c d g, he e e c e ce, he e e c e e d, e e a e,  
e ec ed a a d he a ab e . A ha e bee g a ed, ce a  
a ab e a e a a ab e f ca c a g he a e f . The D ec  
be e e ha a ca c a f he a e f a a he La e P ac cab e

(b) he e e ha ch a a ab fa g a f he e be f  
 e ec fa acc g e d c e c g afe 1 J 2009  
 a d e d g he L g Da e, he e ch a a ab d  
 ha e a e b f e ac f, a ac a  
 e e ed b a e be f G ( he he a e c c  
 h e he ac, a ac, he e e cc g) h  
 he e c e age e f he I de fe, he ha a  
 ch ac, a ac :

( ) ca ed effec ed he d a c e f b e he  
 d a c e fac g a d d g f ca a a e afe 1 J  
 2009; a d

( ) ca ed, ade e e ed a a ega b d g  
 c e c ea ed bef e 30 J e 2009 a a  
 a e e f e ade he ec ;

(c) he e e ha ch a a ab e c a a e a e c ed a a  
 e f he f a a a ac e e ce fa e ec e  
 cha ge he a, e a d ega he e ea ac ce  
 he e f b he H g K g I a d Re e e De a e he a a  
 a h f he PRC, a he e e a a h ( he he H g  
 K g he PRC a he a f he d) c g f ce afe he  
 da e f he deed f de he e ch ca a e c ea ed  
 b a c ea e a e f a a ca afe he da e f he deed f  
 de h e ec e effec ;

(d) he e e ha a e e e ade f a a he a d ed  
 acc fa e be f G 30 J e 2009 h ch f a  
 e ab hed be a e - a e ce e e e, h ch ca e he  
 I de fe ' ab (fa ) e ec fa a ha be ed ced b a  
 a e ceed g ch e e e, ded ha he a f  
 a ch e e e a ed efe ed h a aga h ed ce  
 he I de fe ' ab e ec fa a ha be a a ab e  
 e ec fa ch ab a g he eafe ;

( ) a ca, da age, e, c, e e e, ac a d ceed g (fa )  
 (c ec e, "Social Insurance Claims") a g f c ec ha  
 -c a ce a eged -c a ce b a e be f G h  
 a a cab e PRC a a d ega ea G ' c b  
 ca ec a ce f d he PRC bef e he L g Da e,  
 ded ha he I de fe ha be de ab de he deed f  
 de e ec fa ch ca, da age, e, c, e e e, ac  
 a d ceed g :

(a) he e e ha e e e ha bee ade f ch S ca  
 I a ce Ca he a d ed acc fa e be f G f  
 a acc g e d 30 J e 2009;

(b) he e e ha a e e e ade f ch S ca I a ce  
 Ca he a d ed acc fa e be f G f a  
 acc g e d 30 J e 2009 h ch f a e ab hed be e -  
 a e ce e e e e, h ch ca e he I de fe ' ab (f  
 a ) e ec f ch S ca I a ce Ca ha be ed ced b a  
 a e ceed g ch e e e, ded ha he a f  
 a ch e e ea ed efe ed h e (b) ed ce he  
 I de fe ' ab e ec f S ca I a ce Ca ha be  
 a a abe e ec fa ch ab a g he eaf e .

O h - ed b da , L a g F a , e e ed a e - e e e  
 f a c g ac e he PRC ( c d g b g f he f RMB1.4  
 f 晉 市豐川包裝有限公司 (J a g Fe gch a Pac g C ., L d.)) h ch c a e ed  
 ce a eg a e a g ba f a c g he PRC, a c a he 貸款通則  
 (Le d g Reg a ) a ga ed b he PBOC. Pea e ee "A e d I  
 Acc a ' Re " f f he de a . A ad ed b PRC ega ad e, e a  
 be bec a e a e a he a f e e e ce ed f a a  
 ca h ad a ce ade b a da a e a e a f e e he e e e  
 ece ed f a a ca h ad a ce ade b . I add , e a be e ed a  
 a e a e a e a g e d g a e cha ged b ba he PRC he a  
 b ed f J a g Fe gch a Pac g C ., L d.

A ad ed b PRC ega ad e, g e ha a he e - e e e a a d ca h  
 ad a ce ha e bee e ed a d ha he e ha bee a ega d e e ec f ch  
 a ca h ad a ce, he ha G be bec e a e e g f  
 ch a ca h ad a ce c a e f PRC ba f a c g eg a  
 a . Ne e he e , he I de fe ha e ag eed de de e a a d  
 e e a ba e ec f a ca , da age, e, c , e e e, ac a d  
 ceed g a g f c ec h a c a e f he a cab e PRC  
 ba f a c g eg a a g f he e f a c g ac e .

U de he deed f de , he I de fe ha e a de a e a  
 a d e e a ba ha he de f a d a a e ee f de fed  
 de a d f a d aga a e, da age, c a d e e e a g f  
 c ec h ( ) a -c a ce f he a cab e PRC a a g f  
 c ec h cc a , c c a d age f fac e a he W  
 I d a Pa a efe ed he bec "B e | P e a d Fac e"; ( )  
 he a d f he ea e ag ee e e ec f ea ed e e a Me g D c,  
 J a g C , F a P ce a efe ed he bec "B e | P e a d  
 Fac e"; a d ( ) he eg a he c b f eg e ed ca a f L a g F a  
 a d L a g X a e b L a g E e e C ., a f e eg e ed e f L a g F a ,  
 a d L a g I e a a, e ec e , a e a c a efe ed bec  
 "H a d De e e | C a e de e e " .



ed a he e e c e f he O e



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

Dea g Sha e eg e ed C a ' H gK g eg e f e be  
 be bec H gK g a d . The a e, cha e a d a fe f Sha e a e  
 bec H gK g a d , he c e a e f h ch 0.2% f he  
 c de a , f h ghe , he a e f he Sha e be g d a fe ed.

P f f dea g he Sha e a g de ed f H gK g a  
 a be bec H gK g f a .

*(b) The Cayman Islands*

U de e e Ca a I a d a , a fe a d he d f Sha e a e  
 e e f Ca a I a d a d .

*(c) Consultation with professional advisers*

I e d g h de f Sha e a e ec e ded c he fe a  
 ad e f he a e a d b a he a a ca f b c b g f ,  
 cha g, h d g d g f dea g Sha e e e c g a gh  
 a ach g he . I e ha ed ha e f C a , he D ec he  
 he a e ed he G ba Offe g ca acce e b f a a  
 effec , ab e f, h de f Sha e e g f he b c f ,  
 cha e, h d g d a f dea g Sha e e e c g a gh a ach g  
 he .

**27. Miscellaneous***(a) Sale and conditional sale :*

( ) h ea eced g he da e f h ec :

(aa) ha e a ca a f C a f a f b d a e  
 ha bee ed, ag eed be ed ed be ed f  
 a a de he f ca h f a c de a he ha ca h; a d

(bb) c , d c , b e age he ec a e ha e bee  
 g a ed c ec h he e a e f a ha e a ca a  
 f C a a f b d a e ; a d

(cc) c ha bee a d a ab e f b c b g ag ee g  
 b c be, c g ag ee g c e he b c , f a  
 ha e C a a f b d a e ;

( ) ha e a ca a f C a a f b d a e de  
 ag eed c d a c d a be de ;  
 a d

(b) The Decree of the Council of Ministers of the Government of the Republic of the Philippines, in connection with the implementation of the provisions of the Act, is hereby amended to read as follows:

(c) The Decree of the Council of Ministers of the Government of the Republic of the Philippines, in connection with the implementation of the provisions of the Act, is hereby amended to read as follows:

**28. Bilingual prospectus**

The English Language and Culture Department of the University of the Philippines Diliman, in connection with the implementation of the provisions of the Act, is hereby amended to read as follows:

## DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached are copies of the records filed with the Registrar of Companies, Hong Kong, as follows:

- (a) copies of the **WHITE, YELLOW and GREEN** accounts;
- (b) the certificate filed with the Registrar headed "Certificate of the Registrar headed 'Office of the Registrar of Companies VI'";
- (c) the accounts filed with the Registrar headed "Accounts of the company";
- (d) certificates filed with the Registrar headed "Statement of Affairs" of the company headed "Form of Accounts" of the company.

## DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of the Registrar of Companies, 41/F, Jardine House, 1 Cantonment Road, Hong Kong, during the period from 25 September 2009:

- (a) the Memorandum of Association and the Articles of Association;
- (b) the accounts of the company prepared by KPMG, the external auditors of the company, headed "Accounts of the company";
- (c) the audited financial statements of the company for the years ended 31 December 2006, 2007 and 2008 (if the audited financial statements are available for the years ended 31 December 2006, 2007 and 2008);
- (d) the external auditors' report of KPMG on the financial statements of the company for the year ended 31 December 2009, headed "External Auditors' Report";
- (e) the external auditors' report of KPMG on the financial statements of the company for the year ended 31 December 2009, headed "External Auditors' Report";
- (f) the external auditors' report of KPMG on the financial statements of the company for the year ended 31 December 2009, headed "External Auditors' Report";
- (g) the Certificate of Incorporation;

- (h) he e e f ad ce e a ed b C e D & Pea a a g ce a a ec f he Ca a I a d c a a efe ed A e d V h ec ;
- ( ) he ega e a ed b J g a & G gche g A e a La e ec f ce a a ec f G a d he e e e f G he PRC;
- ( ) he a e a c ac efe ed de he b- a ag a h headed "S a f a e a c ac " he a ag a h headed "F he f a ab he b e f C a " f A e d VI h ec ;
- ( ) he e c e efe ed de he b- a ag a h headed "C e f e e " de he a ag a h headed "O he f a " f A e d VI h ec ;
- ( ) he e f he P e-IPO Sha e O Sche e a d Sha e O Sche e; a d
- ( ) he e ce c ac efe ed he b- a ag a h headed "D ec " he a ag a h headed "F he f a ab D ec a d Sha eh de " f A e d VI h ec .

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