



Current report No: 16/2014

Abbreviated name of the Issuer: Peixin

Dated: 23 July 2014

Legal basis: Article 56.1.1 of the Act on Public Offering – Inside information

Subject: Conclusion of the Marketing, Development and Collaboration Agreement

The Management Board of Peixin International Group N.V. with its incorporated seat in Amsterdam, the Netherland /the "Company"/, hereby informs that on 22 July 2014, its direct subsidiary Fujian Peixin Machine Manufacture Industry Co., Ltd. with offices at Shuangyang Overseas Chinese Economic Develop Area, Luojiang, Quanzhou, Fujian, China, acting on behalf of itself and each of its affiliates /collectively "Peixin"/ and Automated Systems of Tacoma, LLC, a limited liability company with offices in Tacoma, Washington, USA, acting on behalf of itself and each of its affiliates /collectively "AST"/, concluded Marketing, Development and Collaboration Agreement /the "Agreement"/.

AST is one of the leading technology manufactures in term of the hygiene product machine. It was established in 1965 and it is the developer and world-wide manufacturer of hygiene equipment utilizing its technology for applications in manufacturing. AST is well-versed in designing and manufacturing custom production equipment. Since 1979, AST has been designing and building high quality converting machinery for the disposable sanitary products industry. AST has delivered more than one thousand systems to over 20 countries around the world and has developed a reputation for simple, reliable and flexible machinery that stands the test of time. AST is able to offer a complete portfolio of converting machinery that covers customer needs, from emerging markets to the more demanding applications in developed markets. Specific capabilities include: baby diaper, baby pant, sanitary napkin, panty liner, adult brief and under pad.

By establishing of this strategic partnership Peixin and AST /accordingly the "Party" or the "Parties"/ will share technology and co-market a co-owned portfolio of machines to the global market. The Parties will also combine their engineering and manufacturing and capabilities to develop a new line of machines designed to offer the highest performance at the best price available in the industry. Furthermore in the opinion of the Company conclusion of the Agreement will lead to further technological enhancement of the products, as well as it will assure proper use of Peixin's growing capacity and strengthen global presence of both Parties.

Under the Agreement the Parties desire to jointly work to develop customized components, machines, equipment and other technology related to hygiene equipment, as well as to

grant the other party a license to utilize the developed technology in territories described below. In accordance with the terms and conditions of the Agreement the Parties agreed to grant the other Party a license to utilize its pre-existing intellectual property rights. Moreover under the Agreement the Parties agreed to manufacture and sell to other Party, during the term of the Agreement, such quantities of the products as other party may order in accordance with the Agreement, and in accordance with pricing, terms and conditions as mutually agreed upon in writing for each individual order.

Under the Agreement, each Party appointed other Party as the exclusive distributor of products embodying, covered by, manufactured using or that require the use of the jointly developed technology or the jointly owned intellectual property /the "Products"/ in the definite territory and the exclusive provider of maintenance, support and other services for such Products in this territory. The geographical breakdown of the territory is agreed as follows: AST will operate in North, Central and South America, the Caribbean and Western Europe, while Peixin will operate in Asia (including the Middle East, but excluding India), Africa, Eastern Europe and Oceania (including, Australia, Melanesia, Micronesia and Polynesia (excluding Hawaii)). Throughout the term of the Agreement and for a period of ten (10) years thereafter the Parties shall not in any manner, use, market, sell, distribute or otherwise carry on, own, manage, operate, control or be engaged in any business which involves the sale or marketing of Products or services in the other Party territory, without the prior written consent of the other Party. If one the Parties breaches any of its obligations described above it will be liable to the other Party for any profits that other Party lost as a result of such breach. Moreover each Party shall indemnify, defend and hold harmless the other Party from and against any third party claim, demand, action, proceeding or cause of action made or brought against the other Party, arising out of or resulting from the manufacture, use, sale or offer to sale of any Products or services in the territory of the indemnifying Party.

Subject to the provisions of the Agreement, all intellectual property rights in the developed technology created, conceived, reduced to practice or developed independently and/or jointly by Peixin and/or AST under this Agreement /the "Jointly Owned Intellectual Property"/ will be owned jointly by AST and Peixin, and each party shall own an undivided one-half interest in such Jointly Owned Intellectual Property.

Except as otherwise provided in the Agreement or agreed to in writing by the Parties for a specific development initiative, each Party shall be responsible for paying all of the costs and expenses that it incurs in the development of the developed technology.

Except of a breach of the provisions concerning geographical breakdown, in no event shall either Party be liable to the other Party under the Agreement for any special, indirect, punitive, incidental or consequential damages (including, without limitation, loss of profits), caused by any breach of its obligations to the other Party arising out of or relating to the Agreement, regardless of the form of action, whether in contract or in tort (including

negligence), even if the breaching Party has been advised of the possibility of such damages. However except as set forth below in no event shall the liability of either Party to the other Party with respect to any event or series of reasonably related events arising out of or related to the Agreement, whether in contract, warranty, tort (including negligence) or otherwise, including reasonable attorney's fees, exceed five million dollars (\$5,000,000). Notwithstanding the foregoing, this limitation will not apply to the provisions of the Agreement concerning liabilities arising from geographical breakdown rules, confidentiality, warranties and indemnification. Under the Agreement the other Party shall be entitled (without waiving any additional rights or remedies, including monetary damages, otherwise available to the other party at law, or in equity, or by statute) to preliminary and permanent injunctive relief in the event of a breach or intended or threatened breach of the Agreement. The Agreement contains the following insurance types and coverage to protect the Parties from any claim relating to this Agreement: comprehensive general liability insurance in amount of \$ 2,000,000 per claim and \$ 5,000,000 aggregate, errors and omissions insurance in amount of \$ 2,000,000 aggregate, and workers' compensation insurance in amount of statutory limits.

The Agreement is a one year contract that may be automatically renewed for successive one year increments unless terminated as set forth in the Agreement.

Each party is entitled to terminate the Agreement without cause on written notice to the other party, either if the other party materially breaches any provision of the Agreement, provided however, if the other party: files or has filed against it a proceeding in insolvency or bankruptcy, or it has a receiver appointed to handle its assets or affairs, or makes or attempts to make an assignment for the benefit of its creditors.

Date	Name and Surname	Position	Signature
2014-07-23	Hongyan Dai	Member of Management Board	Hongyan Dai
2014-07-23	Kaida Xie	Member of Management Board	Kaida Xie