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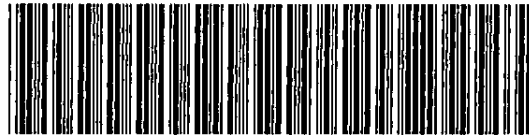
(Business Entity Name)

(Document Number)

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03/28/07--01009--009 **57.75

03/09/07--01023--025 **43.75

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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Greentree Financial Group, Inc.

FL Office

7951 SW 6th St., Ste. 216
Plantation, Florida 33324
Tel: 954-424-2345
Fax: 954-424-2230

NC Office

17111 Kenton Drive, Suite 100B
Cornelius, NC 28301
Tel: 704-892-8733
Fax: 704-892-6487

Please find two copies (one original and one copy) of the articles of merger for China Pet Pharmacy, Inc. for your review. I have also included a check of \$43.75 (filing fee \$35, and \$8.75 for certified copy).

Best regards,

Chris Cottone

COVER LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: CHINA PET PHARMACY, INC.
(Name of Surviving Corporation)

The enclosed Articles of Merger and fee are submitted for filing.

Please return all correspondence concerning this matter to following:

CHRIS COTTONE
(Contact Person)

GREENTREE FINANCIAL GROUP, INC.
(Firm/Company)

7951 SW 6TH ST SUITE 216
(Address)

PLANTATION, FL 33324
(City/State and Zip Code)

For further information concerning this matter, please call:

CHRIS COTTONE At (954) 424-2345
(Name of Contact Person) (Area Code & Daytime Telephone Number)

☒ Certified copy (optional) \$8.75 (Please send an additional copy of your document if a certified copy is requested)

STREET ADDRESS:
Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32301

MAILING ADDRESS:
Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314



FLORIDA DEPARTMENT OF STATE
Division of Corporations

March 15, 2007

CHRIS COTTONE
7951 SW 6TH STREET SUITE 216
PLANTATION, FL 33324

SUBJECT: CHINA PET PHARMACY, INC.
Ref. Number: P01000102154

We have received your document for CHINA PET PHARMACY, INC. and your check(s) totaling \$43.75. However, the enclosed document has not been filed and is being returned for the following correction(s):

The fee to file articles of merger or articles of share exchange is \$35 per party to the merger or share exchange. Certified copies are optional and are \$8.75 for the first 8 pages of the document, and \$1 for each additional page, not to exceed \$52.50.

The merger submitted was prepared in compliance with section 607.1109 Florida Statutes which provides for mergers between domestic corporations and other business entities as defined in section 607.1108, Florida Statutes. Pursuant to section 607.1108(7), Florida Statutes, any merger consisting solely of the merger of one or more domestic corporations with or into one or more foreign corporations shall be consummated solely in accordance with section 607.1107, Florida Statutes. Section 607.1107, Florida Statutes then refers you to section 607.1105, Florida Statutes. Enclosed is a merger form for your convenience.

The articles of merger must contain the provisions of the plan of merger or the plan of merger must be attached.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6916.

Carol Mustain
Document Specialist

Letter Number: 807A00018299

ARTICLES OF MERGER
(Profit Corporations)

The following articles of merger are submitted in accordance with the Florida Business Corporation Act pursuant to section 607.1105, Florida Statutes.

First: The name and jurisdiction of the **surviving** corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
CHINA PET PHARMACY, INC.	FLORIDA	P01000102154

Second: The name and jurisdiction of each **merging** corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
XIAN DA XIANG KE JI YOU XIAN GONG SI	CHINA	

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

OR / / (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days after merger file date.)

Fifth: Adoption of Merger by **surviving** corporation - **(COMPLETE ONLY ONE STATEMENT)**

The Plan of Merger was adopted by the shareholders of the surviving corporation on _____.

The Plan of Merger was adopted by the board of directors of the surviving corporation on JANUARY 15, 2007 and shareholder approval was not required.

Sixth: Adoption of Merger by **merging** corporation(s) **(COMPLETE ONLY ONE STATEMENT)**

The Plan of Merger was adopted by the shareholders of the merging corporation(s) on _____.

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on JANUARY 15, 2007 and shareholder approval was not required.

(Attach additional sheets if necessary)

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02 MAR 26 AM 10:36
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

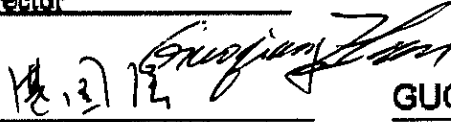
Seventh: SIGNATURES FOR EACH CORPORATION

Name of Corporation

Signature of an Officer or
Director

Typed or Printed Name of Individual & Title

CHINA PET PHARMACY, INC.



GUOQIANG ZHAN, PRESIDENT

XIAN DA XANG KE JI YOU XIAN GONG SI



ZHANG, YONG LIAN, PRESIDENT

PLAN OF MERGER
(Merger of subsidiary corporation(s))

The following plan of merger is submitted in compliance with section 607.1104, Florida Statutes, and in accordance with the laws of any other applicable jurisdiction of incorporation.

The name and jurisdiction of the **parent** corporation owning at least 80 percent of the outstanding shares of each class of the subsidiary corporation:

Name

Jurisdiction

CHINA PET PHARMACY, INC.

FLORIDA

The name and jurisdiction of each **subsidiary** corporation:

Name

Jurisdiction

XIAN DA XIANG KE JI YOU XIAN GONG SI

CHINA

The manner and basis of converting the shares of the subsidiary or parent into shares, obligations, or other securities of the parent or any other corporation or, in whole or in part, into cash or other property, and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, and other securities of the surviving or any other corporation or, in whole or in part, into cash or other property are as follows:

Summary: China Pet Pharmacy, Inc. would acquire 100% of the capital stock of Da Xiang in exchange for the issuance by China Pet Pharmacy, Inc. of 40,000,000 new shares of Common Stock to Da Xiang .

(Attach additional sheets if necessary)

(A completed signed Plan of Exchange was attached hereto)

If the merger is between the parent and a subsidiary corporation and the parent is not the surviving corporation, a provision for the pro rata issuance of shares of the subsidiary to the holders of the shares of the parent corporation upon surrender of any certificates is as follows:

If applicable, shareholders of the subsidiary corporations, who, except for the applicability of section 607.1104, Florida Statutes, would be entitled to vote and who dissent from the merger pursuant to section 607.1321, Florida Statutes, may be entitled, if they comply with the provisions of chapter 607 regarding appraisal rights of dissenting shareholders, to be paid the fair value of their shares.

Other provisions relating to the merger are as follows:

PLAN OF EXCHANGE
BY WHICH
CHINA PET PHARMACY, INC.
(A FLORIDA CORPORATION)
SHALL ACQUIRE
XI'AN DA XIANG KE JI YOU XIAN GONG SI
(A CORPORATION ORGANIZED UNDER THE LAWS OF THE PEOPLES' REPUBLIC OF CHINA)

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PLAN OF EXCHANGE
BY WHICH
China Pet Pharmacy Inc.
(A FLORIDA CORPORATION)
SHALL ACQUIRE

Xi'an Da Xiang Ke Ji You Xian Gong Si
(A CORPORATION ORGANIZED UNDER THE LAWS OF THE PEOPLES' REPUBLIC OF CHINA)

This Plan of Exchange (the "Agreement" or "Plan of Exchange") is made and dated as of this 15th day of January, 2007, and is intended to supersede all previous oral or written agreements, if any, between the parties, with respect to its subject matter. Notwithstanding the foregoing, it is subject to, and shall be interpreted together with that certain Escrow Agreement, dated January 15, 2007 ("Escrow Agreement"). This Agreement anticipates that extensive due diligence shall have been performed by both parties. All due diligence shall have been completed by the Parties no later than January 25, 2007.

I. RECITALS

1. The Parties (collectively referred to as the "Parties") to this Agreement:

(1.1) China Pet Pharmacy Inc. ("Pet Pharm"), a Florida corporation.

(1.2) Xi'an Da Xiang Ke Ji You Xian Gong Si, a corporation organized under the laws of the Peoples' Republic of China ("Da Xiang").

(1.3) Guoqiang Zhan ("Mr. Zhan"), President and Director of Pet Pharm.

2. The Capital of the Parties:

(2.1) The Capital of Pet Pharm consists of 50,000,000 authorized shares of Common Stock, par value \$.001, of which 1,027,644 shares are issued and outstanding, and 10,000,000 authorized shares of Preferred Stock, par value \$.001, 350,000 shares are issued and outstanding.

(2.2) The Capital of Da Xiang consists of RMB 1,000,000 in registered capital (US\$1=8 RMB), which for the purposes of this Agreement, is referred to as "common stock" or "capital stock".

3. Transaction Descriptive Summary: Pet Pharm desires to acquire Da Xiang and the shareholders of Da Xiang (the "Da Xiang Shareholders") desire that Da Xiang be acquired by Pet Pharm. Pet Pharm would acquire 100% of the capital stock of Da Xiang in exchange for the issuance by Pet Pharm of 40,000,000 new shares of Common Stock to Da Xiang. Da Xiang and/or the Da Xiang Shareholders would acquire 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm from Mr. Zhan for a payment by Da Xiang and/or the Da Xiang Shareholders of an amount equal to \$220,000. The distributions of payments will be made by Da Xiang to Pet Pharm and the Selling Shareholders in accordance with the Escrow Agreement. The above purchase and issuance will give Da Xiang total of 40,250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm, or a 'controlling interest' in Pet Pharm representing approximately 98.1% of the issued and outstanding shares. Da Xiang will not convert these shares for one year but shall be allowed to use them towards a shareholder vote. The transaction will not immediately close but shall be conditioned upon (1) settling the liabilities of Pet Pharm, (2) 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm are deposited into the account of Escrow Agent in exchange for \$220,000, and (3) the issuance of the new 40,000,000 new shares of Common Stock of Pet Pharm to the Da Xiang shareholders (an deposit of \$50,000 of the amount due Selling Shareholder will be retained by the Escrow Agent until this issuance), which should take no longer than 60 days. The parties intend that the transactions qualify and meet the Internal Revenue Code requirements for a tax free reorganization, in which there is no corporate gain or loss recognized by the parties, with reference to Internal Revenue Code (IRC) sections 354 and 368.

4. **"Pinksheets - Other OTC" quotation market compliance.** Pet Pharm will make all appropriate shareholder notifications in connection with the acquisition, including the change of control. Pet Pharm shall cause the filing with "Pinksheets - Other OTC" quotation market, if deemed applicable. Pet Pharm's board of directors will appoint the nominee of Da Xiang to the board of directors of Pet Pharm to fill the vacancy created by the resignation of one of the current board members of Pet Pharm. The Parties contemplate that any change in the majority of the Board of Directors will occur after the closing.

5. **Florida compliance.** Articles of Exchange are required to be filed by Florida law as the last act to make the plan of exchange final and effective under Florida law.

6. **Audited Financial Statements.** In connection with Pet Pharm's filing with "Pinksheets - Other OTC" quotation market, as it relates to this transaction, audited financial statements of Da Xiang will not be required.

II. PLAN OF EXCHANGE

1. Conditions Precedent to Closing.

The obligation of the parties to consummate the transactions contemplated herein are subject to the fulfillment or waiver prior to the closing of the following conditions precedent:

(1.1) Shareholder Approval. Da Xiang and Pet Pharm shall have secured all requisite shareholder approval for this transaction, if required, in accordance with the laws of its place of incorporation and its constituent documents.

(1.2) Board of Directors. The Boards of Directors of Da Xiang and Pet Pharm shall have approved the transaction and this agreement, in accordance with the laws of their place of incorporation and constituent documents.

(1.3) Due Diligence Investigation. Each party shall have furnished to the other party all corporate and financial information which is customary and reasonable, to conduct its respective due diligence, normal for this kind of transaction. If either party determines that there is a reason not to complete the Plan of Exchange as a result of their due diligence examination, then they must give written notice to the other party prior to the expiration of the due diligence examination period. The due diligence period, for purposes of this paragraph, shall have expired on January 25, 2007. The Closing Date shall be three days after the satisfaction or waiver of all of the conditions precedent to closing set forth in this Plan of Exchange, unless extended to a later date by mutual agreement of the parties.

(1.4) The rights of dissenting shareholders, if any, of each party shall have been satisfied and the Board of Directors of each party shall have determined to proceed with the PLAN OF EXCHANGE.

(1.5) All of the terms, covenants and conditions of the PLAN OF EXCHANGE to be complied with or performed by each party before Closing shall have been complied with, performed or waived in writing;

(1.6) The representations and warranties of the parties, contained in the PLAN OF EXCHANGE, as herein contemplated, except as amended, altered or waived by the parties in writing, shall be true and correct in all material respects at the Closing Date with the same force and effect as if such representations and warranties are made at and as of such time; and each party shall provide the other with a certificate, certified either individually or by an officer, dated as of the Closing Date, to the effect, that all conditions precedent have been met, and that all representations and warranties of such party are true and correct as of that date. The form and substance of each party's certification shall be in form reasonably satisfactory to the other.

(1.7) Certificate of the Majority Shareholder of Pet Pharm. It shall be a condition precedent to the obligation of Da Xiang and the Da Xiang Shareholders to consummate the transactions contemplated herein that a certificate of the Majority Shareholders of Pet Pharm in substantially the following form be delivered to them on the date of execution:

- (i) Pet Pharm is a corporation duly organized and validly existing under the laws of the State of Florida and has all requisite corporate power to own, operate and lease its properties and assets and to carry on its business.
- (ii) The authorized capitalization and the number of issued and outstanding capital shares of Pet Pharm are accurately and completely set forth in the Plan of Exchange.
- (iii) The issued and outstanding shares of Pet Pharm (including 40,000,000 new investment shares of Common Stock of Pet Pharm to be issued to the Da Xiang Shareholders pursuant to Regulation S) have been duly authorized and validly issued and are fully paid and non-assessable.
- (iv) Pet Pharm has the full right, power and authority to sell, transfer and deliver the 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm to the Da Xiang Shareholders for the purchase price total of \$220,000, and has the full right, power and authority to sell, transfer and deliver the 40,000,000 new investment shares of Common Stock of Pet Pharm to the Da Xiang Shareholders, and, upon delivery of the certificates representing such shares as contemplated in the Plan of Exchange, will transfer to the Da Xiang Shareholders good, valid and marketable title thereto, free and clear of all liens.
- (v) Pet Pharm has taken all steps in connection with the Plan of Exchange and the issuance of the 40,000,000 new investment shares of Common Stock of Pet Pharm, which are necessary to comply in all material respects with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as well as the rules and regulations promulgated pursuant thereto. To provide additional insurance to Da Xiang, Pet Pharm agrees to retain \$50,000 into escrow per its escrow agreement with Greentree Financial Group, Inc. until the issuance of the new 40,000,000 new shares of Common Stock of Pet Pharm to the Da Xiang shareholders completed.
- (vi) Pet Pharm has no material liabilities as such term is defined by U.S. generally accepted accounting principles.

(1.8) Absence of Pet Pharm's Liabilities. Pet Pharm shall have no material liabilities as such term is defined by U.S. generally accepted accounting principles. The accounting firm of Pet Pharm shall deliver to Da Xiang a letter to such effect, and counsel to Pet Pharm shall deliver to Da Xiang a comfort letter with respect to the absence of liabilities. The majority shareholders of Pet Pharm will retain the right to future use of China Pet Pharmacy, Inc. only if the new management changes Pet Pharm's name. All expenses to prepare and file documents connected to the Plan of Exchange will be paid by Da Xiang. The attorney comfort letter, not to exceed \$3,000, will be paid by Da Xiang.

(1.9) Delivery of Audited Financial Statements. Da Xiang will not be required to deliver audited financial statements under SEC or NASD rules. If such financials are required, they shall be prepared by a PCAOB member audit firm in accordance with U.S. GAAP at Da Xiang's expense.

2. Conditions Concurrent and Subsequent to Closing.

(2.1) Delivery of Registered Capital of Da Xiang. Immediately upon or within 30 days from the date of this agreement, Pet Pharm shall have 100% of the beneficial interest of Xian Dai Da Xiang (Ji Tuan) Gu Fen Co. Ltd.

(2.2) Acquisition Share Issuance and Purchase of Common Stock. Immediately upon the Closing, Pet Pharm shall deliver 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm to the Da Xiang Shareholders in exchange for total payments of \$170,000 in cash, less related expenses, and shall issue to the Da Xiang Shareholders 40,000,000 new investment shares of Common Stock of Pet Pharm in exchange for a payment of \$50,000 in cash, and, as a result, the then outstanding shares shall be as follows:

Pet Pharm Issued	1,027,644
Acquisition Share Issuance	40,000,000
Resulting Total	41,027,644
Shares to Da Xiang	40,250,000

(2.3) Resignation of Guoqiang Zhan and Appointment of Da Xiang Nominees. On or immediately after the Closing, Mr. Zhan shall resign from the positions of Director and President of Pet Pharm and nominees of Da Xiang shall be appointed to the Board of Directors and as President of Pet Pharm to fill the vacancies created by Mr. Zhan's resignation. Additionally, Da Xiang shall appoint nominees to fill certain positions on the board and as officers of Pet Pharm. Said appointments will be announced via appropriate shareholder notifications, if applicable under State Law. Upon resignation, Mr. Zhan shall deliver to Greentree Financial Group, Inc. a signed letter regarding and confirming his resignation for the position of director and officer of Pet Pharm.

3. Plan of Exchange

(3.1) Exchange and Reorganization: Pet Pharm and Da Xiang shall be hereby reorganized, such that Pet Pharm shall acquire 100% the capital stock of Da Xiang, and Da Xiang shall become a wholly-owned subsidiary of Pet Pharm.

(3.2) Delivery of Common Stock: Immediately upon the Closing, Pet Pharm shall deposit 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm to the account of Escrow Agent.

(3.3) Issuance of Common Stock: Within 60 days upon the effective date of the Plan, Pet Pharm shall issue 40,000,000 new investment shares of Common Stock of Pet Pharm to or for the Da Xiang Shareholders.

(3.4) Closing/Effective Date: The PLAN OF EXCHANGE shall become effective immediately upon approval and adoption by the parties hereto, in the manner provided by the law of the places of incorporation and constituent corporate documents, and upon compliance with governmental filing requirements, such as, without limitation, the filing of Articles of Exchange, if applicable under State Law. Closing shall occur when all conditions of closing have been met or are waived by the parties. The parties anticipate a shareholder announcement at least ten days prior to any change in majority of the Board of Directors of Pet Pharm. The Parties expect to make such filing after the Closing.

(3.5) Surviving Corporations: Both corporations shall survive the exchange and reorganization herein contemplated and shall continue to be governed by the laws of its respective jurisdiction of incorporation.

(3.6) Rights of Dissenting Shareholders: Each Party is the entity responsible for the rights of its own dissenting shareholders, if any.

(3.7) Service of Process and Address: Each corporation shall continue to be amenable to service of process in its own jurisdiction, exactly as before this acquisition. The address of Pet Pharm is 211 East Prospect Road, Oakland Park, Florida 33334. The address of Da Xiang is Tong Cheng San Rd., Jing Ji Ji Shu Kai Fa Qu, Xi An, Peoples' Republic of China. The address of Pet Pharm will be changed, according to the instruction of Da Xiang.

(3.8) Surviving Articles of Incorporation: the Articles of Incorporation of each Corporation shall remain in full force and effect, unchanged.

(3.9) Surviving By-Laws: the By-Laws of each Corporation shall remain in full force and effect, unchanged.

(3.10) Further Assurance, Good Faith and Fair Dealing: the Directors of each Company shall and will execute and deliver any and all necessary documents, acknowledgments and assurances and do all things proper to confirm or acknowledge any and all rights, titles and interests created or confirmed herein; and both companies covenant expressly hereby to deal fairly and in good faith with each other and each others shareholders. In furtherance of the parties desire, as so expressed, and to encourage timely, effective and businesslike resolution the parties agree that any dispute arising between them, capable of resolution by arbitration, shall be submitted to binding arbitration. As a further incentive to private resolution of any dispute, the parties agree that each party shall bear its own costs of dispute resolution and shall not recover such costs from any other party.

(3.11) General Mutual Representations and Warranties. The purpose and general import of the Mutual Representations and Warranties, are that each party has made appropriate full disclosure to the others, that no material information has been withheld, and that the information exchanged is accurate, true and correct. These warranties and representations are made by each party to the other, unless otherwise provided in this agreement, and they speak and shall be true immediately before Closing.

(3.11.1) Organization and Qualification. Each corporation is duly organized and in good standing, and is duly qualified to conduct any business it may be conducting, as required by law or local ordinance.

(3.11.2) Corporate Authority. Each corporation has corporate authority, under the laws of its jurisdiction and its constituent documents, to do each and every element of performance to which it has agreed, and which is reasonably necessary, appropriate and lawful, to carry out this Agreement in good faith.

(3.11.3) Ownership of Assets and Property. Each corporation has lawful title and ownership of its property as reported to the other, and as disclosed in its financial statements.

(3.11.4) Absence of Certain Changes or Events. Each corporation has not had any material changes of circumstances or events which have not been fully disclosed to the other party, and which, if different than previously disclosed in writing, have been disclosed in writing as currently as is reasonably practicable. Specifically, and without limitation:

(3.11.4-a) the business of each corporation shall be conducted only in the ordinary and usual course and consistent with its past practice, and neither party shall purchase or sell (or enter into any agreement to so purchase or sell) any properties or assets or make any other changes in its operations, respectively, taken as a whole, or provide for the issuance of, agreement to issue or grant of options to acquire any shares, whether common, redeemable

common or convertible preferred, in connection therewith;

(3.11.4-b) Except as set forth in this Plan of Exchange, neither corporation shall (i) amend its Articles of Incorporation or By-Laws, (ii) change the number of authorized or outstanding shares of its capital stock, or (iii) declare, set aside or pay any dividend or other distribution or payment in cash, stock or property to the extent that which might contradict or not comply with any clause or condition set forth in this Plan of Exchange, or Escrow Agreement;

(3.11.4-c) Neither corporation shall (i) issue, grant or pledge or agree or propose to issue, grant, sell or pledge any shares of, or rights of any kind to acquire any shares of, its capital stock, (ii) incur any indebtedness other than in the ordinary course of business, (iii) acquire directly or indirectly by redemption or otherwise any shares of its capital stock of any class or (iv) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(3.11.4-d) Except in the ordinary course of business, neither party shall (i) increase the compensation payable or to become payable by it to any of its officers or directors; (ii) make any payment or provision with respect to any bonus, profit sharing, stock option, stock purchase, employee stock ownership, pension, retirement, deferred compensation, employment or other payment plan, agreement or arrangement for the benefit of its employees (iii) grant any stock options or stock appreciation rights or permit the exercise of any stock appreciation right where the exercise of such right is subject to its discretion (iv) make any change in the compensation to be received by any of its officers; or adopt, or amend to increase compensation or benefits payable under, any collective bargaining, bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation, employment, termination or severance or other plan, agreement, trust, fund or arrangement for the benefit of employees, (v) enter into any agreement with respect to termination or severance pay, or any employment agreement or other contract or arrangement with any officer or director or employee, respectively, with respect to the performance or personal services that is not terminable without liability by it on thirty days notice or less, (vi) increase benefits payable under its current severance or termination, pay agreements or policies or (vii) make any loan or advance to, or enter into any written contract, lease or commitment with, any of its officers or directors;

(3.11.4-e) Neither party shall assume, guarantee, endorse or otherwise become responsible for the obligations of any other individual, firm or corporation or make any loans or advances to any individual, firm or corporation, other than obligations and liabilities expressly assumed by the other that party;

(3.11.4-f) Neither party shall make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any property or assets of any other individual, firm or corporation.

(3.11.5) Absence of Undisclosed Liabilities. Each corporation has, and has no reason to anticipate having, any material liabilities which have not been disclosed to the other, in the financial statements or otherwise in writing.

(3.11.6) Legal Compliance. Each corporation shall comply in all material respects with all Federal, state, local and other governmental (domestic or foreign) laws, statutes, ordinances, rules, regulations (including all applicable securities laws), orders, writs, injunctions, decrees, awards or other requirements of any court or other governmental or other authority applicable to each of them or their respective assets or to the conduct of their respective businesses, and use their best efforts to perform all obligations under all contracts, agreements, licenses, permits and undertaking without default.

(3.11.7) Legal Proceedings. Each corporation has no legal proceedings, administrative or regulatory proceeding, pending or suspected, which have not been fully disclosed in writing to the other.

(3.11.8) No Breach of Other Agreements. This Agreement, and the faithful performance of this agreement, will not cause any breach of any other existing agreement, or any covenant, consent decree, or undertaking by either, not disclosed to the other.

(3.11.9) Capital Stock. The issued and outstanding shares and all shares of capital stock of each corporation is as detailed herein, that all such shares are in fact issued and outstanding, duly and validly issued, were issued as and are fully paid and non-assessable shares, and that, other than as represented in writing, there are no other securities, options, warrants or rights outstanding, to acquire further shares of such corporation.

(3.11.10) Liabilities and Taxes. (i) Except as disclosed in the Pet Pharm financial statements hereof, Pet Pharm has not incurred any liabilities or obligations (whether or not accrued, contingent or otherwise) that are of a nature that would be required to be disclosed on a balance sheet of Pet Pharm or the footnotes thereto prepared in conformity with GAAP, other than (A) liabilities incurred in the ordinary course of business, or (B) liabilities that would not, in the aggregate, reasonably be expected to have a material adverse effect on Pet Pharm.

(ii) Pet Pharm (i) has prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all material tax returns required to be filed by any of them and all such filed tax returns are complete and accurate in all material respects; (ii) have paid all taxes that are shown as due and payable on such filed tax returns or that Pet Pharm is obligated to pay without the filing of a tax return; (iii) have paid all other assessments received to date in respect of taxes other than those being contested in good faith for which provision has been made in accordance with GAAP on the most recent balance sheet included in Pet Pharm's financial statements; (iv) have withheld from amounts owing to any employee, creditor or other person all taxes required by law to be withheld and have paid over to the proper governmental authority in a timely manner all such withheld amounts to the extent due and payable; and (v) have not waived any applicable statute of limitations with respect to United States federal or state income or

franchise taxes and have not otherwise agreed to any extension of time with respect to a United States federal or state income or franchise tax assessment or deficiency.

(3.11. 11) Brokers' or Finder's Fees. Each corporation is not aware of any claims for brokers' fees, or finders' fees, or other commissions or fees, by any person not disclosed to the other, which would become, if valid, an obligation of either company.

(3.12) Miscellaneous Provisions

(3.12.1) Except as required by law, no party shall provide any information concerning any aspect of the transactions contemplated by this Agreement to anyone other than their respective officers, employees and representatives without the prior written consent of the other parties hereto. The aforesaid obligations shall terminate on the earlier to occur of (a) the Closing, or (b) the date by which any party is required under its articles or bylaws or as required by law, to provide specific disclosure of such transactions to its shareholders, governmental agencies or other third parties. In the event that the transaction does not close, each party will return all confidential information furnished in confidence to the other. In addition, all parties shall consult with each other concerning the timing and content of any press release or news release to be issued by any of them.

(3.12.2) This Agreement may be executed simultaneously in two or more counterpart originals. The parties can and may rely upon facsimile signatures as binding under this Agreement, however, the parties agree to forward original signatures to the other parties as soon as practicable after the facsimile signatures have been delivered.

(3.12.3) The Parties to this agreement have no wish to engage in costly or lengthy litigation with each other. Accordingly, any and all disputes which the parties cannot resolve by agreement or mediation, shall be submitted to binding arbitration under the rules and auspices of the American Arbitration Association. As a further incentive to avoid disputes, each party shall bear its own costs, with respect thereto, and with respect to any proceedings in any court brought to enforce or overturn any arbitration award. This provision is expressly intended to discourage litigation and to encourage orderly, timely and economical resolution of any disputes which may occur.

(3.12.4) If any provision of this Agreement or the application thereof to any person or situation shall be held invalid or unenforceable, the remainder of the Agreement and the application of such provision to other persons or situations shall not be effected thereby but shall continue valid and enforceable to the fullest extent permitted by law.

(3.12.5) No waiver by any party of any occurrence or provision hereof shall be deemed a waiver of any other occurrence or provision.

(3.12.6) The parties acknowledge that both they and their counsel have been provided ample opportunity to review and revise this agreement and that the normal rule of construction shall not be applied to cause the resolution of any ambiguities against any party presumptively. The Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

4. Termination. The PLAN OF EXCHANGE may be terminated by written notice, at any time prior to closing, (i) by mutual consent, (ii) by either party during the due diligence phase, (iii) by either party, in the event that the transaction represented by the anticipated PLAN OF EXCHANGE has not been implemented and approved by the proper governmental authorities 60 days from the date of this Agreement, (iv) if payments scheduled in the Escrow Agreement are not received when due or (v) by either party in the event that a condition of closing is not met by January 20, 2007. In the event that termination of the PLAN OF EXCHANGE by either or both, as provided above, the PLAN OF EXCHANGE shall forthwith become void and there shall be no liability on the part of either party or their respective officers and directors.

5. Closing. The parties hereto contemplate that the closing of this Plan of Exchange shall occur no more than three days after all of the conditions precedent have been met or waived. The closing deliveries will be made pursuant to the Escrow Agreement dated January 15, 2007. Immediately upon signing the Plan, Da Xiang will deposit a total of \$220,000 into the US account of the Escrow Agent, and the certificates of the 250,000 shares of Common Stock and 350,000 shares of Preferred Stock of Pet Pharm will be delivered to the Escrow Agent. Pet Pharm shall be paid by Da Xiang and/or the Da Xiang Shareholders an amount aggregately equal to \$170,000, less related expenses. In addition, within 60 days of signing the Plan of Exchange, Pet Pharm shall issue 40,000,000 new investment shares of Common Stock of Pet Pharm pursuant to Regulation S under the Securities Act of 1933, as amended, to the Da Xiang shareholders and the remaining \$50,000 shall be released to Pet Pharm by the Escrow Agent pursuant to the Escrow Agreement. The parties acknowledge that the Escrow Agreement has a default provision that governs the rights of the parties in the event that certain performances are not made on a timely basis and they expressly accept the terms thereof.

6. Merger Clause. This Plan of Exchange, together with the Escrow Agreement, constitute the entire agreement of the parties hereto with respect to the subject matter hereof, and such documents supersede all prior understandings or agreements between the parties hereto, whether oral or written, with respect to the subject matter hereof, all of which are hereby superseded, merged and rendered null and void.

IN WITNESS WHEREOF, The parties hereto, intending to be bound, hereby sign this Plan of Exchange below as of the date first written above.

CHINA PET PHARMACY INC.

By: _____
Guoqiang Zhan, President

By: _____
Guoqiang Zhan, Individually

XIAN DA XIANG KE JI YOU XIAN GONG SI

By: 張永聯 _____
Zhang, Yong Lian, President