

## HISTORY AND REORGANISATION

### OVERVIEW

Our Group was founded by Chairman Wang in 1996 with a focus on the development of residential properties in Changzhou, Jiangsu Province. We have since established our reputation as a leading property developer in the Yangtze River Delta. Leveraging on our strong brand and management capabilities, we started to expand into other cities in the Yangtze River Delta since 2002. We made a strategic decision to commence development of mixed-use complex projects in 2008 to diversify our property portfolio and meet the growing demand for commercial properties. As of August 31, 2012, we had completed 28 property projects and 17 project phases, with an aggregate GFA of approximately 10.0 million sq.m. We were developing 46 property projects, in which we held an aggregate GFA of approximately 5.1 million sq.m. under development and approximately 7.7 million sq.m. for future development as of August 31, 2012.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on April 23, 2010. It became the holding company of our Group's operations for the purpose of Listing on June 25, 2010.

### OUR HISTORY AND DEVELOPMENT

#### Establishment of Future Land Holdings

Chairman Wang began engaging in property development business in 1993. In June 1996, Chairman Wang, together with other minority shareholders<sup>(1)</sup>, founded Future Land Holdings<sup>(2)</sup>, the first property company of our Group. The first property development undertaken by Future Land Holdings was Zhong Liang Town Phase 2 (中涼城第2期), which is located in the outskirt of Changzhou. At the time of its incorporation, Chairman Wang held 60% equity interests in Future Land Holdings.

Future Land Holdings gradually expanded its business by acquiring and establishing project companies and subsidiaries that are engaged in various property development projects. Set forth below are the key development projects and business activities undertaken by Future Land Holdings:

- In May 1997, Future Land Holdings acquired from Wujin Future Land Investment and Construction Development Co., Ltd (武進市新城投資建設開發有限公司) 60% equity interests in Jiangsu Future Land Property Management Co., Ltd (江蘇新城物業服務有限公司) ("**Jiangsu Property**") at a consideration of RMB0.3 million, based on the nominal value of the then registered capital of Jiangsu Property. Jiangsu Property principally engaged in property management business and was held by Future Land Investment as to 60% and Chairman Wang as to 40% prior to the acquisition. Upon completion of this acquisition, Jiangsu Property was held as to 60% by Future Land Holdings and 40% by Chairman Wang.

(1) At the time of its incorporation, Future Land Holdings was held by Chairman Wang, Ms. Wang Xingdi (王杏娣) ("**Ms. Wang**"), Mr. Tang Yuping (湯宇平) ("**Mr. Tang**") and Wujin Guozhou Municipal Economic Development Corporation (武進市國洲經濟開發總公司) ("**Wujin Guozhou**"), as to 60%, 28%, 2% and 10%, respectively. Ms. Wang and Mr. Tang are both independent third parties.

(2) Future Land Holdings was established under the name Wujin Xinlong Real Estate Development Co., Ltd. (武進市新龍房產開發有限公司) at the time of establishment. Its name was changed to Future Land Holdings in September 2009.

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- In April 1998, Future Land Holdings, together with Ms. Chen Jing (陳靜), spouse of Chairman Wang, established Changzhou Future Land<sup>(3)</sup> to develop residential properties, including Four Seasons Future Land (四季新城) and Golden Future Land (金色新城), in the city of Changzhou.

Future Land Holdings has been and remains as the onshore holding company for our Group's business and operations in the PRC. Chairman Wang has been holding majority interest in Future Land Holdings since its incorporation.

### Expansion in Changzhou and Listing of Jiangsu Future Land

To facilitate the expansion of our business, we underwent a reorganisation in 2001 and acquired a listing status for Changzhou Future Land by way of asset injection. At a consideration of RMB108.4 million, Future Land Holdings initially acquired legal person shares amounting to 29.36% of the total issued share capital of Jiangsu Wuling Diesel Engines Holdings Co., Ltd (江蘇五菱柴油機股份有限公司) ("**Jiangsu Wuling**"). The consideration was determined based on the net asset value of Jiangsu Wuling. Jiangsu Wuling was a company whose B-shares had been listed on the Shanghai Stock Exchange since October 1997. To complete the restructuring, Future Land Holdings injected 95.8% of the equity interests it then held in Changzhou Future Land to Jiangsu Wuling (the "**B-share Capital Restructuring**"). Upon completion of the B-share Capital Restructuring in August 2001, which was conducted on an arm's length basis, Jiangsu Wuling was renamed Jiangsu Future Land in November 2001. It remained listed on the Shanghai Stock Exchange and was held by Future Land Holdings as to 29.36% immediately upon completion of the B-share Capital Restructuring. Its business scope was revised to cover, among other things, property development and property management operations.

To further consolidate our control in Jiangsu Future Land, Future Land Holdings acquired, at RMB1.57 per share, additional legal person shares amounting to 29.5% of the total issued capital of Jiangsu Future Land from its other substantial shareholders, and increased its shareholding in Jiangsu Future Land to 58.86% in August 2005. The total consideration for such acquisition, which amounted to approximately RMB153.7 million, was determined based on the then net asset value of Jiangsu Future Land<sup>(4)</sup>.

### Geographical Expansion to Shanghai, Nanjing, Kunshan, Wuxi, Suzhou, Jintan, Changsha and Wuhan

Subsequent to the completion of our B-share Capital Restructuring in 2001, we began expanding our business to other parts of the Yangtze River Delta and along the Shanghai-Nanjing Economic Corridor.

(3) Changzhou Future Land was held by Future Land Holdings and Ms. Chen Jing as to 66.8% and 33.2%, respectively, at its establishment. Ms. Chen Jing is the spouse of Chairman Wang.

(4) In August 2005, Future Land Holdings acquired from Changzhou Global Real Estate Development Co., Ltd (常州環球房地產有限公司) ("**Changzhou Global**") and Changzhou Fanhua Technology Investments Co., Ltd. (常州泛華科技有限公司) ("**Changzhou Fanhua**") legal person shares amounting to 22% and 7.5%, respectively, of the total issued capital of Jiangsu Future Land, which represented all the legal person shares Changzhou Global and Changzhou Fanhua then held in Jiangsu Future Land. Changzhou Global and Changzhou Fanhua are independent third parties who acquired legal person shares amounting to 22% and 7.5%, respectively, of the total issued capital of Jiangsu Wuling at the time of the B-share Capital Restructuring.

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In April 2002, we established Changzhou Wealth Zone to develop Lakeview (湖畔春秋), a large-scale residential villa development, and Fuhan Park (府翰苑), a large-scale residential development in south Changzhou. Changzhou Wealth Zone was owned by our Company as to 93.78%<sup>(5)</sup> as of the Latest Practicable Date.

In September 2002, we established Nanjing Future Land Chuangzhi to develop Nanjing Yijing (南京逸景), our first residential property development in Nanjing. Nanjing Future Land Chuangzhi was held as to 90% by Changzhou Future Land and 10% by Jiangsu Future Land as of the Latest Practicable Date.

In January 2003, we expanded our property development operations to Shanghai and established Shanghai Future Land Chuangzhi Real Estate Co., Ltd. (上海新城創置房地產有限公司) to develop Future Land Glorious View Garden (新城盛景園), our first residential property development in Shanghai. Shanghai Future Land Chuangzhi Real Estate Co., Ltd. was wholly owned by Shanghai Future Land Wanjia as of the Latest Practicable Date.

In September 2004, we expanded our property development operations to Kunshan and established Suzhou Future Land Wanjia Real Estate Co., Ltd. (蘇州新城萬嘉房地產有限公司) to develop Oannes (翡翠灣), our first residential property development in Kunshan. Suzhou Future Land Wanjia Real Estate Co., Ltd. was held as to 90% by Changzhou Future Land and 10% by Jiangsu Future Land as of the Latest Practicable Date.

In August 2007, we expanded our property development operations to Wuxi by establishing Wuxi Future Land Wanjia to develop Wuxi Shengshi Future Land (無錫盛世新城), our first residential property development in Wuxi. Wuxi Future Land Wanjia was wholly owned by Jiangsu Future Land as of the Latest Practicable Date.

In October 2007, we expanded our property development operations to Suzhou by establishing Suzhou Future Land Chuangjia to develop Suzhou Future Land Golden County (蘇州新城金郡), our first residential property development in the city of Suzhou. Suzhou Future Land Chuangjia was wholly owned by Jiangsu Future Land as of the Latest Practicable Date.

In March 2011, we expanded our property development operations to Changsha by establishing Changsha Future Land Wanbo to develop Future Land International Metropolis (新城國際花都), our first mixed-use complex development in Changsha. It was wholly owned by Future Land Wanbo as of the Latest Practicable Date.

In March 2011, we expanded our property development operations to Jintan by establishing Jintan Future Land to develop Jintan Wanjiantang Project (金壇萬建塘項目), our first property development in Jintan. Jintan Future Land was held as to 50% each by Changzhou Future Land and Future Land Wanbo.

(5) Changzhou Wealth Zone was established as a project company to develop Lakeview (湖畔春秋) and Fuhan Park (府翰苑). It was held as to 10% by Mr. Wang Xinhua (王新華) and 90% by Ms. Shen Jumei (沈菊妹) when it was established on April 27, 2002. Mr. Wang Xinhua is Chairman Wang's brother and Ms. Shen is an independent third party. To acquire ownership interest in the Lakeview project, Wealth Zone Hong Kong acquired 90% equity interests in Changzhou Wealth Zone from Ms. Shen at a consideration of RMB7.2 million, which was determined based on the nominal value of the then registered capital of Changzhou Wealth Zone, in August 2003. On September 25, 2009, Wealth Zone Hong Kong increased its contribution to the registered capital of Changzhou Wealth Zone by RMB201.8 million, which resulted in an increase of its equity interests in Changzhou Wealth Zone to 98.01% and a dilution of Mr. Wang Xinhua's interest to 1.99%.

On January 26, 2010, as part of the Onshore Reorganisation (defined below), Mr. Wang Xinhua transferred his remaining 1.99% equity interests in Changzhou Wealth Zone to Wealth Zone Hong Kong for a consideration of RMB6.91 million, which was determined based on the appraised value of Changzhou Wealth Zone. Please refer to the paragraph headed "Reorganisation – Merging of Jiangsu Investments into Changzhou Wealth Zone" in this section for details.

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In May 2012, we expanded our property development operations to Wuhan in Hubei Province by establishing Wuhan Future Land Hongsheng to develop our first property project in Wuhan. Wuhan Future Land Hongsheng was held as to 68.78% by Future Land Wanbo, 30% by Changzhou Future Land Hongye and 1.23% by Changzhou Future Land Jingdian Design.

### Strategic Expansion into Mixed-Use Complex Segment

We established Future Land Wanbo, a wholly-owned subsidiary of Future Land Holdings, in January 2008 to implement our strategic expansion into the development of mixed-use complex projects. Beginning in mid-2008, to enhance the non-competition arrangement between Jiangsu Future Land and Future Land Holdings, and to facilitate a more efficient allocation of resources and streamlined management process of our operations, we gradually delineated our residential property development operations from our mixed-use complex development operations within our Group. In doing so, we transferred our mixed-use complex development operations from Jiangsu Future Land to Future Land Wanbo through the following acquisitions and establishments:

- In June 2008, Future Land Wanbo acquired 100% of the equity interests in Changzhou Fulong from Changzhou Future Land at a consideration of RMB10.0 million, which was determined based on the appraised value of Changzhou Fulong. Changzhou Fulong is responsible for the development of mixed-use complexes under our Xingye Road North Land Parcel Project (興業路北地塊項目) in Changzhou;
- In June 2008, Future Land Wanbo acquired 100% of the equity interests in Changzhou Future Land Guangchang from Changzhou Future Land at a consideration of RMB10.4 million, which was determined based on the appraised value of Changzhou Future Land Guangchang. Changzhou Future Land Guangchang is responsible for the development of mixed-use complexes under our Wanbo Fashion Mall project (北岸城項目) in Changzhou;
- In November 2009, Future Land Wanbo acquired Changzhou Future Land Wanbo at a consideration of RMB20 million, which was determined based on the appraised value of Changzhou Future Land Wanbo. Changzhou Future Land Wanbo is responsible for the development of the mixed-use complexes under our Injoy International Plaza (吾悅國際廣場) project in Changzhou;
- In December 2009, Future Land Wanbo established Changzhou Future Land Hongye. Changzhou Future Land Hongye is responsible for the development of mixed-use complexes under Injoy Plaza (吾悅廣場) in Changzhou;
- In January 2011, Future Land Wanbo acquired 100% of the equity interests in Changzhou Future Land Wansheng from Changzhou Future Land at a consideration of RMB35.8 million, which was determined based on the appraised value of Changzhou Future Land Wansheng. Changzhou Future Land Wansheng is responsible for the development of mixed-use complexes under our Injoy Lifestyle Plaza (吾悅生活廣場) in Changzhou;
- In November 2010, Future Land Wanbo established Changzhou Future Land Wuyue Commercial Property Management Co., Ltd. (常州新城吾悅商業管理有限公司) (“**Changzhou Future Land Wanbo Management**”) to manage our Group’s mixed-use complexes;
- In November 2010, Future Land Wanbo established Changzhou Future Land Hongye Baihuo Co., Ltd. (常州新城宏業百貨有限公司) with a view to engaging in department store operations in the future;

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- In March 2011, Future Land Wanbo established Changsha Wanbo to develop mixed-use complexes under our Future Land International Metropolis (新城國際花都) project in Changsha; and
- In May 2012, Future Land Wanbo established Wuhan Future Land Hongsheng to develop mixed-use complexes under our In Spring Live (春天裡) project in Wuhan.

As of August 31, 2012, we had 14 mixed-use complex projects in various stages of development, of which eight are held by Future Land Wanbo and its subsidiaries. Please refer to the section headed “Business – Summary Information Regarding Our Projects” in this prospectus for details.

As of August 31, 2012, our residential development operations continued to be principally carried on by our PRC-listed subsidiary, Jiangsu Future Land, and its subsidiaries in accordance with the non-competition confirmation agreement entered into between Future Land Holdings and Jiangsu Future Land on April 26, 2010. For details, please refer to the section headed “Relationship with Our Controlling Shareholders and Jiangsu Future Land” in this prospectus.

### Establishment, Deregistrations, Acquisition and Disposals

#### *Establishment of new subsidiaries and project companies*

We expanded our Group’s operations mainly through establishment of new subsidiaries and project companies. The following table sets out the details of the subsidiaries and project companies established by our Group during Track Record Period:

<u>Date of establishment</u>	<u>Name of subsidiary or project company</u>	<u>Registered capital as of the Latest Practicable Date</u>	<u>Principal business activities</u>	<u>Nature of project undertaken (if applicable)</u>
Jun 4, 2009 . . . . .	Changzhou Future Land Dongsheng Real Estate Development Co., Ltd. (常州新城東昇房地產開發有限公司)	RMB360 million	Real estate development and sale	Residential
Jul 2, 2009 . . . . .	Nanjing Future Land Chuangjia Real Estate Co., Ltd. (南京新城創嘉房地產有限公司)	RMB18 million	Real estate development; property management	Residential
Aug 25, 2009 . . . . .	Jiangsu Future Land Investment Development Co., Ltd. (江蘇新城投資發展有限公司)	Deregistered <sup>(6)</sup>	Construction project investments; investment consulting and management services	N/A

(6) Effective on December 30, 2009 and pursuant to the Second Demerger (defined below), Jiangsu Future Land Investment Development Co., Ltd. spun off a new company, Jiangsu Future Land Lanke Real Estate Co., Ltd. (江蘇新城蘭科地產有限公司) with a registered capital of RMB280 million. In January 2010, Jiangsu Future Land

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Date of establishment	Name of subsidiary or project company	Registered capital as of the Latest Practicable Date	Principal business activities	Nature of project undertaken (if applicable)
Sep 11, 2009 . . . . .	Changzhou Future Land Jinjun Real Estate Co., Ltd. (常州新城金郡房地產有限公司)	RMB470 million	Real estate development and investments	Residential
Dec 10, 2009 . . . . .	Changzhou Future Land Wanjia Real Estate Development Co., Ltd. (常州新城萬佳房地產開發有限公司)	RMB700 million	Real estate development, investments and sales	Residential
Dec 28, 2009 . . . . .	Changzhou Future Land Hongye Real Estate Co., Ltd. (常州新城宏業房地產有限公司)	RMB800 million	Real estate development, investments and sales	Mixed-use complex
Jan 13, 2010 . . . . .	Nanjing Future Land Wanjia Real Estate Co., Ltd. (南京新城萬嘉房地產有限公司)	RMB310 million	Real estate development; property management; property leasing	Residential
Jan 22, 2010 . . . . .	Changzhou Future Land Chuangjia Real Estate Development Co., Ltd. (常州新城創佳房地產開發有限公司)	RMB520 million	Real estate development and sales	Residential
Jan 26, 2010 . . . . .	Shanghai Future Land Chuanghong Real Estate Co., Ltd. (上海新城創宏房地產有限公司)	RMB420 million	Real estate development	Residential
Feb 4, 2010 . . . . .	Changzhou Future Land Keda Investment Consultancy Co., Ltd. (常州新城科達投資諮詢有限公司)	RMB0.5 million	Real estate consultancy	N/A

Investment Development Co., Ltd., with a registered capital of RMB20 million, subsequent to the aforesaid spin-off, merged into Changzhou Wealth Zone and was deregistered on March 22, 2010. Please refer to the paragraph headed “Onshore Reorganisation” in this section for details.



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Date of establishment	Name of subsidiary or project company	Registered capital as of the Latest Practicable Date	Principal business activities	Nature of project undertaken (if applicable)
Feb 4, 2010 . . . . .	Changzhou Future Land Jingdian Architectural Design Co., Ltd. (常州新城經典建築設計有限公司)	RMB0.5 million	Real estate consultancy	N/A
Feb 9, 2010 . . . . .	Shanghai Future Land Nanjun Real Estate Co., Ltd. (上海新城南郡房地產有限公司)	RMB550 million	Real estate development; property management; interior decoration works	Residential
Mar 26, 2010 . . . . .	Shanghai Future Land Jinjun Real Estate Co., Ltd. (上海新城金郡房地產有限公司)	RMB820 million	Real estate development; property management; interior decoration works	Residential
May 6, 2010 . . . . .	Wuxi Future Land Chuangzhi Real Estate Co., Ltd. (無錫新城創置房地產有限公司)	RMB200 million	Real estate development	Residential
Jun 12, 2010 . . . . .	Changzhou Future Land Wansheng Real Estate Co., Ltd. (常州新城萬盛房地產有限公司)	RMB120 million	Real estate development, investment and sales	Mixed-use complexes
Nov 8, 2010 . . . . .	Changzhou Future Land Wuyue Commercial Management Co., Ltd. (常州新城吾悅商業管理有限公司)	RMB10 million	Commercial operation management; property management, leasing; real estate agency; business consultancy; exhibition services; hotel, catering and entertainment management	N/A
Nov 10, 2010 . . . . .	Shanghai Future Land Wansheng Property Co., Ltd. (上海新城萬聖置業有限公司)	RMB10 million	Real estate development; property management	Residential
Nov 19, 2010 . . . . .	Nanjing Future Land Yunsheng Real Estate Co., Ltd. (南京新城允升房地產有限公司)	RMB860 million	Property management; leasing; consultancy	Residential

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Date of establishment	Name of subsidiary or project company	Registered capital as of the Latest Practicable Date	Principal business activities	Nature of project undertaken (if applicable)
Nov 30, 2010 . . . . .	Changzhou Future Land Baihuo Co., Ltd. (常州新城宏業百貨有限公司)	RMB10 million	Commercial operation management; property management, leasing; real estate agency; hotel	N/A
Jan 6, 2011. . . . .	Wuxi Future Land Wanbo Property Co., Ltd. (無錫新城萬博置業有限公司)	RMB500 million	Real estate development; property leasing; property management	Mixed-use complexes
Mar 22, 2011. . . . .	Jintan Future Land Wanjun Property Co., Ltd. (金壇市新城萬郡置業有限公司)	RMB10 million	Real estate development and operations; property management	Mixed-use complexes
Mar 28, 2011. . . . .	Changsha Future Land Wanbo Property Co., Ltd. (長沙新城萬博置業有限公司)	RMB420 million	Real estate development, investment, sales and leasing	Mixed-use complexes
Apr 22, 2011. . . . .	Changzhou Wuyue Baihuo Co., Ltd. (常州吾悅百貨有限公司)	RMB0.5 million	Commercial operation management; property management, leasing, real estate agency; hotel	N/A
May 10, 2011 . . . . .	Shanghai Future Land Chuangyu Real Estate Co., Ltd. (上海新城創域房地產有限公司)	RMB30 million	Real estate development and operations; property management	Residential
June 20, 2011. . . . .	Kunshan Future Land Chuanghong Real Estate Co., Ltd. (昆山新城創宏房地產有限公司)	RMB370 million	Real estate development; property management; leasing	Mixed-use complexes
June 23, 2011 . . . . .	Kunshan Future Land Chuangyu Real Estate Co., Ltd. (昆山新城創域房地產有限公司)	RMB100 million	Real estate development; property management; leasing	Residential and mixed-use complexes
Sep 7, 2011 . . . . .	Changzhou Future Land Ruiyi International Co., Ltd. (常州新城瑞壹國際酒店有限公司)	RMB1 million	Property, hotel and conference management; apartment leasing services	N/A
Sep 15, 2011 . . . . .	Changzhou Jiafeng Market Research Co., Ltd. (常州嘉楓市場調查有限公司)	RMB5 million	Market research and planning; construction design consultancy	N/A



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Date of establishment	Name of subsidiary or project company	Registered capital as of the Latest Practicable Date	Principal business activities	Nature of project undertaken (if applicable)
Sep 21, 2011 . . . . .	Changsha Wanbo Property Management Co., Ltd. (長沙萬博物業管理有限公司)	RMB0.5 million	Property management; real estate agency; property leasing	N/A
Nov 25, 2011 . . . . .	Changzhou Derun Real Estate Development Co., Ltd. (常州德潤房地產發展有限公司)	N/A <sup>(7)</sup>	Real estate development and operations	N/A
Apr 5, 2012 . . . . .	Changzhou Wuyue International Plaza Commercial Management Co., Ltd. (常州吾悅國際廣場商業管理有限公司)	RMB5 million	Property management; commercial property management; property leasing, real estate agency; hotel management	N/A
April 22, 2012 . . . . .	Changzhou Taiheng Commercial Management Co., Ltd. (常州泰恒商業管理有限公司)	N/A <sup>(8)</sup>	Commercial and property management	N/A
May 9, 2012 . . . . .	Wuhan Future Land Hongsheng Property Co., Ltd (武漢新城宏盛置業有限公司)	RMB400 million	Real estate development and operations; property management; property leasing	Residential
Jun 19, 2012 . . . . .	Changzhou Kaisheng Development Real Estate Co., Ltd. (常州凱盛房地產發展有限公司)	RMB20 million	Real estate development and operations; property leasing; property management	N/A
Aug 13, 2012 . . . . .	Suzhou Future Land Chuangheng Real Estate Co., Ltd. (蘇州新城創恒房地產有限公司)	RMB20 million	Property management	N/A

(7) Changzhou Derun Real Estate Co., Ltd. (常州德潤房地產發展有限公司) was deregistered on October 8, 2012. Please refer to the paragraph headed “Deregistration of project companies” in this section for details.

(8) Changzhou Taiheng Commercial Management Co., Ltd. (常州泰恒商業管理有限公司) was deregistered on June 18, 2012. Please refer to the paragraph headed “Deregistration of project companies” in this section for details.

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### ***Deregistration of project companies***

We deregistered a number of our project companies which ceased operations and/or became dormant after completing and delivering the property projects held by each of them. The following table sets out the details of our deregistered project companies during the Track Record Period:

<u>Project company</u>	<u>Date of establishment</u>	<u>Date of deregistration</u>	<u>Registered capital immediately before deregistration</u>	<u>Completed project(s)</u>
Shanghai Future Land Baoyuan Real Estate Co., Ltd. (上海新城寶緣房地產有限公司) . . .	February 18, 2004	July 31, 2009	RMB30 million	Future Land Splendid View Garden 新城尚景苑
Shanghai Qingshui Garden Real Estate Co., Ltd. (上海清水頤園房地產有限公司) . . .	January 10, 2005	October 27, 2010	RMB150 million	Clear Water Garden 清水頤園
Nanjing Future Land Shangjun Real Estate Co., Ltd. (南京新城尚郡房地產有限公司) . . .	June 6, 2008	October 23, 2009	RMB10 million	Nanjing Future Land Scenic Garden 南京新城逸境
Changzhou Derun Real Estate Co., Ltd. (常州德潤房地產發展有限公司) . . . . .	November 25, 2011	October 8, 2012	Real estate development and operations	N/A
Changzhou Taiheng Commercial Management Co., Ltd. (常州泰恒商業管理有限公司) . . . . .	April 22, 2012	June 18, 2012	Commercial and property management	N/A

Our Directors have confirmed that as of the respective dates of deregistration, there were no outstanding claims or liabilities against the aforesaid project companies and there were no outstanding claims or liabilities against our Group in connection with the deregistration of these project companies.

### ***Acquisition***

On June 6, 2010, we acquired 100% of the equity interests in Changzhou Hengfu from Changzhou Tianning Hengxiang Investments Development Co., Ltd. (常州市天寧恒祥投資發展有限公司) and Changzhou Tianning Hengyang Investments Development Co., Ltd. (常州市天寧恒陽投資發展有限公司) for a total consideration of RMB20 million. Both Changzhou Tianning Hengxiang Investments Development Co., Ltd. and Changzhou Tianning Hengyang Investments Development Co., Ltd. are independent third parties. The consideration for the acquisition was determined based on the appraised value of Changzhou Hengfu. Following the acquisition, we held 100% of the equity interests in Changzhou Hengfu.

On March 3, 2011, Shanghai Future Land Wanjia entered into a cooperation agreement with an independent third party, Shanghai Vanke Real Estate Co., Ltd. (上海萬科房地產有限公司) (“**Shanghai Vanke**”), pursuant to which Shanghai Future Land Wanjia agreed to acquire 50% of the equity interests in Shanghai Wanzhicheng to jointly develop the Golden Territory project in Jiading District, Shanghai, with Shanghai Vanke. Shanghai Wanzhicheng, a wholly-owned

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subsidiary of Shanghai Vanke, holds the land use rights to the land parcels under the Golden Territory project. Pursuant to the cooperation agreement, Shanghai Future Land Wanjia was required to inject a total of RMB560.0 million to Shanghai Wanzhicheng, which was equivalent to 50% of the land premium of the Golden Territory project. The capital injection was completed on August 17, 2011, upon which Shanghai Wanzhicheng became our associated company. For details, please refer to the section headed “Business – Our Business – Our Property Projects in Shanghai – Golden Territory” in this prospectus. As of June 30, 2012, the registered capital of Shanghai Wanzhicheng was RMB450.0 million.

On June 21, 2012, Shanghai Future Land Wanjia acquired 100% of the equity interest in Shanghai Fuming from an independent third party, Shanghai Jiading Xincheng Development Co., Ltd. (上海嘉定新城發展有限公司) for a consideration of RMB311.2 million. The consideration for the acquisition was determined based on the appraised value of Shanghai Fuming. Following the acquisition, we held 100% of the equity interest in Shanghai Fuming.

Our Directors have confirmed that none of the applicable percentage ratios of any of the above acquisitions exceeds 25%. Accordingly, we are not required to disclose pre-acquisition financial information of Changzhou Hengfu, Shanghai Wanzhicheng or Shanghai Fuming in this prospectus pursuant to Rule 4.05A of the Listing Rules. Apart from the above acquisitions, we did not acquire any other companies during the Track Record Period.

### **Disposals**

On July 16, 2009, we disposed of our 90% and 10% equity interests in Changzhou Tailong Real Estate Development Co., Ltd. (常州泰隆房地產開發有限公司) (“**Tailong Real Estate**”) to Changzhou Hehai Real Estate Development Co., Ltd. (常州市河海房地產開發有限公司) and Changzhou Xinsheng Real Estate Development Co., Ltd. (常州市欣盛房地產開發有限公司), which are independent third parties at RMB9,000,000 and RMB1,000,000, respectively. The consideration for the acquisition was determined based on the appraised value of Tailong Real Estate. Tailong Real Estate was set up in February 2007 in anticipation of an opportunity to acquire and develop certain land parcels in Changzhou. We disposed of Tailong Real Estate at its appraised value in 2009 when we decided not to proceed with such acquisition.

On June 21, 2011, we transferred 100% of our equity interests in Changzhou Four Seasons Future Land Consumer Goods Market Co., Ltd. (常州市四季新城消費品市場有限公司) (“**Changzhou Four Seasons**”) to Jiangsu Future Land Enterprise Group (江蘇新城實業集團有限公司) (“**Jiangsu Enterprise**”). Jiangsu Enterprise is an investment holding company held indirectly by Chairman Wang as to 90% and Mr. Wang Xiaosong, son of Chairman Wang, as to 10%. It does not carry out any business operations other than holding the Excluded Businesses (defined below). The consideration for the transfer was RMB500,000, which was determined based on the appraised value of Changzhou Four Seasons. Changzhou Four Seasons was established on August 17, 2004. It became a dormant company in May 2007 and had not held any asset other than its registered capital of RMB500,000. Our Directors believe that the disposal of the dormant Changzhou Four Seasons is in our best interest.

Apart from the above disposals, we did not dispose of any of our subsidiaries during the Track Record Period.

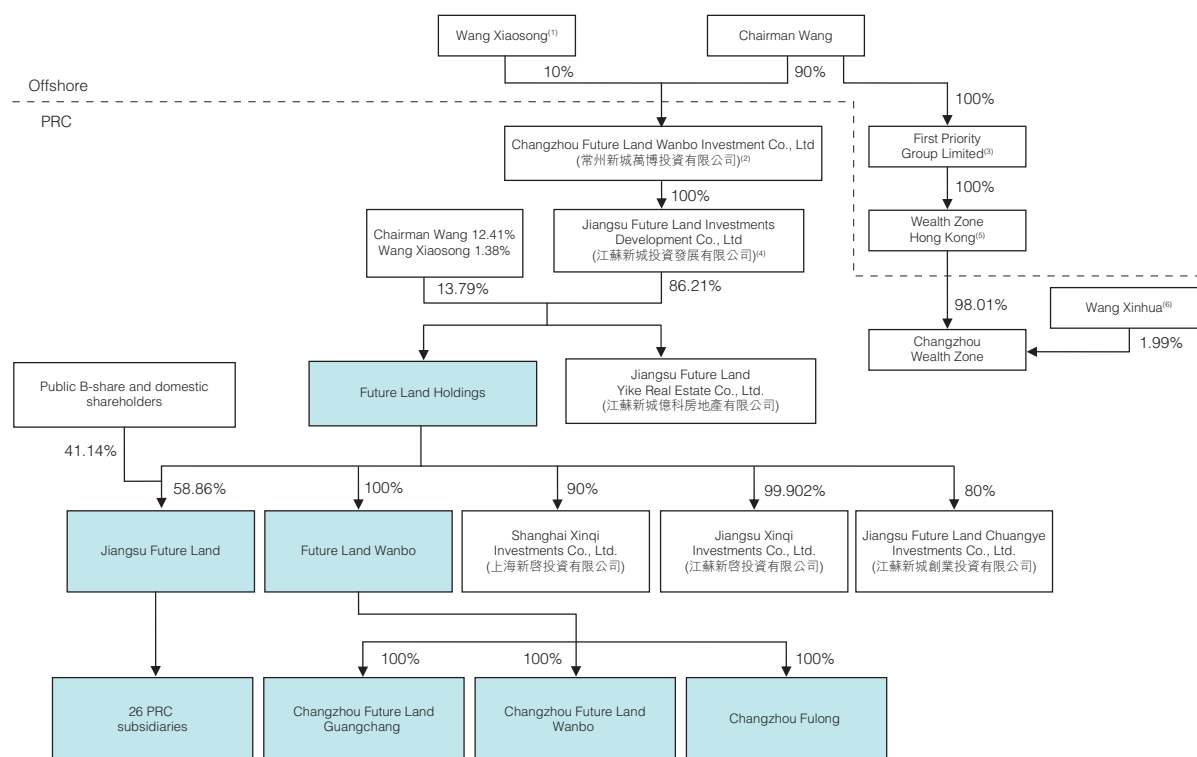
# HISTORY AND REORGANISATION

## REORGANISATION

We had taken various steps to restructure our Group for the purpose of Listing. The steps we took pursuant to the Reorganisation can be broadly categorised into two parts, namely, onshore reorganisation (“**Onshore Reorganisation**”), which comprised steps we took in respect of our subsidiaries in the PRC, and offshore reorganisation (“**Offshore Reorganisation**”), which comprised the steps we took in respect of our Company, its holding companies and its controlling shareholders outside the PRC.

### Onshore Reorganisation

The following chart sets forth the corporate structure of our Group prior to the commencement of the Onshore Reorganisation:



(1) Mr. Wang Xiaosong is the son of Chairman Wang.

(2) Changzhou Future Land Wanbo Investment Co., Ltd (常州新城萬博投資有限公司) was established on August 20, 2009.

(3) First Priority Group Limited was incorporated with limited liability in the British Virgin Islands on February 18, 2003.

(4) Jiangsu Future Land Investment Development Co., Ltd. (江蘇新城投資發展有限公司) was established on August 25, 2009.

(5) Wealth Zone Hong Kong was incorporated with limited liability in the British Virgin Islands on February 18, 2003.

(6) Mr. Wang Xinhua is Chairman Wang's brother.

## HISTORY AND REORGANISATION

### Exclusion of Non-Real Estate Related Business

Prior to the commencement of the Onshore Reorganisation, Chairman Wang controlled and managed a number of companies engaging in non-real estate related business within the corporate structure of our Group. These companies include Jiangsu Future Land Yike Real Estate Co., Ltd. (江蘇新城億科房地產有限公司) (“**Jiangsu Yike**”), Jiangsu Future Land Chuangye Investments Co., Ltd. (江蘇新城創業投資有限公司) (“**Jiangsu Chuangye**”), Shanghai Xinqi Investments Co., Ltd. (上海新啟投資有限公司) (“**Shanghai Xinqi**”) and Jiangsu Xinqi Investments Co., Ltd. (江蘇新啟投資有限公司) (“**Jiangsu Xinqi**”) (together, the “**Excluded Businesses**”). For details relating to the Excluded Businesses, please refer to the section headed “Relationship with Our Controlling Shareholders and Jiangsu Future Land” in this prospectus.

### Demerging Future Land Holdings and Jiangsu Investments

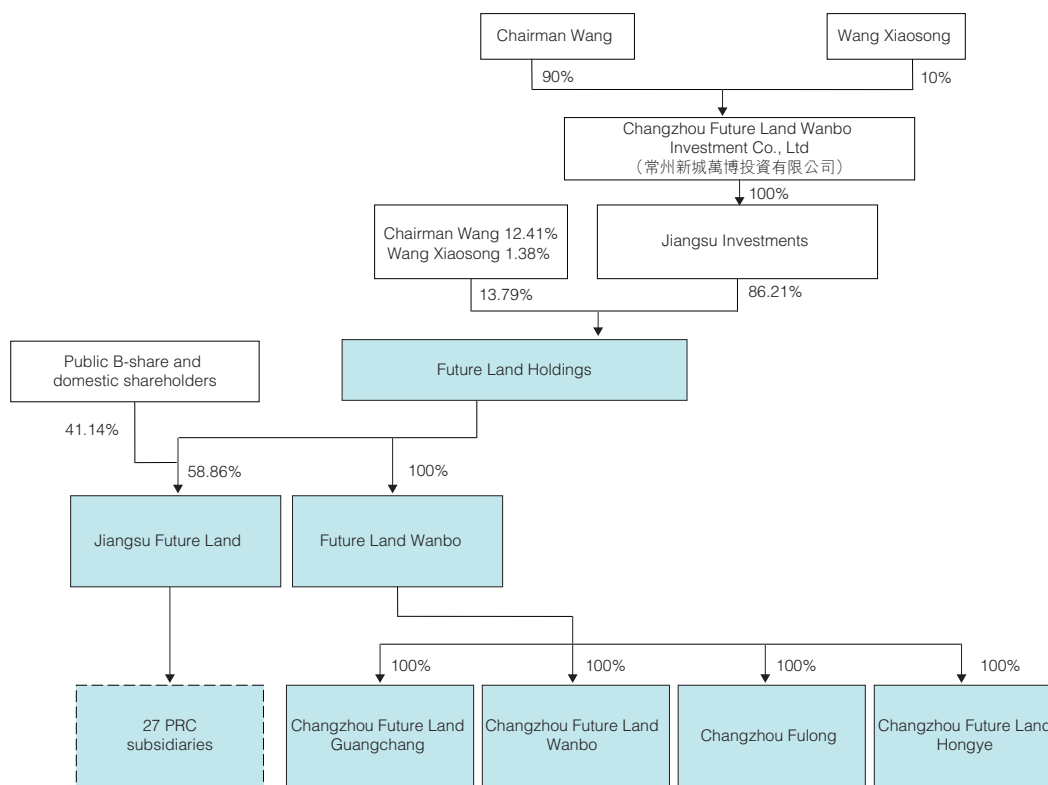
As part of the Onshore Reorganisation, we carried out a series of demergers and merger involving various PRC companies within our Group. As a result, we excluded all non-real estate related businesses from our Group without having to transfer equity interests in the relevant PRC companies, which would otherwise attract tax duties.

- On November 2, 2009, the then shareholders of Future Land Holdings passed resolutions to demerge Future Land Holdings into two companies, namely, Future Land Holdings and Jiangsu Future Land Enterprise Group (江蘇新城實業集團有限公司) (“**Jiangsu Enterprise**”), each to be held by the then shareholders of Future Land Holdings in the same proportion (the “**First Demerger**”). On December 18, 2009, Future Land Holdings and Jiangsu Enterprise entered into a business demerger agreement and a guarantee agreement (the “**First Demerger Agreements**”). Pursuant to the First Demerger Agreements:
  - the real estate business of Future Land Holdings, which comprised Jiangsu Future Land and Future Land Wanbo, remained as subsidiaries of Future Land Holdings;
  - the non-real estate related business of Future Land Holding, which comprised Jiangsu Chuangye, Jiangsu Xinqi and Shanghai Xinqi, became subsidiaries of Jiangsu Enterprise; and
  - Future Land Holdings and Jiangsu Enterprise became jointly and severally liable for all liabilities incurred by Future Land Holdings prior to November 30, 2009.
- On November 5, 2009, the then shareholders of Jiangsu Future Land Investments Development Co., Ltd (江蘇新城投資發展有限公司) (“**Jiangsu Investments**”) passed resolutions to demerge Jiangsu Investments into two companies, namely, Jiangsu Investments and Jiangsu Future Land Lanke Real Estate Co., Ltd. (江蘇新城蘭科房地產有限公司) (“**Future Land Lanke**”), each to be held by the then shareholders of Jiangsu Investments in the same proportion (the “**Second Demerger**”). On December 26, 2009, Jiangsu Investments and Future Land Lanke entered into a business demerger agreement and a guarantee agreement (the “**Second Demerger Agreements**”). Pursuant to the Second Demerger Agreements:
  - Future Land Holdings, the real estate development arm of Jiangsu Investments, remained as a subsidiary of Jiangsu Investments;
  - Jiangsu Yike, the non-real estate related business arm of Jiangsu Investments, became a subsidiary of Future Land Lanke; and

## HISTORY AND REORGANISATION

- Jiangsu Investments and Future Land Lanke became jointly and severally liable for all the liabilities incurred by Jiangsu Investments as of December 1, 2009.

Neither the First Demerger nor the Second Demerger involved any payment of consideration between the demerged entities, cash or otherwise. The completion of the First Demerger and the Second Demerger resulted in the delineation of all Excluded Businesses from Jiangsu Investments and its subsidiaries. The following chart sets forth the corporate structure of Jiangsu Investments and its subsidiaries upon completion of the First Demerger and the Second Demerger:



### Merging Jiangsu Investments into Changzhou Wealth Zone

We took the following steps to merge Jiangsu Investments into Changzhou Wealth Zone (the “Merger”):

- On January 2, 2010, Wang Xinhua and Wealth Zone Hong Kong entered into an equity transfer agreement pursuant to which Wang Xinhua agreed to transfer his 1.99%<sup>(1)</sup> equity interests in Changzhou Wealth Zone to Wealth Zone Hong Kong for a consideration of RMB6.9 million, which was determined based on the appraised value of Changzhou Wealth Zone. Upon completion of this equity transfer, Changzhou Wealth Zone became a wholly-owned subsidiary of Wealth Zone Hong Kong.

(1) Mr. Wang Xinhua held 1.99% equity interests in Changzhou Wealth Zone prior to the commencement of the Reorganisation.

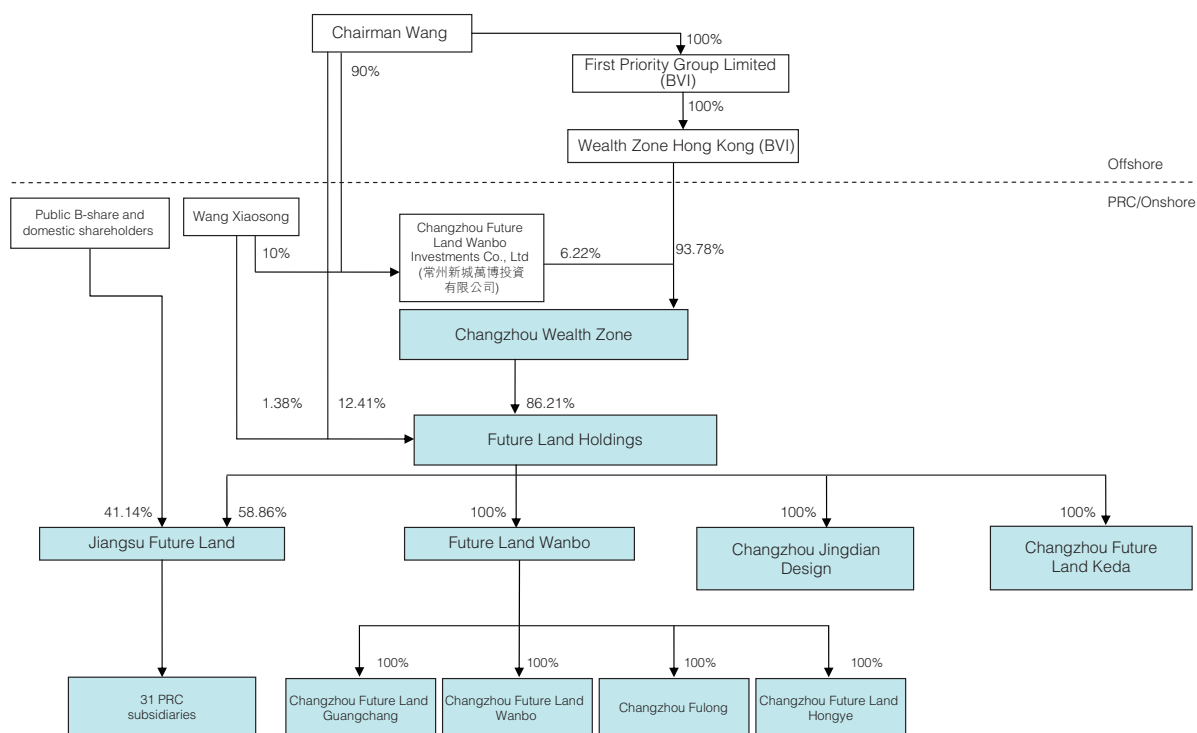
## HISTORY AND REORGANISATION

- On January 26, 2010, Wealth Zone Hong Kong, being the sole shareholder of Changzhou Wealth Zone, passed resolutions to merge Changzhou Wealth Zone and Jiangsu Investments into a legal entity under the name of Changzhou Wealth Zone. The Merger was approved by the local branch of the MOFCOM of Jiangsu Province and became effective on March 24, 2010. Thereafter, Changzhou Wealth Zone was held as to 93.78% and 6.22% by Wealth Zone Hong Kong and Changzhou Future Land Wanbo Investment Co., Ltd. (常州新城萬博投資有限公司), respectively. Upon completion of the Merger, the registered capital of Changzhou Wealth Zone increased from RMB301,800,000 to RMB321,800,000. In addition, Jiangsu Investments was deregistered upon completion of the Merger, as approved by the Administration for Industry and Commerce of Changzhou on March 22, 2010.

The Merger did not involve any payment of consideration between the merged entities, cash or otherwise.

Upon completion of the Onshore Reorganisation, Chairman Wang and Mr. Wang Xiaosong, son of Chairman Wang, continued to hold interests in our Group (carrying out real estate business) and in Future Land Lanke and the Excluded Businesses (carrying out non-real estate business) through Changzhou Future Land Wanbo Investment Co., Ltd.

The following chart sets forth the structure of our Group upon completion of the Onshore Reorganisation and immediately before the commencement of the Offshore Reorganisation, as at March 24, 2010.





## HISTORY AND REORGANISATION

### Offshore Reorganisation

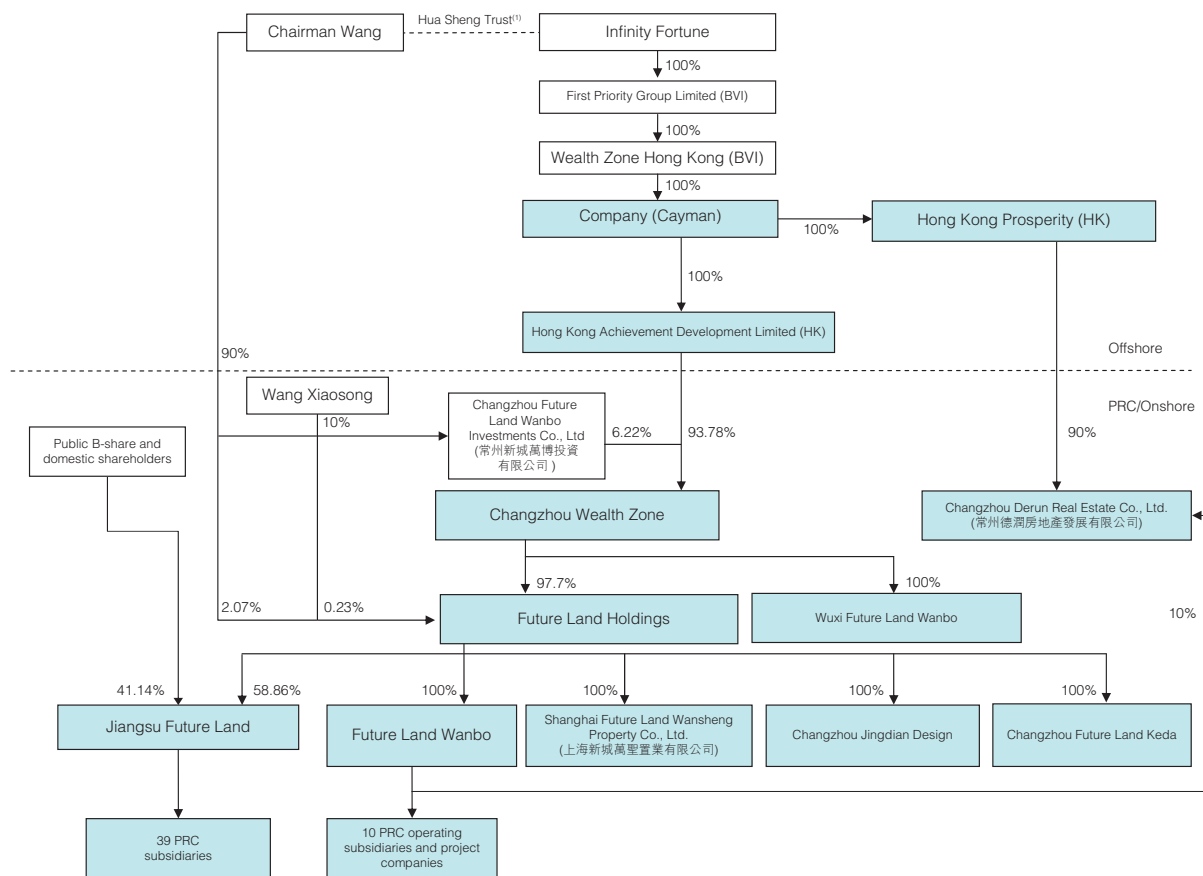
Prior to the commencement of the Offshore Reorganisation, a majority interest in our Group was held by Wealth Zone Hong Kong. The objective of the Offshore Reorganisation was to incorporate our Company as the holding company and listing vehicle of our Group. We took the following steps to complete our Offshore Reorganisation:

- On April 23, 2010, our Company was incorporated as an exempted company with limited liability in the Cayman Islands, with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each (“**US\$ Share**”). Upon its incorporation, one US\$ Share was allotted and issued to Offshore Incorporations (Cayman) Limited as the initial subscriber, credited as fully paid. The US\$ Share was transferred to First Priority Group Limited for a consideration of US\$1.00 on the same day and our Company became wholly-owned by First Priority Group Limited.
- On May 22, 2010, First Priority Group Limited transferred the US\$ Share to Wealth Zone Hong Kong for a consideration of US\$1.00 and our Company became wholly-owned by Wealth Zone Hong Kong.
- On June 8, 2010, Wealth Zone Hong Kong and our Company entered into an equity transfer agreement (which was amended by an amendment agreement dated May 1, 2011) to transfer 93.78% equity interests held by Wealth Zone Hong Kong in Changzhou Wealth Zone to our Company at a consideration of RMB301.8 million (or US\$44.2 million), which was determined based on the appraised value of Changzhou Wealth Zone. The equity transfer was completed on June 25, 2010, upon which Changzhou Wealth Zone became a subsidiary of our Company. The consideration was settled by way of issuance of 4,420 new shares in our Company at US\$10,000 each on May 1, 2011.
- On July 2, 2011, our Company and Hong Kong Achievement Development Limited (“**HK Achievement**”) entered into an equity transfer agreement to transfer 93.78% equity interests held by our Company in Changzhou Wealth Zone to HK Achievement for a consideration of RMB301.8 million (or US\$44.2 million), which represented the total investment contributed by our Company to Changzhou Wealth Zone. The consideration was settled by way of issuance of 3,630 new shares in HK Achievement at HK\$100,000 each to our Company. The equity transfer was completed on August 15, 2011.
- On September 12, 2011, Wealth Zone Hong Kong, being the sole Shareholder, passed a resolution to re-denominate the authorised share capital of our Company from US\$50,000 to the aggregate of US\$50,000 and HK\$10,000,000 by the creation of an additional 10,000,000,000 Shares. 34,483,800 Shares were allotted and issued to Wealth Zone Hong Kong and 4,421 US\$ Shares held by Wealth Zone Hong Kong was repurchased with the proceeds received from the issuance of the Shares. Immediately after the repurchase of the US\$ Share, the authorized but unissued share capital of our Company was reduced by the cancellation of 50,000 US\$ Shares.

## HISTORY AND REORGANISATION

- On September 12, 2011, an additional 4,034,466,200 Shares were allotted and issued to Wealth Zone Hong Kong for cash consideration of HK\$4,034,466.2, which were credited as fully paid. As a result, Wealth Zone Hong Kong held an aggregate of 4,068,950,000 Shares in our Company.

The following chart sets forth the structure of our Group upon completion of the Offshore Reorganisation and immediately before the adoption of the Pre-IPO Share Award Scheme:



- (1) Infinity Fortune is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Chairman Wang, the founder of our Group as settlor and Standard Chartered Trust (Cayman) Limited as trustee in favour of his family members. For details, please refer to the section headed “Substantial Shareholders” in this prospectus.

## HISTORY AND REORGANISATION

### EMPLOYEE INCENTIVE SCHEMES

#### Pre-IPO Share Award Scheme

To incentivise and recognise the contributions of certain of our employees, officers and business partners, we adopted the Pre-IPO Share Award Scheme on September 12, 2011, pursuant to which our Company issued a total of 181,050,000 new Shares, representing approximately 3.19% of the total issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised) to Wellink Global (PTC) Limited for the benefit of a total of 102 grantees. Subject to the satisfaction of certain criteria and performance targets, the Shares awarded under the Pre-IPO Share Award Scheme will be vested in four equal tranches on December 31, 2013, 2014, 2015 and 2016<sup>(1)</sup>, respectively.

Wellink Global (PTC) Limited was holding the relevant Shares on trust for the benefit of the 102 grantees in accordance with the Pre-IPO Share Award Scheme. Mr. Wang Xiaosong, son of Chairman Wang, is the sole shareholder of Wellink Global (PTC) Limited. Its board of directors comprises Chairman Wang and Ms. Yang Ziqian (楊子倩), an independent third party. As of the date of this prospectus, Wellink Global (PTC) Limited, whose registered office is situated in the British Virgin Islands, is the registered holder of all of the 181,050,000 Shares issued pursuant to the Pre-IPO Share Award Scheme.

Of the 102 grantees of the Pre-IPO Share Award Scheme, 23 are regarded as our connected persons pursuant to Chapter 14A of the Listing Rules. A total of 103,350,000 Shares were granted to these 23 grantees under the Pre-IPO Share Award Scheme, representing approximately 1.82% of our total issued capital immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

No further Shares will be transferred by Wealth Zone Hong Kong and no new Shares will be issued by our Company for the purpose of the Pre-IPO Share Award Scheme. We may, however, adopt another share award scheme or similar incentive scheme after Listing. Thereupon, we will comply with all applicable legal and regulatory requirements, including the Listing Rules, in respect of the adoption and implementation of such share award scheme or any incentive scheme(s) to be adopted.

Based on the valuation of an independent valuer, the fair value of the Shares awarded under the Pre-IPO Share Award Scheme is approximately RMB119.8 million which will be amortised during the vesting period. Hence, there will be an impact on our income statements for the financial years 2011 to 2016<sup>(1)</sup>. The impact of the Pre-IPO Share Award Scheme for the year ended December 31, 2012 will be approximately RMB36.7 million.

Please refer to the section headed “Statutory and General Information – D. Pre-IPO Share Award Scheme” in Appendix VII to this prospectus for a summary of the principal terms of the Pre-IPO Share Award Scheme.

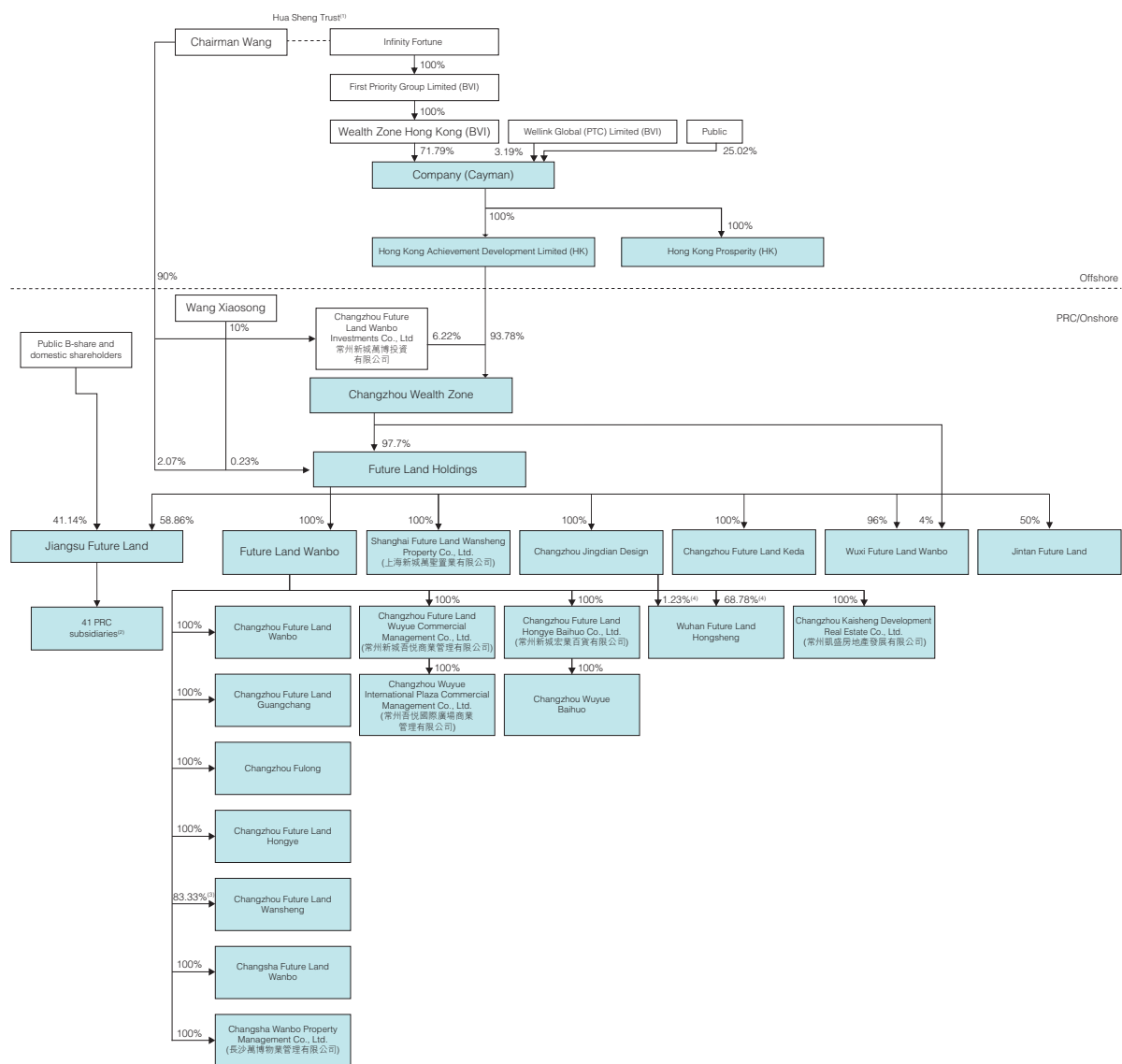
(1) Pursuant to the resolutions of the Shareholders dated June 30, 2012, the vesting period of the Shares awarded under the Pre-IPO Share Award Scheme was amended from four years from 2012 to 2015 to four years from 2013 to 2016.

# HISTORY AND REORGANISATION

## Share Option Scheme

We have conditionally adopted the Share Option Scheme to provide for the grant of options to subscribe for our Shares to our employees and officers, including our Directors, who meet the criteria set by us from time to time. Please refer to the section headed “Statutory and General Information – E. Share Option Scheme” in Appendix VII to this prospectus for a summary of the principal terms of the Share Option Scheme.

The following chart sets forth the structure of our Group immediately following the completion of the Global Offering:



## HISTORY AND REORGANISATION

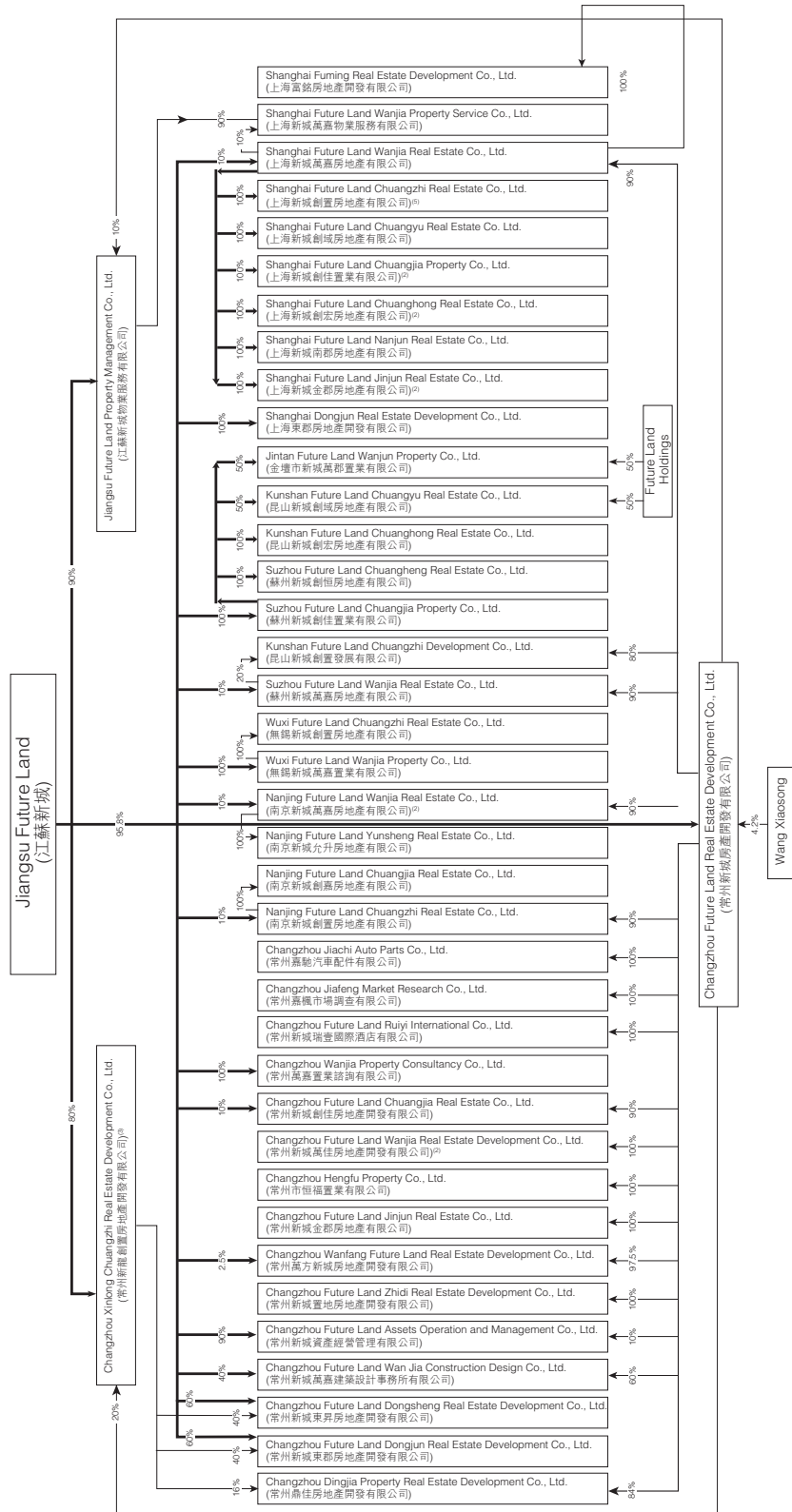
(1) Infinity Fortune is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Chairman Wang, the founder of our Group as settlor and Standard Chartered Trust (Cayman) Limited as trustee in favour of his family members. For details, please refer to the section headed “Substantial Shareholders” in this prospectus.

(2) The 41 PRC subsidiaries (excluding Shanghai Wanzhicheng<sup>(5)</sup>, our associated company) are:

Name of operating subsidiaries	Equity interests attributable to our Group as of the Latest Practicable Date
Changzhou Dingjia Property Real Estate Development Co., Ltd. (常州鼎佳房地產開發有限公司) . . . . .	51.96%
Changzhou Future Land Chuangjia Real Estate Co., Ltd. (常州新城創佳房地產開發有限公司) . . . . .	51.89%
Changzhou Future Land Dongjun Real Estate Development Co., Ltd. (常州新城東郡房地產開發有限公司) . . . . .	53.75%
Changzhou Future Land Dongsheng Real Estate Development Co., Ltd. (常州新城東昇房地產開發有限公司) . . . . .	53.75%
Changzhou Jiafeng Market Research Co., Ltd. (常州嘉楓市場調查有限公司) . . . . .	51.66%
Changzhou Future Land Jinjun Real Estate Co., Ltd. (常州新城金郡房地產有限公司) . . . . .	51.66%
Changzhou Future Land Real Estate Development Co., Ltd. (常州新城房地產開發有限公司) . . . . .	51.66%
Changzhou Future Land Ruiyi International Co., Ltd. (常州新城瑞壹國際酒店有限公司) . . . . .	51.66%
Changzhou Future Land Wan Jia Construction Design Co., Ltd. (常州新城萬嘉建築設計事務所有限公司) . . . . .	52.57%
Changzhou Future Land Assets Operation and Management Co., Ltd. (常州新城資產經營管理有限公司) . . . . .	53.70%
Changzhou Future Land Wanjia Real Estate Development Co., Ltd. (常州新城萬佳房地產開發有限公司) . . . . .	51.66%
Changzhou Future Land Zhidi Real Estate Development Co., Ltd. (常州新城置地房地產開發有限公司) . . . . .	51.66%
Changzhou Hengfu Property Co., Ltd. (常州市恒福置業有限公司) . . . . .	51.66%
Changzhou Jiachi Auto Parts Co., Ltd. (常州嘉馳汽車配件有限公司) . . . . .	51.66%
Changzhou Wanfang Future Land Real Estate Development Co., Ltd. (常州萬方新城房地產開發有限公司) . . . . .	51.72%
Changzhou Wanjia Property Consultancy Co., Ltd. (常州萬嘉置業諮詢有限公司) . . . . .	53.93%
Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd. (常州新龍創置房地產開發有限公司) . . . . .	53.48%
Jiangsu Future Land Property Management Co., Ltd. (江蘇新城物業服務有限公司) . . . . .	53.70%
Jintan Future Land Wanjun Property Co., Ltd. (金壇市新城萬郡置業有限公司) . . . . .	71.64%
Kunshan Future Land Chuangzhi Development Co., Ltd. (昆山新城創置發展有限公司) . . . . .	51.71%
Kunshan Future Land Chuanghong Real Estate Co., Ltd. (昆山新城創宏房地產有限公司) . . . . .	53.93%
Kunshan Future Land Chuangyu Real Estate Co., Ltd. (昆山新城創域房地產有限公司) . . . . .	72.78%
Nanjing Future Land Chuangjia Real Estate Co., Ltd. (南京新城創嘉房地產有限公司) . . . . .	51.89%
Nanjing Future Land Chuangzhi Real Estate Co., Ltd. (南京新城創置房地產有限公司) . . . . .	51.89%
Nanjing Future Land Wanjia Real Estate Co., Ltd. (南京新城萬嘉房地產有限公司) . . . . .	51.89% <sup>(6)</sup>
Nanjing Future Land Yunsheng Real Estate Co., Ltd. (南京新城允升房地產有限公司) . . . . .	51.89%
Shanghai Fuming Real Estate Development Co., Ltd. (上海富銘房地產開發有限公司) . . . . .	51.89%
Shanghai Dongjun Real Estate Development Co., Ltd. (上海東郡房地產開發有限公司) . . . . .	53.93%
Shanghai Future Land Chuanghong Real Estate Co., Ltd. (上海新城創宏房地產有限公司) . . . . .	51.89%
Shanghai Future Land Chuangjia Property Co., Ltd. (上海新城創佳置業有限公司) . . . . .	51.89%
Shanghai Future Land Chuangyu Real Estate Co., Ltd. (上海新城創域房地產有限公司) . . . . .	51.89%
Shanghai Future Land Chuangzhi Real Estate Co., Ltd. (上海新城創置房地產有限公司) . . . . .	51.89%
Shanghai Future Land Jinjun Real Estate Co., Ltd. (上海新城金郡房地產有限公司) . . . . .	51.89%
Shanghai Future Land Nanjun Real Estate Co., Ltd. (上海新城南郡房地產有限公司) . . . . .	51.89%
Shanghai Future Land Wanjia Property Service Co., Ltd. (上海新城萬嘉物業服務有限公司) . . . . .	53.52%
Shanghai Future Land Wanjia Real Estate Co., Ltd. (上海新城萬嘉房地產有限公司) . . . . .	51.89%
Suzhou Future Land Chuangheng Real Estate Co., Ltd. (蘇州新城創恒房地產有限公司) . . . . .	53.93%
Suzhou Future Land Chuangjia Property Co., Ltd. (蘇州新城創佳置業有限公司) . . . . .	53.93%
Suzhou Future Land Wanjia Real Estate Co., Ltd. (蘇州新城萬嘉房地產有限公司) . . . . .	51.89%
Wuxi Future Land Chuangzhi Real Estate Co., Ltd. (無錫新城創置房地產有限公司) . . . . .	53.93%
Wuxi Future Land Wanjia Property Co., Ltd. (無錫新城萬嘉置業有限公司) . . . . .	53.93%

## HISTORY AND REORGANISATION

The following chart sets forth the shareholding structure of the aforesaid 41 PRC subsidiaries (excluding Shanghai Wanzhicheng, our associated company<sup>(5)</sup>):



(3) Changzhou Future Land Wansheng is held as to 83.33% by Future Land Wanbo and 16.67% by Changzhou Future Land, a subsidiary of Jiangsu Future Land.

(4) Wuhan Future Land Hongsheng is held as to 68.78% by Future Land Wanbo, 30% by Changzhou Future Land Hongye and 1.23% by Changzhou Jingdian Design.

(5) Shanghai Wanzhicheng is held as to 50% each by Shanghai Future Land Wanjia and Shanghai Vanke Real Estate Co., Ltd. (上海萬科房地產有限公司), which is an independent third party. Please refer to the section headed "Our History and Development – Establishment, Deregistrations, Acquisition and Disposals – Acquisition" in this section for details.

(6) As of the Latest Practicable Date, certain equity interests in Nanjing Future Land Wanjia were assigned to third party trust financing companies as security for our project financing arrangements. Please refer to the section headed "Business – Alternative Financing Provided By Trust Financing Companies" in this prospectus for details.



## HISTORY AND REORGANISATION

### LEGAL COMPLIANCE

#### Registration Process Under the No. 75 Notice

According to “Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles” (《國家外匯管理局關於境內居民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》) (“**No. 75 Notice**”) promulgated on October 21, 2005 by the SAFE, domestic resident natural persons or domestic resident legal persons are required to register with the competent local branch of the SAFE before they establish or control any offshore special purpose vehicles for capital raising with the assets or equity interests of PRC domestic companies owned by them. Pursuant to the No. 75 Notice, the domestic resident natural persons include those individuals who hold PRC citizenship and those individuals who are not PRC nationals but reside habitually in the PRC for the purpose of economic interests.

Chairman Wang, the ultimate controller of our Group, is and has been a permanent resident of Canada since 1997, before he acquired 90% of the equity interests in Changzhou Wealth Zone in August 2003. Upon consultation with the Jiangsu branch SAFE, our PRC legal advisers are of the opinion that Chairman Wang is not subject to the registration process under the No. 75 Notice.

#### Application of the M&A Rules

Pursuant to “Provisions Regarding Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors” (《關於外國投資者併購境內企業的規定》) (“**M&A Rules**”) promulgated by six PRC regulatory agencies in August 2006, “merger and acquisition of domestic enterprises by foreign investors” under the M&A Rules means the purchase of equity of a non foreign-invested enterprise in China (“**domestic company**”) by a foreign investor, or the acquisition of additional capital of a domestic company by a foreign investor that results in the conversion of such company into or the establishment of a foreign-invested enterprise (“**Equity Merger and Acquisition**”), or, the purchases of assets of a domestic enterprise by a foreign-invested enterprise, or, the purchases of assets of a domestic enterprise by a foreign investor who uses such assets to establish and operate a foreign-invested enterprise (“**Asset Merger and Acquisition**”).

Chairman Wang acquired 90% of the equity interests in Changzhou Wealth Zone in August 2003, prior to the promulgation of the M&A Rules. The merger of Jiangsu Investments and Changzhou Wealth Zone, on the other hand, is governed by the “Provisions Regarding Mergers and Demerger of Foreign Invested Enterprises” (《關於外商投資企業合併與分立的規定》). Based on the corporate history of the foregoing companies, our Group and/or its shareholders did not acquire any equity interests in their domestic subsidiaries by Equity Merger and Acquisition or Asset Merger and Acquisition. Accordingly, our PRC legal advisers are of the opinion that the M&A Rules do not apply.

Our PRC legal advisers are of the opinion that our Company has obtained all the requisite approvals, permits and licences for the Reorganization under the applicable laws and regulations in the PRC for its listing.



## HISTORY AND REORGANISATION

### Application of the Catalogue

In November 2007, MOFCOM and NDRC promulgated the revised “Industrial Guidance Catalogue for Foreign Investment” (《外商投資產業指導目錄》) (“**Catalogue**”). It classified certain businesses of foreign invested enterprises into certain categories, namely, “encouraged”, “restricted” and “prohibited”. The construction and operation of high-ranking hotels, villas, high-end office buildings and international exhibition centers fall into the foreign-investment-restricted category. In December 2011, the Catalogue was further amended, pursuant to which the construction and operation of villas fall into the foreign-investment prohibited category. Our PRC legal advisers are of the opinion that according to the approval certificates and business licences of the foreign-invested enterprises within our Group, the business scopes of all such enterprises do not fall within the “restricted” or “prohibited” categories of businesses under the Catalogue.

Our PRC legal advisers have advised us that based on the approvals we obtained from, and land grant contracts we entered into with, the relevant government authorities, except for the Lakeview Project, none of our projects comprises villas, which fall into the foreign-investment-restricted category under the 2007 Catalogue. Our PRC legal advisers have also advised us that we have obtained all licences, permits and certificates required for the development of Lakeview Project as of the Latest Practicable Date and there are no legal impediment for obtaining any certificates and approvals required for commencing pre-sale of the properties in the Lakeview Project.

### Application of the Notice 50

On May 23, 2007, the MOFCOM and SAFE jointly issued the “Notice Regarding Further Strengthening and Regulating the Approval and Supervision of Foreign Investment Real Estate Company” (《商務部、國家外匯管理局關於進一步加強、規範外商直接投資房地產業審批和監管的通知》) (“**Notice 50**”), which requires foreign-invested real estate companies newly approved and established after the date of issuance of the Notice 50 to comply with certain filing requirements with the MOFCOM. In addition, Notice 50 also requires foreign-invested real estate companies with newly acquired property projects or property business to comply with the relevant approval requirements.

As advised by our PRC legal advisers, Changzhou Wealth Zone is a foreign-invested real estate company. Our PRC legal advisers have also advised us that Changzhou Wealth Zone has complied with such filing requirement.

### Application of the Notice 130

On July 10, 2007, the General Affairs Department of the SAFE issued the “Notice Regarding the Publication of the List of the First Batch of Property Development Projects with Foreign Investment that Have Properly Registered with MOFCOM” (《國家外匯管理局綜合司關於下發第一批通過商務部備案的外商投資房地產項目名單的通知》) (“**Notice 130**”). The notice stipulates, among other things, (i) that the SAFE will no longer process foreign debt registrations or applications for conversion of foreign debt submitted by foreign-invested property developers which obtained approval certificates from and filed with the MOFCOM for establishment or increase in registered capital on or after June 1, 2007; and (ii) that the SAFE will no longer process foreign exchange registrations (or change of such registrations) or applications for sale and purchase of foreign exchange for capital account submitted by foreign-invested property developers which obtained approval certificates from local government commerce departments on or after June 1, 2007 but did not file with the MOFCOM.

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As advised by our PRC legal advisers, Changzhou Wealth Zone had, as of the Latest Practicable Date, completed all necessary filings and registration and obtained all the relevant approvals in respect of its increase in registered capital pursuant to Notice 130. Our PRC legal advisers confirmed that Changzhou Wealth Zone is in a position to process all necessary foreign exchange registrations (or change of such registrations) or applications for sale and purchase of foreign exchange for capital account with its current capital structure without the need for additional registration under Notice 130. Should Changzhou Wealth Zone increase its registered capital or if we set up new foreign-invested enterprises in the future, we will be subject to the restrictions under Notice 130 to obtain the relevant SAFE approvals.

### Land Acquisition

In accordance with the “Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to use State-owned Land in Urban Area” (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), land use rights may be granted by way of agreement or invitation to bid or auction. In accordance with the “Provisions on Bidding, Auction and Sale of Land Use Rights” (《招標拍賣掛牌出讓國有土地使用權規定》), with effect from July 1, 2002, all lands for commercial uses must be granted through tenders, auctions or listings-for-bidding in an open manner. In accordance with the “Notice on Continuing the Review of the Implementation of the Grant of Land Use Right for Commercial Uses by Invitation of Bids, Auction or Listing” (《關於繼續開展經營性土地使用權招標拍賣掛牌出讓情況執法監察工作的通知》) issued by the Ministry of Land and Resources (國土資源部) and the Ministry of Supervision (監察部), all inherited problems in relation to acquisition of land use rights must be resolved across the country before August 31, 2004, and all lands for commercial uses should be granted by tenders, auctions or listings-for-bidding thereafter.

Our PRC legal advisers are of the opinion that our project companies have not violated the applicable laws and regulations when acquiring the relevant land use rights.