
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS ACTING IN CONCERT

Mr. Wong Yam Yin (王欽賢), his wife Ms. Hung So Ling (洪素玲) and his elder son Mr. Wong Kam Fai (王錦輝) established Nanjing Golden Wheel Real Estate in Nanjing, Jiangsu province, the PRC in April 1994 for the real property development business. Mr. Wong Kam Keung, Barry (王錦強), the younger son of Mr. Wong Yam Yin (王欽賢), joined Nanjing Golden Wheel Real Estate in 1996.

In 2002, Mr. Sjaifudin Aman, Mr. Tjie Tjin Fung, Mr. Hafandi Lijaya, Mr. Lili Somantry, Mr. Jamin Haryanto, Mr. Kiky Gunawan, Mr. Hadi Gunaman, Mr. Atjen Tanuwidjaja and Mr. Bambang Trisna, who (as advised by Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝) and Mr. Wong Kam Keung, Barry (王錦強)) have been acquainted with Wong Family for over 20 years, Ms. Julia Oscar, the younger sister of Mr. Wong Yam Yin (王欽賢), and Mr. Janata Suwita, Ms. Julia Oscar's husband (together, the **"Indonesian Shareholders"**), together with Wong Family, established Nanjing Jade Golden Wheel, our principal operating subsidiary in Nanjing, Jiangsu province, the PRC, in June 2002. Based on their long-term relationship with Wong Family, since the establishment of Nanjing Jade Golden Wheel, which was beneficially owned as to approximately 38.18% and 61.82% by Wong Family and the Indonesian Shareholders, respectively, as of 1 January 2009, the Indonesian Shareholders have supported Wong Family's decisions in relation to the operation and management of our Group. They have exercised their voting rights at the meetings of the shareholders and boards of the then member companies of our Group in accordance with the decision of Wong Family.

On 16 January 2012, the Wong Family and the Indonesian Shareholders (together, our **"Ultimate Controlling Shareholders"**) entered into a confirmation and undertaking of acting in concert to confirm the existence of such acting-in-concert arrangement described above during the Track Record Period. The Indonesian Shareholders have further undertaken that, during the period when they (by themselves or together with their associates) remain in control of our Group (the **"Controlling Period"**), they will continue to fully comply with such acting-in-concert agreement. The acting-in-concert arrangement has been in place since the establishment of Nanjing Jade Golden Wheel in 2002 and will continue to bind on the Indonesian Shareholders during the Controlling Period. We have been advised by our Hong Kong legal advisors that the relevant undertakings by the Indonesian Shareholders under such acting-in-concert agreement are legal, valid and enforceable under the applicable Hong Kong laws, subject to customary assumptions and reservations. We do not disclose the details of these customary assumptions and reservations in this prospectus after we have considered the advice from our Hong Kong legal advisors that (a) there are no abnormal assumptions or reservations; and (b) the normal assumptions and reservations are not material for detailed disclosure, or capable of being concisely summarised in this prospectus.

As such, our Ultimate Controlling Shareholders, through their respective holding companies (together, our **"Controlling Shareholders"**), as a group of shareholders entitled to exercise more than 30% of the voting rights at general meeting of our Company, are together

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regarded as our Controlling Shareholders as defined under the Listing Rules. Upon completion of the Global Offering and the Capitalization Issue (and assuming the Over-allotment Option is not exercised), our Controlling Shareholders, will together own 75% of the total issued share capital of our Company.

RETAINED BUSINESS OF OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, some of our Controlling Shareholders and Directors have interests, individually or together, in certain companies that carry on businesses that do not form part of our Group (the “**Retained Businesses**”). Such businesses include other property development business the details of which are set out below.

Guangxi Jinyin Real Property Company Limited (廣西金印房地產有限公司)

Guangxi Jinyin Real Property Company Limited (廣西金印房地產有限公司) (“**Guangxi Jinyin**”) is a company established in the PRC in February 2005. Guangxi Jinyin has a registered capital of US\$5 million and is beneficially owned as to 10% by Mr. Lili Somantry, one of our Ultimate Controlling Shareholders, and 90% by his son who is over 18-year old. Mr. Lili Somantry is also a director and the general manager of Guangxi Jinyin who is mainly responsible for strategic decision of major development and management matters. According to the audited accounts of Guangxi Jinyin, its total assets as at 31 December 2011 amounted to RMB101.0 million, and its revenue and net profits for the year ended 31 December 2011 were RMB4.6 million and RMB2.8 million, respectively.

Guangxi Jinyin’s business is engaging in the development of residential and commercial properties in Guangxi province only, an area where we do not intend to expand our business in the foreseeable future. The Directors are of the view that there is competition between the businesses carried on by Guangxi Jinyin and us. However, our Directors believe that the extent of such competition is not severe for the following reasons:

- as confirmed by Mr. Lili Somantry, Guangxi Jinyin currently intends to develop its real property business in Guangxi province only, which does not directly compete with our geographical focus, namely, Jiangsu province, Hunan province and their surrounding provinces; and
- Given our focus on the development of integrated large-scale commercial projects (including life-style shopping malls and residential properties) which are directly linked or close to transportation hubs, our target customer group and business operation model are different from those of Guangxi Jinyin.

P.T. Golden Pancatunggal Karyagemilang

P.T. Golden Pancatunggal Karyagemilang (“**PT Golden**”) is a company established in Indonesia on 3 August 2009 and is owned as to 60% in total by Mr. Janata Suwita, one of our Ultimate Controlling Shareholders and a non-executive Director, his wife Ms. Julia Oscar, who is also one of our Ultimate Controlling Shareholders and his son, Mr. David Janata, an

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executive Director, and as to 40% by two other sons of Mr. Janata Suwita. PT Golden is an investment company, holding the entire issued share capital of PT. Mitra Sukses Kelola Property (“**Mitra Property**”) as of the Latest Practicable Date. Mitra Property was incorporated in Indonesia in August 2009 and is engaged in property development business in Indonesia only and does not have any business in the PRC. Therefore, the Directors are of the view that there is a clear delineation between the businesses carried on by PT Golden and us in terms of the geographical focus.

Reasons for not including the Retained Businesses in our Group

The Retained Businesses are excluded from our Group because our Directors are of the view that there is a clear delineation between the Retained Businesses and our core business and that none of the Retained Businesses would compete, or is expected to compete, directly or indirectly, with our business. Our Directors are of the view that the Retained Businesses neither form part of our core business nor are in line with our overall strategy to maintain and further strengthen our market position as a developer of integrated, mixed use commercial complexes.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of conducting our business independently from our Controlling Shareholders for the following reasons:

Management Independence

Our management and operational decisions are made by our Board and senior management. Our Board comprises six executive Directors, two non-executive Directors and four independent non-executive Directors. We consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;
- (b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates (“**Conflicting Transaction**”), the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in forming quorum. The interested Director(s) shall not attend any independent board committee meetings comprising our independent non-executive Directors only. In the event that there is a Conflicting Transaction which shall be submitted to our independent non-executive Directors for their consideration and approval, they shall have extensive experience and knowledge to oversee such a Conflicting Transaction from different aspects; and

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- (c) all our senior management members are independent from our Controlling Shareholders. They have substantial experience in the industry we are engaged in and have served our Group for a significant length of time during which period they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders.

Operational Independence

We do not share operational facilities and capabilities with the Retained Business. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently from the Retained Business. Our Directors are of the view that there is no operational dependence by us on our Controlling Shareholders.

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. As of the Latest Practicable Date, (i) we did not have any outstanding loans or borrowings from any of our Controlling Shareholders or any of their respective associates; (ii) there was a total of approximately RMB363.1 million bank borrowings for which our Controlling Shareholders have provided guarantees. Such guarantees will be discharged upon Listing. Our Directors confirm that we will not rely on our Controlling Shareholders for financing after the Global Offering as we expect that our working capital will be funded by our operating income and bank borrowings.

NON-COMPETITION DEED

Our Controlling Shareholders (the “**Covenanters**”) have entered into a deed of non-competition (the “**Non-competition Deed**”) in favor of our Company, pursuant to which each of the Covenanters has undertaken to our Company that he/she/it would not, and that his/her or its associates (except any members of our Group) would not, during the restricted period set out below, directly or indirectly, either on his/her or its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business (the “**Restricted Business**”), save for the property development business carried out by Guangxi Jinyin in Guangxi province.

Such non-competition undertaking does not apply in relation to:

- (a) any opportunity to invest, participate, be engaged in and/or operate any Restricted Business which has first been offered or made available to our Company, and our Company, after review and approval by our Directors or shareholders as required under the relevant laws and regulations, has declined such opportunity to invest,

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participate, be engaged in or operate the Restricted Business, provided that the principal terms by which any Covenanter (or his/her/its relevant associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favorable than those made available to our Company; or

- (b) any interests in the shares or equity interest of any member of the Group; or
- (c) interests in the shares of a company whose shares are listed on a recognized stock exchange, provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
 - (ii) the total number of the shares held by any of the Covenanters and/or their respective associates in aggregate does not exceed 5% of the issued shares of that class of the company in question and such Covenanters and/or their respective associates are not entitled to appoint a majority of the directors of that company.

The "restricted period" stated in the Non-competition Deed refers to the period during which (i) our Shares remain listed on the Hong Kong Stock Exchange; (ii) the relevant Covenanters and/or their respective associates, individually or jointly, are entitled to exercise or control the exercise of no less than 30% of the voting power at general meetings of our Company; and (iii) any Covenanter remains as a director of any member of our Group.

The Covenanters have further undertaken to procure that, during the restricted period, any business investment or other commercial opportunity in the PRC relating to the Restricted Business (the "**New Opportunity**") identified by or offered to any of them, is first referred to us in the following manner:

- (a) the Covenanters are required to refer, or to procure the referral of, the New Opportunity to us, and shall give written notice to us of any New Opportunity containing all information reasonably necessary for us to consider whether (i) such New Opportunity would constitute competition with our core business, and (ii) it is in the interest of our Company and our Shareholders as a whole to pursue such New Opportunity, including but not limited to the nature of the New Opportunity and the details of the investment or acquisition costs (the "**Offer Notice**"); and

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- (b) the Covenanters will be entitled to pursue the New Opportunity only if (i) they have received a notice from us declining the New Opportunity and confirming that such New Opportunity would not constitute competition with our core business, or (ii) they have not received such notice from us within fifteen (15) Business Days from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunity pursued by the Covenanters, they will refer the New Opportunity as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from our Board committee comprising independent non-executive Directors who do not have a material interest in the matter, as to whether (i) such New Opportunity would constitute competition with our core business, and (ii) it is in the interest of our Company and our Shareholders as a whole to pursue the New Opportunity.

Under the Non-competition Deed, in the event that, during the restricted period, any of the Covenanters or any of his/her/its associate (except any member of our Group) intends to dispose of any of the Retained Business or any interest in the Retained Business, the Covenanters shall first offer to us the right to acquire such business or interest at the same price and on other terms as offered by the intended buyer. The Covenanters or any of his/her/its associates (except any member of our Group) may only proceed with such disposal to any third party on terms not more favorable than those offered to us, following the rejection of such offer by us. We will also seek approval from our Board committee comprising independent non-executive Directors who do not have a material interest in the matter as to whether to pursue or decline such offer.

Our Directors consider that our independent non-executive Directors have sufficient experience in assessing whether or not to take up any New Opportunity or exercise the right of first refusal in respect of any Retained Business. Our Board committee comprising independent non-executive Directors will review, on an annual basis, the compliance with the Non-competition Deed by the Covenanters, including New Opportunity and the exercise the right of first refusal by our Controlling Shareholders on the existing or future competing businesses. In any event, the committee formed by our independent non-executive Directors may appoint financial advisors or professional experts to provide advice, at the cost of our Company, in connection with the exercise or non-exercise of the option or right of first refusal under the Non-competition Deed.

The Covenanters have further undertaken to:

- (a) procure all relevant information relating to the implementation of the Non-competition Deed in their possession and/or the possession of any of their associates to be provided to us;

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- (b) allow, subject to confidentiality restrictions imposed by any third party, our representatives and those of our auditors to have access to such of their respective financial and corporate records as may be necessary for us to determine whether the non-competition undertakings have been complied with by the Covenanters and their respective associate;
- (c) provide us, within twenty (20) Business Days from the receipt of our written request, with a written confirmation in respect of their compliance and that of their respective associates with the non-competition undertakings and consent to the inclusion of such confirmation in our annual report; and
- (d) provide all information necessary for the annual review by the Board committee comprising independent non-executive Directors and the enforcement of the Non-competition Deed.

The Covenanters (for themselves and on behalf of their respective associates (except for any member of our Group)) have also acknowledged that we may be required by the relevant laws, regulations, rules of the stock exchange(s) on which we may be listed and the regulatory bodies, to disclose, from time to time, information on the New Opportunity and the right of first refusal in respect of the Retained Business, including but not limited to disclosure in public announcements or our annual reports of decisions made by us to pursue or decline such New Opportunity or to exercise the right of first refusal and have agreed to such disclosure to the extent necessary to comply with any such requirement.

Our Directors have not engaged in any businesses which compete or are likely to compete, either directly or indirectly, with our business.