
HISTORY AND REORGANIZATION

OUR HISTORY

The following are some of the important milestones in our history:

<u>Year</u>	<u>Event</u>
December 2004	Our Group established its first real estate development company in the PRC, Wuxi Zhongnan, during which we began planning for our first large-scale project, Wuxi Wuzhou International Industrial Exhibition City, with a total floor area of over 700,000 sq.m.
February 2005	We commenced our second large-scale project, Wuxi Wuzhou International Ornament City, with a total floor area of over 390,000 sq.m.
November 2005	Wuzhou Int'l Group Investment was established in Hong Kong.
January 2006	We established our own business management company, Wuxi Business Management. It enabled us to provide professional and specialized management for our projects, and facilitate our business operations.
October 2006	Phase I of Wuxi Wuzhou International Ornament City came into operation.
December 2007	We commenced our Group's first urban complex project, Wuxi Wuzhou International Columbus Plaza.
July 2009	Phase I of Wuxi Wuzhou International Industrial Exhibition City came into operation.
September 2009	We expanded our ventures to Hangzhou and other cities in the Yangtze River Delta Area, and the Hangzhou Wuzhou International Plaza project. During the same period, we established International Marketing Development.
January 2010	We commenced the Meicun Wuzhou International Plaza project, our first multi-functional commercial complex project in Wuxi Meicun. Together with our other earlier projects, our Group became the leader of commercial property development and operation in Wuxi.
May 2010	We established Hong Kong Wuzhou in Hong Kong and have managed our business via Hong Kong Wuzhou since then.
September 2010	We started to expand our ventures to the mid-western area of the PRC, and then to the southwestern area in October 2010, where we commenced our Rongchang Wuzhou Hardware Ornament City project and Dali Wuzhou International Trade City project in the respective regions.
May 2011	Our first gourmet-themed commercial complex project, Wuxi Wuzhou International Chinese Food Culture Exposition City, came into operation.
June 2011	Phase II of our Wuxi Wuzhou International Ornament City project, Wuzhou International Commodity Expo City, came into operation.
October 2011	Phase II of Wuxi Wuzhou International Columbus Plaza, Longan Department Store (龍安百貨), came into operation. In the same year, we were recognized as a Top-10 Branded Developer of China Commercial Real Estate Projects of 2011 by the Chinese Real Estate Investment and Development Association and the Best Commercial Property Operator in China of 2011 by the Organizing Committee of the 12 th China Commercial Property Retailer Fair.
June 2012	Meicun Wuzhou International Plaza came into operation.
November 2012	Dali Wuzhou International Trade City came into operation.
February 2013	China Longkou Wuzhou International Trade City, the third of our developments in Shandong Province, commenced construction.
April 2013	Jianhu Wuzhou International Trade City commenced construction.

HISTORY AND REORGANIZATION

Overview

Our Group was established by Shu Cecheng, one of our Controlling Shareholders and Directors, in December 2004 with the incorporation of Wuxi Zhongnan for the development of specialized wholesale markets and multi-functional commercial complexes. Prior to that, Shu Cecheng was involved in the trading and manufacturing business during which he gradually became involved in and gained insights into the real estate business. In 2004, Shu Cecheng together with his friends Xia Jinlin (夏金霖) and Lin Kewen (林克文) decided to venture into the PRC real estate business and established our first project company, Wuxi Zhongnan.

The history and development of the major subsidiaries of our Group since their establishment and prior to the commencement of our Reorganization are set forth below:

Development of our operation in Jiangsu Province

Establishment of Wuxi Zhongnan

Our Group's first real estate development project was the large-scale development of Wuxi Wuzhou International Industrial Exhibition City in New District, Wuxi, Jiangsu Province. We developed this project through Wuxi Zhongnan and funding was split amongst the shareholders in accordance with their equity participation. Wuxi Zhongnan's initial share capital was held 50% by Shu Cecheng, 25% by Xia Jinlin and 25% by Lin Kewen. The historical shareholding transfers of Wuxi Zhongnan before our Reorganization are set out below:

On June 28, 2005, to the best of our knowledge, Lin Kewen wanted to exit from the business to release capital for other potential business opportunities and transferred 18% and 7% of his interest in Wuxi Zhongnan to Shu Cewan and Xia Jinlin (夏金霖) respectively, an independent third party to the best of our knowledge, at a consideration of RMB1.8 million and RMB0.7 million, respectively, determined on the basis of the registered capital of Wuxi Zhongnan. After the equity transfers, Wuxi Zhongnan was owned by Shu Cecheng, Xia Jinlin and Shu Cewan, 50%, 32% and 18% respectively.

On August 23, 2006, due to differences in commercial views and objectives, Xia Jinlin transferred his 32% interest in Wuxi Zhongnan to Shu Cewan for a consideration of RMB3.2 million, determined on the basis of the registered capital of Wuxi Zhongnan. After the transfer, Wuxi Zhongnan was owned by Shu Cecheng and Shu Cewan, 50% and 50% respectively.

On November 21, 2006, Shu Cewan transferred his 50% interest in Wuxi Zhongnan to Shanghai Jiuliang Investment Development Co., Ltd.* (上海久良企業投資發展有限公司) ("**Shanghai Jiuliang**"), an independent third party to the best of our knowledge, for a consideration of RMB5 million, determined on the basis of the registered capital of Wuxi Zhongnan. Shanghai Jiuliang had been interested in developing a project with us when it decided to invest in Wuxi Zhongnan and it was agreed that Shu Cewan should transfer his 50% interest to effect such investment. On the same day, Shu Cecheng transferred his 1% interest in Wuxi Zhongnan to Shanghai Jiuliang for a consideration of RMB0.1 million. After such equity transfers, Wuxi Zhongnan was owned by Shu Cecheng and Shanghai Jiuliang, 49% and 51% respectively.

On February 14, 2007, Shanghai Jiuliang transferred its 51% interest in Wuxi Zhongnan to Shu Cewan at a consideration of RMB5.1 million, determined on the basis of the registered capital of Wuxi Zhongnan, as, to the best of our knowledge, Shanghai Jiuliang decided to engage the capital in other potential projects. After such equity transfer, Wuxi Zhongnan was owned by Shu Cecheng and Shu Cewan, 49% and 51% respectively.

On March 13, 2007, the registered capital of Wuxi Zhongnan was increased from RMB10 million to RMB20 million. The additional capital of RMB10 million was contributed by Shu Cecheng, Shu

HISTORY AND REORGANIZATION

Cewan and Zhang Yuexian (張月賢), an independent third party to the best of our knowledge, in the amounts of RMB3.1 million, RMB0.9 million and RMB6 million respectively. After the capital injection, the shareholding of Shu Cecheng, Shu Cewan and Zhang Yuexian in Wuxi Zhongnan was 40%, 30% and 30% respectively.

On June 23, 2008, Zhang Yuexian transferred his 20% and 10% interests in Wuxi Zhongnan to Shu Cewan and Shu Cecheng for consideration of RMB4 million and RMB2 million, respectively, determined on the basis of the registered capital of Wuxi Zhongnan. To the best of our knowledge, Zhang Yuexian decided to exit the investment due to personal business reasons. After such equity transfers, Wuxi Zhongnan was owned by Shu Cecheng and Shu Cewan, 50% and 50%, respectively.

On July 28, 2008, Shu Cewan transferred his 10% interests in Wuxi Zhongnan to Cai Xiaoming (蔡曉明), an independent third party who had expressed an interest in investing in Wuxi Zhongnan, at a consideration of RMB2 million, determined on the basis of the registered capital of Wuxi Zhongnan. On the same day, Shu Cewan also transferred 10% of his interest in Wuxi Zhongnan to Yan Daoliang (嚴道量) at a consideration of RMB2 million. Yan Daoliang was a deputy general manager of Wuxi Zhongnan at the time of transfer until January 2011 and was interested in investing in the company. After such equity transfers, Wuxi Zhongnan was owned by Shu Cecheng, Shu Cewan, Cai Xiaoming and Yan Daoliang, 50%, 30%, 10% and 10% respectively.

On January 14, 2011, in anticipation of the forthcoming Reorganization processes and the intention of Cai Xiaoming and Yan Daoliang to exit their investment for personal business reasons, Shu Cecheng, Shu Cewan, Cai Xiaoming and Yan Daoliang transferred their respective 50%, 30%, 10% and 10% interests in Wuxi Zhongnan to Wuxi Wuzhou Investment for consideration of RMB10 million, RMB6 million, RMB2 million and RMB2 million, respectively, determined on the basis of the registered capital of Wuxi Zhongnan. After such equity transfers, Wuxi Zhongnan was 100% owned by Wuxi Wuzhou Investment.

On March 1, 2012, the registered capital of Wuxi Zhongnan was increased from RMB20 million to RMB36.614 million. The additional capital of RMB16.614 million was contributed by Wuxi Wuzhou Investment.

All the above-mentioned transfers have been legally and properly settled. Wuxi Wuzhou Investment subsequently transferred its 100% shareholding in Wuxi Zhongnan to Wuxi Wuzhou Ornament City, as set out in the section headed “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Zhongnan”.

Establishment of Wuxi Wuzhou Ornament City

In early 2005, we began to develop our first specialized wholesale market project through the establishment of Wuxi Wuzhou International Ornament City in Huishan District, Wuxi, Jiangsu Province. The project was developed by our wholly-owned subsidiary Wuxi Wuzhou Ornament City. Funding for the initial phase for the construction was provided by its initial shareholders in proportion to their equity interest in the company. The initial share capital of Wuxi Wuzhou Ornament City was held by Wuxi City Investment & Development Co.* (無錫市城市投資發展總公司) (“**Wuxi City Investment**”), a state-owned enterprise, 51%, Sun Maozhao (孫茂照) 24.5% and Shu Cecheng 24.5%. The historical shareholding transfers of Wuxi Wuzhou Ornament City before our Reorganization are set out below:

On November 3, 2005, as Sun Maozhao intended to explore other business opportunities, he transferred his 24.5% interest in Wuxi Wuzhou Ornament City to Shu Cecheng at a consideration of RMB17.15 million, determined on the basis of the registered capital of Wuxi Wuzhou Ornament City. After the transfer, Wuxi Wuzhou Ornament City was owned by Wuxi City Investment and Shu Cecheng, 51% and 49% respectively.

HISTORY AND REORGANIZATION

On February 22, 2006, after obtaining all the necessary governmental approvals and consents, Wuxi City Investment transferred its 11% interest in Wuxi Wuzhou Ornament City to Shu Cecheng for a consideration of RMB0.77 million, which was determined based on the appraised value in an independent valuer's report. After the transfer, Wuxi City Investments and Shu Cecheng held 40% and 60% interests in Wuxi Wuzhou Ornament City respectively.

On March 9, 2006, in response to the local government's initiative encouraging foreign investments, after obtaining all the necessary governmental approvals and consents, Wuxi City Investment transferred its 10% and 30% interests in Wuxi Wuzhou Ornament City to Shu Cecheng and China Exclusive Resources Limited (華田資源投資有限公司) ("**China Exclusive Resources**"), a company incorporated in the British Virgin Islands, at a consideration of RMB7 million and RMB21 million, respectively, which was determined based on the appraised value in an independent valuer's report. After the transfers, Wuxi Wuzhou Ornament City was reorganized as a sino-foreign joint venture entity. China Exclusive Resources and Shu Cecheng held 30% and 70% interests in Wuxi Wuzhou Ornament City respectively.

On December 21, 2006, as encouraged by the local government to attract further foreign investment by increasing the equity participation of foreign entities in projects located in its vicinity, Shu Cecheng transferred his 28% interest in Wuxi Wuzhou Ornament City to Boom Win at a consideration of RMB19.6 million, determined on the basis of the registered capital of Wuxi Wuzhou Ornament City. After such transfer, Wuxi Wuzhou Ornament City was owned by Shu Cecheng, China Exclusive Resources and Boom Win, 42%, 30% and 28% respectively.

On May 31, 2007, China Exclusive Resources transferred its 10% interest in Wuxi Wuzhou Ornament City to Boom Win at a consideration of RMB7 million, determined on the basis of the registered capital of Wuxi Wuzhou Ornament City as, to the best of our knowledge, it wished to reduce its investment in the company due to commercial reasons. After such transfer, Wuxi Wuzhou Ornament City was owned by Shu Cecheng, China Exclusive Resources and Boom Win, 42%, 20% and 38% respectively.

On April 10, 2009, in anticipation of the forthcoming Reorganization processes, Shu Cecheng transferred his 42% interest in Wuxi Wuzhou Ornament City to Wuxi Wuzhou Investment at a consideration of RMB29.4 million, determined on the basis of the registered capital of Wuxi Wuzhou Ornament City. After such transfer, Wuxi Wuzhou Ornament City was owned by Wuxi Wuzhou Investment, China Exclusive Resources and Boom Win, 42%, 20% and 38% respectively.

On July 13, 2009, China Exclusive Resources transferred its 20% interest in Wuxi Wuzhou Ornament City to Wuxi Wuzhou Investment at a consideration of RMB14 million, determined on the basis of the registered capital of Wuxi Wuzhou Ornament City as, to the best of our knowledge, it no longer wished to participate in Wuxi Wuzhou Ornament City's operations because of business reasons. After such transfer, Wuxi Wuzhou Ornament City was owned by Wuxi Wuzhou Investment and Boom Win, 62% and 38% respectively.

All the above-mentioned transfers have been legally and properly settled. The entire equity interest in Wuxi Wuzhou Ornament City was subsequently transferred to Hong Kong Wuzhou in the manner as set out in the section headed "History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Wuzhou Ornament City and Hangzhou Longan".

Establishment of Wuxi Business Management

As our construction and development operations expanded, we established our own business management company, Wuxi Business Management, in January 2006 to oversee our expanding operations. Wuxi Business Management was initially owned by Shu Cecheng, 90% and Shu Cewan,

HISTORY AND REORGANIZATION

10%. The historic shareholding transfers of Wuxi Business Management before our Reorganization are set out below:

On July 29, 2008, Shu Cecheng transferred his 50% interest in Wuxi Business Management to Wuxi Wuzhou Investment at a consideration of RMB500,000, and Shu Cewan transferred his 10% equity in Wuxi Business Management to Wuxi Wuzhou Investment at a consideration of RMB100,000, determined on the basis of the paid-up share capital. After such equity transfers, Wuxi Business Management was owned by Shu Cecheng and Wuxi Wuzhou Investment, 40% and 60%, respectively.

On December 15, 2010, Shu Cecheng transferred his 40% interest in Wuxi Business Management to Wuxi Wuzhou Investment for a consideration of RMB400,000 in order to streamline the corporate portfolio of Shu Cecheng and Shu Cewan. The consideration was based on the registered capital of Wuxi Business Management and was paid in full and the transfer was properly and legally completed. After such equity transfer, Wuxi Wuzhou Investment held 100% interest in Wuxi Business Management. Wuxi Wuzhou Investment then contributed an additional RMB4 million and increased the registered capital of Wuxi Business Management to RMB5 million.

The entire equity interest in Wuxi Business Management was subsequently transferred to Wuzhou Business Operation as set out in the section headed “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Business Management”.

Establishment of Wuxi Longan

After the successful launch of the operations of Phase I of our Wuxi Wuzhou International Ornament City project in 2006, we made a strategic decision to expand into the construction of our first multi-functional commercial complex development, Wuzhou International Columbus Plaza in Chong’an District, Wuxi, Jiangsu Province in December 2007, through Wuxi Longan, which was incorporated in March 2007. Funding for this project was provided by the initial shareholders of Wuxi Longan in accordance with their respective equity participation. The initial share capital of Wuxi Longan was held by Wuxi Guangyi Construction & Development Group Co., Ltd (無錫廣益建設發展集團有限公司) (“**Wuxi Guangyi**”), 95% and Wuxi Chongan Mulin Center Management Co., Ltd. (無錫市崇安新城睦鄰中心管理有限公司) (“**Wuxi Mulin**”), 5%. Save as being one of the previous shareholders of Wuxi Longan, Wuxi Longxiang and Wuxi Longhe, and a current shareholder of Wuxi Longhe, Wuxi Guangyi, are an independent third parties to the best of our knowledge. Save as being one of the initial shareholders of Wuxi Longan, Wuxi Mulin is an independent third party to the best of our knowledge. The historical shareholding transfers of Wuxi Longan before Reorganization are set out below:

On September 12, 2008, Wuxi Guangyi transferred its 95% interests in Wuxi Longan to Wuxi Wuzhou Investment at a consideration of RMB57 million, and Wuxi Mulin transferred its 5% interest in Wuxi Longan to Shu Cecheng at a consideration of RMB3 million, determined on the basis of the registered capital of Wuxi Longan. After such equity transfers, Wuxi Longan was owned by Wuxi Wuzhou Investment and Shu Cecheng, 95% and 5%, respectively.

On October 14, 2008, Wuxi Wuzhou Investment transferred 30%, 18%, 10% and 9% interests in Wuxi Longan to Shenzhen Five Continents, Xia Zhaogui (夏兆貴), Lai Litan (賴立潭) and Dong Zhixiao (董直曉), all of whom are independent third parties to the best of our knowledge, at a consideration of RMB18 million, RMB10.8 million, RMB6 million and RMB5.4 million respectively, determined on the basis of the registered capital of Wuxi Longan. Shu Cecheng transferred his 5% interest in Wuxi Longan to Wuxi Wuzhou Investment at a consideration of RMB3 million. After such equity transfers, Wuxi Longan was owned by Shenzhen Five Continents, Xia Zhaogui, Lai Litan, Dong Zhixiao and Wuxi Wuzhou Investment, 30%, 18%, 10%, 9% and 33%, respectively.

HISTORY AND REORGANIZATION

On December 22, 2010, Dong Zhixiao transferred his 9% interest in Wuxi Longan to Wuxi Wuzhou Investment at a consideration of RMB6.21 million and Lai Litan transferred his 10% interest in Wuxi Longan to Wuxi Wuzhou Investment at a consideration of RMB6.9 million, both of which determined on the basis of the registered capital of Wuxi Longan. Xia Zhaogui transferred his 0.4% and 17.6% interest in Wuxi Longan to Wuxi Wuzhou Investment and Shenzhen Five Continents at a consideration of RMB0.276 million and RMB12.144 million respectively. After such equity transfers, Wuxi Longan was owned by Shenzhen Five Continents and Wuxi Wuzhou Investment, 47.6% and 52.4%, respectively. The shareholders of Shenzhen Five Continents were Xi Wenguan (席文官), Sun Xudong (孫旭東), Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. (深圳市僑城假日投資發展有限公司) and Shu Cecheng, who holds a 25% interest. Xi Wenguan (who is a director of Wuxi Longteng and Wuxi Longan) holds 25% of the share capital of Shenzhen Five Continents. Sun Xudong (who is the director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan) holds 22.917% of the share capital of Shenzhen Five Continents. Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd holds 27.083% of the share capital of Shenzhen Five Continents and is, to the best of our knowledge, an independent third party.

All the above-mentioned transfers have been legally and properly settled. Subsequently, the shareholding in Wuxi Longan was further reorganized as set out in the section headed “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Longan”.

Establishment of Wuzhou Business Operation

In July 2008, we established Wuzhou Business Operation for the purpose of providing exclusive property operation services to customers of our specialized wholesale markets after delivery of properties to them. The share capital of Wuzhou Business Operation was initially held by Wuxi Wuzhou Ornament City, 51% and Shu Cewan, 49%, where each of them contributed RMB0.51 million and RMB0.49 million of Wuzhou Business Operation’s share capital respectively.

On August 18, 2011, the registered capital of Wuzhou Business Operation increased from RMB1 million to RMB50 million, and the additional RMB49 million was paid up by Wuxi Wuzhou Ornament City. After the capital injection, Wuxi Wuzhou Ornament City and Shu Cewan held 99.02% and 0.98% interests in Wuzhou Business Operation, respectively.

Shu Cewan subsequently transferred his shareholding in Wuzhou Business Operation to Wuxi Wuzhou Ornament City as set out in the section headed “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuzhou Business Operation”.

Establishment of Wuxi Longxiang

In June 2009, we made an investment decision to expand into a gourmet-themed multi-functional commercial project, Wuxi Wuzhou International Chinese Food Culture Exposition City in Chong’an District, Wuxi, Jiangsu Province. This project was developed by Wuxi Longxiang, which was established in April 2009, in which we currently have 51% interest through Wuxi Wuzhou Ornament City. Funding for this project was split in accordance with the equity participation of the respective parties. The first phase of this project came into operation in January 2011. Wuxi Longxiang was initially 100% owned by Chongqing Jinke Industrial (Group) Co. Ltd. (重慶市金科實業(集團)有限公司) (“**Chongqing Jinke**”), an independent third party to the best of our knowledge. The historical shareholding transfers of Wuxi Longxiang before Reorganization are set out below:

On June 26, 2009, Chongqing Jinke transferred all of its entire interest in Wuxi Longxiang to Wuxi Guangyi for a consideration of RMB20 million, based on the registered share capital of Wuxi Longxiang.

HISTORY AND REORGANIZATION

On August 31, 2009, Wuxi Guangyi transferred its 51%, 15%, 11%, 10%, 8% and 5% interests in Wuxi Longxiang to Wuxi Wuzhou Investment, Pan Jianbin (潘劍斌), Huang Tangmin (黃堂敏), Cai Xiaming (蔡曉明), Zhou Liangtong (周良通) and Ye Haifei (葉海飛), at a consideration of RMB10.2 million, RMB3 million, RMB2.2 million, RMB2 million, RMB1.6 million and RMB1 million, respectively, determined on the basis of the registered share capital of Wuxi Longxiang. Pan Jianbin is a director of Wuxi Longteng and Wuxi Longhe and a general manager of Wuxi Longteng, while Huang Tangmin is a general manager of Zibo Wuzhou and deputy general manager of Wuxi Longxiang. To the best of our knowledge, save as being a shareholder of Wuxi Longxiang, Cai Xiaoming, Zhou Liangtong and Ye Haifei are independent third parties to the best of our knowledge.

All the above-mentioned transfers have been legally and properly settled. Wuxi Wuzhou Investment subsequently transferred its shareholding in Wuxi Longxiang to Wuxi Wuzhou Ornament City. The remaining shareholders also transferred their interests to independent third parties, as set out in the section headed “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Longxiang”.

Establishment of Wuxi Longhe

Wuxi Longhe was established on September 28, 2009, with a registered capital of RMB20 million. The initial shareholders were Wuxi Chongan Guangyi Capital Operation Co. (無錫市崇安區廣益資產經營公司) (“**Guangyi Capital**”), Wuxi Guangyi and Wuxi Mulin, contributing RMB10 million, RMB9.5 million and RMB0.5 million, or 50%, 47.5% and 2.5% of the registered capital, respectively, all of whom were independent third parties to the best of our knowledge.

On December 20, 2010, Guangyi Capital and Wuxi Mulin transferred their respective 50% and 2.5% shareholdings in Wuxi Longhe to Wuxi Guangyi, for a consideration of RMB10 million and RMB0.5 million respectively, determined based on the registered capital of Wuxi Longhe. The transfer has been legally and properly settled. On the same day, the registered capital of Wuxi Longhe was increased from RMB20 million to RMB50 million. The additional capital was contributed by Wuxi Guangyi and new shareholders Wuxi Longxiang, Wuxi Longan and Wuxi Wuzhou Investment, in the amount of RMB15 million, RMB10 million, RMB2.5 million and RMB2.5 million in cash, respectively. After the capital injection, Wuxi Guangyi, Wuxi Longxiang, Wuxi Longan and Wuxi Wuzhou Investment held 70%, 20%, 5% and 5% interests in Wuxi Longhe, respectively.

Establishment of Yancheng Wuzhou

In December 2009, we established Yancheng Wuzhou for the purpose of developing our Yancheng Wuzhou International Plaza project in Yancheng, Jiangsu Province. Funding for this project was provided by the initial shareholders in accordance with their respective equity interest. The share capital of Yancheng Wuzhou was initially held by Wuxi Wuzhou Ornament City, 49% and by Huang Xufeng (黃徐鋒), a friend of Shu Cecheng, 51%. Huang Xufeng is a director of Yancheng Wuzhou and general manager of Xuyi Wuzhou.

On August 9, 2010, Huang Xufeng transferred his 41% interest in Yancheng Wuzhou to Wuxi Wuzhou Ornament City, for a consideration of RMB8.2 million, based on the registered share capital of Yancheng Wuzhou. After the transfer, Yancheng Wuzhou is held by Wuxi Wuzhou Ornament City, 90% and Huang Xufeng, 10%. The transfer has been legally and properly settled.

Subsequently, Mr. Huang’s 10% interest was transferred to Wuxi Wuzhou Ornament City as set out in the section “History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Yancheng Wuzhou”.

HISTORY AND REORGANIZATION

Establishment of Wuxi Bonan

Wuxi Bonan was established on December 29, 2009, with a registered capital of RMB30 million. The initial shareholders were Wuxi Industrial Exposition Investment & Development Co., Ltd. (無錫市工業博覽園投資發展有限公司) (“**Wuxi Industrial Exposition**”), an independent third party to the best of our knowledge, and Wuxi Zhongnan, which contributed RMB24 million and RMB6 million, or 80% and 20% of the registered capital, respectively. Funding for this project is provided by the initial shareholders in accordance with their respective equity interest.

On December 27, 2010, the registered capital of Wuxi Bonan increased from RMB30 million to RMB135 million. The additional registered capital was contributed by its shareholders, Wuxi Industrial Exposition and Wuxi Zhongnan in the amount of RMB84 million and RMB21 million, respectively. After such capital injection, Wuxi Industrial Exposition and Wuxi Zhongnan, in aggregate, contributed RMB108 million and RMB27 million, representing 80% and 20% of the registered capital, respectively, to Wuxi Bonan.

Establishment of Wuxi International Property

In January 2010, we expanded our operation to Meicun Town in Wuxi through the commencement of the Meicun Wuzhou International Plaza project, our first multi-functional commercial complex project in Meicun Town, Jiangsu Province, which was completed and opened for operation in June 2012. This project was undertaken by Wuxi International Property, which was established in March 2010 and is 90% held by Wuxi Wuzhou Ornament City. The remaining 10% interest is held by Wuxi Jinhongsheng Investment Co., Ltd. (無錫市金鴻盛投資有限公司) (“**Jinhongsheng**”), which is an independent third party to the best of our knowledge. The funding for the project was split in accordance with the equity contribution of Wuxi Wuzhou Ornament City and Jinhongsheng.

Establishment of Nantong Wuzhou

Nantong Wuzhou was established on January 21, 2010 with a registered capital of RMB8 million. The initial shareholder was Nantong Zhonglian Investment Co., Ltd. (南通鐘聯投資有限公司) (“**Nantong Zhonglian**”), an independent third party to the best of our knowledge, contributing RMB8 million, or 100%, of the registered capital. We established Nantong Wuzhou for the purpose of developing the Nantong Wuzhou International Plaza project, which will be a multi-functional commercial complex located in Nantong, Jiangsu Province.

On August 15, 2011, the registered capital of Nantong Wuzhou increased from RMB8 million to RMB80 million. The additional capital of RMB 72 million was contributed in cash by new shareholders Wuxi Wuzhou Ornament City, Nantong Zhongjia Investment Co, Ltd. (南通中嘉投資有限公司) (“**Nantong Zhongjia**”) and Jiangsu Jinfan Investment Co., Ltd. (江蘇金帆投資有限公司) (“**Jiangsu Jinfan**”), both of whom are independent third parties to the best of our knowledge, in the amount of RMB40.8 million, RMB16.8 million and RMB14.4 million, respectively. Upon such capital increase, the capital contributions provided by Wuxi Wuzhou Ornament City, Nantong Zhongjia, Jiangsu Jinfan and Nantong Zhonglian were RMB40.8 million, RMB16.8 million, RMB14.4 million and RMB8 million respectively, representing 51%, 21%, 18% and 10% of the registered capital. Initial funding for this project was split in accordance with the proportion of equity interest held by each party.

Establishment of Wuxi Longteng

In December 2010, we established Wuxi Longteng for the purpose of developing our Wuxi New District Columbus Plaza project, a multi-functional commercial complex located in the New District of Wuxi, Jiangsu Province. The initial shareholder, Shenzhen Five Continents, contributed RMB10 million, or 100% of the registered capital.

HISTORY AND REORGANIZATION

On March 10, 2011, the registered capital of Wuxi Longteng increased to RMB20 million and was 100% contributed by Shenzhen Five Continents. On July 29, 2011, the registered capital of Wuxi Longteng was increased to RMB50 million, of which Shenzhen Five Continents contributed an additional RMB0.5 million and Wuxi Wuzhou Ornament City contributed an additional RMB29.5 million, respectively. Upon such capital increase, Wuxi Longteng was owned by Wuxi Wuzhou Ornament City and Shenzhen Five Continents, 59% and 41%, respectively.

Development of our operation in Shandong Province

Establishment of Yantai Wuzhou

We established Yantai Wuzhou in May 2011 for the purpose of developing a project in the future. The project cost will be split in accordance with the equity interests of the shareholders of Yantai Wuzhou Property.

The initial shareholders were Wuxi Wuzhou Ornament City and Xu Xuefei (徐雪飛), contributing RMB9.5 million and RMB500,000, or 95% and 5% of the registered capital respectively. Xu Xuefei is a director of Longkou Wuzhou and a deputy general manager of Yantai Wuzhou.

Development of our operation in Zhejiang Province

Establishment of Hangzhou Longan

In September 2009 we made a strategic decision to expand into the Hangzhou real estate market through the commencement of our Hangzhou Wuzhou International Plaza project in Hangzhou, Zhejiang Province. This project is undertaken by our wholly owned subsidiary, Hangzhou Longan, which was incorporated in November 2009 and initially held through Wuzhou Int'l Group Investment, 80% and Wuxi Wuzhou Investment, 20%. The initial funding for Hangzhou Wuzhou International Plaza was provided by the initial shareholders in accordance with their respective equity interest. Wuzhou Int'l Group Investment is a wholly-owned investment company of Shu Ce Cheng established in Hong Kong in November 2005. The 80% interest held by Wuzhou Int'l Group Investment and the 20% interest held by Wuxi Wuzhou Investment were subsequently transferred to Hong Kong Wuzhou as set out in the sections, "History and Reorganization – Reorganization – Offshore reorganization – Hong Kong Wuzhou became the immediate holding company of our Group's onshore companies" and "History and Reorganization – Reorganization – Reorganization of our operating subsidiaries in the PRC – Wuxi Wuzhou Ornament City and Hangzhou Longan".

Development of our operation in Western China

Establishment of Dali Wuzhou

We further expanded into the south-western area of China in October 2010 when we commenced our Dali Wuzhou International Trade City project in Dali, Yunnan Province, through the establishment of Dali Wuzhou, a company established in August 2010 with its entire shareholding held by Wuxi Wuzhou Ornament City. The initial funding for this project was provided by Wuxi Wuzhou Ornament City.

HISTORY AND REORGANIZATION

The following table sets out the details of the other PRC subsidiaries established by our Group since the beginning of the Track Record Period:

<u>Company</u>	<u>Date of incorporation</u>	<u>Registered capital as of the Latest Practicable Date</u>	<u>Principal Business activities</u>
Xuyi Wuzhou (盱眙五洲國際置業有限公司)	April 19, 2010	RMB50 million	Property development and operation
Rongchang Wuzhou (榮昌縣五洲五金裝飾城有限公司)	September 20, 2010	RMB60 million	Property development and leasing
Wuxi Property Investment (無錫五洲商業投資有限公司)	March 3, 2011	RMB20 million	Property development and operation
Wuxi Longsheng (無錫五洲龍盛商業有限公司)	April 19, 2011	RMB20 million	Property development and operation
Longshen Marketing Development (無錫六龍城商業管理有限公司)	January 10, 2012	RMB1 million	No business operation has been commenced yet
Wanxiang Marketing Development (無錫萬翔商業物業運營有限公司)	August 25, 2011	RMB0.5 million	Marketing and planning of property development projects and leasing
Jianhu Marketing Development (建湖五洲國際商業運營有限公司)	January 13, 2012	RMB1 million	Operation and management of property development projects
Longqian Marketing Development (無錫市龍乾物業管理有限公司)	February 24, 2012	RMB1 million	Operation and management of property development projects
Wuxi Corporation Management (無錫五洲國際企業管理有限公司)	March 21, 2012	RMB4.8 million	Operation and management of property development projects
Yancheng Marketing Development (鹽城五洲商業運營管理有限公司)	May 29, 2012	RMB1 million	Operation and management of property development projects
Xuyi Marketing Development (盱眙五洲國際商業物業服務有限公司)	June 1, 2012	RMB1 million	Operation and management of property development projects
Meicun Marketing Development (無錫梅村五洲國際商業物業管理有限公司)	June 4, 2012	RMB1 million	Operation and management of property development projects
Dali Wuzhou Property Management (大理五洲國際物業管理有限公司)	June 19, 2012	RMB1 million	Operation and management of property development projects
Rongchang Wuzhou Property Management (榮昌縣五洲物業管理有限公司)	July 2, 2012	RMB1 million	Operation and management of property development projects
Xiangyang Property Management (襄陽五洲國際商業物業管理有限公司)	September 27, 2012	RMB1 million	Operation and management of property development projects
Yantai Business Operation (煙台五洲國際商業運營有限公司)	December 20, 2012	RMB1 million	Operation and management of property development projects

HISTORY AND REORGANIZATION

<u>Company</u>	<u>Date of incorporation</u>	<u>Registered capital as of the Latest Practicable Date</u>	<u>Principal Business activities</u>
Shanghai Wuce (上海五策房地產諮詢有限公司)	November 26, 2012	RMB1 million	Property development planning
Dali Marketing Development (大理五洲國際商業地產策劃有限公司)	July 22, 2011	RMB0.1 million	Property investment and planning consultancy, commercial operations planning
Zibo Wuzhou (山東五洲國際置業有限公司)	January 16, 2012	RMB20 million	No business operation has been commenced yet
Sheyang Wuzhou (射陽五洲國際置業有限公司)	May 9, 2012	RMB20 million	No business operation has been commenced yet
Heilongjiang Wuzhou (黑龍江五洲國際商貿博覽城有限公司)	July 23, 2012	RMB100 million	No business operation has been commenced yet
Wuzhou Columbus Sheyang (五洲哥倫布(射陽)置業有限公司)	August 7, 2012	RMB157.2825 million	Property development and operation
Qidong Wuzhou (啓東五洲置業有限公司)	August 15, 2012	RMB20 million	No business operation has been commenced yet
Jilin Wuzhou (吉林市五洲國際商貿城有限公司)	August 10, 2012	RMB20 million	No business operation has been commenced yet
Yantai Wuzhou Property (煙台五洲置業有限公司)	July 24, 2012	RMB20 million	Property development and operation
Jianhu Wuzhou (建湖五洲國際置業有限公司)	August 31, 2011	RMB20 million	Property development and operation
Longteng Marketing Development (無錫市新龍騰經營管理有限公司)	February 14, 2012	RMB1 million	Operation and management of property development projects
Longkou Wuzhou (龍口五洲國際商貿城有限公司)	November 10, 2011	RMB20 million	Property development and operation
Leling Wuzhou (山東五洲國際家居博覽城有限公司)	March 28, 2011	RMB20 million	Property development and sales
Xiangyang Wuzhou (襄陽五洲國際商貿城有限公司)	September 13, 2011	RMB100 million	Property development and investment
Shenyang Wuzhou (瀋陽五洲國際工業博覽城置業有限公司)	October 13, 2011	RMB100 million	No business operation has been commenced yet
Yixing Wuzhou (宜興五洲置業有限公司)	January 17, 2012	RMB20 million	No business operation has been commenced yet
Jiangyin Wuzhou (江陰五洲置業有限公司)	January 17, 2012	RMB20 million	Property development and operation
Jiangsu Wuzhou (江蘇五洲國際商業發展有限公司)	July 11, 2012	RMB20 million	No business operation has been commenced yet
Jiujiang Meijite Credit (九江市廬山區美吉特小額貸款股份有限公司)	May 14, 2010	RMB100 million	Small loan business in the Lushan district of Jiujiang City

HISTORY AND REORGANIZATION

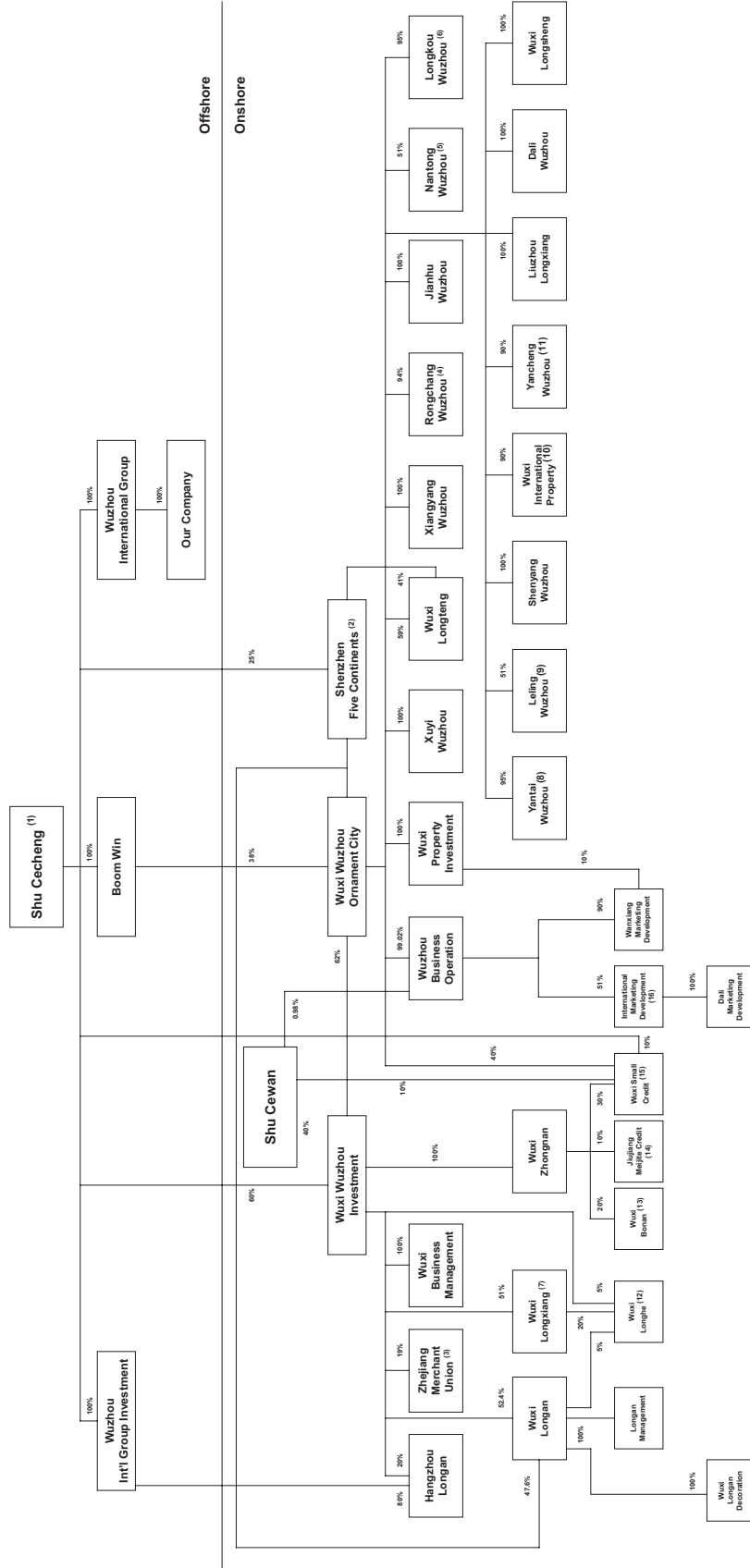
<u>Company</u>	<u>Date of incorporation</u>	<u>Registered capital as of the Latest Practicable Date</u>	<u>Principal Business activities</u>
Baoshan Wuzhou (保山五洲國際廣場有限公司)	January 9, 2013	RMB20 million	No business operation has been commenced yet
Longkou Property Management (龍口市五洲國際物業管理有限公司)	January 10, 2013	RMB1 million	No business operation has been commenced yet
Nantong Commercial Operation (南通五洲國際商業運營管理有限公司)	January 16, 2013	RMB3.1 million	No business operation has been commenced yet
Leling Commercial Property (樂陵五洲國際商業物業管理有限公司)	January 22, 2013	RMB1 million	No business operation has been commenced yet
Sheyang Commercial Plaza (射陽五洲國際商業廣場管理有限公司)	January 24, 2013	RMB1 million	No business operation has been commenced yet
Wuxi Property (無錫五洲地產有限公司)	January 9, 2013	RMB20 million	No business operation has been commenced yet
Nantong Commercial Investment (南通五洲商業投資有限公司)	January 10, 2013	RMB20 million	No business operation has been commenced yet
Luoyang Wuzhou (洛陽五洲國際工業博覽城有限公司)	January 31, 2013	RMB20 million	No business operation has been commenced yet
Changchun Wuzhou (長春市五洲房地產開發有限公司)	February 22, 2013	RMB50 million	No business operation has been commenced yet
Jilin Wuzhou Real Estate (吉林市五洲國際房地產開發有限公司)	May 8, 2013	RMB20 million	No business operation has been commenced yet

REORGANIZATION

As part of our Reorganization in preparation for the Global Offering, the ownership structure of a number of our intermediate holding companies and operating subsidiaries was reorganized to become our present Group structure.

Prior to our Reorganization, various operating subsidiaries of our Group were jointly owned by Shu Cecheng and Shu Cewan, directly or through entities within the Group. The corporate and shareholding structure of these entities immediately prior to our Reorganization is illustrated as follows:

HISTORY AND REORGANIZATION



HISTORY AND REORGANIZATION

Notes:

1. On December 13, 2006, Shu Cecheng transferred his shares for a consideration of US\$50,000 to Mr. Li Wa Kin, an independent third party, for him to hold the shares as Mr. Shu's nominee. Such arrangement was in place primarily because Mr. Shu was not familiar with the laws and regulations of the British Virgin Islands as he resided and managed his business in the PRC.
2. The remaining interests in Shenzhen Five Continents were owned by Xi Wenguan (席文官), 25%, Sun Xudong (孫旭東), 22.917%, and Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. (深圳市僑城假日投資發展有限公司), 27.083%. Xi Wenguan is a director of Wuxi Longteng and Wuxi Longan while Sun Xudong is a director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan. To the best of our knowledge, save as being a shareholder of Shenzhen Five Continents, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. is an independent third party.
3. The remaining interests in Zhejiang Merchant Union were owned by Zhejiang Merchant Union Investment Management Co., Ltd. (浙江浙商聯盟市場投資管理有限公司), approximately 3%, Zhejiang Jingcheng Group Co., Ltd. (浙江精誠集團有限公司), approximately 14%, Zhejiang Land Investment Consultant Co., Ltd. (浙江實地投資諮詢有限公司), approximately 1%, Zhejiang Zhongjue Industrial Co., Ltd. (浙江中爵實業有限公司), approximately 14%, Xie Bairong (謝佰榮), Zhu Baoguo (竺保國) and Jin Weihai (金位海) each approximately 3%, Mei Biyong (梅必永) and Huang Guangxing (黃光星) each approximately 4%, Zheng Xiaohua (鄭小華) approximately 18% and Gao Zhengrong (高正榮) approximately 14%. To the best of our knowledge, save as being a shareholder of Zhejiang Merchant Union, these persons and entities are independent third parties.
4. The remaining interests in Rongchang Wuzhou were owned by Ye Jiawu (葉家武), 5% and Ye Ruihui (葉瑞惠), 1%. Ye Jiawu is a deputy general manager of Rongchang Wuzhou. To the best of our knowledge, save as being a shareholder of Rongchang Wuzhou, Ye Ruihui is an independent third party.
5. The remaining interests in Nantong Wuzhou were owned by Nantong Zhongjia Investment Co., Ltd. (南通中嘉投資有限公司), 21%, Jiangsu Jinfan Investment Co., Ltd. (江蘇金帆投資有限公司), 18% and Nantong Zhonglian Investment Co., Ltd. (南通鐘聯投資有限公司), 10%. To the best of our knowledge, save as being a shareholder of Nantong Wuzhou, these entities are independent third parties.
6. The remaining 5% interest in Longkou Wuzhou was owned by Changzhou Qituo Commercial & Trading Co., Ltd. (常州啟拓商貿有限公司). To the best of our knowledge, save as being a shareholder of Longkou Wuzhou, this entity is an independent third party.
7. The remaining interests in Wuxi Longxiang were owned by Pan Jianbin (潘劍斌), 15%, Huang Tangmin (黃堂敏), 11%, Cai Xiaoming (蔡曉明), 10%, Zhou Liangtong (周良通), 8% and Ye Haifei (葉海飛), 5%. Pan Jianbin is a director of Wuxi Longteng and Wuxi Longhe and a general manager of Wuxi Longteng, while Huang Tangmin is a general manager of Zibo Wuzhou and deputy general manager of Wuxi Longxiang. To the best of our knowledge, save as being shareholders of Wuxi Longxiang, Cai Xiaoming, Zhou Liangtong and Ye Haifei are independent third parties.
8. The remaining 5% interest in Yantai Wuzhou was owned by Xu Xuefei (徐雪飛). Xu Xuefei is a director of Longkou Wuzhou and a deputy general manager of Yantai Wuzhou.
9. The remaining interests in Leling Wuzhou were owned by Xia Shouping (夏守平), 25% and Zhejiang Haoyang Property Co., Ltd. (浙江浩洋置業有限公司), 24%. Xia Shouping is a general manager of Leling Wuzhou. To the best of our knowledge, save as being a shareholder of Leling Wuzhou, Zhejiang Haoyang Property Co., Ltd. is an independent third party.
10. The remaining 10% interest in Wuxi International Property was owned by Wuxi Jinhongsheng Investment Co., Ltd. (無錫市金鴻盛投資有限公司). To the best of our knowledge, save as being a shareholder of Wuxi International Property, this entity is an independent third party.
11. The remaining 10% interest in Yancheng Wuzhou was owned by Huang Xufeng (黃徐鋒). Huang Xufeng is a director of Yancheng Wuzhou and a general manager of Xuyi Wuzhou.
12. The remaining 70% interest in Wuxi Longhe was owned by Wuxi Guangyi Development Group Co., Ltd. (無錫市廣益建設發展集團有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Longhe, this entity is an independent third party.
13. The remaining 80% interest in Wuxi Bonan was owned by Wuxi Industrial Exhibition Investment & Development Co., Ltd. (無錫市工業博覽園投資發展有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Bonan, this entity is an independent third party.

HISTORY AND REORGANIZATION

14. The remaining interests in Jiujiang Meijite Credit were owned by Jiujiang Huadong Industrial Co., Ltd. (九江華東實業有限公司), 20%, Shanghai Yibang Property Co., Ltd. (上海意邦置業有限公司), 10%, Zhangjiagang Jiuzhou Home Ornament City (Market) Co., Ltd. (張家港九洲家居裝飾城(市場)有限公司), 10%, Jiujiang Lushan Chengtuo (Group) Co., Ltd. (九江市廬山區城投(集團)有限公司), 10%, Jiujiang Lianhua Industrial & Trading Co., Ltd. (九江縣聯華工貿有限公司), 10%, Jiujiang Jinding Investment Co., Ltd. (九江市金鼎投資有限公司), 10%, Xu Xiyuan (許細員), 10% and Xu Chenghui (許承慧), 10%. Xu Xiyuan is also a director of Jiujiang Meijite Credit. To the best of our knowledge, save as being a shareholder of Jiujiang Meijite Credit, the remaining person and entities are independent third parties.
15. The remaining 10% interest in Wuxi Small Credit was owned by Cai Xiaoming (蔡曉明). To the best of our knowledge, save as being a shareholder of Wuxi Small Credit, this person is an independent third party.
16. The remaining interests in International Marketing Development were owned by Li Feng (李峰), who is our senior management, 19%, Zhu Mingfu (朱明付), 13%, He Hongsheng (何紅生), 9% and Chen Zhenhua (陳振華), 8%. Zhu Mingfu is also a director and deputy general manager of International Marketing Development and director of Dali Marketing Development. He Hongsheng is a deputy general manager of International Marketing Development and Longkou Wuzhou while Chen Zhenhua is a deputy general manager of International Marketing Development.

In preparation for the Global Offering, we underwent the Reorganization, which involves the following:

Offshore reorganization

Incorporation of our Company

Our Company was incorporated in the Cayman Islands on June 22, 2010 to be the ultimate holding company of our Group and the issuer in the Global Offering. The initial share capital of our Company was US\$50,000 divided into 5,000,000 shares of US\$0.01 each. Upon incorporation, one share was issued and allotted to Codan Trust Company (Cayman) Limited as the initial subscriber, which was then transferred to Wuzhou International Group on the same day.

Issue and allotment of share of Wuzhou International Investment to our Company

On April 27, 2010, we incorporated Wuzhou International Investment in the British Virgin Islands to act as our intermediate holding company to hold all our businesses. Prior to the Reorganization, Wuzhou International Investment has no issued share capital. On October 21, 2011, Wuzhou International Investment issued and allotted one share to our Company, which represented the entire issued share capital of Wuzhou International Investment, for a consideration of US\$1. Our Company became the sole shareholder of Wuzhou International Investment.

Transfer of the entire issued share capital of Boom Win to Shu Cecheng and Shu Cewan

Boom Win was incorporated in the British Virgin Islands on April 18, 2006. On June 6, 2006, our executive Director Shu Cecheng was allotted 50,000 shares of Boom Win, representing its entire issued share capital, for a consideration of US\$50,000. On December 13, 2006, Mr. Shu transferred his shares for a consideration of US\$50,000 to Mr. Li Wa Kin, an independent third party, for him to hold the shares as Mr. Shu's nominee. Such arrangement was in place primarily because Mr. Shu was not familiar with the laws and regulations of the British Virgin Islands as he resided and managed his business in the PRC. As advised by our British Virgin Islands legal counsel, the nominee arrangement between Mr. Shu and Mr. Li is legal, valid and enforceable.

On November 2, 2011, our executive Director Shu Cecheng re-acquired the 50,000 shares of Boom Win, being its entire issued share capital, from Mr. Li Wa Kin for a consideration of US\$50,000. The consideration was not required to be paid as those shares were held in trust for Mr. Shu by Mr. Li Wa Kin. Upon the completion of such acquisition, our executive Director Shu Cecheng became the sole shareholder of Boom Win.

HISTORY AND REORGANIZATION

On November 3, 2011, our executive Director Shu Cewan acquired 40% of the total share capital of Boom Win from our executive Director Shu Cecheng for a consideration of US\$20,000. The consideration was fully settled and was determined by reference to the fair value of the equity interest acquired. Upon the completion of such acquisition, our executive Directors Shu Cecheng and Shu Cewan held 60% and 40% of the total share capital of Boom Win, respectively.

On November 29, 2011, Boom Win acquired one share of our Company, representing its entire issued share capital, from Wuzhou International Group, for a consideration of US\$0.01. Upon the completion of such acquisition, Boom Win became the sole shareholder of our Company. Each of the above transfers was properly and legally completed and settled.

Since the ultimate shareholders of our Company are our executive Directors Shu Cecheng, Shu Cewan and the 7 shareholders of the Senior Management SPV, who are citizens of the PRC, pursuant to the Notice of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and in Return Investment via Overseas Special Purpose Companies (No. 75 (2005) of the State Administration of Foreign Exchange, October 21, 2005) (《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》(2005年10月21日匯發(2005)75號)) (“**No. 75 Notice**”), such overseas investments and round-trip investments via overseas companies have to be registered. The registrations or change of registrations required under No. 75 Notice were completed on March 2, 2012, March 23, 2012, May 21, 2012, August 29, 2012 and November 7, 2012 respectively. For more details on the Senior Management SPV, please refer to the section headed “History and Reorganization — Reorganization — Offshore reorganization — Pre-IPO Share Incentive Scheme”.

Incorporation of Hong Kong Wuzhou

On May 6, 2010, Hong Kong Wuzhou was incorporated in Hong Kong under the name of Wuzhou International Development Limited (五洲國際發展有限公司), its sole shareholder being Gold Ascent Limited, a corporate services company. On November 7, 2011, Hong Kong Wuzhou changed its name from Wuzhou International Development Limited to Hong Kong Wuzhou International Group Limited (香港五洲國際集團有限公司).

Hong Kong Wuzhou became the immediate holding company of our Group’s onshore companies

On November 11, 2011, Wuzhou International Investment acquired one share in the capital of Hong Kong Wuzhou, representing its entire issued share capital, from Gold Ascent Limited for a consideration of HK\$1.00. Hong Kong Wuzhou was then acquired to act as the immediate holding company of our interest in our Group’s onshore companies.

On December 31, 2011, Boom Win transferred its 38% interest in Wuxi Wuzhou Ornament City to Hong Kong Wuzhou, for a consideration of HK\$32,638,036 (approximately US\$4.22 million) (the “**Offshore WOC Acquisition**”). The consideration was determined by reference to the paid up registered capital of Wuxi Wuzhou Ornament City. On the same day, Wuxi Wuzhou Investment transferred its 62% interest in Wuxi Wuzhou Ornament City to Hong Kong Wuzhou for a consideration of RMB43,400,000. As a result, Wuxi Wuzhou Ornament City became a wholly owned subsidiary of Hong Kong Wuzhou. Each of these transfers was properly and legally completed and settled. For more details on the transfer of 62% interest in Wuxi Wuzhou Ornament City, please refer to the section headed “History and Reorganization — Reorganization — Reorganization of our operating subsidiaries in the PRC — Wuxi Wuzhou Ornament City and Hangzhou Longan”.

On February 7, 2012, Wuzhou Int’l Group Investment transferred its 80% interest in Hangzhou Longan to Hong Kong Wuzhou for a consideration of RMB190,059,000 (approximately US\$30 million) (the “**Offshore HL Acquisition**”). The consideration was determined by reference to the paid up registered capital of Hangzhou Longan. On the same day, Wuxi Wuzhou Investment transferred its

HISTORY AND REORGANIZATION

20% in Hangzhou Longan to Hong Kong Wuzhou for a consideration of RMB47,514,750 (approximately US\$7.5 million). As a result, Hangzhou Longan became a wholly owned subsidiary of Hong Kong Wuzhou. Each of these transfers was properly and legally completed and settled. For more details on the transfer of 20% interest in Hangzhou Longan, please refer to the section headed “History and Reorganization — Reorganization — Reorganization of our operating subsidiaries in the PRC — Wuxi Wuzhou Ornament City and Hangzhou Longan”.

Pursuant to a deed of assignment entered between Wuzhou Int’l Group Investment, Boom Win and Hong Kong Wuzhou dated August 15, 2012, Wuzhou Int’l Group Investment transferred its right to the US\$30 million sum due from Hong Kong Wuzhou to Boom Win, incurred as a result of the Offshore HL Acquisition. Inclusive of the sum of US\$4.22 million incurred from the Offshore WOC Acquisition, Hong Kong Wuzhou owed to Boom Win an aggregate of approximately US\$34.22 million (the “**Outstanding Loan**”).

Capitalization

On August 13, 2012, our Company increased its authorized share capital to US\$100,000,000 divided into 10,000,000,000 shares of US\$0.01 each. Also on the same day, our Company issued and allotted 3,422,161,913 shares, credited as fully paid at par value to Boom Win by way of capitalization of the sum of US\$34,221,619.13 (the “**Capitalization**”). Upon completion of the Capitalization, Boom Win holds 3,422,161,914 shares, representing 100% of our then-issued share capital. As such, the Outstanding Loan owned by Hong Kong Wuzhou to Boom Win was fully settled.

Pre-IPO Share Incentive Scheme

Our Directors consider that retention of human talents is vital to the success of our Company. As such, we established a pre-IPO share incentive scheme (the “**Incentive Scheme**”). Our Directors are of the view that, in the long run, the Incentive Scheme can enhance team spirit, lower costs of further recruitment of management personnel and raise management efficiency.

In light of the Incentive Scheme, Senior Management SPV was set up, which consists of 7 companies, namely Dream Chaser, Mastery Ventures, Starry Horizon, Easy Cloud, Best Ring, Emperor Holdings and River Delta, all of which were incorporated in the British Virgin Islands and are wholly owned by our executive Directors Shu Ceyuan, Zhao Lidong, Wu Xiaowu, and our senior management Shen Xin, Li Feng, Shu Cezhang and Zhu Aiming, respectively. Under the Incentive Scheme, on October 12, 2012, Boom Win transferred 1% of its shareholding in our Company, representing 34,221,619 shares, to the Senior Management SPV. The respective number of shares transferred is as follows:

<u>SPV Company</u>	<u>Name of corresponding executive director/ senior management</u>	<u>Percentage Pre-IPO</u>	<u>Percentage Post-IPO</u>	<u>Number of Shares</u>
Dream Chaser	Shu Ceyuan	0.245%	0.184%	8,384,297
Mastery Ventures	Zhao Lidong	0.112%	0.084%	3,832,821
Starry Horizon	Wu Xiaowu	0.245%	0.184%	8,384,297
Easy Cloud	Shen Xin	0.041%	0.031%	1,403,086
Best Ring	Li Feng	0.087%	0.065%	2,977,281
Imperator Holdings	Shu Cezhang	0.209%	0.157%	7,152,318
River Delta	Zhu Aiming	0.061%	0.046%	2,087,519
	Total	1%	0.75%	34,221,619

HISTORY AND REORGANIZATION

Reorganization of our operating subsidiaries in the PRC

Wuxi Wuzhou Ornament City and Hangzhou Longan

On December 31, 2011, Wuxi Wuzhou Investment transferred its 62% interest in Wuxi Wuzhou Ornament City to Hong Kong Wuzhou, for a consideration of HK\$53,251,533 (the “**Onshore WOC Acquisition**”). Together with the Offshore WOC Acquisition that took place on the same day, Wuxi Wuzhou Ornament City became a wholly owned subsidiary of Hong Kong Wuzhou, and its corporate form was changed from an equity joint venture to a Wholly Foreign Owned Enterprise (“**WFOE**”). Each of these transfers was properly and legally completed and settled. For more details on the Offshore WOC Acquisition, please refer to the section headed “History and Reorganization — Reorganization — Offshore reorganization — Hong Kong Wuzhou became the immediate holding company of our Group’s onshore companies”.

On February 7, 2012, Wuxi Wuzhou Investment transferred its 20% interest in Hangzhou Longan to Hong Kong Wuzhou for a consideration of RMB47,514,750 (approximately HK\$58.6 million) (the “**Onshore HL Acquisition**”). Together with the Offshore HL Acquisition that took place on the same day, Hangzhou Longan became a wholly owned subsidiary of Hong Kong Wuzhou, and its corporate form was changed from an equity joint venture to a WFOE. Each of these transfers was properly and legally completed and settled. For more details on the Offshore HL Acquisition, please refer to the section headed “History and Reorganization — Reorganization — Offshore reorganization — Hong Kong Wuzhou became the immediate holding company of our Group’s onshore companies”.

The aggregate consideration for the Onshore WOC Acquisition and the Onshore HL Acquisition was approximately HK\$112 million, which was valued based on the paid-up registered capital of the relevant companies at the time of the transfers. Hong Kong Wuzhou settled the aggregate consideration by cash, which was partially financed by (i) a loan of HK\$100 million from the Bank of Communications, Hong Kong Branch to Hong Kong Wuzhou (the “**BOCOM Loan**”), entered into on February 27, 2012; and (ii) an advance of HK\$18 million from our executive Director Shu Cecheng to Hong Kong Wuzhou on March 5, 2012 (the “**SCC Advance**”).

In connection with the BOCOM Loan, on April 17, 2012, Wuzhou International Investment had granted a share charge of one share in Hong Kong Wuzhou, representing its entire issued share capital, in favor of the Bank of Communications, Hong Kong Branch to secure, among other things, Hong Kong Wuzhou’s repayment and other obligations under these facilities granted to Hong Kong Wuzhou. The share charge granted to secure Hong Kong Wuzhou’s repayment will be fully released after the loan and interest under these facilities have been fully performed and discharged. The BOCOM Loan in the amount of HK\$100 million was settled in January 2013 through the drawing from the CMBC Facility. The SCC Advance was settled in May 2013.

Wuxi Zhongnan

On March 20, 2012, Wuxi Wuzhou Investment transferred its 100% interests in Wuxi Zhongnan to Wuxi Wuzhou Ornament City for a consideration of RMB36.614 million. The consideration was fully settled and was determined by reference to the paid-up registered capital of the company. Upon completion of the transfer, Wuxi Zhongnan is 100% held by Wuxi Wuzhou Ornament City.

Wuxi Longxiang

On April 26, 2012, Wuxi Wuzhou Investment transferred its 51% interest in Wuxi Longxiang to Wuxi Wuzhou Ornament City for a consideration of RMB10.2 million. The consideration was fully settled and was determined by reference to the paid-up registered capital of the company. The remaining 49% interests in Wuxi Longxiang are held by Wenzhou Xiangfeng Property Sales and Planning Co., Ltd. (溫州祥豐房產營銷策劃有限公司), Jiangsu Meijie Economic & Trading Co., Ltd. (江蘇美傑經貿有限公司), Jiangsu Caixin Trading Co., Ltd. (江蘇彩鑫貿易有限公司), Changzhou Jianzhen

HISTORY AND REORGANIZATION

Commerce & Trading Co., Ltd. (常州健臻商貿有限公司) and Changzhou Chongfei Commerce & Trading Co., Ltd. (常州崇飛商貿有限公司), who are independent third parties.

Wuxi Longan

On June 5, 2012, Wuxi Wuzhou Investment transferred its 52.4% interest in Wuxi Longan to Wuxi Wuzhou Ornament City for a consideration of RMB33.186 million. The consideration was fully settled and was determined by reference to the cost of investment which was contributed by Wuxi Wuzhou Investment to acquire its interest in Wuxi Longan. On the same day, Shenzhen Five Continents transferred its 11.9% interest in Wuxi Longan to Wuxi Wuzhou Ornament City for a consideration of RMB7.536 million. The consideration was fully settled and was determined by reference to the cost of investment which was contributed by Shenzhen Five Continents to acquire its interest in Wuxi Longan. Also on the same day, Shenzhen Five Continents further transferred 11.9%, 12.8915% and 10.9085% interests in Wuxi Longan to Shanghai Heheyicheng Investment Consulting Co., Ltd. (上海合和易誠投資顧問有限公司), Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. (深圳市僑城假日投資發展有限公司) and Wuxi Henglid Investment Advisory Co., Ltd. (無錫恒利德投資諮詢有限公司) for a consideration of RMB7.14 million, RMB7.7349 million and RMB6.5451 million respectively. Upon completion of the transfers, Wuxi Longan is 64.3% held by Wuxi Wuzhou Ornament City. The remaining 35.7% interest in Wuxi Longan is held by Shanghai Heheyicheng Investment Consulting Co., Ltd., 11.9%, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd., 12.8915% and Wuxi Henglid Investment Advisory Co., Ltd., 10.9085%. The consideration was fully settled and was determined by reference to the corresponding value of the registered capital of the equity interest acquired.

Wuxi Business Management

On December 22, 2011, Wuxi Wuzhou Investment transferred its 100% interest in Wuxi Business Management to Wuzhou Business Operation for a consideration of RMB5 million. Upon completion of the transfer, Wuxi Business Management is 100% held by Wuzhou Business Operation. The consideration was fully settled and was determined by reference to the registered capital of Wuxi Business Management at the time of the transfer. The above transfer was properly and legally completed and settled. As the transfer comprises part of the internal reorganization for the purpose of preparing us for the Global Offering, our Directors consider that the use of the registered capital as the basis of consideration for the transfer was fair and reasonable.

Wuzhou Business Operation

On December 19, 2011, our executive Director Shu Cewan transferred his 0.98% interest in Wuzhou Business Operation to Wuxi Wuzhou Ornament City for a consideration of RMB0.49 million. The consideration was fully settled and was determined by reference to the registered capital of Wuzhou Business Operation at the time of the transfer. The transfer was properly and legally completed and settled. As the transfer comprises part of the internal reorganization for the purpose of preparing us for the Global Offering, our Directors consider that the use of the registered capital as the basis of consideration for the transfer was fair and reasonable.

Upon completion of the transfer, Wuzhou Business Operation is 100% held by Wuxi Wuzhou Ornament City.

Yancheng Wuzhou

On May 16, 2012, Huang Xufeng (黃徐鋒), who is a director of Yancheng Wuzhou and a general manager of Xuyi Wuzhou, transferred his 10% interest in Yancheng Wuzhou to Wuxi Wuzhou Ornament City for a consideration of RMB2 million. The consideration was fully settled and was determined by reference to the registered capital of Yancheng Wuzhou at the time of the transfer. The

HISTORY AND REORGANIZATION

transfer was properly and legally completed and settled. Upon completion of the transfer, Yancheng Wuzhou is 100% held by Wuxi Wuzhou Ornament City.

Compliance with PRC Laws

Global Law Office, our Group's PRC legal adviser, has confirmed that with regard to the Reorganization of our Group's onshore companies, both the Provisions on Changes in Equity Interests of Foreign Investment Enterprise Investors (外商投資企業投資者股權變更的若干規定) and Interim Provisions on Foreign Investment Enterprise Onshore Investment (外商投資企業境內投資的暫行規定) are applicable, whereas Provisions on Foreign Investors Acquiring Onshore Enterprise (關於外國投資者併購境內企業的規定) is not applicable. Global Law Office's opinion is based on (i) Wuxi Wuzhou Ornament City being recognized as a foreign-invested enterprise after obtaining all the necessary governmental approvals and consents pursuant to the Interim Provisions on Foreign Investors Acquiring Onshore Enterprise prior to September 8, 2006, when the Provisions on Foreign Investors Acquiring Onshore Enterprise became effective; and (ii) Hangzhou Longan was established through foreign direct investment instead of acquisition and Hangzhou Longan has not conducted any connected acquisition since its establishment. Global Law Office has also confirmed that there is no need to seek CSRC's approval in relation to the Listing pursuant to Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (國務院關於進一步加強在境外發行股票和上市管理的通知).

Global Law Office is of the view that our Reorganization complies with applicable PRC laws and regulations. Except for the approvals that have already been obtained, there is no need to obtain other consents, approvals, authorizations or orders from MOFCOM, CSRC or other Chinese government departments to implement our Reorganization.

In addition, Global Law Office is of the opinion that our development of specialized wholesale markets and multi-functional commercial complexes is not subject to any restrictions under the Catalog of Guidance on Industries for Foreign Investment (外商投資產業指導目錄).

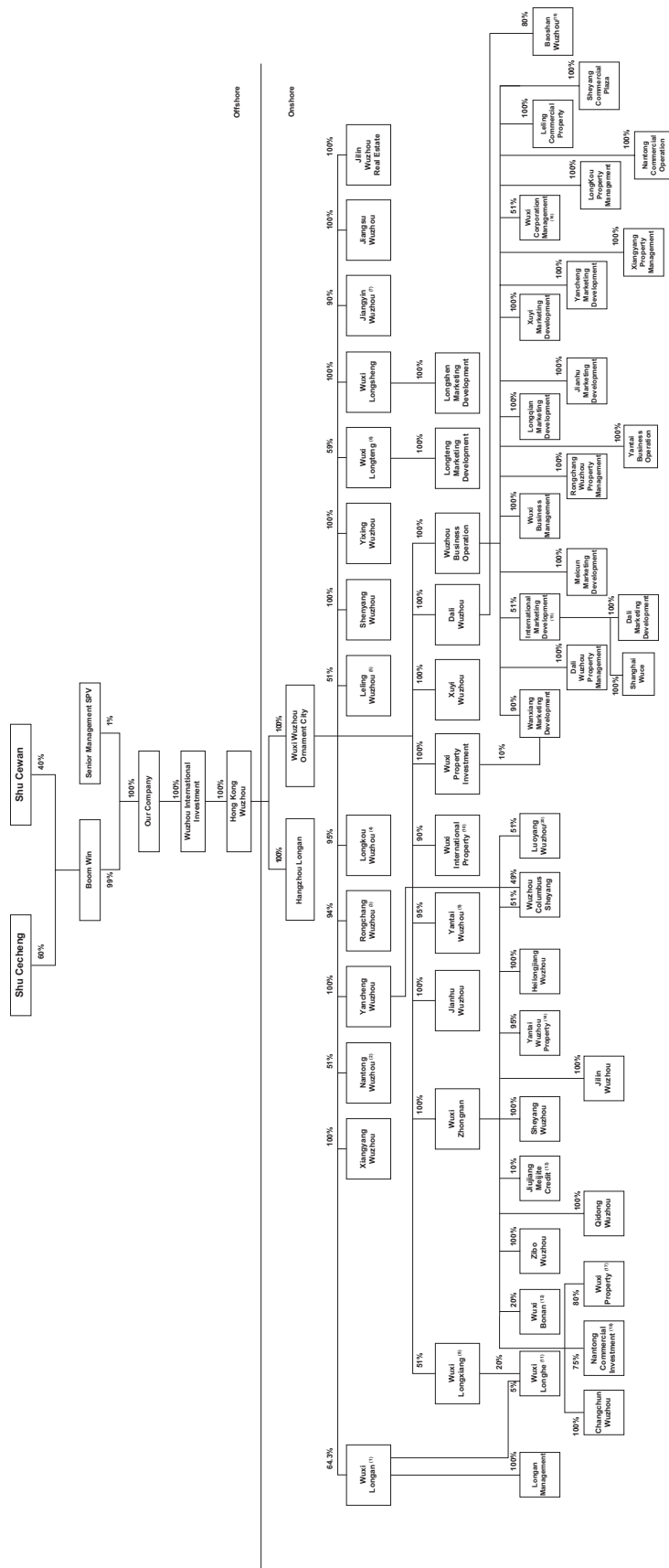
Acting in concert

Shu Cecheng and Shu Cewan have been the major shareholders of the then-subsiaries of our Group prior to Reorganization. They have held our Group's subsidiaries and acted in concert in the policy-making, operation, management and all major decision-making of our Group based on mutual trust, cooperation and agreement. Shu Cecheng and Shu Cewan entered into a deed of acting in concert on September 20, 2012 to confirm and record this arrangement. Pursuant to the deed, Shu Cecheng and Shu Cewan agreed that this arrangement will continue after Listing and their shareholdings in the Group companies were regarded collectively before and after Reorganization.

Corporate and shareholding structure prior to the Global Offering

The corporate structure of our Group immediately after the completion of the above steps of the Reorganization, but before the completion of the Global Offering, is illustrated as follows:

HISTORY AND REORGANIZATION



HISTORY AND REORGANIZATION

Notes:

1. The remaining interests in Wuxi Longan are owned by Shanghai Heheyicheng Investment Consulting Co., Ltd.* (上海合和易誠投資顧問有限公司), 11.9%, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd.* (深圳市僑城假日投資發展有限公司), 12.8915% and Wuxi Henglide Investment Advisory Co., Ltd.* (無錫恒利德投資諮詢有限公司), approximately 10.9085%. Shanghai Heheyicheng Investment Consulting Co., Ltd. is owned by Xi Wenguan (席文官), 99% and Xi Fuguan (席福官), 1%. Xi Wenguan is a director of Wuxi Longteng and Wuxi Longan while Xi Fuguan is the brother of Xi Wenguan. Wuxi Henglide Investment Advisory Co., Ltd. is owned by Sun Xudong (孫旭東) and Sun Xuchu (孫旭初), each 50%. Sun Xudong is a director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan, while Sun Xuchu is the brother of Sun Xudong. To the best of our knowledge, save as being a shareholder of Wuxi Longan, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. is an independent third party.
2. The remaining interests in Nantong Wuzhou are owned by Nantong Zhongjia Investment Co., Ltd. (南通中嘉投資有限公司), 21%, Jiangsu Jinfan Investment Co., Ltd.* (江蘇金帆投資有限公司), 18% and Nantong Zhonglian Investment Co., Ltd.* (南通鐘聯投資有限公司), 10%. To the best of our knowledge, save as being a shareholder of Nantong Wuzhou, these entities are independent third parties.
3. The remaining interests in Rongchang Wuzhou are owned by Ye Jiawu (葉家武), 5% and Ye Ruihui (葉瑞惠), 1%. Ye Jiawu is a deputy general manager of Rongchang Wuzhou. To the best of our knowledge, save as being a shareholder of Rongchang Wuzhou, Ye Ruihui is an independent third party.
4. The remaining 5% interest in Longkou Wuzhou is owned by Changzhou Qituo Commercial & Trading Co., Ltd.* (常州啓拓商貿有限公司). To the best of our knowledge, save as being a shareholder of Longkou Wuzhou, this entity is an independent third party.
5. The remaining interests in Leling Wuzhou are owned by Xia Shouping (夏守平), 25% and Zhejiang Haoyang Property Co., Ltd.* (浙江浩洋置業有限公司), 24%. Xia Shouping is a general manager of Leling Wuzhou. To the best of our knowledge, save as being a shareholder of Leling Wuzhou, Zhejiang Haoyang Property Co., Ltd. is an independent third party.
6. The remaining interests in Wuxi Longteng are owned by Shenzhen Five Continents, 41%, which is ultimately owned by Xi Wenguan (席文官), 25%, Sun Xudong (孫旭東), 22.917%, our executive Director Shu Cecheng, 25%, and Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd.* (深圳市僑城假日投資發展有限公司), 27.083%. Xi Wenguan is a director of Wuxi Longteng and Wuxi Longan while Sun Xudong is a director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan. To the best of our knowledge, save as being a shareholder of Shenzhen Five Continents, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. is an independent third party.
7. The remaining 10% interest in Jiangyin Wuzhou is owned by Changzhou Wanjie Construction Materials Co., Ltd.* (常州市萬傑建材有限公司). To the best of our knowledge, save as being a shareholder of Jiangyin Wuzhou, this entity is an independent third party.
8. The remaining interests in Wuxi Longxiang are owned by Wenzhou Xiangfeng Property Sales and Planning Co., Ltd.* (溫州祥豐房產營銷策劃有限公司), 15%, Jiangsu Meijie Commercial & Trading Co., Ltd.* (江蘇美傑經貿有限公司), 11%, Jiangsu Caixin Trading Co., Ltd.* (江蘇彩鑫貿易有限公司), 10%, Changzhou Jianzhen Commercial & Trading Co., Ltd.* (常州健臻商貿有限公司), 8% and Changzhou Chongfei Commercial & Trading Co., Ltd. (常州崇飛商貿有限公司), 5%. To the best of our knowledge, save as being a shareholder of Wuxi Longxiang, these entities are independent third parties.
9. The remaining 5% interest in Yantai Wuzhou is owned by Xu Xuefei (徐雪飛). Xu Xuefei is a director of Longkou Wuzhou and a deputy general manager of Yantai Wuzhou.
10. The remaining 10% interest in Wuxi International Property is owned by Wuxi Jinhongsheng Investment Co., Ltd.* (無錫市金鴻盛投資有限公司). To the best of our knowledge, save as being a shareholder of Wuxi International Property, this entity is an independent third party.
11. The remaining interests in Wuxi Longhe are owned by Wuxi Guangyi Construction & Development Group Co., Ltd.* (無錫廣益建設發展集團有限公司), 70% and Wuxi Wuzhou Investment, 5%, which is ultimately owned by Shu Cecheng and Shu Cewan. To the best of our knowledge, save as being a shareholder of Wuxi Longhe, Wuxi Guangyi Construction & Development Group Co., Ltd. is an independent third party.
12. The remaining 80% interest in Wuxi Bonan is owned by Wuxi Industrial Exposition Investment & Development Co., Ltd.* (無錫市工業博覽園投資發展有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Bonan, this entity is an independent third party.

HISTORY AND REORGANIZATION

13. The remaining interests in Jiujiang Meijite Credit are owned by Jiujiang Huadong Industrial Co., Ltd.* (九江華東實業有限公司) 20%, Shanghai Yibang Property Co., Ltd.* (上海意邦置業有限公司) 10%, Zhangjiagang Jiuzhou Home Ornament City (Market) Co., Ltd.* (張家港九洲家居裝飾城(市場)有限公司) 10%, Jiujiang Lushan Chengtuo (Group) Co., Ltd.* (九江市廬山區城投(集團)有限公司) 10%, Jiujiang Lianhua Industrial & Trading Co., Ltd.* (九江縣聯華工貿有限公司) 10%, Jiujiang Jinding Investment Co., Ltd.* (九江市金鼎投資有限公司) 10%, Xu Xiyuan (許細員) 10% and Xu Chenghui (許承慧) 10%. Xu Xiyuan is also a director of Jiujiang Meijite Credit. To the best of our knowledge, save as being a shareholder of Jiujiang Meijite Credit, the remaining person and entities are independent third parties.
14. The remaining 5% interest in Yantai Wuzhou Property is owned by Changzhou Qituo Commercial & Trading Co., Ltd.* (常州啓拓商貿有限公司). Save as being a shareholder of Yantai Wuzhou Property, this entity is an independent third party.
15. The remaining interests in International Marketing Development are owned by Li Feng (李峰), 19%, who is our senior management, Zhu Mingfu (朱明付) 13%, He Hongsheng (何紅生) 9% and Chen Zhenhua (陳振華) 8%. Zhu Mingfu is also a director and deputy general manager of International Marketing Development and director of Dali Marketing Development. He Hongsheng is a deputy general manager of International Marketing Development and Longkou Wuzhou while Chen Zhenhua is a deputy general manager of International Marketing Development.
16. The remaining 49% interest in Wuxi Corporation Management is owned by Lu Yilong (陸奕龍), who is also a general manager of Wuxi Corporation Management.
17. The remaining 20% interest in Wuxi Property is owned by Jiangsu Fubao Investment Management Co., Ltd.* (江蘇福寶投資管理有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Property, this entity is an independent third party.
18. The remaining 20% interest in Nantong Commercial Investment is owned by Nantong Zesheng Investment Co., Ltd.* (南通澤盛投資有限公司), and Wuxi Weihe Information Consulting Co., Ltd.* (無錫唯禾信息諮詢有限公司) as to 5%. To the best of our knowledge, save as being a shareholder of Nantong Commercial Investment, these entities are independent third parties.
19. The remaining 20% interest in Baoshan Wuzhou is owned by Mr. Wang Jin Long. To the best of our knowledge, save as being a shareholder of Baoshan Wuzhou, Mr. Wang Jin Long is an independent third party.
20. The remaining interests in Luoyang Wuzhou are owned by Shanghai Jinsheng Lighting Company Limited (上海金聖燈飾有限公司) 30% and Shanghai Liye Construction Company Limited (上海理冶建築工程有限公司), 19%. To the best of our knowledge, save as being a shareholder of Luoyang Wuzhou, each of these shareholders is an independent third party.

Subdivision of Shares and Increase of Authorized Share Capital

On August 13, 2012, our Company increased its authorized share capital from US\$50,000 divided into 5,000,000 Shares of par value of US\$0.01 each, to US\$100,000,000 divided into 10,000,000,000 Shares of par value of US\$0.01 each. Also on the same day, our Company issued and allotted 3,422,161,913 Shares to Boom Win. For more information, please refer to the section headed “History and Reorganization — Reorganization — Offshore reorganization—Capitalization”.

Corporate and Shareholding Structure Following the Completion the Global Offering

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the shareholding and corporate structure of our Group will be as follows:

HISTORY AND REORGANIZATION

Notes:

1. The remaining interests in Wuxi Longan are owned by Shanghai Heheyicheng Investment Consulting Co., Ltd.* (上海合和易誠投資顧問有限公司), 11.9%, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd.* (深圳市僑城假日投資發展有限公司), 12.8915% and Wuxi Henglide Investment Advisory Co., Ltd.* (無錫恒利德投資諮詢有限公司), 10.9085%. Shanghai Heheyicheng Investment Consulting Co., Ltd. is owned by Xi Wenguan (席文官), 99% and Xi Fuguan (席福官), 1%. Xi Wenguan is a director of Wuxi Longteng and Wuxi Longan while Xi Fuguan is the brother of Xi Wenguan. Wuxi Henglide Investment Advisory Co., Ltd. is owned by Sun Xudong (孫旭東) and Sun Xuchu (孫旭初) each 50%. Sun Xudong is a director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan, while Sun Xuchu is the brother of Sun Xudong. To the best of our knowledge, save as being a shareholder of Wuxi Longan, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. is an independent third party.
2. The remaining interests in Nantong Wuzhou are owned by Nantong Zhongjia Investment Co., Ltd.* (南通中嘉投資有限公司), 21%, Jiangsu Jinfan Investment Co., Ltd.* (江蘇金帆投資有限公司), 18% and Nantong Zhonglian Investment Co., Ltd.* (南通鐘聯投資有限公司), 10%. To the best of our knowledge, save as being a shareholder of Nantong Wuzhou, these entities are independent third parties.
3. The remaining interests in Rongchang Wuzhou are owned by Ye Jiawu (葉家武), 5% and Ye Ruihui (葉瑞惠), 1%. Ye Jiawu is a deputy general manager of Rongchang Wuzhou. To the best of our knowledge, save as being a shareholder of Rongchang Wuzhou, Ye Ruihui is an independent third party.
4. The remaining 5% interest in Longkou Wuzhou is owned by Changzhou Qituo Commercial & Trading Co., Ltd.* (常州啓拓商貿有限公司). To the best of our knowledge, save as being a shareholder of Longkou Wuzhou, this entity is an independent third party.
5. The remaining interests in Leling Wuzhou are owned by Xia Shouping (夏守平), 25% and Zhejiang Haoyang Property Co., Ltd.* (浙江浩洋置業有限公司), 24%. Xia Shouping is a general manager of Leling Wuzhou. To the best of our knowledge, save as being a shareholder of Leling Wuzhou, Zhejiang Haoyang Property Co., Ltd. is an independent third party.
6. The remaining interests in Wuxi Longteng are owned by Shenzhen Five Continents, 41%, which is ultimately owned by Xi Wenguan (席文官), 25%, Sun Xudong (孫旭東), 22.917%, our executive Director Shu Cecheng, 25%, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd.* (深圳市僑城假日投資發展有限公司), 27.083%. Xi Wenguan is a director of Wuxi Longteng and Wuxi Longan while Sun Xudong is a director of Wuxi Longsheng, Longan Management, Wuxi Longteng, Longteng Marketing Development and Wuxi Longan. To the best of our knowledge, save as being a shareholder of Shenzhen Five Continents, Shenzhen Qiaocheng Holiday Investment & Development Co., Ltd. is an independent third party.
7. The remaining 10% interest in Jiangyin Wuzhou is owned by Changzhou Wanjie Construction Materials Co., Ltd.* (常州市萬傑建材有限公司). To the best of our knowledge, save as being a shareholder of Jiangyin Wuzhou, this entity is an independent third party.
8. The remaining interests in Wuxi Longxiang are owned by Wenzhou Xiangfeng Property Sales and Planning Co., Ltd.* (溫州祥豐房產營銷策劃有限公司), 15%, Jiangsu Meijie Commercial & Trading Co., Ltd.* (江蘇美傑經貿有限公司), 11%, Jiangsu Caixin Trading Co., Ltd.* (江蘇彩鑫貿易有限公司), 10%, Changzhou Jianzhen Commercial & Trading Co., Ltd.* (常州健臻商貿有限公司), 8% and Changzhou Chongfei Commercial & Trading Co., Ltd. (常州崇飛商貿有限公司), 5%. To the best of our knowledge, save as being a shareholder of Wuxi Longxiang, these entities are independent third parties.
9. The remaining 5% interest in Yantai Wuzhou is owned by Xu Xuefei (徐雪飛). Xu Xuefei is a director of Longkou Wuzhou and a deputy general manager of Yantai Wuzhou.
10. The remaining 10% interest in Wuxi International Property is owned by Wuxi Jinhongsheng Investment Co., Ltd.* (無錫市金鴻盛投資有限公司). To the best of our knowledge, save as being a shareholder of Wuxi International Property, this entity is an independent third party.
11. The remaining interests in Wuxi Longhe are owned by Wuxi Guangyi Construction & Development Group Co., Ltd.* (無錫廣益建設發展集團有限公司), 70% and Wuxi Wuzhou Investment, 5%, which is ultimately owned by Shu Cecheng and Shu Cewan. To the best of our knowledge, save as being a shareholder of Wuxi Longhe, Wuxi Guangyi Construction & Development Group Co., Ltd. is an independent third party.
12. The remaining 80% interest in Wuxi Bonan is owned by Wuxi Industrial Exposition Investment & Development Co., Ltd.* (無錫市工業博覽園投資發展有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Bonan, this entity is an independent third party.

HISTORY AND REORGANIZATION

13. The remaining interests in Jiujiang Meijite Credit are owned by Jiujiang Huadong Industrial Co., Ltd.* (九江華東實業有限公司), 20%, Shanghai Yibang Property Co., Ltd.* (上海意邦置業有限公司), 10%, Zhangjiagang Jiuzhou Home Ornament City (Market) Co., Ltd.* (張家港九洲家居裝飾城(市場)有限公司), 10%, Jiujiang Lushan Chengtuo (Group) Co., Ltd.* (九江市廬山區城投(集團)有限公司), 10%, Jiujiang Lianhua Industrial & Trading Co., Ltd.* (九江縣聯華工貿有限公司), 10%, Jiujiang Jinding Investment Co., Ltd.* (九江市金鼎投資有限公司), 10%, Xu Xiyuan (許細員), 10% and Xu Chenghui (許承慧), 10%. Xu Xiyuan is also a director of Jiujiang Meijite Credit. To the best of our knowledge, save as being a shareholder of Jiujiang Meijite Credit, the remaining person and entities are independent third parties.
14. The remaining 5% interest in Yantai Wuzhou Property is owned by Changzhou Qituo Commercial & Trading Co., Ltd.* (常州啟拓商貿有限公司). Save as being a shareholder of Yantai Wuzhou Property, this entity is an independent third party.
15. The remaining interests in International Marketing Development are owned by Li Feng (李峰), who is our senior management, 19%, Zhu Mingfu (朱明付), 13%, He Hongsheng (何紅生), 9% and Chen Zhenhua (陳振華), 8%. Zhu Mingfu is also a director and deputy general manager of International Marketing Development and director of Dali Marketing Development. He Hongsheng is a deputy general manager of International Marketing Development and Longkou Wuzhou while Chen Zhenhua is a deputy general manager of International Marketing Development.
16. The remaining 49% interest in Wuxi Corporation Management is owned by Lu Yilong (陸奕龍), who is also a general manager of Wuxi Corporation Management.
17. The remaining 20% interest in Wuxi Property is owned by Jiangsu Fubao Investment Management Co., Ltd.* (江蘇福寶投資管理有限公司). To the best of our knowledge, save as being a shareholder of Wuxi Property, this entity is an independent third party.
18. The remaining interests in Nantong Commercial Investment are owned by Nantong Zesheng Investment Co., Ltd.* (南通澤盛投資有限公司), 20%, and Wuxi Weihe Information Consulting Co., Ltd.* (無錫唯禾信息諮詢有限公司), 5%. To the best of our knowledge, save as being a shareholder of Nantong Commercial Investment, these entities are independent third parties.
19. The remaining 20% interest in Baoshan Wuzhou is owned by Mr. Wang Jin Long. To the best of our knowledge, save as being a shareholder of Baoshan Wuzhou, Mr. Wang Jin Long is an independent third party.
20. The remaining interests in Luoyang Wuzhou are owned by Shanghai Jinsheng Lighting Company Limited (上海金聖燈飾有限公司), 30% and Shanghai Liye Construction Company Limited (上海理冶建築工程有限公司), 19%. To the best of our knowledge, save as being a shareholder of Luoyang Wuzhou, each of these shareholders is an independent third party.