
HISTORY AND CORPORATE STRUCTURE

OUR HISTORY AND DEVELOPMENT

Origins and History

Our Group was founded in 1999 when Mr. Shum, our founding shareholder and one of our executive Directors, together with Mr. Guan, one of our executive Directors, jointly established a project company, namely Sweetland Real Estate to engage in the residential property development project, Sweetland (翠逸家園) in Guangzhou City. In October 1999, Mr. Shum established Times Development Group, as an investment holding company. From 2001 to 2003, Times Development Group together with Sweetland Real Estate, through a project company engaged in the development of another residential property development project, Times Laguna Garden (時代花園), in Guangzhou City.

In March 2000, Mr. Shum together with Ms. Li established Hong Kong Times Investments. In May 2001, Hong Kong Times Investment, together with Guangzhou Bairun Real Estate Co., Ltd. (廣州百潤置業有限公司), an Independent Third Party, established Times Group, a Sino-foreign co-operative joint venture. On July 30, 2007, Times Group was converted into a wholly foreign owned enterprise upon the exit of Guangzhou Bairun Real Estate Co., Ltd.

In 2007, we commenced a series of reorganization steps to consolidate our property development business.

With the development and expansion of our businesses, Mr. Shum set up or acquired a series of operating subsidiaries and project companies in the PRC through Times Development Group and Times Group and contributed the necessary financial resources to such subsidiaries to facilitate their real estate-related operations. The businesses of those operating subsidiaries and project companies include property development, property leasing and property management. As of September 30, 2013, we had a total of 28 residential property projects at various stages of development. See the section entitled “Business — Description of Our Projects” in this prospectus for more details of these projects and land interests.

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The following is a summary of our Group's key business development milestones:

- 1999
 - Sweetland Real Estate was established and engaged in the residential property development project, Sweetland (翠逸家園) in Guangzhou City.
 - Times Development Group (formally known as Guangzhou Times Investment Development Co., Ltd.) was established.
- 2000
 - Hong Kong Times Investments was incorporated.
- 2001
 - Times Group (formerly known as Guangzhou Times Mingyuan Real Estate Development Co., Ltd.) was established.
- 2004
 - We began to form our competitive strength and define ourselves as a “Life Stylist” (生活藝術家).
- 2006
 - We started to enter into the residential property development market in Foshan City through the establishment of Guangdong Shengyu and the development of Times King City (Foshan).
 - We were awarded “China Real Estate Enterprise Top 200 (Among Top 100)” (中國房地產企業200強(前100強)) by Institute for Urban and Environment Studies Chinese Academy of Social Sciences (中國社會科學院城市發展與環境研究中心), Chinese Real Estate Enterprises Federation (中華全國房地產企業聯合會) and China Real Estate Entrepreneurs Association (中房企業家協會).
- 2007
 - We started to enter into the residential property development market in Zhongshan City through the acquisition of Zhongshan Kaixuan and the development of Times Mont Blanc (Zhongshan).
 - We started to enter into the residential property development market in Zhuhai City through the acquisition of Zhuhai Zhongzhu and the development of Times Laguna (Zhuhai).
 - We started to enter into the residential property development market in Qingyuan City through the development of Fogang Shilian Project.
 - Our Company was incorporated in the Cayman Islands.
- 2009
 - We were awarded “China Real Estate Enterprise Top 200 Golden Globe Award (Rank No. 25)” (中國房地產企業200強金球獎(第25名)) by Institute for Urban and Environmental Studies Chinese Academy of Social Sciences (中國社會科學院城市發展與環境研究中心), Chinese Real Estate Enterprises Federation (中華全國房地產企業聯合會) and China Real Estate Entrepreneurs Association (中房企業家協會).
- 2011
 - We started to enter into the residential property development market in Changsha City through the acquisition of Foshan Jiefengli and Shenzhen Jinhaidi and we indirectly held 50% equity interest in Changsha Meiguiyuan.
 - Times King City (Changsha) was developed by Changsha Meiguiyuan.

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- 2012
 - We were awarded Guangdong Province Trustworthy Enterprise for ten consecutive years (2002-2011) (連續十年(2002-2011) 廣東省守合同重信用企業) by GAIC.
 - We were awarded Qualification Certificate for Property Management Enterprise in the PRC (First Class) (國家一級物業服務企業資質證書) by the Ministry of Housing and Urban-Rural Development of the PRC.
- 2013
 - We were awarded “2013 China’s Top 50 Real Estate Developers” (Rank No.35) (2013 中國房地產開發企業50強(第35名)) by China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心).
 - We were awarded “2013 China Real Estate Development Enterprise Comprehensive Development Top 10 (2013 中國房地產開發企業綜合發展10強) by China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Evaluation Center (中國房地產測評中心).

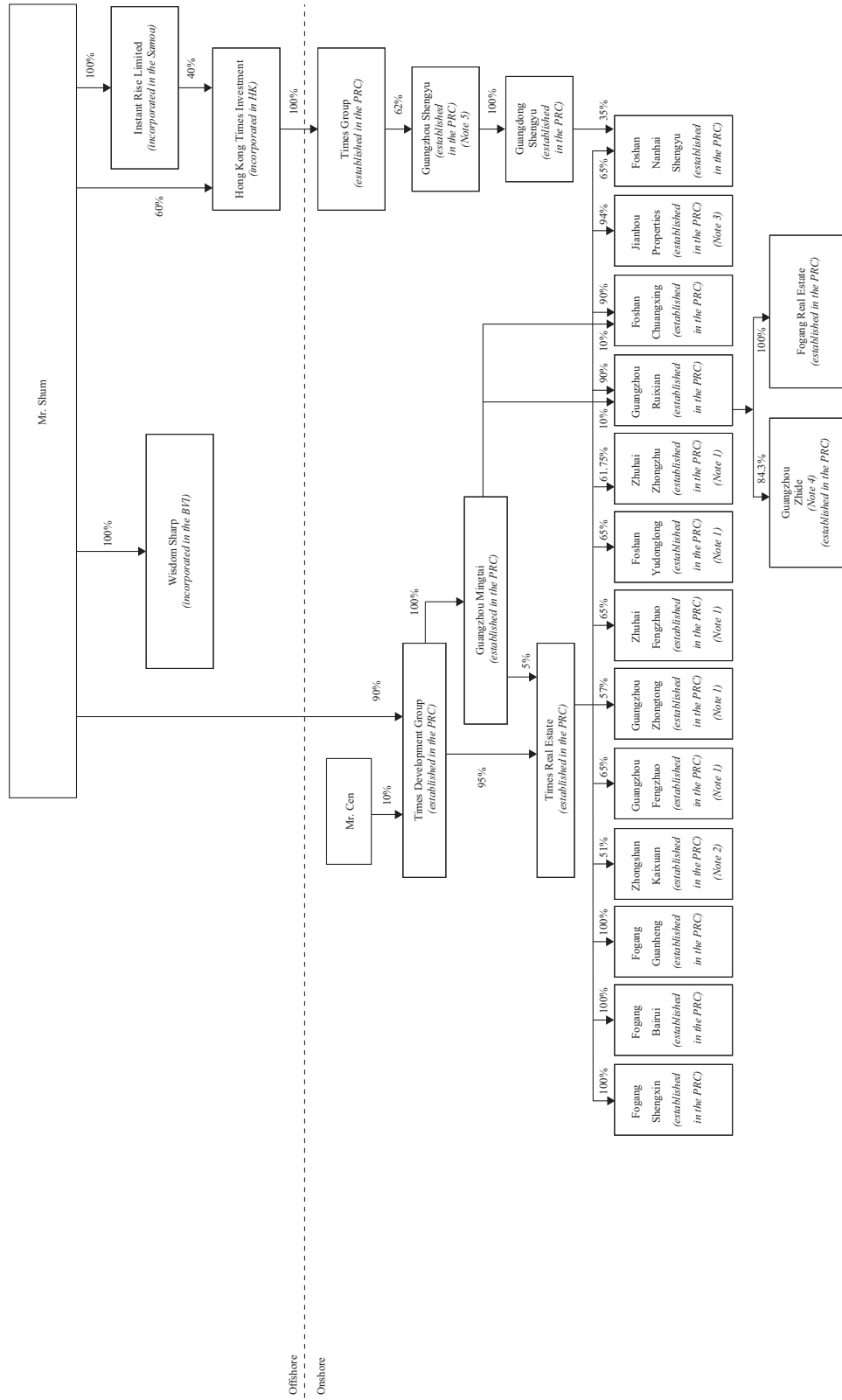
Core Management Team

We have adopted a centralized management model, under which all our PRC operating subsidiaries and project companies are under the control and supervision of our core management team headed by Mr. Shum and consists of Mr. Guan, Mr. Bai Xihong, Mr. Li Qiang, Mr. Cen, Mr. Niu Jimin, Mr. Liu Yongshao and Mr. Tao Chengjiang (the “**Core Management Team**”). All the members of the Core Management Team have been with us throughout the Track Record Period (except for Mr. Niu Jimin, who joined us in March 2011). All important business decisions of our PRC operating subsidiaries and project companies, including but not limited to, business operations, land acquisition and project development, planning and sale, were made by the Core Management Team, which was responsible for our results during the Track Record Period. It is expected that the Core Management Team will continue to be involved in the management of our Group after the Global Offering.

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OUR REORGANIZATION

Immediately prior to the Reorganization, our corporate structure was as follows:



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Notes:

- (1) Zhuhai Baifuchen held 35%, 43%, 30%, 30% and 28.5% of the equity interest in each of Guangzhou Fengzhuo, Guangzhou Zhongtong, Zhuhai Fengzhuo, Foshan Yudonglong and Zhuhai Zhongzhu, respectively. Guangzhou Bolang, an Independent Third Party, held 5%, 5% and 4.75% of the equity interest in each of Zhuhai Fengzhuo, Foshan Yudonglong and Zhuhai Zhongzhu, respectively. Zhongzhu Holdings, an Independent Third Party, has 5% interest in Zhuhai Zhongzhu.
- (2) The remaining 49% equity interest in Zhongshan Kaixuan was owned by Mr. Yu Shunhui (余順輝), Mr. Yang Zhijun (楊志君) and Mr. Yang Lijun (楊立君) in the proportion of 17%, 16% and 16%, respectively. All of them are Independent Third Parties save for the equity interest aforesaid.
- (3) Jianhou Properties was owned as to 5% by Guangzhou Hourun and 1% by Ms. Lou Ruyu (樓汝于). Both of them are Independent Third Parties.
- (4) Guangzhou Zhide was owned as to 15.7% by Mr. Yao Xusheng (姚旭升), an Independent Third Party save for the equity interest aforesaid.
- (5) Guangzhou Shengyu was owned as to 30% by Zhuhai Baifuchen and 8% by Guangzhou Bolang. Both of them were Independent Third Parties at the relevant time save for the equity interest aforesaid.

Specifically, the Reorganization consisted of the following steps:

Establishment of Our Company to acquire and hold interest in our Group

On November 14, 2007, our Company was incorporated in the Cayman Islands to act as the holding company of all the businesses and operations of our Group. The initial authorized share capital of our Company was HK\$380,000 divided into 3,800,000 Shares of HK\$0.10 each. Upon incorporation, its share capital was held as to 100 Shares by Mr. Shum nil-paid.

On December 6, 2007, Mr. Shum transferred 81 nil-paid Shares he owned in the issued share capital of our Company to Renowned Brand, a BVI company wholly owned by Mr. Shum; and 19 nil-paid Shares he owned in the issued share capital of our Company to East Profit, a BVI company wholly owned by Ms. Li. After completion of the transfer, our Company was owned as to 81% by Renowned Brand and 19% by East Profit.

On December 6, 2007, our Company acquired three shares in the share capital of Wisdom Sharp from Mr. Shum. The consideration of which was satisfied by crediting as fully settled the 81 nil-paid Shares held by Renowned Brand and the 19 nil-paid Shares held by East Profit and the issue of 81 Shares to Renowned Brand and 19 Shares to East Profit as directed by Mr. Shum.

On October 18, 2013, Renowned Brand transferred 42 shares it owned in the issued share capital of Asiaciti Enterprises to East Profit. After completion of the transfer, Asiaciti Enterprises was owned as to 60% by Renowned Brand and 40% by East Profit.

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Establishment of Our Holding Company

On November 8, 2007, Asiaciti Enterprises was set up and its entire issued share capital was held as to 81 shares by Renowned Brand and 19 shares by East Profit. On December 21, 2007, Asiaciti Enterprises acquired 162 Shares held by Renowned Brand and 38 Shares held by East Profit in the issued share capital of our Company, the consideration of which was satisfied by Asiaciti Enterprises allotting and issuing 81 shares to Renowned Brand and 19 shares to East Profit. No shareholders' agreement has been entered into between Renowned Brand and East Profit in respect of their ownership in Asiaciti Enterprises.

Incorporation of BVI Intermediate Holding Companies

On March 22, 2006, Wisdom Sharp was incorporated and the authorized share capital of Wisdom Sharp was US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Upon incorporation, its entire issued share capital was held by Mr. Shum.

On May 25, 2007, Million Sensor was incorporated and the authorized share capital of Million Sensor was US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Upon incorporation, its entire issued share capital was held by Wisdom Sharp.

On June 14, 2007, Heaven Town was incorporated and the authorized share capital of Heaven Town was US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Upon incorporation, its entire issued share capital was held by Wisdom Sharp.

On September 13, 2007, Grand Highway was incorporated and the authorized share capital of Grand Highway was US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Upon incorporation, its entire issued share capital was held by Wisdom Sharp.

On September 21, 2007, Venus Tower was incorporated and the authorized share capital of Venus Tower was US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. Upon incorporation, its entire issued share capital was held by Wisdom Sharp.

Offshore Acquisition and Disposal

(a) Hong Kong Times Investments

On November 7, 2007, Grand Highway acquired 60% and 40% of the issued share capital in Hong Kong Times Investments from Mr. Shum and Instant Rise Limited, a company wholly owned by Mr. Shum, at HK\$111,600,000 and HK\$74,400,000, respectively. The consideration for the acquisition was determined after an arm's length negotiation with reference to the value of Hong Kong Times Investment as appraised by the parties, which was settled on December 6, 2007. After the transfer, 100% of the issued share capital in Hong Kong Times Investments is held by Grand Highway.

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(b) Times Development (HK)

By an instrument of transfer and bought and sold notes (and subsequently amended) all dated November 7, 2007, Heaven Town acquired 50% of the issued share capital in Times Development (HK) from Mr. Shum at HK\$8,660,000. The consideration for the acquisition was determined after an arm's length negotiation with reference to the value of Times Development (HK) as appraised by the parties, which was fully settled. After the transfer, 50% of the issued share capital in Times Development (HK) is registered in the name of Heaven Town and 50% of the issued share capital is registered in the name of Mr. Huang Zhi Min (黃志敏), an Independent Third Party.

(c) Wah Tai

On November 7, 2007, Million Sensor acquired 51% and 49% of the issued share capital in Wah Tai from Independent Third Parties, Mr. Huang Zhi Xin (黃志新) and Mr. Guan Anzhi (關安芝), respectively, for consideration of HK\$45,900 and HK\$44,100, respectively, which was determined after an arm's length negotiation with reference to the value of Wah Tai as appraised by the parties, which was fully settled. After the transfer, 100% of issued share capital in Wah Tai was held by Million Sensor.

(d) Steelmine Minerals

On February 6, 2008, Venus Tower acquired 55%, 30% and 15% of the issued share capital and related shareholder's loan in the sum of HK\$25,658,928 in Steelmine Minerals from Independent Third Parties, Mr. Feng Zhi Hong (馮志洪), Mr. Liu Chun Bo (劉純波) and Mr. Fung Chun Kit, Edmond (馮俊傑), respectively, for an aggregate amount of approximately RMB479,061,098, which was determined after an arm's length negotiation with reference to the value of Steelmine Minerals as appraised by the parties, which was fully settled. After the transfer, 100% of issued share capital in Steelmine Minerals was held by Venus Tower.

(e) Heaven Town

At the time of acquisition of 50% of the issued share capital in Times Development (HK) from Mr. Shum as referred to in (b) above, our intention was to acquire the remaining 50% of the issued share capital in Times Development (HK) from Mr. Huang Zhi Min (黃志敏). However, Mr. Huang Zhi Min later intended to retain his 50% of the issued share capital in Times Development (HK). Accordingly, on February 13, 2008, Wisdom Sharp disposed of its 100% of the issued share capital in Heaven Town (which held 50% of the issued share capital in Times Development (HK)) to Mr. Zeng Man Cheng (曾滿呈), an Independent Third Party, for consideration of HK\$9,446,000, which was determined after an arm's length negotiation with reference to the value of Heaven Town as appraised by the parties, which was fully settled. Upon completion of the disposal, both Heaven Town and Times Development (HK) ceased to be subsidiaries of our Company.

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(f) Profit City

On January 9, 2009, Hong Kong Times Investments acquired approximately 99.9999% and 0.0001% of the issued share capital in Profit City from Jianlibao Holdings (H.K.) Company Limited and Fai Yin Investment Company Limited (both of them are Independent Third Parties), respectively, for an aggregate amount of RMB10,000,000, which was determined after an arm's length negotiation and with reference to the value of the assets held by Profit City and was fully settled. After the transfer, 100% of the issued share capital in Profit City was held by Hong Kong Times Investments.

Onshore Acquisition and Disposal

As part of the Reorganization, our Group has carried out numerous acquisitions and disposals, details of which are summarized below. Save as specifically disclosed in the prospectus, (i) the purpose of the acquisitions from and disposals to Independent Third Parties is to foster business development of the Group and to complement our existing business and (ii) the purposes of the acquisitions from and disposals to members of the Group are to streamline corporate structure of the Group and to rationalize the management of the Group.

(a) Acquisition by Times Real Estate and Guangzhou Shengyu of the remaining interests in operating subsidiaries and project companies

Prior to the acquisition, Times Real Estate held either the entire interests or the majority interests of various operating subsidiaries and project companies, with the minority interests of which were held by Independent Third Parties at the relevant time, namely Zhuhai Baifuchen, Guangzhou Bolang, Mr. Yu Shun Hui (余順輝), Mr. Yang Zhijun (楊志君), Mr. Yang Lijun (楊立君), Guangzhou Hourun, Ms. Lou Ruyu (樓汝于), Mr. Yao Xusheng (姚旭升) and Zhongzhu Holdings or by Guangzhou Mingtai, a wholly owned subsidiary of Times Development Group.

On October 10, 2007, Times Real Estate acquired the entire interest in Fogang Real Estate from its subsidiary, Guangzhou Ruixian, for consideration of RMB3,000,000 which was determined based on the then registered capital of Fogang Real Estate and has been fully settled. On October 16, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired 10% equity interest in Guangzhou Ruixian from Guangzhou Mingtai for consideration of RMB350,000 which was determined based on the then registered capital of Guangzhou Ruixian and was fully settled. On October 25, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired 10% equity interest in Foshan Chuangxing from Guangzhou Mingtai for consideration of RMB1,000,000, which was determined based on the then registered capital of Foshan Chuangxing and was fully settled. After the acquisitions, all of Fogang Real Estate, Guangzhou Ruixian and Foshan Chuangxing became wholly owned subsidiaries of Times Real Estate. As Foshan Chuangxing did not commence business, Foshan Chuangxing was deregistered on December 11, 2009.

On November 10, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired 28.5% and 4.75% equity interest in Zhuhai Zhongzhu from Zhuhai Baifuchen and Guangzhou Bolang for consideration of RMB2,850,000 and RMB475,000,

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respectively, which was determined by reference to the then registered capital of Zhuhai Zhongzhu and was fully settled. On March 28, 2008, a sale and purchase agreement was entered into whereby Times Real Estate acquired 5% equity interest in Zhuhai Zhongzhu from Zhongzhu Holdings for consideration of RMB500,000, which was determined by reference to the then registered capital of Zhuhai Zhongzhu and was fully settled. Upon the completion of the acquisition, Zhuhai Zhongzhu becomes a wholly owned subsidiary of our Company.

On November 10, 2007, sale and purchase agreements were entered into whereby Times Real Estate acquired from Zhuhai Baifuchen the minority equity interests in each of Guangzhou Fengzhuo (35%), Guangzhou Zhongtong (43%) and Foshan Yudonglong (30%) for consideration of RMB10,500,000, RMB12,900,000 and RMB600,000, respectively, which was determined by reference to each of the relevant company's then registered capital and was fully settled. On the same date, a sale and purchase agreement was entered into whereby Times Real Estate acquired 5% equity interest in Foshan Yudonglong from Guangzhou Bolang for consideration of RMB100,000 which was determined based on the nominal value of the then registered capital of Foshan Yudonglong and was fully settled. Upon the completion of the acquisitions, all such companies became wholly owned subsidiaries of Times Real Estate. As the projects developed by Guangzhou Zhongtong and Guangzhou Fengzhuo were completed, Guangzhou Zhongtong and Guangzhou Fengzhuo were deregistered on June 7, 2013 and November 9, 2010, respectively.

On October 12, 2007, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired from Zhuhai Baifuchen (30%) and Guangzhou Bolang (5%) the minority equity interests in Zhuhai Fengzhuo for consideration of RMB3,000,000 and RMB500,000, respectively, which was determined by reference to the then registered capital of Zhuhai Fengzhuo and was fully settled. Upon the completion of the acquisition, Zhuhai Fengzhuo becomes a wholly owned subsidiary of our Company.

On November 27, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired from Mr. Yu Shunhui (余順輝), Mr. Yang Zhijun (楊志君) and Mr. Yang Lijun (楊立君) an aggregate of 49% of equity interest in Zhongshan Kaixuan for an aggregate consideration of RMB4,900,000, respectively, which was determined after an arm's length negotiation and with reference to the then registered capital in Zhongshan Kaixuan and was fully settled. Upon the completion of the above acquisition, Zhongshan Kaixuan becomes a wholly owned subsidiary of our Company.

Times Real Estate transferred the entire interest in Fogang Real Estate, Guangzhou Ruixian, Zhuhai Zhongzhu, Foshan Yudonglong and Zhongshan Kaixuan to Guangzhou Shengyu for consideration of RMB30,000,000, RMB3,500,000, RMB10,000,000, RMB20,000,000 and RMB10,000,000 on July 1, 2011, August 22, 2011, June 20, 2011, June 20, 2011 and July 8, 2011, respectively which was determined based on the then registered capital of Fogang Real Estate, Guangzhou Ruixian, Zhuhai Zhongzhu, Foshan Yudonglong and Zhongshan Kaixuan and each of the consideration was fully settled.

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(b) Acquisition by Times Group of 38% equity interest in Guangzhou Shengyu and the subsequent disposal and acquisition by Times Real Estate of the entire equity interest in Guangzhou Shengyu

On November 10, 2007, a sale and purchase agreement was entered into whereby Times Group acquired 30% and 8% equity interests in Guangzhou Shengyu from Zhuhai Baifuchen and Guangzhou Bolang for consideration of RMB36,000,000 and RMB9,600,000, respectively, which was determined after an arm's length negotiation and with reference to the then registered capital in Guangzhou Shengyu and have been fully settled. On November 25, 2009, a sale and purchase agreement was entered into whereby Times Real Estate acquired 100% equity interest from Times Group in Guangzhou Shengyu for consideration of RMB120,000,000, which was determined based on the then registered capital of Guangzhou Shengyu and was fully settled. Upon the completion of the acquisition, Guangzhou Shengyu became a wholly owned subsidiary of Times Real Estate. On November 18, 2011, Times Real Estate transferred 100% equity interest in Guangzhou Shengyu to Guangzhou Bolang, an Independent Third Party except being a nominee shareholder of certain subsidiaries of our Company, as a nominee for the benefit of Times Real Estate. The entrustment arrangement aforesaid was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. As the 2011 arbitration was about to conclude and following the execution of the Payment Deed, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on January 20, 2012, and 100% equity interest in Guangzhou Shengyu was transferred back to Times Real Estate. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement aforesaid are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled "History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements."

(c) Acquisition by Times Group of the entire interest in Times Real Estate

On November 13, 2007, a sale and purchase agreement was entered into whereby Times Group acquired the entire interest in Times Real Estate from Times Development Group and Guangzhou Mingtai for consideration of RMB237,500,000 and RMB12,500,000, respectively, which was determined based on the then registered capital of Times Real Estate and was fully settled. Upon the completion of the acquisition, Times Real Estate became a wholly owned subsidiary of Times Group. On September 13, 2010, Times Group transferred 100% equity interest in Times Real Estate to Guangzhou Bolang, an Independent Third Party at the relevant time, as a nominee for the benefit of Times Group. On November 30, 2010, Guangzhou Bolang transferred 100% equity interest in Times Real Estate to Guangzhou Qinxin Investment Co., Ltd ("Guangzhou Qinxin"), an Independent Third Party at the relevant time, as a nominee for the benefit of Times Group.

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The entrustment arrangements aforesaid were made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. As the 2011 arbitration was about to conclude, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on April 5, 2011, and 100% equity interest in Times Real Estate was transferred back to Times Group. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreements aforesaid are legal and valid under PRC Laws. Further details of the dispute and the subsequent resolution are set out under the section entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements.”

(d) Acquisition by Guangdong Shengyu of 65% equity interest in Foshan Nanhai Shengyu

On November 14, 2007, a sale and purchase agreement was entered into whereby Guangdong Shengyu acquired 65% equity interest in Foshan Nanhai Shengyu from Times Real Estate for consideration of RMB650,000, which was determined based on the then registered capital of Foshan Nanhai Shengyu and was fully settled. Upon the completion of the acquisition, Foshan Nanhai Shengyu becomes a wholly owned subsidiary of Guangdong Shengyu.

(e) Acquisition by Guangzhou Shengyu of the entire interest in Guangzhou Minhua

On November 20, 2009, a sale and purchase agreement was entered into whereby Times Real Estate acquired 100% equity interest in Guangzhou Minhua from Wah Tai for consideration of RMB364,307,750, which was determined based on the then registered capital of Guangzhou Minhua and was fully settled. On February 2, 2010, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 10% equity interest in Guangzhou Minhua from Times Real Estate for consideration of RMB58,680,000, which was determined based on the then registered capital of Guangzhou Minhua and was fully settled. On June 29, 2011, the capital of Guangzhou Minhua was reduced from RMB586,800,000 to RMB364,307,750, after which Guangzhou Shengyu ceased to be a shareholder of Guangzhou Minhua, and Guangzhou Minhua was held as to 100% by Times Real Estate. On July 8, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Guangzhou Minhua from Times Real Estate for consideration of RMB364,307,750, which was determined based on the then registered capital of Guangzhou Minhua and was fully settled. Upon the completion of the acquisition, Guangzhou Minhua becomes a wholly owned subsidiary of Guangzhou Shengyu.

(f) Acquisition by Fogang Guanheng of 50% equity interest in Foshan Yuhua and the subsequent acquisition by Guangzhou Shengyu in Foshan Yuhua

Foshan Yuhua was held as to 50% by Steelmine Minerals and as to 50% by Foshan Guanglian Industrial Development Limited (佛山市南海廣聯實業發展有限公司) (“**Foshan Nanhai**”). For the purpose of developing property project in Foshan, on January 16, 2008, a sale and purchase agreement was entered into whereby Fogang Guanheng acquired 50% equity

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interest and the related shareholder's loan in Foshan Yuhua from Foshan Nanhai, an Independent Third Party, for consideration of RMB233,938,902.48, which was determined after an arm's length negotiation with reference to the then value of Foshan Yuhua as appraised by the parties, and was fully settled.

On March 26, 2008, a sale and purchase agreement was entered into whereby Steelmine Minerals acquired 50% equity interest in Foshan Yuhua from Fogang Guanheng for consideration of RMB24,000,000, which was determined based on the then registered capital of Foshan Yuhua and was fully settled. On December 28, 2009, a sale and purchase agreement was entered into whereby Times Real Estate acquired 100% equity interest from Steelmine Minerals in Foshan Yuhua for consideration of RMB48,000,000, which was determined based on the then registered capital of Foshan Yuhua and was fully settled. On June 20, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Foshan Yuhua from Times Real Estate for consideration of RMB48,000,000, which was determined based on the then registered capital of Foshan Yuhua and was fully settled. Upon the completion of the acquisition, Foshan Yuhua becomes a wholly owned subsidiary of Guangzhou Shengyu.

(g) Acquisition by Fogang Yongsheng of the entire interest in Fogang Zhongyi

On February 1, 2008, for a property development project in Qingyuan City, a sale and purchase agreement was entered into whereby Fogang Yongsheng acquired the entire interest in Fogang Zhongyi from Dingtai (Fogang) Real Estate Development Company Limited (鼎太(佛岡)房地產開發有限公司), an Independent Third Party, for consideration of RMB82,225,000, which was determined based on the then registered capital of Fogang Zhongyi and was fully settled. Such that after the acquisition, Fogang Zhongyi becomes a wholly owned subsidiary of our Company.

(h) Acquisition by Times Real Estate of the entire interest in Times Property Management

On March 10, 2008, a sale and purchase agreement (as amended by a supplemental agreement dated March 12, 2008) was entered into whereby Times Real Estate acquired the entire interest in Times Property Management from Mr. Yao Xu Sheng (姚旭升), an Independent Third Party at the time of the transaction, and Mr. Guan Anzhi (關安芝), an Independent Third Party at the time of the transaction, respectively, for considerations of RMB24,400 and RMB6,100, respectively, which have been fully settled. The consideration involved was based on the then net asset value of Times Property Management. For the purpose of the Group's business development, on November 27, 2009, a sale and purchase agreement was entered into whereby Guangzhou Huaya acquired 100% equity interest in Times Property Management from Times Real Estate for consideration of RMB3,000,000, which was determined based on the then registered capital of Times Property Management and was fully settled. Upon the completion of the acquisition, Times Property Management becomes a wholly owned subsidiary of Guangzhou Huaya.

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(i) Disposal of Guangzhou Zhide to an Independent Third Party and subsequent acquisition of Guangzhou Zhide by Guangzhou Yongtai

On October 10, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired the entire interest in Guangzhou Zhide from Guangzhou Ruixian and Mr. Yao Xusheng (姚旭升), an Independent Third Party at the time of the transaction, for consideration of RMB2,950,000 and RMB550,000, respectively. On December 20, 2007, a sale and purchase agreement was entered into whereby Times Real Estate transferred the entire interest in Guangzhou Zhide to Guangzhou Beike Trading Limited (廣州市貝科貿易有限公司) (“**Guangzhou Beike**”), an Independent Third Party, for consideration of RMB3,500,000, which we received on January 5, 2008. Upon completion of the disposal, Guangzhou Zhide ceased to be a subsidiary of our Company.

Prior to the disposal of Guangzhou Zhide, Guangzhou Zhide was engaged in the business of property management and leasing. It did not provide any property management services to the residential property projects developed by us. As property management and leasing were not our core business, we disposed of Guangzhou Zhide in January 2008.

On January 28, 2010, a sale and purchase agreement was entered into whereby Ms. Guan Wanji (關婉姬), Mr. Cen Jiancai (岑建財) and Mr. Cen acquired 35%, 35% and 30% equity interest in Guangzhou Zhide from Guangzhou Beike for consideration of RMB10,500,000, RMB10,500,000 and RMB9,000,000, respectively, which was fully settled. In order to facilitate the business expansion of Guangzhou Zhide, certain subsidiaries of our Company agreed to act as guarantors of certain loan agreements entered into by Guangzhou Zhide. In light of the proposed Listing and in order to minimize the number of continuing connected transactions between Guangzhou Zhide and our Group, on December 17, 2012, three sale and purchase agreements were entered into whereby Guangzhou Yongtai acquired 35%, 35% and 30% equity interest in Guangzhou Zhide from Ms. Guan Wanji, Mr. Cen Jiancai and Mr. Cen for consideration of RMB3,500,000, RMB3,500,000 and RMB3,000,000, respectively, which was determined after an arm’s length negotiation and by reference to a valuation report and was fully settled. Upon completion of the acquisition, Guangzhou Zhide becomes a wholly owned subsidiary of our Company.

(j) Acquisition by Guangzhou Shengyu and Times Real Estate of the entire interest in Shenzhen Jinhaidi and Foshan Jiefengli

On January 6, 2011, a sale and purchase agreement was entered into whereby Times Real Estate acquired 80% equity interest in Shenzhen Jinhaidi from Mr. Luo Weiwen (羅偉文) for consideration of RMB317,112,000 which was determined after an arm’s length negotiation with reference to the value of Shenzhen Jinhaidi as appraised by the parties, and was fully settled. On the same date, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 20% equity interest in Shenzhen Jinhaidi from Mr. Luo Zhiwen (羅志文) for consideration of RMB79,278,000, which was determined after an arm’s length negotiation with reference to the value of Shenzhen Jinhaidi appraised by the parties. Both Mr. Luo Weiwen and Mr. Luo Zhiwei are Independent Third Parties. Upon the completion of the acquisition, Shenzhen Jinhaidi is held as to 80% by Times Real Estate and 20% by Guangzhou Shengyu.

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On December 28, 2010, three sale and purchase agreements were entered into whereby Times Real Estate acquired 40% equity interest in Foshan Jiefengli from Mr. Luo Weiwen (羅偉文), 25% from Mr. He Shaofan (何少凡) and 10% from Mr. Luo Zhiwen (羅志文) for consideration of RMB39,676,000, RMB24,797,500 and RMB9,919,000, respectively, which was determined after an arm's length negotiation with reference to the value of Foshan Jiefengli appraised by the parties, and was fully settled. On the same date, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 25% equity interest in Foshan Jiefengli from Mr. He Shaoping (何少平), for consideration of RMB24,797,500, which was determined after an arm's length negotiation with reference to the value of Foshan Jiefengli as appraised by the parties, and was fully settled. Upon the completion of the acquisition, Foshan Jiefengli is held as to 75% by Times Real Estate and 25% by Guangzhou Shengyu. All of the individuals aforesaid are Independent Third Parties.

Shenzhen Jinhaidi and Foshan Jiefengli hold 40% and 10%, respectively, of the equity interest in Changsha Meiguiyuan and the purpose of the above acquisitions is for property development in Changsha City.

(k) Acquisition by Guangzhou Shengyu of the entire interest in Zhongshan Wanlian

On June 4, 2010, for property development in Zhongshan City, a sale and purchase agreement was entered into whereby Times Real Estate acquired 100% equity interest in Zhongshan Wanlian from Mr. Yang Lijun (楊立君), an Independent Third Party, for consideration of RMB1,000,000, which was determined after an arm's length negotiation by reference to the then registered capital of Zhongshan Wanlian, and was fully settled. On July 8, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Zhongshan Wanlian from Times Real Estate for consideration of RMB45,000,000, which was determined based on the then registered capital of Zhongshan Wanlian and was fully settled. Upon the completion of the acquisition, Zhongshan Wanlian becomes a wholly owned subsidiary of Guangzhou Shengyu.

(l) Acquisition by Guangzhou Shengyu of the entire interest in Guangzhou Donghe

On September 3, 2007, a sale and purchase agreement was entered into whereby Times Property Management acquired 36% equity interest in Guangzhou Donghe from Guangdong Jianlibao Group Co., Ltd. (廣東健力寶集團有限公司) for consideration of RMB25,523,581, which was determined after an arm's length negotiation, with reference to the value of Guangzhou Donghe as appraised by the parties, and was fully settled. On December 30, 2007, a sale and purchase agreement was entered into whereby Guangzhou Pairuan Technology Co., Ltd. (廣州市派軟科技有限公司) ("**Pairuan Technology**"), an Independent Third Party, acquired 36% equity interest in Guangzhou Donghe from Times Property Management for consideration of RMB25,523,581, which was determined after an arm's length negotiation with reference to the value of Guangzhou Donghe as appraised by the parties, and was fully settled. The disposal aforesaid was made at the time when the Company was applying for Listing and the Company was concerned with the possible implication of such acquisition to the then listing timetable of the Company. Since the proposed Listing was suspended in 2008, the

HISTORY AND CORPORATE STRUCTURE

Company re-launched the acquisition of Guangzhou Donghe. On December 26, 2008, a sale and purchase agreement was entered into whereby Times Real Estate acquired 36% equity interest in Guangzhou Donghe from Pairuan Technology for consideration of RMB87,355,712, which was determined after an arm's length negotiation with reference to the value of Guangzhou Donghe appraised by the parties, was fully settled. On November 20, 2009, a sale and purchase agreement was entered into whereby Times Real Estate acquired 64% equity interest in Guangzhou Donghe from Profit City for consideration of HK\$64,000,000, which was determined based on the then registered capital of Guangzhou Donghe and was fully settled, and upon completion of which Guangzhou Donghe became a wholly owned subsidiary of Times Real Estate. On June 21, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Guangzhou Donghe from Times Real Estate for consideration of RMB111,075,800, which was determined based on the then registered capital of Guangzhou Donghe and was fully settled. Upon the completion of the acquisition, Guangzhou Donghe becomes a wholly owned subsidiary of Guangzhou Shengyu.

(m) Acquisition by Guangzhou Shengyu of the entire interest in Guangzhou Fujie

On February 4, 2010, for property development in Guangzhou City, a sale and purchase agreement was entered into whereby Times Real Estate acquired 60% and 30% equity interest in Guangzhou Fujie from Foshan Sanshui Fugang Real Estate Development Co., Ltd. (佛山市三水富港房地產開發有限公司) and Mr. Chen Fudong (陳富東) for consideration of RMB6,000,000 and RMB3,000,000, respectively, which was determined after an arm's length negotiation with reference to the then registered capital of Guangzhou Fujie, and was fully settled. Both of Foshan Sanshui Fugang and Mr. Chen Fudong are Independent Third Parties. On May 7, 2010, a sale and purchase agreement was entered into whereby Times Real Estate acquired 10% equity interest in Guangzhou Fujie from Foshan Sanshui Fugang for consideration of RMB1,000,000, which was determined after an arm's length negotiation by reference to the then registered capital of Guangzhou Fujie, and was fully settled. On June 20, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Guangzhou Fujie from Times Real Estate for consideration of RMB10,000,000, which was determined based on the then registered capital of Guangzhou Fujie, and was fully settled. Upon the completion of the acquisition, Guangzhou Fujie becomes a wholly owned subsidiary of Guangzhou Shengyu.

(n) Acquisition by Guangzhou Shengyu of the entire equity interest in Zhuhai Jingrun

On November 5, 2010, a sale and purchase agreement was entered into whereby Guangzhou Bolang acquired 35%, 25%, 14%, 14%, 8%, 2%, 1% and 1% equity interest in Zhuhai Jingrun from Ms. Xie Aiqun (謝愛群), Ms. Han Wenjuan (韓文娟), Mr. Wu Tian (吳田), Mr. Chen Qiming (陳麒名), Mr. Li Zhonghong (李仲宏), Mr. Tan Guohui (譚國輝), Mr. Chen Jiasheng (陳傑勝) and Ms. Chen Xilan (陳喜蘭), all of whom are Independent Third Parties, for consideration of RMB14,099,638, RMB10,071,170, RMB5,639,855, RMB5,639,855, RMB3,222,774, RMB805,694, RMB402,847 and RMB402,847, respectively, which was determined after an arm's length negotiation with reference to the then registered capital of Zhuhai Jingrun paid up by the then shareholders of Zhuhai Jingrun, and was fully settled. On

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November 19, 2010, an entrustment agreement was entered into whereby Guangzhou Bolang, an Independent Third Party except being a nominee shareholder of certain subsidiaries of our Company, confirmed that 100% equity interest in Zhuhai Jingrun was held by it as a nominee for the benefit of Times Real Estate. Such entrustment arrangement was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. As the 2011 arbitration was about to conclude and following the execution of the Payment Deed, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on March 4, 2013. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement aforesaid are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements.”

On April 2, 2011, Guangzhou Bolang transferred 80% equity interest in Zhuhai Jingrun back to Times Real Estate. As a result of which, the entrustment arrangement with respect to 80% equity interest in Zhuhai Jingrun was terminated. On June 10, 2011, Guangzhou Shengyu acquired 80% equity interest in Zhuhai Jingrun from Times Real Estate for consideration of RMB35,040,000, which was determined based on the then registered capital of Zhuhai Jingrun and was fully settled. On March 4, 2013, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 20% equity interest in Zhuhai Jingrun from Guangzhou Bolang. As a result of which, the entrustment arrangement with respect to 20% equity interest in Zhuhai Jingrun was terminated. Upon the completion of the acquisition, 100% equity interest in Zhuhai Jingrun is held by Guangzhou Shengyu.

(o) Acquisition by Guangzhou Shengyu of 99% equity interest in Guangzhou Nanying and the subsequent entrusted loan arrangement

On August 15, 2009, a sale and purchase agreement was entered into whereby Guangzhou Hengde acquired 99% equity interest in Guangzhou Nanying from Jinteng Industrial Co., Ltd. (金騰實業有限公司) for consideration of RMB356,400,000, which was determined after an arm’s length negotiation with reference to the then registered capital of Guangzhou Nanying and was fully settled. On April 11, 2011, an equity transfer agreement was entered into whereby Guangzhou Hengde transferred 99% equity interest in Guangzhou Nanying to Guangzhou Shengyu for consideration of RMB356,400,000, which was determined based on the then registered capital of Guangzhou Nanying and was fully settled. After the transfer aforesaid, Guangzhou Nanying was held as to 99% by Guangzhou Shengyu and 1% by Zhuhai Special Economic Zone Nanying Industrial Co., Ltd. Guangzhou Office (珠海經濟特區南英實業有限公司廣州公司) (“**Zhuhai Nanying**”).

For the purpose of obtaining an entrusted loan in the sum of RMB500 million (the “**Entrusted Loan**”) by Guangzhou Nanying from Bank of China Limited Guangzhou Panyu Branch as the trustee bank entrusted by Wanlian Securities Company Limited (萬聯證券有限責任公司), the lender of the Entrusted Loan, and as security provided for the due repayment of the Entrusted Loan,

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China Orient Asset Management Corporation Shanghai Office (“**China Orient**”) acts as a guarantor of the Entrusted Loan. As security provided to China Orient for being the guarantor of the Entrusted Loan, on July 2, 2013, Guangzhou Shengyu transferred 20% equity interest in Guangzhou Nanying to Daye Trust Company Limited (大業信託有限責任公司) (“**Daye Trust**”) which will hold such equity interest on trust for China Orient. Upon the completion of the transfer, Guangzhou Nanying is held as to 79% by Guangzhou Shengyu, 20% by Daye Trust and 1% by Zhuhai Nanying. Our PRC legal advisers, Commerce & Finance, confirmed that the Entrusted Loan and the transfer of 20% equity interest in Guangzhou Nanying to Daye Trust as security under the Entrusted Loan are legal and valid under PRC Laws.

(p) Acquisition by Guangzhou Shengyu of the entire interest in Guangzhou Tianhe

On January 13, 2011, for property development in Guangzhou City, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 30% equity interest in Guangzhou Tianhe from Guangzhou Pige Industrial Co., Ltd. (廣州市皮革工業股份有限公司) (“**Guangzhou Pige**”), an Independent Third Party, for consideration of RMB300,000, which was determined after an arm’s length negotiation with reference to the then registered capital of Guangzhou Tianhe. On August 17, 2011, for property development in Guangzhou City, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 69% equity interest in Guangzhou Tianhe from Guangzhou Pige for consideration of RMB35,190,000 including the land held by Guangzhou Tianhe, which was determined after an arm’s length negotiation with reference to the then registered capital of Guangzhou Tianhe. The consideration of the sale and purchase agreements aforesaid was not paid and the agreements were supplemented by agreements dated June 5, 2013 and July 22, 2013 to the effect that, among others, (i) the remaining 1% equity interest in Guangzhou Tianhe would be transferred by Guangzhou Pige to Guangzhou Shengyu, and (ii) the total consideration the transfer of 100% equity interest was modified to RMB140,000,000, which would be settled in accordance with the terms of the supplemental agreements aforesaid and the last installment will be due on September 22, 2014. Upon the completion of the acquisition, Guangzhou Tianhe becomes a wholly owned subsidiary of Guangzhou Shengyu.

(q) Acquisition by Guangzhou Shengyu of the entire interest in Guangdong Guangchang

On November 1, 2012, pursuant to a capital increase and share transfer agreement dated September 28, 2012 entered into between Guangzhou Shengyu and Guangzhou Gaoying Taifu Real Estate Development Co., Ltd (廣州市高盈泰福房地產發展有限公司) (“**Gaoying Taifu**”), Guangzhou Shengyu settled an amount of RMB38,070,000 for the increase in the capital of Guangdong Guangchang. After the increase, Guangzhou Shengyu held 90% equity interest in Guangdong Guangchang, and the remaining 10% equity interest was held by Gaoying Taifu. On November 26, 2012, for property development in Guangzhou City, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 10% equity interest in Guangdong Guangchang from Gaoying Taifu for consideration of RMB15,000,000, which was fully settled. Upon the completion of the acquisition, Guangdong Guangchang becomes a wholly owned subsidiary of Guangzhou Shengyu.

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(r) Acquisition by Times Real Estate of 10% equity interest in Fogang Guanheng and the subsequent acquisition by Guangzhou Shengyu in Fogang Guanheng

On April 24, 2007, a sale and purchase agreement was entered into whereby Times Real Estate acquired 10% equity interest in Fogang Guanheng from Guangzhou Mingtai for consideration of RMB500,000, which was determined based on the then registered capital of Fogang Guanheng and was fully settled. On August 22, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Fogang Guanheng from Times Real Estate for consideration of RMB5,000,000, which was determined based on the then registered capital of Fogang Guanheng and was fully settled. Upon the completion of the acquisition, Fogang Guanheng becomes a wholly owned subsidiary of Guangzhou Shengyu.

(s) Acquisition by Guangzhou Shengyu of the entire interest in Zhuhai Guoji

On January 6, 2013, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 50% equity interest in Zhuhai Guoji from Mr. Yan Le (嚴樂), an Independent Third Party, for consideration of RMB2,500,000, which was determined after an arm's length negotiation with reference to the then registered capital of Zhuhai Guoji, and was fully settled. On July 5, 2013, two sale and purchase agreements were entered into whereby Guangzhou Shengyu acquired the remaining 40% and 10% equity interest in Zhuhai Guoji from Mr. Yan Le and Ms. Deng Fen, an Independent Third Party, respectively, for consideration of RMB2,000,000 and RMB500,000, respectively, which was determined after an arm's length negotiation with reference to the then registered capital of Zhuhai Guoji, and was fully settled. Upon the completion of the acquisition, Zhuhai Guoji becomes a wholly owned subsidiary of Guangzhou Shengyu.

(t) Acquisition by Guangzhou Zhide of 5% equity interest in Zhide Technology

Zhide Technology was owned as to 95.05% by Guangzhou Zhide and as to 4.95% by Mr. Zhang Jiasheng (張家盛), an Independent Third Party. On March 14, 2013, a sale and purchase agreement was entered into whereby Guangzhou Zhide acquired 4.95% equity interest in Zhide Technology from Mr. Zhang Jiasheng for consideration of RMB500,000, which was determined after an arm's length negotiation by reference to the then registered capital of Zhide Technology, and was fully settled. Upon the completion of the acquisition, Zhide Technology became a wholly owned subsidiary of Guangzhou Zhide.

(u) Acquisition by Guangzhou Shengyu of 51% equity interest in Zhuhai Jinwu

For the purpose of development of the Jinwu project in Zhuhai, on January 20, 2013, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 25% and 26% equity interest in Zhuhai Jinwu from Mr. Liu Chunguang (劉春光) and Shanghai Dingzhong Jianxin Investment Management Co., Ltd. (上海鼎眾建鑫投資管理有限公司) (“**Shanghai Dingzhong**”) for consideration of RMB250,000 and RMB260,000, respectively, which was determined after an arm's length negotiation by reference to the then registered capital of Zhuhai Jinwu, and was fully settled. Both Mr. Liu Chunguang and Shanghai Dingzhong are Independent Third Parties. Upon the completion of the acquisition, Zhuhai Jinwu is held as to 51% by Guangzhou Shengyu, 24% by Mr. Liu Chunguang and 25% by Shanghai Dingzhong.

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(v) Deregistration of Jianhou Properties

Prior to reorganization, Jianhou Properties was held as to 94% by Times Real Estate, 5% by Guangzhou Hourun and 1% by Ms. Lou Ruyu (樓汝于), an Independent Third Party. As Jianhou Properties did not commence any business, Jianhou Properties was deregistered on September 27, 2010.

(w) Acquisition by Guangzhou Shengyu of the entire interest in Foshan Meigui Huaye and Foshan Meiguiyuan

On May 27, 2013, a sale and purchase agreement was entered into whereby Times Real Estate acquired 70% equity interest in Foshan Meigui Huaye from Ms. Zhong Xingmei (鍾杏梅) for consideration of RMB196,546,000, which was determined after an arm's length negotiation with reference to the value of Foshan Meigui Huaye as appraised by the parties. On the same date, sale and purchase agreements were entered into whereby Guangzhou Shengyu acquired 18%, 5%, 5% and 2% equity interest in Foshan Meigui Huaye from Mr. Luo Zhiwen (羅志文), Mr. He Shaoping (何少平), Mr. He Shaofan (何少凡) and Ms. Luo Yuanping (羅苑萍), respectively, for consideration of RMB50,540,400, RMB14,039,000, RMB14,039,000 and RMB5,615,600, respectively, which was determined after an arm's length negotiation with reference to the value of Foshan Meigui Huaye as appraised by the parties. The consideration aforesaid was partly settled by installments in accordance with the respective terms of the sale and purchase agreements and the last installment will be due on November 26, 2013. All of the individuals aforesaid were, at the relevant time, Independent Third Parties. Upon the completion of the acquisition, Foshan Meigui Huaye becomes a wholly owned subsidiary of our Company.

On May 27, 2013, a sale and purchase agreement was entered into whereby Times Real Estate acquired 70% equity interest in Foshan Meiguiyuan from Ms. Zhong Xingmei (鍾杏梅) for consideration of RMB131,033,000, which was determined after an arm's length negotiation with reference to the value of Foshan Meiguiyuan as appraised by the parties, and was fully settled. On the same date, sale and purchase agreements were entered into whereby Guangzhou Shengyu acquired 18%, 5%, 5% and 2% equity interest in Foshan Meiguiyuan from Mr. Luo Zhiwen (羅志文), Mr. He Shaoping (何少平), Mr. He Shaofan (何少凡) and Ms. Luo Yuanping (羅苑萍), respectively, for consideration of RMB33,694,200, RMB9,359,500, RMB9,359,500 and RMB3,743,800, respectively, which was determined after an arm's length negotiation with reference to the value of Foshan Meiguiyuan as appraised by the parties, and was fully settled. All of the individuals aforesaid were, at the relevant time, Independent Third Parties. Upon the completion of the acquisition, Foshan Meiguiyuan becomes a wholly owned subsidiary of our Company. Foshan Meigui Huaye and Foshan Meiguiyuan hold 30% and 20%, respectively, of the equity interest in Changsha Meiguiyuan and the purpose of the above acquisitions is for property development in Changsha City.

HISTORY AND CORPORATE STRUCTURE

(x) Acquisition by Guangzhou Shengyu of the entire interest in Qingyuan Xilong

On April 12, 2010, for property development in Qingyuan City, a sale and purchase agreement was entered into whereby Times Real Estate acquired 50% equity interest in Qingyuan Xilong from Mr. Jiang Zhuoliang (江卓良), an Independent Third Party, for consideration of RMB2,500,000, which was determined after an arm's length negotiation by reference to the then registered capital of Qingyuan Xilong, and was fully settled. On July 5, 2010, a sale and purchase agreement was entered into whereby Times Real Estate acquired 50% equity interest in Qingyuan Xilong from Mr. Du Ruijian (杜銳堅), an Independent Third Party, for consideration of RMB2,500,000, which was determined after an arm's length negotiation by reference to the then registered capital of Qingyuan Xilong, was fully settled. On July 11, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Qingyuan Xilong from Times Real Estate for consideration of RMB5,000,000, which was determined based on the then registered capital of Qingyuan Xilong and was fully settled. Upon the completion of the acquisition, Qingyuan Xilong becomes a wholly owned subsidiary of Guangzhou Shengyu.

(y) Acquisition by Guangzhou Junbao of the entire interest in Guangzhou Tiansi and Guangzhou Tianlang

On February 20, 2013, a sale and purchase agreement was entered into whereby Guangzhou Junbao acquired 100% equity interest in Guangzhou Tiansi from Guangzhou Qingchu Group Co., Ltd. (廣州輕出集團股份有限公司) (“**Guangzhou Qingchu**”), an Independent Third Party, for consideration of RMB250,500,000 which was determined after an arm's length negotiation by reference to the value of Guangzhou Tiansi as appraised by the parties, and was fully settled. Upon the completion of the acquisition, Guangzhou Tiansi becomes a wholly owned subsidiary of Guangzhou Junbao.

On October 9, 2010, a sale and purchase agreement was entered into whereby Guangzhou Junbao acquired 30% equity interest in Guangzhou Tianlang from Guangzhou Tianlang Paint Chemical Co., Ltd. (廣州天朗塗料化工有限公司) (“**Tianlang Paint Chemical**”), an Independent Third Party, for consideration of RMB300,000, which was determined after an arm's length negotiation by reference to the then registered capital of Guangzhou Tianlang, and was fully settled. On November 22, 2010, a sale and purchase agreement was entered into whereby Guangzhou Junbao acquired 21% equity interest in Guangzhou Tianlang from Tianlang Paint Chemical for consideration of RMB210,000, which was determined after an arm's length negotiation with reference to the then registered capital of Guangzhou Tianlang, and was fully settled. On December 21, 2010, a sale and purchase agreement was entered into whereby Guangzhou Junbao acquired 49% equity interest in Guangzhou Tianlang from Tianlang Paint Chemical for consideration of RMB490,000, which was determined after an arm's length negotiation with reference to the then registered capital of Guangzhou Tianlang, and was fully settled. Upon the completion of the acquisition, Guangzhou Tianlang becomes a wholly owned subsidiary of Guangzhou Junbao and the above acquisition was for property development in Guangzhou City.

HISTORY AND CORPORATE STRUCTURE

(z) Acquisition by Fogang Shengxin of the entire interest in Fogang Xinlong and Fogang Runxin

On April 21, 2009, for business development reasons, a sale and purchase agreement was entered into whereby Fogang Shengxin acquired 50% equity interest in Fogang Xinlong from Mr. Lin Wenjin (林文錦) and the other 50% equity interest from Mr. Li Qipu (李啟普) for consideration of RMB50,000 and RMB50,000, respectively, which was determined after an arm's length negotiation with reference to the then registered capital of Fogang Xinlong, and was fully settled. Both Mr. Lin Wenjin and Mr. Li Qipu are Independent Third Parties. Upon the completion of the acquisition, Fogang Xinlong becomes a wholly owned subsidiary of Fogang Shengxin.

On August 10, 2009, for business development reasons, a sale and purchase agreement was entered into whereby Fogang Shengxin acquired 50% equity interest in Fogang Runxin from Mr. Zeng Rongjin (曾榮進) and the other 50% equity interest from Mr. Zeng Wenqing (曾文清) for consideration of RMB15,000 and RMB15,000, respectively, which was determined after an arm's length negotiation by reference to the then registered capital of Fogang Runxin, and was fully settled. Both of Mr. Zeng Rongjin and Mr. Zeng Wenqing are Independent Third Parties. Upon the completion of the acquisition, Fogang Runxin becomes a wholly owned subsidiary of Fogang Shengxin.

(aa) Acquisition by Times Real Estate of the 50% equity interest in Guangzhou Lvdi Baiyun

On June 19, 2013, a joint development agreement was entered into between Times Real Estate and Guangzhou Lvdi Real Estate Co., Ltd (“**Guangzhou Lvdi**”), which was supplemented by an agreement entered into between the same parties on June 28, 2013, whereby Times Real Estate acquired 50% equity interest of Guangzhou Lvdi Baiyun through increasing its registered capital from RMB10,000,000 to RMB20,000,000. Upon the completion of the capital increase, Guangzhou Lvdi Baiyun is held as to 50% by Times Real Estate and 50% by Guangzhou Lvdi, an Independent Third Party.

(bb) Disposal of Zhuhai Shengyuan

On September 26, 2009, a sale and purchase agreement was entered into between Guangzhou Tianyi and Zhuhai Yongji Investment Consultant Co., Ltd. (珠海永基投資顧問有限公司) (“**Zhuhai Yongji**”), an Independent Third Party whereby Guangzhou Tianyi acquired 49% interest in Zhuhai Shengyuan from Zhuhai Yongji for consideration of RMB490,000, which was determined after an arm's length negotiation among the parties by reference to the then registered capital of Zhuhai Shengyuan, and was fully settled. On March 27, 2013, a sale and purchase agreement was entered into between Guangzhou Tianyi and Pairuan Technology (as defined under paragraph(1) above in this section), an Independent Third Party, in relation to the disposal of 100% equity interest in Zhuhai Shengyuan to Pairuan Technology for consideration of RMB1,000,000, which was determined after an arm's length negotiation among the parties by reference to the then registered capital of Zhuhai Shengyuan, and was fully settled. Upon completion of the transfer, Zhuhai Shengyuan ceased to be a subsidiary of our Company.

HISTORY AND CORPORATE STRUCTURE

(cc) Disposal of Foshan Zhide Wangu

On March 26, 2013, a sale and purchase agreement was entered into between Guangzhou Zhide and Guangzhou Zhengyuan Investment Co., Ltd. (廣州市正元投資有限公司), an Independent Third Party, in relation to the disposal of 100% equity interest in Foshan Zhide Wangu, for consideration of RMB10,000 which was determined after an arm's length negotiation among the parties by reference to the net asset value of Foshan Zhide Wangu, and was fully settled. Upon completion of the transfer, Foshan Zhide Wangu ceased to be a subsidiary of our Company.

(dd) Disposal of Guangzhou Zhuorui

For the purpose of acquiring new project and new land, Guangzhou Zhuorui was established under the laws of the PRC on November 21, 2011 with a registered capital of RMB10,000,000. As at the date of its establishment, Guangzhou Zhuorui was wholly owned by Fogang Runxin. In relation to the trust financing in Zhuhai Jiayu, on November 11, 2013, a sale and purchase agreement was entered into whereby Zhongrong International Trust acquired 100% equity interest in Guangzhou Zhuorui from Fogang Runxin, for consideration of RMB10,000,000, which was determined after an arm's length negotiation among the parties by reference to the then registered capital of Guangzhou Zhuorui, and would be settled in accordance with the terms of the agreement aforesaid. See the section entitled "History and Corporate Structure — Our Reorganization — Establishment of Onshore Companies — (h) Establishment of Zhuhai Jiayu" for the details of the trust financing aforesaid. Upon completion of the transfer, Guangzhou Zhuorui ceased to be a subsidiary of our Company.

Establishment of Onshore Companies

(a) Establishment of Guangzhou Yongtai

For the preparation of acquiring new project and land, Guangzhou Yongtai was established under the laws of the PRC on June 22, 2011 with a registered capital of RMB11,000,000. At the time of its establishment, Guangzhou Yongtai was held as to 65% by Times Group and 35% by Guangzhou Bolang as a nominee for the benefit of Times Group. Guangzhou Bolang was an Independent Third Party except being a nominee shareholder of certain subsidiaries of our Company. Such entrustment arrangement was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. As the 2011 arbitration was about to conclude and following the execution of the Payment Deed, the entrustment arrangement was no longer necessary to the Group and hence it was terminated on March 6, 2013 and the 35% equity interest in Guangzhou Yongtai was transferred back to Times Group. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled "History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements."

HISTORY AND CORPORATE STRUCTURE

(b) Establishment of Guangzhou Tianyi

For the preparation of acquiring new project and land, Guangzhou Tianyi was established under the laws of the PRC on June 2, 2009 with a registered capital of RMB10,010,000. At the time of its establishment, Guangzhou Tianyi was wholly owned by Times Real Estate. On December 1, 2009, Times Group acquired 100% equity interest in Guangzhou Tianyi from Times Real Estate for consideration of RMB10,010,000, which was determined based on the then registered capital of Guangzhou Tianyi and was fully settled. On October 20, 2010, Times Group transferred 100% equity interest in Guangzhou Tianyi to Guangzhou Bolang as a nominee for the benefit of Times Group. Guangzhou Bolang was an Independent Third Party at the relevant time except being a nominee shareholder of another subsidiary of our Company. The entrustment arrangement aforesaid was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. On September 22, 2011, Guangzhou Bolang transferred 100% equity interest in Guangzhou Tianyi to Guangzhou Shengyu, as a result of which the entrustment arrangement with respect to 100% equity interest in Guangzhou Tianyi was terminated. As the 2011 arbitration was about to conclude, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on September 22, 2011. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements.”

(c) Establishment of Guangzhou Hongwei

For property development in Guangzhou City, Guangzhou Hongwei was established under the laws of the PRC on March 10, 2011 with a registered capital of RMB11,000,000. Since the time of its establishment, Guangzhou Hongwei is held as to 70% by Guangzhou Luogang District Jiulong Town Hongwei Village Economic Cooperatives (廣州市蘿崗區九龍鎮紅衛村經濟聯合社), an Independent Third Party, and 30% by Times Real Estate.

(d) Establishment of Guangzhou Hengde

For the purpose of acquiring Guangzhou Nanying, Guangzhou Hengde was established under the laws of the PRC on July 13, 2009 with a registered capital of RMB10,010,000. Since the time of its establishment, Guangzhou Hengde is held as to 70% by Times Real Estate and 30% by Guangzhou Hengde Investment Co., Ltd. (廣州市恒德投資有限公司), an Independent Third Party.

(e) Establishment of Guangzhou Hongtai

For the development of Ocean Times, Guangzhou Hongtai was established under the laws of the PRC on January 14, 2010 with a registered capital of RMB11,000,000. At the time of its establishment, Guangzhou Hongtai was wholly owned by Times Group. On February 9,

HISTORY AND CORPORATE STRUCTURE

2010, a sale and purchase agreement was entered into whereby Times Real Estate acquired 100% equity interest in Guangzhou Hongtai from Times Group for consideration of RMB11,000,000, which was determined based on the then registered capital of Guangzhou Hongtai and was fully settled. On June 21, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Guangzhou Hongtai from Times Real Estate for consideration of RMB11,000,000, which was determined based on the then registered capital of Guangzhou Hongtai and was fully settled. For the purpose securing the Financing (as defined below), on November 16, 2012, a sale and purchase agreement was entered into whereby Zhongshan Tianyue acquired 40% equity interest in Guangzhou Hongtai from Guangzhou Shengyu for consideration of RMB14,000,000, which was determined based on the then registered capital of Guangzhou Hongtai and was fully settled.

Zhongshan Tianyue was a wholly owned subsidiary of Guangzhou Shengyu and Guangzhou Hongtai is owned 40% by Zhongshan Tianyue and 60% by Guangzhou Shengyu. For the purpose of obtaining financing in the sum of RMB388.7 million (the “**Financing**”) by Guangzhou Hongtai from Shenzhen Ruici Chunhua Investment Corporation (Limited Partnership) (“**Ruici Chunhua**”) and Shenzhen Ruici Qiushi Investment Corporation (Limited Partnership) (“**Ruici Qiushi**”) (collectively, the “**Lenders**”), which are Independent Third Parties, and as security provided to the Lenders, two sale and purchase agreements were entered into on November 28, 2012 between (i) Guangzhou Shengyu and Ruici Chunhua, and (ii) Guangzhou Shengyu and Ruici Qiushi, respectively, for the purpose of disposing 100% equity interest in Zhongshan Tianyue held by Guangzhou Shengyu to Ruici Chunhua and Ruici Qiushi, for consideration of RMB5,000,000 and RMB5,000,000, respectively, which was determined after an arm’s length negotiation among the parties and was fully settled and formed part of the Financing. As part of the aforesaid Financing, upon due repayment of the Financing, Ruici Chunhua and Ruici Qiushi shall transfer 100% of the equity interest in Zhongshan Tianyue to Guangzhou Shengyu.

(f) Establishment of Guangzhou Junbao, Guangzhou Haorong

For the purpose of acquiring new project, Guangzhou Junbao was established under the laws of the PRC on July 8, 2010 with a registered capital of RMB10,010,000. At the time of its establishment, Guangzhou Junbao was held as to 70% by Times Real Estate and 30% by Guangzhou Dafushi Investment Co., Ltd. (廣州大富時投資有限公司) (formerly known as Guangzhou Guohui Logistics Co., Ltd. (廣州國匯物流有限公司)) (“**Guangzhou Dafushi**”), an Independent Third Party. On October 31, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 70% equity interest in Guangzhou Junbao from Times Real Estate for consideration of RMB7,007,000, which was determined based on the then registered capital of Guangzhou Junbao and was fully settled. Upon the completion of the acquisition, Guangzhou Junbao is held as to 70% Guangzhou Shengyu and 30% by Guangzhou Dafushi Investment Co., Ltd.

For the purpose of acquiring new project or new land, Guangzhou Haorong was established under the laws of the PRC on October 21, 2010 with a registered capital of RMB1,000,000. Since the time of its establishment, Guangzhou Haorong has been wholly owned by Guangzhou Junbao.

HISTORY AND CORPORATE STRUCTURE

(g) Establishment of Zhuhai Shenghui

For the purpose of acquiring new land in Zhuhai City, Zhuhai Shenghui was established under the laws of the PRC on December 6, 2012 with a registered capital of RMB10,000,000. Since the time of its establishment, Zhuhai Shenghui has been wholly owned by Guangzhou Shengyu.

(h) Establishment of Zhuhai Jiayu

For the purpose of acquiring new project or new land, Zhuhai Jiayu was established under the laws of the PRC on November 2, 2012 with a registered capital of RMB10,000,000. At the time of its establishment, Zhuhai Jiayu was wholly owned by Guangzhou Shengyu. For the purpose of securing the Trust Financing (as defined below), on October 8, 2013, a sale and purchase agreement was entered into whereby Guangzhou Zhuorui acquired 40% equity interest in Zhuhai Jiayu from Guangzhou Shengyu for consideration of RMB12,000,000, which was determined based on the then registered capital of Zhuhai Jiayu and was fully settled.

Upon the completion of the acquisition, Zhuhai Jiayu is held as to 40% by Guangzhou Zhuorui and 60% by Guangzhou Shengyu. Guangzhou Zhuorui was an indirect wholly owned subsidiary of Guangzhou Shengyu before November 11, 2013. For the purpose of obtaining trust financing in the sum of RMB450 million (the “**Trust Financing**”) by Zhuhai Jiayu from Zhongrong International Trust, which is an Independent Third Party, and as security provided to Zhongrong International Trust, a sale and purchase agreement was entered into on November 11, 2013 between Fogang Runxin and Zhongrong International Trust for the purpose of disposing 100% equity interest in Guangzhou Zhuorui held by Fogang Runxin to Zhongrong International Trust, for consideration of RMB10,000,000, which was determined after an arm’s length negotiation among the parties by reference to the then registered capital of Guangzhou Zhuorui and would be settled in accordance with the terms of the agreements aforesaid and formed part of the Trust Financing. As part of the Trust Financing, upon due repayment of the Trust Financing, Zhongrong International Trust shall, upon exercise of option by Guangzhou Shengyu, transfer 100% of the equity interest in Guangzhou Zhuorui to Guangzhou Shengyu.

(i) Establishment of Guangzhou Zichen

For the purpose of acquiring new project and new land, Guangzhou Zichen was established under the laws of the PRC on July 3, 2012 with a registered capital of RMB10,000,000. Since the time of its establishment, Guangzhou Zichen is held as to 80% by Guangzhou Shengyu and 20% by Zhuhai Tianchen Equity Investment Center (Limited Partnership) (珠海天宸股權投資中心(有限合夥)) (“**Zhuhai Tianchen**”), an Independent Third Party. On March 14, 2013, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 20% equity interest in Guangzhou Zichen from Zhuhai Tianchen for consideration of RMB2,000,000, which was determined after an arm’s length negotiation with reference to the then registered capital of Guangzhou Zichen, and was fully settled. Upon the completion of the acquisition, Guangzhou Zichen becomes a wholly owned subsidiary of Guangzhou Shengyu.

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(j) Establishment of Foshan Yongheng

For the purpose of acquiring new project and new land, Foshan Yongheng was established under the laws of the PRC on August 22, 2012 with a registered capital of RMB11,000,000. Since the time of its establishment, Foshan Yongheng has been wholly owned by Guangzhou Shengyu.

(k) Establishment of Fogang Shengxin and Fogang Bairui

Due to business development, Fogang Shengxin was established under the laws of the PRC on September 13, 2007 with a registered capital of RMB3,000,000. At the time of its establishment, Fogang Shengxin was wholly owned by Times Real Estate. On August 22, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Fogang Shengxin from Times Real Estate for consideration of RMB3,000,000, which was determined based on the then registered capital of Fogang Shengxin and was fully settled. Upon the completion of the acquisition, Fogang Shengxin becomes a wholly owned subsidiary of Guangzhou Shengyu.

Due to business development, Fogang Bairui was established under the laws of the PRC on September 28, 2007 with a registered capital of RMB3,000,000. At the time of its establishment, Fogang Bairui was wholly owned by Times Real Estate. On August 22, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Fogang Bairui from Times Real Estate for consideration of RMB3,000,000, which was determined based on the then registered capital of Fogang Bairui and was fully settled. Upon the completion of the acquisition, Fogang Bairui becomes a wholly owned subsidiary of Guangzhou Shengyu.

(l) Establishment of Fogang Yongsheng and Guangdong Shengyu

For the purpose of acquiring Fogang Zhongyi, Fogang Yongsheng was established under the laws of the PRC on January 11, 2008 with a registered capital of RMB3,000,000. At the time of its establishment, Fogang Yongsheng was wholly owned by Times Real Estate. On July 1, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Fogang Yongsheng from Times Real Estate for consideration of RMB10,000,000, which was determined based on the then registered capital of Fogang Yongsheng and was fully settled. Upon the completion of the acquisition, Fogang Yongsheng becomes a wholly owned subsidiary of Guangzhou Shengyu.

For the development of Times King City (Foshan), Guangdong Shengyu was established under the laws of the PRC on June 19, 2006 with a registered capital of RMB30,000,000. At the time of its establishment, Guangdong Shengyu was held as to 62% by Times Real Estate, 30% by Zhuhai Baifuchen and 8% by Guangzhou Bolang. On July 13, 2006, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Guangdong Shengyu from Times Real Estate, Guangzhou Bolang and Zhuhai Baifuchen for consideration of RMB18,600,000, RMB2,400,000 and RMB9,000,000, respectively, which was determined after an arm's length negotiation with reference to the then registered capital of Guangdong Shengyu, and was fully settled. Upon the completion of the acquisition, Guangdong Shengyu becomes a wholly owned subsidiary of Guangzhou Shengyu.

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(m) Establishment of Qingyuan Rongjing

For the development of Times King City (Qingyuan), Qingyuan Rongjing was established under the laws of the PRC on February 10, 2010 with a registered capital of RMB5,000,000. At the time of its establishment, Qingyuan Rongjing was wholly owned by Times Real Estate. On July 11, 2011, a sale and purchase agreement was entered into whereby Guangzhou Shengyu acquired 100% equity interest in Qingyuan Rongjing from Times Real Estate for consideration of RMB5,000,000, which was determined based on the then registered capital of Qingyuan Rongjing and was fully settled. On December 30, 2011, Guangzhou Shengyu transferred 100% equity in Qingyuan Rongjing to Guangzhou Qinxi, an Independent Third Party at the time of this transaction, as a nominee for the benefit of Guangzhou Shengyu. The entrustment arrangement aforesaid was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. On February 1, 2012, a sale and purchase agreement was entered into whereby Times Real Estate acquired 50% equity interest in Qingyuan Rongjing from Guangzhou Qinxi. On August 15, 2012, a sale and purchase agreement was entered into whereby Times Real Estate acquired the remaining 50% equity interest in Qingyuan Rongjing from Guangzhou Qinxi. As a result of the completion of the sale and purchase agreements dated February 1, 2012 and August 15, 2012, respectively, the entrustment arrangement with respect to 100% equity interest in Qingyuan Rongjing was terminated. As the 2011 arbitration was about to conclude and following the execution of the Payment Deed, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on August 15, 2012. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements.”

(n) Establishment of Guangzhou Fengdu

For the preparation of acquiring new project and new land, Guangzhou Fengdu was established under the laws of the PRC on November 21, 2011 with a registered capital of RMB10,000,000. Since the date of its establishment, Guangzhou Fengdu has been wholly owned by Fogang Xinlong.

HISTORY AND CORPORATE STRUCTURE

(o) Establishment of Guangzhou Huaya and Zhide Property Management

Guangzhou Huaya was established under the laws of the PRC on August 31, 2009 with a registered capital of RMB11,000,000. At the time of its establishment, Guangzhou Huaya was wholly owned by Guangzhou Tianyi. On November 16, 2011, Guangzhou Tianyi transferred 100% equity interest in Guangzhou Huaya to Guangzhou Mingtai, as a nominee for the benefit of Guangzhou Tianyi. Such entrustment arrangement was made mainly to avoid any change to the management of the Group and to minimize the possible negative impact on the business operations of the Group as a result of the dispute between, among others, our Company and the Investors in relation to the Note Subscription Agreement. On March 7, 2013, Guangzhou Mingtai transferred 100% equity interest in Guangzhou Huaya to Guangzhou Yongtai, as a result of which the entrustment arrangement with respect to 100% equity interest in Guangzhou Huaya was terminated. As the 2011 arbitration was about to conclude and following the execution of the Payment Deed, the entrustment arrangement was no longer necessary to the Group and hence it was subsequently terminated on March 7, 2013. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the entrustment agreement are legal and valid under PRC Laws. Further details of the dispute, the subsequent resolution and the arbitration in 2011 are set out under the section entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Redemption of the Exchangeable Notes and Repayment Agreements.”

Zhide Property Management was established under the laws of the PRC on September 30, 2009 with a registered capital of RMB100,000. Since the date of its establishment, Zhide Property Management has been wholly owned by Guangzhou Zhide.

(p) Establishment of Guangzhou Guangdechang and Zhide Zhengxing

Guangzhou Guangdechang was established under the laws of the PRC on March 25, 2010 with a registered capital of RMB30,000,000. At the time of its establishment, Guangzhou Guangdechang was owned as to 55% by Guangzhou Zhide, 30% by Guangzhou Xiandai Investment Co., Ltd. (廣州現代投資有限公司) and 15% by Guangzhou Jiada Investment Consulting Co., Ltd. (廣州嘉達投資諮詢有限公司). Both of Guangzhou Xiandai Investment Co., Ltd. and Guangzhou Jiada Investment Consulting Co., Ltd. are Independent Third Parties.

Zhide Zhengxing was established under the laws of the PRC on April 28, 2011 with a registered capital of RMB5,000,000. Since the date of its establishment, Zhide Zhengxing has been wholly owned by Guangzhou Zhide.

HISTORY AND CORPORATE STRUCTURE

(q) Establishment of Foshan Fengrui

Foshan Fengrui was established under the laws of the PRC on August 19, 2013 with a registered capital of RMB10,000,000. Since the time of its establishment, Foshan Fengrui has been wholly owned by Guangzhou Zichen.

Entrustment arrangements

In respect of the entrustment arrangements set out under the sections entitled “History and Corporate Structure — Our Reorganization — Onshore Acquisition and Disposal — (b) Acquisition by Times Group of 38% equity interest in Guangzhou Shengyu and the subsequent disposal and acquisition by Times Real Estate of the entire equity interest in Guangzhou Shengyu — (c) Acquisition by Times Group of the entire interest in Times Real Estate — (n) Acquisition by Guangzhou Shengyu of the entire equity interest in Zhuhai Jingrun” and “History and Corporate Structure — Our Reorganization — Establishment of Onshore Companies — (a) Establishment of Guangzhou Yongtai — (b) Establishment of Guangzhou Tianyi — (m) Establishment of Qingyuan Rongjing — (o) Establishment of Guangzhou Huaya and Zhide Property Management”, such entrustment arrangements were entered into and intended to avoid any possible change to the management of the relevant PRC operating subsidiaries of our Group and minimize any possible negative impact on their business operations as a result of the dispute in relation to the Note Subscription Agreement. Since our Company is the ultimate controlling shareholder of the relevant operating subsidiaries in the PRC, it was concerned that the Investors might remove the management of the operating subsidiaries in the PRC through the aforesaid share controlling relationship if the share mortgages over certain offshore subsidiaries of our Company are enforced. Since such PRC operating subsidiaries covered all of the development projects of our Group, if their operations were disrupted, the ability of the Controlling Shareholders and our Company to repay the Investors would be adversely affected. Further details of the Note Subscription Agreement and the dispute in relation thereto are set out under the sections entitled “History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Note Subscription Agreement and Exchangeable Notes — Redemption of the Exchangeable Notes and Repayment Agreements”.

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Notes:

1. The remaining 70% interest in Guangzhou Hongwei is held by Guangzhou Hongwei Economic Cooperatives (廣州市羅崗區九龍鎮紅衛村經濟聯合社).
2. The remaining 45% interest in Guangzhou Guangdechang is held by Guangzhou Xiandai Investment Co., Ltd. (廣州現代投資有限公司) and Guangzhou Jiada Investment Consulting Co., Ltd. (廣州嘉達投資諮詢有限公司) in the proportion of 30% and 15%, respectively.
3. The remaining 30% in Guangzhou Junbao is held by Guangzhou Dafushi.
4. The remaining 49% interest in Zhuhai Jinwu is held by Shanghai Dingzhong and Mr. Liu Chunguang (劉春光) in the proportion of 25% and 24%, respectively.
5. The remaining 40% in Guangzhou Hongtai is held by Zhongshan Tianyue.
6. The remaining 21% interest in Guangzhou Nanying is held by Zhuhai Nanying and Daye Trust in the proportion of 1% and 20%, respectively.
7. The remaining 30% interest in Guangzhou Hengde is held by Guangzhou Hengde Investment Co., Ltd. (廣州市恒德投資有限公司).
8. Guangzhou Baiyun is owned as to 20% by Guangzhou Zhide and 80% by Independent Third Parties. As advised by our PRC legal advisers, Commerce & Finance, Guangzhou Baiyun has obtained the approval from the relevant government authority in relation to its money lending business.
9. The remaining 50% interest in Guangzhou Lvdi Baiyun is held by Guangzhou Lvdi.
10. The remaining 40% interest in Zhuhai Jiayu is held by Guangzhou Zhuorui.

Capitalization Issue

Conditional on the share premium account of our Company being credited as a result of the Global Offering, the Directors are authorized to capitalize the amount of HK\$129,221,979.9 from such account and apply such sum to paying up in full at par a total of 1,292,219,799 Shares for allotment and issue to its then shareholder Asiatici Enterprises.

PRE-IPO INVESTMENT AND DEBT RESTRUCTURING

Note Subscription Agreement and Exchangeable Notes

On January 9, 2008, Asiatici Enterprises obtained loans from the Investors in cash in an aggregate principal amount of US\$200 million (or approximately RMB1,440 million) (the “**Loan Proceeds**”) pursuant to the Note Subscription Agreement. In consideration of such loans, Asiatici Enterprises issued to the Investors the Exchangeable Notes in an aggregate principal amount of US\$200 million, and simultaneously, our Company allotted and issued to Asiatici Enterprises one Share credited as fully-paid at an issue price equal to the aggregate principal amount of US\$200 million, as provided for in the Note Subscription Agreement to settle the Loan Proceeds from Asiatici Enterprises. The Loan Proceeds were obtained by Asiatici Enterprises, the Controlling Shareholder of our Company, to assist the development of our Company and the Loan Proceeds were required to be applied towards, among others, contribution as equity to our Company to strengthen our Company’s financial infrastructure, to implement business plans and to help our Company prepare for Listing. All of the Loan Proceeds obtained by Asiatici Enterprises had been applied by our Company to fund the acquisition of various property development projects.

HISTORY AND CORPORATE STRUCTURE

Under the Note Subscription Agreement, the Investors have the benefit of certain covenants including restrictive covenants relating to the disposal of assets and other aspects of the management of the Company and other members of the Group.

In consideration of the Investors agreeing to lend the principal amount of the Exchangeable Notes to Asiaciti Enterprises, our Company has unconditionally and irrevocably guaranteed, as principal obligor and not merely as surety, to the Investors the due, punctual and complete performance of all obligations due and owing to the Investors by Asiaciti Enterprises. Our Company shall indemnify each of the Investors immediately on demand by Highup Holdings Limited (as agent of and the security trustee for itself and other Noteholders) against all losses, liabilities, damages, deficiencies, suits, debts, obligations, interest, penalties, expenses, judgments or settlements of any nature or kind, including all costs and expenses related thereto, suffered by any Investor, the amount of which shall equal to the amount which such Investor would otherwise have been entitled to recover from Asiaciti Enterprises.

The Exchangeable Notes are also secured by various share mortgages over all of the issued share capital of Asiaciti Enterprises, Renowned Brand, East Profit, our Company and all the direct and indirect offshore subsidiaries of our Company at the time when the Exchangeable Notes were issued on January 9, 2008 (collectively, the “**Share Mortgages**”), except only 50% of the then issued share capital of Times Development (HK) was mortgaged.

Redemption of the Exchangeable Notes and Repayment Agreements

Pursuant to the right of redemption under the terms and conditions of the Exchangeable Notes, on October 28, 2009 and January 10, 2011 respectively, the Noteholders (as defined below) served redemption notice on Asiaciti Enterprises pursuant to the Exchangeable Notes. A dispute arose among the parties primarily relating to the acquisition of a property project in Panyu by our Group in July 2009 (see the section entitled “**Business — Description of Our Projects — Guangdong Province — Guangzhou — (1) Times Bund**” for further details of the property project in Panyu) and whether or not the circumstances at the relevant time justified the serving of a redemption notice under the Exchangeable Notes, which was subsequently resolved through arbitration in Hong Kong in 2011. The arbitral tribunal in Hong Kong considered that the serving of the redemption notice was justified and a final award (the “**Final Award**”) was granted by the arbitral tribunal in October 2011 to the Noteholders under which the Obligors (as defined below), among others, are jointly and severally liable to make repayment of the principal amount of the Loan Proceeds, payment of the redemption premium (calculated by reference to an internal rate of return on the principal amount of the Loan Proceeds) and default interest pursuant to the Note Subscription Agreement and payment of arbitration costs, which in total amounted to approximately US\$600 million. On January 20, 2012, our Company, Mr. Shum, Asiaciti Enterprises, Renowned Brand, East Profit (the “**Obligors**”) and Highup Holdings Limited (as the agent and a security trustee of itself and the other Noteholders) entered into a payment deed (“**Payment Deed**”), by which the aggregate repayment amount was amended to approximately US\$350 million (calculated by reference to an internal rate of return of 11.5% per annum in respect of the principal amount of the Loan Proceeds as a result of an arm’s length negotiation between the relevant parties). The Payment

HISTORY AND CORPORATE STRUCTURE

Deed was supplemented by (i) a deed dated March 20, 2012 (the “**Supplemental Deed**”) entered into between the Obligors and Highup Holdings Limited and Sino-Ocean Land Capital Investment Limited and (ii) a confirmation letter dated March 22, 2013 issued by Highup Holdings Limited to the Obligors (the “**Amendment Letter**”, together with the Payment Deed and the Supplemental Deed, are referred to as the “**Repayment Agreements**”). The Repayment Agreements were entered into for effecting satisfaction of the Obligors’ obligations under the Note Subscription Agreement, the Exchangeable Notes and the Final Award.

In connection with and in order to facilitate Listing, the Obligors and Highup Holdings Limited (the “**Agent**”, as an agent and a security agent and trustee of itself and the other Noteholders) entered into a restructuring deed (the “**Restructuring Deed**”) on July 12, 2013 to amend and supplement the terms of the Repayment Agreements, including but not limited to the payment schedule for the amounts owed but not yet fallen due by the Obligors to the Noteholders and the modification of the security given by the Obligors to the Noteholders under the Note Subscription Agreement and Exchangeable Notes.

Principal terms of the Restructuring Deed

Payment Schedule

All installments (the “**installments**”) due and payable under the Repayment Agreements in the total amount of approximately US\$191 million as at the date of the Restructuring Deed have been settled by the Obligors to the Agent (of which a total of approximately US\$70.2 million was paid by the Company to the Investors on behalf of Asiatici Enterprises on March 6, 2012, March 13, 2012, March 20, 2012, March 27, 2012, April 12, 2012, October 16, 2012 and May 15, 2013, and the remaining was paid by Asiatici Enterprises to the Investors directly on December 24, 2012, March 18, 2013, May 6, 2013, May 15, 2013 and May 23, 2013) and the remaining balance shall be settled in accordance with the following schedule under the Restructuring Deed:

<u>Payment Due Date</u>	<u>Installment</u>	<u>Expected Source of Funding</u> <i>(Note 3)</i>
1. July 15, 2013	US\$24,330,111 <i>(Note 1)</i>	–
2. September 15, 2013	US\$48,660,222 <i>(Note 1)</i>	–
3. January 15, 2014	US\$24,330,111 <i>(Note 2)</i>	Proceeds of the Global Offering <i>(Note 4) (Note 5)</i>
4. March 15, 2014	US\$31,725,312 <i>(Note 2)</i>	Proceeds of the Global Offering and our own working capital <i>(Note 4) (Note 5)</i>
5. May 15, 2014	US\$29,910,680 <i>(Note 2)</i>	Proceeds of the Global Offering and our own working capital <i>(Note 4) (Note 5)</i>

HISTORY AND CORPORATE STRUCTURE

Note 1: The first and the second installments were duly paid by Asiatic Enterprises on July 15, 2013 and September 2, 2013, respectively, using its own funds.

Note 2: The third to fifth installments shall be settled by our Company.

Note 3: Subject to Note 4 below, this column sets out our Company's current plan to fund the third to fifth installments.

Note 4: Upon a Qualifying Listing (as defined below) and assuming a Qualifying Listing happens before January 15, 2014 (the due date of the third installment under the Restructuring Deed), approximately one third of the net proceeds of the Global Offering shall be applied to repay the installment. See the section entitled "Future Plans and Use of Proceeds — Use of Proceeds" for further details on the use of proceeds of the Global Offering. Should this amount be insufficient to repay the installment, our Company will apply its working capital to finance such payment.

Note 5: If the Offer Price is fixed at HK\$3.85 (being the mid-point of the indicative range and the net proceeds of the Global Offering being HK\$1,548.2 million, assuming no exercise of the Over-allotment Option) we expect to fund the third installment (being US\$24,330,111) from the net proceeds of the Global Offering and to apply the balance of the one third of the net proceeds of the Global Offering after deduction of the third installment on a pro rata basis to the fourth and the fifth installments, respectively. Any shortfall of the fourth and the fifth installments will be funded by our working capital.

After the full payment of the first and the second installments by the Obligors (other than our Company) in accordance with the terms of the Restructuring Deed (which took place on July 15, 2013 and September 2, 2013, respectively), our Company (i) assumed the payment obligations of the Obligors (other than our Company) under the Restructuring Deed and is liable to make payment to the Agent from the third installment and onwards as set out above (the "Novation"); and (ii) ceased to be a guarantor of the performance by the Obligors of their payment obligation under the Repayment Agreements and the Restructuring Deed.

Termination events

Set out below are some of the key termination events provided under the Restructuring Deed (the "Termination Events"):

- (i) any installment set out in the Payment Schedule above or any other amount payable under the Restructuring Deed which has fallen due is not settled on or before the due date for such payment; or
- (ii) any breach of any provision of the Restructuring Deed; or
- (iii) any payment to or any discharge given by the Agent or any Investor is avoided or reduced for any reason (including without limitation as a result of insolvency, breach of fiduciary or statutory duties or any similar event); or
- (iv) any entity currently owned or controlled directly or indirectly (through any other entity) by Hong Kong Times Investments and/or Times Group is sold, transferred or otherwise disposed of or subject to any encumbrance without the Agent's prior written approval (unless (i) the transferee is one of the member of the Group and (ii) following such sale, transfer or disposal or encumbrance, the relevant entity remains owned and controlled to the same extent as previously, directly or indirectly by Hong Kong Times Investments and/or Times Group; or

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- (v) at any time after the date of the Restructuring Deed and prior to the occurrence of a Qualifying Listing (as defined below), without the Agent's prior written approval:
- (1) any of our Company, any Obligor (including when such Obligor is a guarantor rather than a primary obligor), any member of our Group (each a "**Relevant Entity**") issues any equity securities or securities convertible into equity in any Relevant Entity to any person other than the existing shareholders of the relevant company; or
 - (2) our Company or any Obligor declares and/or pays any dividend or making any distribution to its shareholders except as contemplated by the Restructuring Deed;
 - (3) any Relevant Entity enters into any transaction, disposes of any assets, grants any guarantee or incurs any indebtedness in each case other than on arm' length terms with a party that is not in any way related with our Company, any Obligor, any member of the Group or any controlled entity and has a material adverse effect;
 - (4) any Relevant Entity is not able to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to a general re-adjustment or re-scheduling of its indebtedness or makes a general assignment for the benefit of its creditors and has a material adverse effect;
 - (5) any Relevant Entity takes any action or other steps or legal proceedings are started (under any applicable insolvency, bankruptcy or reorganization law) for its winding up, bankruptcy, dissolution, administration or reorganization (whether by way of a voluntary arrangement, creditors' actions or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, security trustee or similar officer of it or of any or all of its revenues, incomes or assets and has a material adverse effect;
 - (6) any Relevant Entity defaults, or receives notice of default, under any agreement or obligation relating to any borrowing or indebtedness, or as a result of such default, any indebtedness of any Relevant Entity becomes payable or capable of being declared payable before its stated maturity or is not settled when due and has a material adverse effect; or
 - (7) Mr. Shum ceases to control our Company.
- (vi) at any time after completion of a Qualifying Listing:
- (1) trading in the Shares is suspended for 15 consecutive business days (as defined in the Restructuring Deed) or any proceedings are commenced or threatened for the delisting of the Shares of our Company;

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- (2) our Company or any of its subsidiaries is not able to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to a general re-adjustment or re-scheduling of its indebtedness or makes a general assignment for the benefit of its creditors and could have a material adverse effect;
- (3) our Company or any of its subsidiaries takes any action or other steps or legal proceedings are started (under any applicable insolvency, bankruptcy or reorganization law) for its winding up, bankruptcy, dissolution, administration or reorganization (whether by way of a voluntary arrangement, creditors' actions or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, security trustee or similar officer of it or of any or all of its revenues, incomes or assets and could have a material adverse effect;
- (4) our Company or any of its subsidiaries defaults, or receives notice of default, under any agreement or obligation relating to any borrowing or indebtedness, or as a result of such default, any indebtedness of any Relevant Entity becomes payable or capable of being declared payable before its stated maturity or is not settled when due and could have a material adverse effect; or
- (5) Mr. Shum ceases to control our Company.

Upon the occurrence of a Termination Event, the Obligors shall pay to the Agent an amount which will yield an internal rate of return of 20% per annum on all avoided, reduced or unpaid installments under the Restructuring Deed as liquidated damages and any other sums payable under the Restructuring Deed, and the Agent (for itself and on behalf of the Noteholders) shall be entitled to wind up the companies the shares of which are subject to the Share Mortgages, bankrupt Mr. Shum and enforce their rights under the Share Mortgages (including but not limited to disposing any and/or all of the shares subject to the Share Mortgages) and other transaction documents.

Release of Share Mortgages and other rights

Under the Restructuring Deed and assuming completion of a Qualifying Listing takes place prior to the full payment of the installments under the Restructuring Deed, the Share Mortgages and other rights shall be released in two phases: (i) upon completion of a Qualifying Listing; and (ii) upon the full payment of the installments in accordance with the terms of the Restructuring Deed.

Pursuant to the Restructuring Deed, upon completion of a Qualifying Listing, all share mortgages created over the shares in the issued share capital of our Company, Asiatic Enterprises, Renowned Brand and East Profit and all the security interest created thereby will be discharged and released with immediate effect. Further, all other rights of the Investors (including such rights described under the section entitled "History and Corporate Structure — Pre-IPO Investment and Debt Restructuring — Note Subscription Agreement and Exchangeable Notes" in this prospectus) and the obligations of the Obligors (including our Company) under the Note Subscription Agreement, the Exchangeable Notes, the Repayment Agreements, the Final Award and other related documents will be discharged and terminated.

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Upon full payment of the installments in accordance with the terms of the Restructuring Deed, the Exchangeable Notes shall be deemed to have been fully redeemed, the obligations of the Obligors under the Note Subscription Agreement, the Exchangeable Notes, the Share Mortgages (other than the share mortgages created over the shares in the issued share capital of our Company, Asiaciti Enterprises, Renowned Brand and East Profit and all the security interest created thereby, assuming completion of a Qualifying Listing takes place prior to the full payment of the installments under the Restructuring Deed), the Final Award, the Repayment Agreements, the Restructuring Deed and all other transaction documents shall be deemed to have been discharged in full, at which point, the Termination Events (as defined above) will no longer be applicable and all share mortgages created over the shares in the issued share capital of Wisdom Sharp, Grand Highway and Hong Kong Times Investments and all the security interest created thereby will be discharged and released with immediate effect.

Subject to compliance with the terms and conditions of the Restructuring Deed, the Agent and the Investors will not, prior to the occurrence of a Termination Event:

- (a) accelerate or demand payment of the outstanding debt other than the Installments;
- (b) take any steps to enforce the Final Award;
- (c) take any steps to pursue any legal proceedings or winding up proceedings against the Obligors or any member of the Group, or bankruptcy proceedings against Mr. Shum;
- (d) enforce any of the Share Mortgages or register the Agent or its nominee as the shareholder, director or registered agent or company secretary of any of the Obligors or companies subject to the Share Mortgages; and
- (e) exercise any right available to them under the Note Subscription Agreement, the Exchangeable Notes, the Share Mortgages and other transaction documents.

For the purpose of this section, a “**Qualifying Listing**” shall mean a listing of the Shares on the Main Board of the Stock Exchange where:

- (a) the issuance of equity by our Company results in gross proceeds being received by us of not less than US\$100,000,000 (or such lesser amount as the Agent (on behalf of the Noteholders) shall approve in writing) being received by us; and
- (b) the public float of the Shares following such Listing equals or exceeds 25% of the total issued share capital of our Company immediately after the completion of such Listing.

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Declaration of dividends

Prior to the Novation (as defined above), on June 6, 2013, our Company declared a special dividend of approximately RMB442.4 million to Asiaciti Enterprises to offset the debt owed to our Company by Asiaciti Enterprises in respect of certain previous installments under the Repayment Agreements paid through our Company. There was no gain or loss recognized by our Company from such previous payments our Company made on behalf of Asiaciti Enterprises.

As a result of the Novation, our Company recorded a payable to the Noteholders in the sum of approximately US\$86 million and a receivable from Asiaciti Enterprises of the same amount. In order to facilitate the Novation, our Company (i) declared on September 16, 2013 dividends out of its distributable reserves in accordance with the applicable laws of the Cayman Islands in favor of Asiaciti Enterprises in the amount of approximately US\$70.2 million and (ii) applied the balances due to Asiaciti Enterprises as at September 16, 2013 totalled approximately US\$15.7 million to offset the amounts owing by Asiaciti Enterprises to our Company under the Novation. There was no gain or loss recognized by our Company from the assumption of liability under the Novation.

See the sections entitled “Financial Information — Indebtedness and Contingent Liabilities — Exchangeable Notes and Restructuring Deed” and “Financial Information — Dividends and Distributable Reserves” in the prospectus for further details regarding the declaration of dividends mentioned above.

Exchangeable Notes

1. Summary of the Exchangeable Notes

Details of the principal terms of the Exchangeable Notes are as follows:

Issuer: Asiaciti Enterprises

Purchasers: The name of the purchasers of the Exchangeable Notes and the respective principal amounts of the Exchangeable Notes are as follows:

<u>Purchaser (each, a “Noteholder”)</u>	<u>Aggregate Principal Amount of Exchangeable Notes</u>
Highup Holdings Limited (<i>note</i>)	US\$90 million
Poplar Victory Limited (<i>note</i>)	US\$20 million
PA Asset Opportunity IX Limited.	US\$20 million
PA Capital Opportunity II Limited.	US\$40 million
Sino-Ocean Land Capital Investment Limited.	US\$30 million
Total	<u>US\$200 million</u>

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Note: The Exchangeable Notes in the principal amount of US\$20 million was transferred by Highup Holdings Limited to Poplar Victory Limited on January 30, 2008.

Save as the Noteholders' interest mentioned in this prospectus, the Noteholders are Independent Third Parties. Save for the transactions contemplated under the Note Subscription Agreement and the Exchangeable Notes, each of the Investors did not have any past or current business relationship with our Group.

Exchange of Shares: The Noteholders were entitled to exchange the Exchangeable Notes to Shares upon the occurrence of a firm commitment underwritten initial public offering of our Shares, and the listing of such Shares on any stock exchange as approved under the Exchangeable Notes in accordance with the formula set out in the Exchangeable Notes.

Right of redemption: Unless previously redeemed or exchanged pursuant to terms and conditions of the Exchangeable Notes, the Noteholders have the right (but not obligation) to demand Asiaciti Enterprises to forthwith redeem the Exchangeable Notes, which the Noteholders did on October 28, 2009 and January 10, 2011, respectively, see the section entitled “— Redemption of the Exchangeable Notes and Repayment Agreements” above for more details.

2. Transfer of Exchangeable Notes by Highup Holdings Limited

On January 30, 2008, Highup Holdings Limited transferred an Exchangeable Notes in the principal amount of US\$20 million to Poplar Victory Limited, being a special purpose vehicle under Gateway Capital Real Estate Fund II, in accordance with the relevant provisions of the Note Subscription Agreement. After such transfer, Poplar Victory Limited became one of the “**Noteholders.**”

3. Brief description of the Investors

Based on the information provided by the Investors, set out below is the brief description of the Investors:

(a) Highup Holdings Limited

Highup Holdings Limited is a limited liability company incorporated in the BVI and it is wholly owned by Warburg Pincus Real Estate I, L.P., a fund managed by Warburg Pincus LLC, a global private equity firm.

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(b) PA Asset Opportunity IX Limited and PA Capital Opportunity II Limited

Each of PA Asset Opportunity IX Limited (“**PA Asset**”) and PA Capital Opportunity II Limited (“**PA Capital**”) is a limited liability company incorporated in the BVI.

PA Asset is wholly owned by Pacific Alliance Asia Opportunity Fund L.P., an investment fund managed by Pacific Alliance Investment Management Limited. PA Capital is wholly owned by Pacific Alliance China Land Limited, an investment fund managed by Pacific Alliance Real Estate Limited. Each of PA Asset and PA Capital is an affiliate of PAG, an Asia alternative investment fund management group. PAG has extensive experience investing in the region’s capital markets and property sectors.

(c) Sino-Ocean Land Capital Investment Limited

Sino-Ocean Land Capital Investment Limited is an investment holding company incorporated under the laws of the BVI. It is a wholly owned subsidiary of Sino-Ocean Land Holdings Limited, a Hong Kong company listed on the Hong Kong Stock Exchange (stock code: 3377). Sino-Ocean Land Holdings Limited and its subsidiaries (the “**Sino-Ocean Land**”) have over 20 years of experience in China’s real estate industry. Sino-Ocean Land is one of the leading property developers in Beijing and the Pan-Bohai Rim and actively accomplishing its national strategic plan with a coastal and riparian focus. Sino-Ocean Land focuses on developing mid-to-high end residential properties, high-end office premises and retail premises.

(d) Poplar Victory Limited

Poplar Victory Limited is a limited liability company incorporated in the BVI and it is wholly owned by Gateway Capital Real Estate Fund II, a real estate private equity fund with a long-term investment focus in greater China and Asia Pacific. The fund, managed by Gaw Capital, has total capital commitments of US\$800 million.

Gaw Capital is a private equity fund management company, focusing on real estate investments in high barrier to entry markets and maintains a strong geographic focus in the Greater China and Asia Pacific regions. Gaw Capital has four Asian real estate funds under management: Gateway China Fund I, Gateway Capital Real Estate Fund II, Gateway Real Estate Fund III and Gateway Real Estate Fund IV. As of July 2013, the four funds have combined total equity commitments of approximately US\$2.2 billion (excluding co-investments) and US\$2.3 billion (including co-investments).

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Notes:

1. The remaining 70% interest in Guangzhou Hongwei is held by Guangzhou Hongwei Economics Cooperatives (廣州市羅崗區九龍鎮紅衛村經濟聯合社).
2. The remaining 45% interest in Guangzhou Guangdechang is held by Guangzhou Xiandai Investment Co., Ltd. (廣州現代投資有限公司) and Guangzhou Jiada Investment Consulting Co., Ltd. (廣州嘉達投資諮詢有限公司) in the proportion of 30% and 15%, respectively.
3. The remaining 30% in Guangzhou Junbao is held by Guangzhou Dafushi.
4. The remaining 49% interest in Zhuhai Jinwu is held by Shanghai Dingzhong and Mr. Liu Chunguang (劉春光) in the proportion of 25% and 24%, respectively.
5. The remaining 40% in Guangzhou Hongtai is held by Zhongshan Tianyue.
6. The remaining 21% interest in Guangzhou Nanying is held by Zhuhai Nanying and Daye Trust in the proportion of 1% and 20%, respectively.
7. The remaining 30% interest in Guangzhou Hengde is held by Guangzhou Hengde Investment Co., Ltd. (廣州市恒德投資有限公司).
8. Guangzhou Baiyun is owned as to 20% by Guangzhou Zhide and 80% by Independent Third Parties. As advised by our PRC legal advisers, Commerce & Finance, Guangzhou Baiyun has obtained the approval from the relevant government authority in relation to its money lending business.
9. The remaining 50% interest in Guangzhou Lvdi Baiyun is held by Guangzhou Lvdi.
10. The remaining 40% interest in Zhuhai Jiayu is held by Guangzhou Zhuorui.

PRC GOVERNMENTAL APPROVALS

Mr. Shum is a permanent resident of Hong Kong. He acquired an interest in Times Group, a foreign-invested enterprise, through Hong Kong Times Investments prior to September 8, 2006. As confirmed by our PRC legal advisers, Commerce & Finance, Mr. Shum has applied for and obtained the registration of establishment of the relevant offshore companies under the SAFE Notice on Issues Relating to Foreign Exchange Control on Fund Raisings by Domestic Residents through Offshore Special Purpose Vehicles and Round-trip Investments (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (“**No. 75 Notice**”) on December 14, 2007. On July 24, 2013, Mr. Shum has obtained the registration on the changes to the offshore investment issued by SAFE Guangdong Branch. In view of the fact that (i) Mr. Shum became a permanent resident of Hong Kong in 2004; (ii) he acquired the interest in Times Group through Hong Kong Times Investments prior to September 8, 2006; (iii) all the onshore acquisition steps we have undertaken within the PRC for the purpose of the Global Offering as described in the section entitled “— Our Reorganization — Onshore Acquisition and Disposal” above have been approved by the relevant competent PRC government authorities pursuant to the applicable PRC laws and regulations; and (iv) the various steps we have undertaken in the aforesaid onshore acquisition do not fall within the types of transactions regulated by the Provisions on the Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (“**M&A Rules**”) jointly promulgated by six ministries and commissions of the PRC, including MOFCOM, which became effective from September 8, 2006, as advised by our PRC legal advisers, Commerce & Finance, the M&A Rules are not applicable to the Global Offering and no approval or consent from the CSRC or any other PRC government authority is required in relation to the Global Offering.

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MOFCOM and SAFE jointly issued Notice 50 in May 2007 to further regulate the establishment of a FIREE in China by a foreign investor, by requiring additional filing procedures with MOFCOM. SAFE also issued Notice 130 in July 2007 to further restrict the ability of a FIREE to increase its registered capital and apply for foreign exchange registrations after June 2007.

Since the issue of Notice 50 and Notice 130, we have increased the registered capital of two of our then-existing FIREEs. We increased the registered capital of Times Group in January 2008 by US\$73 million and Guangzhou Minhua in June 2008 by US\$47.5 million. Times Group and Guangzhou Minhua had obtained the approval of the Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality (廣州市對外貿易經濟合作局). Times Group and Guangzhou Minhua undertook the requisite filing procedures with MOFCOM and completed the increases in their registered capital.

If we have projects that involve increases in the registered capital of existing FIREE incorporated in the PRC in the future, we must undergo the relevant procedures stipulated in Notice 50 and Notice 130 and fulfill the foreign exchange requirements in accordance with the relevant PRC regulations within the approved investment time limit and amount.

In respect of the capital injection of US\$200 million by our Controlling Shareholder, Asiatic Enterprises, from its issuance of the Exchangeable Notes, we repatriated part of the proceeds into the PRC by increasing the registered capital of our then-existing FIREEs incorporated in the PRC, namely, Times Group and Guangzhou Minhua.

Our PRC legal advisers, Commerce & Finance, have confirmed that the repatriation of the proceeds had complied with the requirements of Notice 50 and Notice 130 in respect of completing the approval and filing procedures.

In accordance with Notice 50, if we propose to establish new FIREEs in PRC using the proceeds from the Global Offering, then we must complete the requisite filing procedures with MOFCOM in addition to obtaining the approval of local authorities for the establishment of such FIREEs. Based on the requirements of Notice 130, if we intend to use the proceeds from the Global Offering to increase the registered capital of the existing FIREE, i.e., Times Group, or establish new FIREEs after June 2007, then we must complete the requisite filing procedures with MOFCOM before we can apply for foreign exchange registration to allow the proceeds to be remitted into PRC for increasing the registered capitals of the existing FIREE or establishing new FIREEs.