

1. FURTHER INFORMATION ABOUT OUR COMPANY**A. Incorporation**

The Company was established as a joint stock limited liability company under the PRC Company Law on December 14, 2010, converting from our predecessor, Poly Culture and Arts, a limited liability company in the PRC. Our Company has established a place of business at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on October 17, 2013. Ms. Yung Mei Yee has been appointed as our agent for the acceptance of service of process in Hong Kong. As we are incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix VI. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix V.

B. Changes in Share Capital

Our predecessor, Poly Culture and Arts, was established as a limited liability company in the PRC on February 2, 2000 with a registered capital of RMB5 million. At our establishment as a joint stock limited liability company converting from our predecessor, our registered share capital was RMB1,200,000,000 divided into 1,200,000,000 Domestic Shares of nominal value of RMB1.00 each. The following sets out the changes to the Company's issued share capital since its establishment:

- (a) Poly Culture and Arts, the predecessor of our Company, had a registered capital of RMB5 million as at the date of its establishment in February 2000, which was fully paid up by Poly Group and Poly Tech.
- (b) Pursuant to a resolution of general meeting of the Shareholders on January 16, 2003,
 - (i) Poly Group transferred 26.53% of its equity interest in Poly Culture and Arts to Poly Tech at nil consideration; and
 - (ii) the registered capital of Poly Culture and Arts was increased by RMB45 million, which was paid by transferring capital accumulation fund to registered capital. After the capital increase, the registered capital of Poly Culture and Arts was RMB50 million.
- (c) Pursuant to a resolution of general meeting of the Shareholders on January 12, 2004 and on February 26, 2004,
 - (i) Poly Tech transferred 14.53% of its equity interest in Poly Culture and Arts to Poly Group at nil consideration; and
 - (ii) the registered capital of Poly Culture and Arts was increased by RMB50 million, which was paid by transferring capital accumulation fund and undistributed profits to registered capital. After the capital increase, the registered capital of Poly Culture and Arts was RMB100 million.

- (d) Pursuant to a resolution of general meeting of the Shareholders on December 1, 2007, the registered capital of Poly Culture and Arts was increased by RMB10 million, among which, RMB6.8 million was paid by Poly Group in cash and RMB3.2 million was paid by Poly Tech in cash. After the capital increase, the registered capital of Poly Culture and Arts was RMB50 million.
- (e) A promoters' agreement was entered into by Poly Group and Poly Tech, pursuant to which Poly Culture Group Co., Ltd., by converting the nominal net assets of Poly Culture Group Co., Ltd. into shares, was wholly converted into a joint stock limited liability company and was renamed as Poly Culture Group Corporation Limited, and the registered capital of the Company increased into RMB120 million.
- (f) Pursuant to a resolution of general meeting of the Shareholders on March 10, 2011, the registered capital was increased by RMB45 million, among which, RMB24 million was paid by transferring capital accumulation fund and RMB21 million was paid by transferring undistributed profits. After this capital increase, the registered capital of the Company was RMB165 million.

Upon completion of the Globing Offering, but without taking into account any H Shares which may be issued pursuant to the Over-allotment Option, our registered share capital will be increased to RMB235,710,000, comprising 157,929,000 Domestic Shares and 77,781,000 H Shares fully paid up or credited as fully paid up, representing approximated 67.0% and 33.0% of the registered capital, respectively.

Save as aforesaid, there has been no alteration in our share capital since our establishment.

C. The Company's Extraordinary General Meeting held on June 24, 2013

At an extraordinary general meeting of the Company held on June 24, 2013, among other things, the following resolutions were passed by the Shareholders of the Company:

- (a) the issue by the Company of the H Shares of nominal value of RMB1.00 each up to 70,715,000 Shares in total (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option and pursuant to the transfer of certain Shares by Poly Group and Poly Southern) and such H Shares be listed on the Stock Exchange; and
- (b) subject to the completion of the Global Offering, the Articles of Association has been approved and adopted, which shall only become effective on the Listing Date and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities.

D. Our Reorganization

We have undergone our Reorganization, details of which are set out in the section headed “Our History and Reorganization”. As confirmed by our PRC legal advisors, we have obtained from the relevant PRC regulatory authorities all necessary approvals required for the implementation of the Reorganization. The steps taken or the approvals obtained in relation to our Reorganization include the following:

- (a) On December 6, 2010, the SASAC issued the approval approving the conversion of the Company into a joint stock limited liability company;
- (b) Zhongjing Minxin (Beijing) Assets Evaluation Co., Ltd. (中京民信(北京)資產評估有限公司) issued an appraisal report on June 24, 2010;
- (c) On August 12, 2010, the SASAC issued an approval document (Guo Zi Chan Quan [2010] No. 861) approving the conversion of Poly Culture Group Co., Ltd. into a joint stock limited liability company;
- (d) An inaugural meeting of our Company was held on December 9, 2010 for our establishment as a joint stock limited liability company; and
- (e) On December 14, 2010, a new business license was issued by State Administration for Industry & Commerce of the PRC, whereupon the Company was formally established as a joint stock limited liability company.

2. OUR SUBSIDIARIES

Our principal subsidiaries (for the purpose of the Listing Rules) as of the date of this prospectus are set out under the financial information in the Accountants’ Report as included in Appendix I to this prospectus. The following alterations in the registered capital of our principal subsidiaries have taken place within the two years preceding the date of this prospectus:

- On May 25, 2012, the registered capital of Poly Film was increased from RMB50 million to RMB100 million; and
- On September 11, 2013, the registered capital of Poly Art Center was increased from RMB100 million to RMB130 million.

3. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material:

- (a) an equity transfer agreement dated June 27, 2013, entered into between Poly Film as the transferor and Poly Group as the transferee, whereby Poly Film agreed to transfer 51% equity interest in Poly Wanhe Cinema Circuit to Poly Group for a consideration of approximately RMB10.17 million;
- (b) an undertaking dated November 25, 2013, issued by Poly Group, whereby Poly Group agreed to pay for such losses incurred by the Company and its subsidiaries arising from the relocation of the leased properties due to defective ownership certificates, as detailed in the section headed “Business – Leased Properties” in this prospectus;
- (c) an undertaking dated January 6, 2014, issued by Poly Group, whereby Poly Group agreed to fully indemnify the Company such losses incurred by the Company should the court rule against the Company in its lawsuit with Beijing Huayi Haoge Media Culture Co., Ltd., as detailed in the section headed “Business – Legal Proceedings – Litigation with Beijing Huayi Haoge Media Culture Co., Ltd. (北京華億浩歌傳媒文化有限公司)” in this prospectus;
- (d) an undertaking dated February 14, 2014, issued by Poly Group, whereby Poly Group agreed not to transfer the 51% equity interest held by it in Poly Wanhe Cinema Circuit, as well as the assets and business of Poly Wanhe Cinema Circuit, to any third party other than the Company and/or its subsidiaries without obtaining prior written consent from the Company, and granted the Company the right to acquire the 51% equity interest of Poly Wanhe Cinema Circuit once the relevant regulatory restriction is lifted in the future, as detailed in the section headed “Relationship with our Controlling Shareholder – Independence from our Controlling Shareholder – Operational Independence” in this prospectus;
- (e) a trademark license agreement dated February 14, 2014, entered into between Poly Group and the Company, whereby Poly Group granted us the right to use certain trademarks of Poly Group at nil consideration, as detailed in the section headed “Connected Transactions – Exempt Continuing Connected Transactions – (1) Trademark License Agreement” in this prospectus;
- (f) the Non-competition Undertaking;
- (g) a cornerstone investment agreement dated February 19, 2014, entered into among ICBC Credit Suisse Asset Management (International) Company Limited, acting as the investment manager of the National Council For Social Security Fund, CITIC Securities Corporate Finance (HK) Limited, CLSA Limited and us, pursuant to which ICBC Credit Suisse Asset Management (International) Company Limited, acting as the investment manager of the National Council For Social Security Fund agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of USD19.8 million, as detailed in the section headed “The Cornerstone Placings” in this prospectus;

- (h) a cornerstone investment agreement dated February 19, 2014, entered into among ICBC Credit Suisse Asset Management (International) Company Limited, CITIC Securities Corporate Finance (HK) Limited, CLSA Limited and us, pursuant to which ICBC Credit Suisse Asset Management (International) Company Limited agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of USD0.2 million, as detailed in the section headed “The Cornerstone Placings” in this prospectus; and
- (i) Hong Kong Underwriting Agreement.

B. Our Intellectual Property Rights

Patents

a) Patents

As at the Latest Practicable Date, the following are patents that our subsidiaries have been granted in the PRC and which we consider to be or may be material to our business:


No.	Patent Name	Patent No.	Patentees	Class of Patents	Application	
					Date	Grant Date
1	L type double projection system (L型雙機放映系統)	ZL201320068670.8	Poly Film	Utility model (實用新型)	February 6, 2013	February 5, 2023
2	New dual projection device (新型雙機放映裝置)	ZL201320061896.5	Poly Film	Utility model (實用新型)	February 4, 2013	February 3, 2023
3	Show window structure in a cinema (一種影院用放映視窗結構)	ZL201320061745.X	Poly Film	Utility model (實用新型)	February 4, 2013	February 3, 2023
4	Show window (U structure) (放映視窗(U型結構))	ZL201330034596.3	Poly Film	Appearance design (外觀設計)	February 4, 2013	February 3, 2023

b) Proprietary Technology

Pursuant to the materials provided by the Company and the due diligence conducted by Legal Advisors to the Company as to PRC law, we do not possess any self-owned proprietary technology or any licensed proprietary technology up to the date June 30, 2013.



*Trademarks**(a) Self-owned Registered Trademarks*

As of October 31, 2013, the Group owns the following trademarks:

Code	Registered Trademark	Registration Number	International Classification Number	Applicant	Period of Validity
1		3635916	41	Poly Cinemas	From 2005-11-21 to 2015-11-20
2		3635918	42	Poly Cinemas	From 2006-04-21 to 2016-04-20
3		5019330	41	Beijing Poly Forbidden City Theatre Management Co. Ltd	From 2009-10-28 to 2019-10-27
4	打开艺术之门	6605563	16	Beijing Poly Forbidden City Theatre Management Co. Ltd	From 2010-05-28 to 2020-05-27
5		8988635	16	Poly Cinemas	From 2012-01-07 to 2022-01-06
6		8988633	9	Poly Cinemas	From 2012-01-07 to 2022-01-06
7		8988629	35	Poly Cinemas	From 2012-01-21 to 2022-01-20
8		8988628	41	Poly Cinemas	From 2012-02-28 to 2022-02-27
9		9541668	35	Poly Cinemas	From 2012-07-21 to 2022-07-20
10		9541669	41	Poly Cinemas	From 2012-07-21 to 2022-07-20
11		9541670	9	Poly Cinemas	From 2012-07-21 to 2022-07-20
12		9541671	16	Poly Cinemas	From 2012-06-28 to 2022-06-27




(b) Trademarks under the Trademark Licensing Agreement








Pursuant to the materials provided by the Company and the due diligence conducted by Legal Advisors to the Company as to PRC law, the registered trademarks licensed to the Company with the exclusive use right up to the date of October 31, 2013 are as follows:

Code	Registered Trademark	Registration Number	Service in respect of which the use of the trademark has been approved	Registrant	Period of Validity
1		4056211	Business management of actors, business management of the performances of artists, agency of performing artists	Poly Group	From 2007-07-07 to 2017-07-06
2		4056210	Training, organization of performances, organization of competitions (education and entertainment), program recording, composing, tape production, recreational activities, performance, entertainment information, supply of entertainment facilities	Poly Group	From 2007-07-07 to 2017-07-06
3		4056217	Business management of actors, business management of the performances of artists, agency of performing artists	Poly Group	From 2007-07-07 to 2017-07-06
4		4056216	Training, Organization of Performances, organization of competitions(education and entertainment), program recording, composing, tape production, recreational activities, performance, entertainment information, supply of entertainment facilities	Poly Group	From 2007-07-07 to 2017-07-06

<u>Code</u>	<u>Registered Trademark</u>	<u>Registration Number</u>	<u>Service in respect of which the use of the trademark has been approved</u>	<u>Registrant</u>	<u>Period of Validity</u>
5		4056214	Business management of actors, business management of the performances of artists, agency of performing artists	Poly Group	From 2007-07-07 to 2017-07-06
6		4056213	Training, Organization of Performances, organization of competitions(education and entertainment), program recording, composing, tape production, recreational activities, performance, entertainment information, supply of entertainment facilities	Poly Group	From 2007-07-07 to 2017-07-06
7		1655625	Recreational activities, Recreational program, performance, music hall, on-site show, provision of entertainment venue, organization of performance	Poly Group	From 2011-10-21 to 2021-10-20

Pursuant to the materials provided by the Company and the due diligence conducted by our PRC legal advisors, the registered trademarks licensed to the Company with the non-exclusive use right up to the date of October 31, 2013 are as follows:

Code	Registered Trademark	Registration Number	Approved Category of Service	Registrant	Period of Validity
1		778073	35	Poly Group	From 1995-02-21 to 2015-02-20
2		3846642	36	Poly Group	From 2006-07-21 to 2016-07-20
3		771649	40	Poly Group	From 1994-11-01 to 2014-11-13
4		773711	41	Poly Group	From 1994-12-01 to 2014-12-13
5		3846638	41	Poly Group	From 2006-04-07 to 2016-04-06
6		773396	42	Poly Group	From 1994-12-07 to 2014-12-06
7		3846637	42	Poly Group	From 2006-07-21 to 2016-07-20
8		772061	35	Poly Group	From 1994-11-21 to 2014-11-20
9		3846599	36	Poly Group	From 2006-09-28 to 2016-09-27
10		772343	39	Poly Group	From 1994-11-21 to 2014-11-20
11		771648	40	Poly Group	From 1994-11-14 to 2014-11-13
12		773710	41	Poly Group	From 1994-12-14 to 2014-12-13
13		3846595	41	Poly Group	From 2006-04-07 to 2016-04-06
14		773395	42	Poly Group	From 1994-12-07 to 2014-12-06
15		778045	35	Poly Group	From 1995-02-21 to 2015-02-20
16		778875	36	Poly Group	From 1995-02-28 to 2015-02-27
17		3846565	36	Poly Group	From 2006-05-14 to 2016-05-13
18		771650	40	Poly Group	From 1994-11-14 to 2014-11-13
19		779664	41	Poly Group	From 1995-03-21 to 2015-03-20
20		3846561	41	Poly Group	From 2006-04-07 to 2016-04-06
21		779679	42	Poly Group	From 1995-03-21 to 2015-03-20
22		3846560	42	Poly Group	From 2006-05-14 to 2016-05-13

Code	Registered Trademark	Registration Number	Approved Category of Service	Registrant	Period of Validity
23		778874	36	Poly Group	From 1995-02-28 to 2015-02-27
24		779680	42	Poly Group	From 1995-03-21 to 2015-3-20
25		778052	35	Poly Group	From 1995-02-21 to 2015-02-20
26		778873	36	Poly Group	From 1995-02-28 to 2015-02-27
27		778044	35	Poly Group	From 1995-02-21 to 2015-02-20
28		779628	41	Poly Group	From 1995-03-21 to 2015-03-20
29		779621	42	Poly Group	From 1995-03-21 to 2015-03-20

4. DISCLOSURE OF INTERESTS

A. Substantial Shareholders

So far as our Directors are aware, each of the following persons will, immediately following completion of the Global Offering (without taking into account any H Shares that may be issued upon the exercise of Over-allotment Option and any additional H Shares that may be converted from certain Domestic Shares held by the Selling Shareholders and to be offered for sale for the Over-allotment Option), have an interest or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at our general meetings:

Shareholder	Number of Shares held after the Global Offering	Nature of Interest	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering ⁽ⁱ⁾	Approximate percentage of shareholding in the total share capital of the Company after the Global Offering ⁽ⁱⁱ⁾
Poly Group ⁽ⁱⁱⁱ⁾	157,929,000 Domestic Shares	Beneficial owner/interest of controlled corporation	100%	67.0%
Poly Southern	50,537,300 Domestic Shares	Beneficial owner	32%	21.4%

Notes:

- (i) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares of our Company after the Global Offering.
- (ii) The calculation is based on the total number of 235,710,000 Shares in issue after the Global Offering.
- (iii) Poly Group directly holds 107,391,700 Shares of the Company. Poly Group holds 100% of the equity interest of Poly Southern, which holds 50,537,300 Shares of the Company. Accordingly Poly Group is deemed to be interested in the 50,537,300 Shares held by Poly Southern under SFO.

B. Disclosure of our Directors' and Supervisors' interests in the registered capital of associated corporations of the Company

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, none of our Directors, Supervisors and chief executive of our Company has any interest and/or short position in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers to be notified to us and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

C. Particulars of Service Contracts

Each of the executive Directors and non-executive Directors, has entered into a service contract with our Company on February 14, 2014. The principal particulars of these service agreements are (a) for a term of three years commencing from the Listing Date and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable laws, rules or regulations.

Each of the Supervisors has entered into a contract in respect of, among others, compliance of relevant laws and regulations, observations of the Articles of Association and provision on arbitration with our Company on February 14, 2014.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

D. Directors' and Supervisors' Remuneration

For the three years ended December 31, 2010, 2011, 2012 and ten months ended October 31, 2013, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension-defined contribution plans and other benefits in kind (if applicable) paid by us to our Directors and Supervisors were approximately RMB1,282,000, RMB1,734,000, RMB1,996,000 and RMB1,766,000, respectively. Save as disclosed under Note 8 to the financial information in the Accountants' Report set out in Appendix I to this prospectus, no Director or Supervisor received other remuneration or benefits in kind from the Company in respect of the three years ended December 31, 2010, 2011, 2012 and ten months ended October 31, 2013.

Under the current arrangements, our Directors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2014 under arrangement in force as of the date of this prospectus which is expected to be approximately RMB1.67 million in aggregate.

Under the current arrangements, the Supervisors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2014 under arrangement in force as of the date of this prospectus which is expected to be approximately RMB0.40 million in aggregate.

E. Personal Guarantees

Our Directors and Supervisors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

F. Agency Fees or Commissions Paid or Payable

Save as disclosed in the section headed "Underwriting" in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years ended on the date of this prospectus.

G. Related Party Transactions

During the two years preceding the date of this prospectus, we have engaged in the material related party transactions as described in Note 26 to the financial information in the Accountants' Report set out in Appendix I to this prospectus.

H. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors, Supervisors or chief executive of our Company has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO)

which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Companies to be notified to us and the Stock Exchange, in each case once our H Shares are listed. For this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors;

- (b) in connection with the Underwriting Agreements, none of our Directors or Supervisors nor any of the parties listed in the paragraph headed “– E. Qualification of Experts” of this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
- (c) none of our Directors or Supervisors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Stock Exchange; save as disclosed in this prospectus or in connection with the Underwriting Agreements, none of our Directors or Supervisors nor any of the parties listed in paragraph headed “– E. Qualification of Experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (d) in connection with the Underwriting Agreements, none of the parties listed in the paragraph headed “– E. Qualification of Experts” of this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (e) none of our Directors or Supervisors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

5. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon us.

B. Litigation

As of the Latest Practicable Date, our Company is not involved in any material litigation, arbitration or administrative proceedings. So far as we are aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

C. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules. The Sole Sponsor has made an application on our behalf to the Listing Committee for listing of, and permission to deal in, our H Shares, including any Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

D. Preliminary Expenses

Our estimated preliminary expenses are approximately RMB1,750,000. All preliminary expenses and all expenses relating to the Global Offering will be borne by the Company.

E. Qualification of Experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

<u>Name</u>	<u>Qualification</u>
CITIC Securities Corporate Finance (HK) Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified public accountants
Beijing Junzhi Law Firm	PRC legal advisors
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer and consultant

F. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial or trading position since October 31, 2013.

G. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

H. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

I. Miscellaneous

Save as disclosed in this prospectus,

- (a) within the two years preceding the date of this prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) the Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of the Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (h) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (i) there is no subsidiary in our Group which is a Sino-foreign equity joint venture or which operates as or under a cooperative or contractual joint venture; and
- (j) we currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the PRC Sino-Foreign Joint Venture Law.

J. Consents

Each of the experts as referred to in the paragraph headed “– E. Qualification of Experts” in this Appendix has given, and has not withdrawn, their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

Save as disclosed in this prospectus, none of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of sections 44A and 44E of the Companies Ordinance so far as applicable.

K. Promoters

Promoters of the Company are Poly Group and Poly Tech. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other interest have been paid, allotted or given to the above promoters in connections with the Hong Kong Public Offering or related transactions in this prospectus.

L. Particulars of the Selling Shareholders

Certain particulars of the Selling Shareholders are set out as follows:

Name	Description	Address	Number of Sale Shares (assuming no Over-allotment Option is exercised)	Number of Sale Shares (assuming Over-allotment Option is fully exercised)
China Poly Group Corporation (中國保利集團公司)	Its principal business is military and civilian trade and business, real estate development, investment and exploitation in mineral resource field and the manufacture of civilian explosive equipments and blasting service	28/F, 1 North Street of Chaoyangmen, Dongcheng District, Beijing, PRC	4,808,300	5,529,500
Poly Southern Group Co., Ltd. (保利南方集團有限公司)	Its principal business is real estate development	Room 3601, Poly Centre, No. 5, Linjiang Avenue, Zhujiang New Town, Tianhe District, Guangzhou, PRC	2,262,700	2,602,100