

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

Our company was incorporated in the Cayman Islands on June 26, 2006 under the Cayman Companies Law as an exempted company with limited liabilities. Our company has established a place of business in Hong Kong at Suite 1201, Two Pacific Place, 88 Queensway, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance, with Dr. Hui and Fong Kar Chun, Jimmy, being appointed as authorized representatives of our company for the acceptance of service of process and notices on behalf of our company in Hong Kong.

As our company was incorporated in the Cayman Islands, it operates subject to the Cayman Islands laws and to its constitution, which comprises a memorandum of association and articles of association. A summary of various provisions of the constitution of our company and relevant aspects of the Cayman Companies Law is set out in Appendix VII to this prospectus.

2. Changes in share capital

Our authorized share capital as at the date of our incorporation was US\$50,000 divided into 50,000 shares of US\$1.00 each. Upon incorporation, 100 shares of US\$1.00 each were allotted and issued to the Original Shareholder.

On November 29, 2006, we adopted resolutions to (a) sub-divide and reclassify our authorized and issued shares of US\$50,000 divided into 50,000 shares of US\$1.00 each into 5,000,000 ordinary shares of US\$0.01 each, and (b) increase our authorized share capital from US\$50,000 to US\$50,000,000 divided into 4,200,000,000 ordinary shares of US\$0.01 each and 800,000,000 preferred shares of US\$0.01 each.

On November 29, 2006, we allotted and issued 1,599,990,000 new Shares credited as nil-paid to the Original Shareholder.

On November 29, 2006, we, Dr. Hui, the Original Shareholder and the Financial Investors entered into an investment agreement pursuant to which the Financial Investors subscribed for an aggregate of 800,000,000 Convertible Preferred Shares in our company for an aggregate subscription amount of US\$400 million.

On December 11, 2007, we entered into a restructuring agreement with, among others, the Financial Investors, pursuant to which we repurchased and cancelled the 800,000,000 Convertible Preferred Shares of US\$0.01 each. Following the cancellation of the Convertible Preferred Shares, on January 24, 2008, we adopted a resolution to change our authorized share capital to US\$50,000,000 divided into 5,000,000,000 ordinary shares of US\$0.01 each. Pursuant to the restructuring agreement, the Original Shareholder also subscribed for 800,000,000 ordinary shares and transferred such shares to the Financial Investors.

Pursuant to the resolutions in writing of our shareholders passed on March 3, 2008, our authorized share capital was increased from US\$50,000,000 to US\$1,000,000,000 by the creation of an additional 95,000,000,000 Shares.

On June 9, 2008, we, Dr. Hui, the Original Shareholder and the New Investors entered into a new investment agreement pursuant to which the New Investors agreed to subscribe for an aggregate of 374,104,266 new Shares in our company for an aggregate subscription amount of US\$506 million.

Immediately following completion of the Global Offering but not taking into account any options which may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, our issued share capital will be US\$150,000,000 divided into 15,000,000,000 Shares, all fully paid or credited as fully paid and 850,000,000,000 Shares will remain unissued.

Except for aforesaid and as mentioned in the paragraph headed "Written resolutions of all our shareholders passed on October 14, 2009" below, there has been no alteration in our share capital since our incorporation.

3. Written resolutions of all our shareholders

- (i) Pursuant to the written resolutions passed by our Shareholders on March 3, 2008, we increased our authorized share capital to US\$1,000,000,000 divided into 100,000,000,000 Shares with a par value of US\$0.01 each.
- (ii) Pursuant to the written resolutions passed by our Shareholders on April 22, 2008, our company approved and adopted the Articles of Association which will be replaced upon Listing by the Articles of Association adopted by our Shareholders on October 14, 2009.
- (iii) Pursuant to the written resolutions passed by our Shareholders on October 14, 2009:
 - (a) we conditionally adopted a new memorandum and articles of association which will become effective on the Listing Date;

- (b) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued as mentioned in this prospectus (including any additional Shares which may fall to be issued pursuant to the exercise of the options which may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme); (ii) the entering into of the agreement on the Offer Price between the Joint Bookrunners and us on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
- (i) the Global Offering was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;
 - (ii) the rules of the Pre-IPO Share Option Scheme and the Share Option Scheme, the principal terms of which are set out in the paragraph headed “— Other Information — Pre-IPO Share Option Scheme” and “— Share Option Scheme” in this Appendix, were approved and adopted and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme.
 - (iii) conditional on our share premium account being credited as a result of our issue of the Offer Shares pursuant to the Global Offering, our Directors were authorized to capitalize US\$112,208,957.34 standing to the credit of our share premium account by applying such sum in paying up in full at par 11,220,895,734 Shares. Such Shares to be allotted and issued to our shareholders whose names appear on our register of members on the date of this prospectus, proportionately in accordance with their shareholdings in our company.
- (c) a general unconditional mandate was given to the Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the grant of options under the Pre-IPO Share Option Scheme and the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by our shareholders in general meeting, un-issued Shares with a total nominal value not exceeding 20% of the aggregate nominal value of our share capital of in issue immediately following completion of the Global Offering (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the options under the Share Option Scheme or the Pre-IPO

Share Option Scheme), such mandate to remain in effect until the conclusion of our next annual general meeting, or the expiration of the period within which our next annual general meeting is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our shareholders in general meeting, whichever occurs first;

- (d) a general unconditional mandate was given to the Directors authorizing them to exercise all powers of our company to repurchase on the Stock Exchange or on any other approved stock exchange on which our securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate nominal amount of our share capital in issue immediately following completion of the Global Offering (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the options under the Share Option Scheme or the Pre-IPO Share Option Scheme), such mandate to remain in effect until the conclusion of our next annual general meeting, or the expiration of the period within which our next annual general meeting is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our shareholders in general meeting, whichever occurs first; and
- (e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of our share capital which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of our share capital repurchased by us pursuant to the mandate to repurchase Shares referred to in paragraph (d) above.

4. Corporate Reorganization

- (A) The Reorganization, which was effected in preparation for the listing, involved the following:

1. *Incorporation of the Original Shareholder*

1.1 Xin Xin (BVI) Limited, a company incorporated in the British Virgin Islands and our Original Shareholder, was established to act as the holding company for the interest of Dr. Hui in us. The authorized share capital of the Original Shareholder is US\$50,000 divided into 50,000 shares of US\$1.00 each. On June 29, 2006, 100 shares of US\$1.00 each were allotted and issued to Dr. Hui.

2. Incorporation of our company

2.1 Our company was incorporated in the Cayman Islands on June 26, 2006 to act as the holding company of our group. Our initial authorized share capital was US\$50,000 divided into 50,000 shares of US\$1.00 each. Following incorporation, our share capital was held as to 100 shares by the Original Shareholder.

3. Incorporation of an intermediate holding company for our group

3.1 An intermediate holding company, ANJI (BVI) Limited, was incorporated in the British Virgin Islands to act as the intermediate company to hold all the businesses of our group. ANJI (BVI) Limited has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On June 29, 2006, 100 shares were issued and allotted by ANJI (BVI) Limited to our company. Our company is the sole and corporate director of ANJI (BVI) Limited.

4. Onshore reorganization**4.1 Acquisition of Guangzhou Chaofeng**

Guangzhou Chaofeng, formerly known as Guangzhou Chaofeng Trading Co., Ltd. (廣州市超豐貿易有限公司), was held as to 60% by Mr. Ai Dong (艾冬) and as to 40% by Ms. Gu Yurong (谷玉榮) on trust for Dr. Hui. Pursuant to the Reorganization, Mr. Ai and Ms. Gu, respectively, transferred their 60% and 40% interests in Guangzhou Chaofeng to Hengda Industrial. The entire equity interest in Guangzhou Chaofeng was subsequently acquired by ANJI (BVI) Limited at a consideration of RMB 671,170,000. Such acquisition was approved by Guangzhou Foreign Trade and Economic Cooperation Bureau on June 28, 2006 and Guangzhou Chaofeng was converted into a wholly foreign-owned enterprise.

4.2 Reorganization of Guangzhou Kailong

Prior to the Reorganization, Guangzhou Kailong, formerly known as Guangzhou Kailong Industrial Co., Ltd. (廣州市凱隆實業有限公司), was held as to 90% by Hengda Industrial and as to 10% by Dr. Hui. Pursuant to the Reorganization, Hengda Industrial and Dr. Hui transferred respectively 90% and 10% interests in Guangzhou Kailong to Guangzhou Chaofeng. The transfers were completed on June 26, 2006 and Guangzhou Kailong became a wholly-owned subsidiary of Guangzhou Chaofeng.

4.3 Reorganization of Hengda Real Estate Group

Hengda Real Estate Group, formerly known as Guangzhou Hengda Real Estate Development Co., Ltd. (廣州市恒大房地產開發有限公司), was held as to 90% by Hengda Industrial and as to 10% by Guangzhou Kailong.

On March 29, 2006, Guangzhou Hengda Real Estate Development Co., Ltd. changed its name to Hengda Real Estate Group. Pursuant to the Reorganization, Hengda Industrial transferred its 90% interest in Hengda Real Estate Group to Guangzhou Kailong on June 17, 2006. The transfer was completed on June 26, 2006. After the transfer, Hengda Real Estate Group was held as to 100% by Guangzhou Kailong.

4.4 *Reorganization of companies to form Hengda Real Estate Group*

Pursuant to the Reorganization, certain companies within our group were reorganized to form a group of companies headed by Hengda Real Estate Group.

(a) Reorganization of 9 companies held by Hengda Industrial and Guangzhou Kailong prior to the Reorganization

Prior to the Reorganization, Hengda Industrial and Guangzhou Kailong were interested as to 90% and 10%, respectively, in the following companies:

- (i) Guangzhou Henghui Construction Company Limited (廣州恒暉建築工程有限公司) (“Guangzhou Henghui”)
- (ii) Guangzhou Hengda Construction Supervision Company Limited (廣州市恒大工程監理有限公司) (“Guangzhou Hengda Construction Supervision”)
- (iii) Guangzhou Jinbi Landscaping Company Limited (廣州市金碧園林藝術有限公司) (“Guangzhou Jinbi Landscaping”)
- (iv) Guangzhou Hengda Decoration Engineering Company Limited (廣州恒大裝飾工程有限公司) (“Guangzhou Hengda Decoration”)
- (v) Foshan Hengda Metallic Construction Material Company Limited (佛山市恒大金屬建築材料有限公司) (“Foshan Metallic”)
- (vi) Guangzhou Hengda Advertising Company Limited (廣州市恒大廣告有限公司) (“Guangzhou Hengda Advertising”)
- (vii) Hengda (Qingxin) Designated Eco-park Company Limited (恒大(清新)生態示範園有限公司)
- (viii) Hengda (Fogang) Tangtang Farm Company Limited (恒大(佛岡)湯塘農場有限公司) (Hengda Fogang”)
- (ix) Guangzhou Hengda Eco-agricultural Development Base Company Limited (廣州恒大生態農業開發基地有限公司) (“Guangzhou Hengda Eco-agricultural”)

Pursuant to the Reorganization, Hengda Industrial and Guangzhou Kailong transferred their 90% and 10% interests respectively in each of the above companies to Hengda Real Estate Group on June 16, 2006. After the transfers, the companies listed above were held as to 100% by Hengda Real Estate Group.

(b) Reorganization of 11 non-wholly owned subsidiaries of Hengda Real Estate Group

Prior to the Reorganization, Hengda Real Estate Group and Guangzhou Kailong were interested as to 90% and 10%, respectively, in each of the following companies:

- (i) Tianjin Ji Jinxin Tourism Industry Company Limited (天津薊縣金鑫觀光產業有限公司) (“Tianjin Ji Jinxin”)
- (ii) Wuhan Xinjin Tourist Park Company Limited (武漢鑫金觀光產業園有限公司) (“Wuhan Xinjin”)
- (iii) Pengshan Xinxin Tourist Park Company Limited (彭山縣鑫鑫觀光產業園有限公司) (“Pengshan Xinxin”)
- (iv) Anning Ganxin Tourist Park Company Limited (安寧市淦鑫觀光產業園有限公司) (“Anning Ganxin”)
- (v) Qidong Huikoufu Food & Beverage Court Company Limited (啟東市惠口福飲食廣場有限公司) (“Qidong Huikoufu”)
- (vi) Qidong Gold Coast Hotel Company Limited (啟東市金色海岸大酒店有限公司) (“Qidong Gold Coast”)
- (vii) Qidong Tongxin Tourism Company Limited (啟東市童心遊樂有限公司) (“Qidong Tongxin”)
- (viii) Qidong Wanren Live Cinemas Company Limited (啟東市萬仁動感影視城有限公司) (“Qidong Wanren”)
- (ix) Qidong Xinqing Entertainment Company Limited (啟東市欣晴娛樂有限公司) (“Qidong Xinqing”)
- (x) Qidong Liqun Fitness Club Company Limited (啟東市立群健身俱樂部有限公司) (“Qidong Liqun”)
- (xi) Qidong Yiran Health Recovery & Health Care Company Limited (啟東市怡然康復保健有限公司) (“Qidong Yiran”)

Pursuant to the Reorganization, Guangzhou Kailong transferred its 10% interest in each of the above companies to Hengda Real Estate Group on June 16, 2006. After the transfers, the companies listed above were held as to 100% by Hengda Real Estate Group.

4.5 *Reorganization of companies to form Jinbi Property Management*

(a) Acquisition of Jinbi Property Management by ANJI (BVI) Limited

Prior to the Reorganization, Jinbi Property Management was held as to 90% by Hengda Industrial and as to 10% by Guangzhou Kailong. Pursuant to the Reorganization, Guangzhou Kailong transferred its 10% interest in Jinbi Property Management to Hengda Industrial. Subsequently, ANJI (BVI) Limited acquired the entire registered capital of Jinbi Property Management from Hengda Industrial at a consideration of RMB 530,640,000. Such acquisition was approved by Guangzhou Foreign Trade and Economic Cooperation Bureau on June 28, 2006 and Jinbi Property Management was converted into a wholly foreign-owned enterprise.

(b) Transfer of Jinbi Shijia Property Management to Hengda Real Estate Group

Prior to the Reorganization, Jinbi Shijia Property Management was held as to 90% by Jinbi Property Management and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Jinbi Property Management and Hengda Industrial transferred 90% and 10% interests, respectively, in Jinbi Shijia Property Management to Hengda Real Estate Group. After the transfer, Jinbi Shijia Property Management was held as to 100% by Hengda Real Estate Group.

(c) Transfer of Jinbi Hengying Property Management to Hengda Real Estate Group

Prior to the Reorganization, Jinbi Hengying Property Management was held as to 90% by Jinbi Property Management and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Jinbi Property Management and Hengda Industrial transferred 90% and 10% interests respectively in Jinbi Hengying Property Management to Hengda Real Estate Group on June 16, 2006. After the transfers, Jinbi Hengying Property Management was held as to 100% by Hengda Real Estate Group.

- (d) Transfer of Guangzhou Jinbi Real Estate Agency Company Limited (廣州市金碧房地產代理有限公司) (“Jinbi Real Estate Agency”) to Hengda Real Estate Group

Prior to the Reorganization, Jinbi Real Estate Agency was held as to 90% by Jinbi Property Management and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Jinbi Property Management and Hengda Industrial transferred 90% and 10% interests, respectively, in Jinbi Real Estate Agency to Hengda Real Estate Group on June 16, 2006. After the transfers, Jinbi Real Estate Agency was held as to 100% by Hengda Real Estate Group.

- (e) Reorganization of Jinbi Huafu

Prior to the Reorganization, Jinbi Huafu was held as to 90% by Jinbi Property Management and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Hengda Industrial transferred its 10% interest in Jinbi Huafu to Jinbi Property Management on June 16, 2006. After the transfer, Jinbi Huafu was held as to 100% by Jinbi Property Management.

- (f) Transfer of Xinzhongjian to Jinbi Huafu

Prior to the Reorganization, Xinzhongjian was held as to 90% by Hengda Real Estate Group and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Hengda Real Estate Group and Hengda Industrial transferred 90% and 10% interests, respectively, in Xinzhongjian to Jinbi Huafu on June 16, 2006. After the transfers, Xinzhongjian was held as to 100% by Jinbi Huafu.

4.6 *Reorganization of Guangzhou Junhui*

Prior to the Reorganization, Guangzhou Junhui was held as to 90% by Hengda Real Estate Group and as to 10% by Hengda Industrial. Pursuant to the Reorganization, Hengda Real Estate Group transferred its 90% interest in Guangzhou Junhui to Hengda Industrial. Subsequently, ANJI (BVI) Limited acquired the entire registered capital of Guangzhou Junhui from Hengda Industrial at a consideration of RMB 234,260,000. Such acquisition was approved by Guangzhou Foreign Trade and Economic Cooperation Bureau on June 29, 2006 and Guangzhou Junhui was converted into a wholly foreign-owned enterprise.

4.7 *Reorganization of Guangzhou Tongruida*

Pursuant to the Reorganization, ANJI (BVI) Limited acquired the entire registered capital of Guangzhou Tongruida from Hengda Industrial at a consideration of RMB 158,650,000. Such acquisition was approved by the Guangzhou Foreign Trade and Economic Cooperation Bureau on June 28, 2006 and Guangzhou Tongruida was converted into a wholly foreign-owned enterprise.

4.8 *Reorganization of Guangzhou Junhong*

Pursuant to the Reorganization, ANJI (BVI) Limited acquired the entire registered capital of Guangzhou Junhong from Hengda Industrial at a consideration of RMB 120,850,000. Such acquisition was approved by the Guangzhou Foreign Trade and Economic Cooperation Bureau on June 28, 2006 and Guangzhou Junhong was converted into a wholly foreign-owned enterprise.

4.9 *Hengda Zengcheng*

Pursuant to the Reorganization, ANJI (BVI) Limited acquired the entire registered capital of Hengda Zengcheng from Hengda Industrial at a consideration of RMB 47,990,000. Such acquisition was approved by the Guangzhou Foreign Trade and Economic Cooperation Bureau on June 28, 2006 and Hengda Zengcheng was converted into a wholly foreign-owned enterprise.

5. **Excluded business**

5.1 Prior to the Reorganization, Hengda Industrial was interested in 26.89% of Lujing Real Estate, a company listed on the Shenzhen Stock Exchange, which was also engaged in property development. As Lujing Real Estate does not form part of our group and Hengda Industrial did not have control over Lujing Real Estate, in order to eliminate competition with us, Hengda Industrial entered into an agreement in July 2006 with an independent third party, pursuant to which Hengda Industrial transferred the entire 41,864,466 shares in Lujing Real Estate to the purchaser for a total consideration of RMB 78.9 million.

5.2 Prior to the Reorganization, Guangzhou Kailong held a 10% in Maoming Steel on trust for Hengda Industrial. On August 8, 2006, Guangzhou Kailong entered into an agreement with a subsidiary of Hengda Industrial that does not form part of our group pursuant to which Guangzhou Kailong transferred its 10% interests in Maoming Steel back to Hengda Industrial upon termination of the trust arrangement at a consideration of RMB 54.46 million, which is equivalent to the proportional registered capital of Maoming Steel. The consideration of RMB 54.46 million paid by Guangzhou Kailong on behalf of Hengda Industrial as capital contribution to Maoming Steel has been recognized as a receivable from Hengda Industrial in the books of Guangzhou Kailong and was subsequently settled and cancelled out upon the 10% interest in Maoming Steel was legally transferred back to Hengda Industrial on August 8, 2006.

6. *Introduction of Investors*

(a) *Financial Investors*

On November 29, 2006, we allotted and issued 1,599,990,000 new ordinary shares credited as nil paid to the Original Shareholder.

Immediately upon completion of the investment agreement, we were held as to 66.67% by the Original Shareholder, as to 11.17% by Baytree Investment (Mauritius) Pte Ltd, as to 11.08% by Deutsche Bank AG and as to 11.08% by Indopark Holdings Limited.

On December 11, 2007, we entered into a restructuring agreement with the Financial Investors pursuant to which we repurchased and cancelled the 800,000,000 Convertible Preferred Shares in our company for an aggregate consideration of US\$400 million. The repurchase was financed by a loan in the same amount lent by the Financial Investors, including their affiliates, to the Original Shareholder, which had been injected as capital into our company. The restructuring is meant to maintain all substantive terms and conditions of the investment agreement among us, the Original Shareholder and the Financial Investors. Security for the loan included a guarantee provided by our company. The loan would be repaid in kind by the Original Shareholder with its shares in our company. Accordingly, on January 31, 2008, pursuant to the restructuring agreement, the Original Shareholder conditionally transferred 266,000,000 Shares to Deutsche Securities Nominees Hong Kong Limited, 268,000,000 Shares to Baytree Investments (Mauritius) Pte Ltd and 266,000,000 Shares to Indopark Holdings Limited subject to adjustment and finalization upon completion of this Global Offering. Immediately after such conditional transfers, we were held as to 66.13% by the Original Shareholder, as to 11.08% by Deutsche Bank AG, as to 11.17% by Baytree Investments (Mauritius) Pte Ltd and as to 11.08% by Indopark Holdings Limited on a conditional basis. Immediately prior to the listing of our Shares on the Stock Exchange, depending on the Offer Price, the Original Shareholder may transfer additional Shares to each of the Financial Investors or each of the Financial Investors may return to the Original Shareholder a portion of the Shares received conditionally from the Original Shareholder. Upon completion of such adjustment and upon completion of this Global Offering, the loan lent by the Financial Investors to the Original Shareholder will be deemed to have been repaid.

(b) *Structured Secured Loan*

On August 27, 2007, the Company entered into a loan agreement (as subsequently amended) with an affiliate of Credit Suisse as initial lender to raise the Structured Secured Loan with a maximum aggregate principal amount of approximately US\$500 million. In connection with the initial commitment on September 24, 2007, our Original Shareholder transferred

9,078,900 Shares to the lenders upon their initial commitment of the Structured Secured Loan and an additional 3,900,000 Shares were transferred to the lenders on November 19, 2007 in connection with their subsequent increases in the loan commitment.

On June 24, 2009, Tianji Holding Limited, our wholly-owned subsidiary, entered into a sale and purchase agreement with Shikumen Capital Management Limited, an affiliate of a New Investor, and an independent third party to purchase the entire issued share capital of Ever Grace Group Limited, which is one of the lenders and owns US\$48.5 million of the Structured Secured Loan, for an aggregate consideration of US\$34.0 million.

(c) *New Investors*

On June 9, 2008, we, Dr. Hui, the Original Shareholder and the New Investors entered into an investment agreement pursuant to which the New Investors agreed to subscribe for an aggregate of 374,104,266 Shares in the Company for an aggregate subscription amount of US\$506 million.

(d) *Share Purchase*

In June 2009, Mrs. Hui through her wholly owned company, Yaohua Limited acquired the entire issued share capital of Even Honour Holdings Limited, a company established under the laws of the British Virgin Islands and wholly owned by an affiliate of Chow Tai Fook Group, which was the owner of the entire original holdings of Deutsche Bank AG, Hong Kong Branch, in our company, being an aggregate of 310,360,190 Shares.

7. *Incorporation of other offshore holding companies*

7.1 Two holding companies incorporated in the British Virgin Islands, namely Fengyu (BVI) Limited (“Fengyu”) and Yitong (BVI) Limited (“Yitong”) were established as intermediate holding companies. Each of Fengyu and Yitong has an initial authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each.

7.2 On July 13, 2007, Fengyu allotted and issued 100 shares of US\$1.00 each to our company. On October 13, 2006, Yitong allotted and issued 100 shares of US\$1.00 each to our company.

8. *Incorporation of additional offshore holding companies*

8.1 Chuangfeng (BVI) Limited (“Chuangfeng”) was established in the British Virgin Islands as an additional intermediate holding company. It has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On July 13, 2007, Chuangfeng allotted and issued 100 shares of US\$1.00 each to Yitong.

- 8.2 Lanbowan (BVI) Limited (“Lanbowan”) was established in the British Virgin Islands as an intermediate holding company. It has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On July 13, 2007, Lanbowan allotted and issued 100 shares of US\$1.00 each to Fengyu.
- 8.3 Shengyu (BVI) Limited (“Shengyu”) and Jiajian (BVI) Limited (“Jiajian”) were incorporated in the British Virgin Islands as intermediate holding companies. Each of Shengyu and Jiajian has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On July 13, 2007, Shengyu allotted and issued 100 shares of US\$1.00 each to ANJI (BVI) Limited, and on July 16, 2007, Jiajian allotted and issued 100 shares of US\$1.00 each to ANJI (BVI) Limited.
- 8.4 Shengjian (BVI) Limited (“Shengjian”) was established in the British Virgin Islands to act as an intermediate holding company for 14 domestic companies. Shengjian has an initial authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On February 12, 2007, Shengjian allotted and issued 100 shares of US\$1.00 each to ANJI (BVI) Limited.
- 8.5 Luckyman Group Limited (“Luckyman”) was established in the British Virgin Islands as intermediate holding company. Luckyman has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On April 30, 2008, Luckyman allotted and issued 1 share of US\$1.00 each to ANJI (BVI) Limited.
- 8.6 Luckyup Group Limited (“Luckyup”) was established in the British Virgin Islands as intermediate holding company. Luckyup has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On April 30, 2008, Luckyup allotted and issued 1 share of US\$1.00 each to ANJI (BVI) Limited.
- 8.7 Shengtong (BVI) Limited (“Shengtong”) was established in the British Virgin Islands as intermediate holding company. Shengtong has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On January 31, 2008, Shengtong allotted and issued 1 share of US\$1.00 each to ANJI (BVI) Limited.
- 8.8 Evergrande International Hotels Group Limited (“Evergrande Hotel”) was established in Hong Kong as intermediate holding company. Evergrande Hotel has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On March 23, 2009, Evergrande Hotel allotted and issued 10 shares of HK\$1.00 each to ANJI (BVI) Limited.

- 8.9 Sure Fast Group Limited (“Sure Fast”) was established in the British Virgin Islands as intermediate holding company. Sure Fast has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On May 15, 2008, Sure Fast allotted and issued 1 share of US\$1.00 each to ANJI (BVI) Limited.
- 8.10 Mass Joy Holdings Limited (“Mass Joy”) was established in Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On April 30, 2008, Mass Joy allotted and issued 10 shares of HK\$1.00 each to Luckyman.
- 8.11 Will Glory Holdings Limited (“Will Glory”) was established in Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On April 30, 2008, Will Glory allotted and issued 10 shares of HK\$1.00 each to Luckyup.
- 8.12 Shengtong Holding Limited (“Shengtong Holding”) was established in Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On February 13, 2008, Shengtong Holding allotted and issued 10 shares of HK\$1.00 each to Shengtong.
- 8.13 Grandday Group Limited (“Grandday”) was established in the British Virgin Islands and has an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On March 23, 2009, Grandday allotted and issued 1 share of US\$1.00 each to Shengjian.
- 8.14 Lucky Grow Holdings Limited (“Lucky Grow”) was established in the Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On March 30, 2009, Lucky Grow allotted and issued 10 shares of HK\$1.00 each to Grandday.
- 8.15 Tianji Holding Limited (“Tianji”) was established in Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On May 19, 2009, Tianji allotted and issued 1 share of HK\$1.00 each to Hengda Real Estate Group.
- 8.16 Tianding Holding Limited (“Tianding”) was established in Hong Kong and has an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On May 18, 2009, Tianding allotted and issued 1 share of HK\$1.00 each to Hengda Real Estate Group.

9. Incorporation of new onshore companies

9.1 Owing to our development, we have established the following new companies in China through Shengjian (BVI) Limited since June 2006:

- (a) Hengda Shengyu (Qingxin) Property Company Limited (恒大盛宇(清新)置業有限公司)
- (b) Hengda Xingeng (Pengshang) Property Company Limited (恒大鑫豐(彭山)置業有限公司)
- (c) Qidong Yuhao Food Court Company Limited (啟東譽豪飲食廣場有限公司)
- (d) Qidong Huanhua Hotel Company Limited (啟東歡華大酒店有限公司)
- (e) Qidong Qingsheng Amusement Company Limited (啟東勤盛遊樂有限公司)
- (f) Qidong Hengmei Movie City Company Limited (啟東衡美影視城有限公司)
- (g) Qidong Xinhua Entertainment Company Limited (啟東鑫華娛樂有限公司)
- (h) Qidong Tongyu Gym Club Company Limited (啟東通譽健身俱樂部有限公司)
- (i) Qidong Baofeng Health Recovery Company Limited (啟東寶豐康復保健有限公司)
- (j) Nanjing Fufeng Property Company Limited (南京恒大富豐置業有限公司)
- (k) Wuhan Jinbi Oasis Real Estate Development Company Limited (武漢市金碧綠洲房地產開發有限公司)
- (l) Chongqing Jiyu Property Company Limited (重慶恒大基宇置業有限公司)
- (m) Hengda Xinyuan (Kunming) Property Company Limited (恒大鑫源(昆明)置業有限公司)
- (n) Hefei Qijia Property Company Limited (合肥祺嘉置業有限公司)

9.2 The following companies were established by ANJI (BVI) Limited since June 2006:

- (a) Hengda Changji (Shenyang) Property Company Limited (恒大長基(瀋陽)置業有限公司) (“Hengda Shenyang Changji”)
- (b) Hengda Xinyuan (Shenyang) Property Company Limited (恒大鑫源(瀋陽)置業有限公司) (“Hengda Shenyang Xinyuan”)
- (c) Hengda Xinlong (Shenyang) Real Estate Company Limited (恒大鑫隆(瀋陽)置業有限公司) (“Hengda Shenyang Xinlong”)

9.3 The following new companies were established directly or indirectly by Hengda Real Estate Group since June 2006 in China:

- (a) Hengda Real Estate Group Chongqing Company Limited (恒大地產集團重慶有限公司)
- (b) Hengda Real Estate Group Wuhan Company Limited (恒大地產集團武漢有限公司)
- (c) Hengda Real Estate Group Jiangjin Company Limited (恒大地產集團江津有限公司)
- (d) E'zhou Hengda Real Estate Development Company Limited (鄂州恒大房地產開發有限公司)
- (e) Wuhan Donghu Hengda Real Estate Development Company Limited (武漢東湖恒大房地產開發有限公司)
- (f) Guangzhou Lituo Site Preparation Company Limited (廣州市力拓土石方工程有限公司)
- (g) Hengda Real Estate Group Chengdu Company Limited (恒大地產集團成都有限公司)
- (h) Hengda Real Estate Group Tianjin Jixian Company Limited (恒大地產集團天津薊縣有限公司)
- (i) Hengda Real Estate Group Pengshan Company Limited (恒大地產集團彭山有限公司)
- (j) Ezhou Xinjin Eco-recreational Park Company Limited (鄂州鑫金生態觀光產業園有限公司)
- (k) Hengda Real Estate Group Qingxin Company Limited (恒大地產集團清新有限公司)

- (l) Chongqing Xinheng Guan Guang Agriculture Company Limited (重慶市鑫恒觀光農業有限公司)
- (m) Heshan Xin Xin Recreational Park Company Limited (鶴山市鑫鑫觀光產業園有限公司)
- (n) Hengda Real Estate Group Zhengzhou Company Limited (恒大地產集團鄭州有限公司)
- (o) Guangzhou Hengda Material Equipment Company Limited (廣州恒大材料設備有限公司)
- (p) Guangzhou Qitong Industrial Company Limited (廣州市啟通實業有限公司)
- (q) Guangzhou Guanyu Industrial Company Limited (廣州市廣域實業有限公司)
- (r) Hengda Real Estate Group Xian Company Limited (恒大地產集團西安有限公司)
- (s) Hengda Real Estate Group Taiyuan Company Limited (恒大地產集團太原有限公司)
- (t) Hengda Real Estate Group Luoyang Company Limited (恒大地產集團洛陽有限公司)
- (u) Hengda Real Estate Group Nanning Company Limited (恒大地產集團南寧有限公司)
- (v) Foshan Nanhai Jun Cheng Property Development Company Limited (佛山市南海俊誠房地產開發有限公司)
- (w) Hengda Real Estate Group Changsha Property Company Limited (恒大地產集團長沙置業有限公司)
- (x) Hengda Real Estate Group Guiyang Property Company Limited (恒大地產集團貴陽置業有限公司)
- (y) Hengda Real Estate Group Hefei Company Limited (恒大地產集團合肥有限公司)
- (z) Hengda Real Estate Group Guangdong Real Estate Development Company Limited (恒大地產集團廣東房地產開發有限公司)
- (aa) Anning Ganxin Visit Estate Co., Ltd. (安寧市淦鑫觀光產業園有限公司)

- (bb) Guangdong Hengda Volleyball Club Co., Ltd. (廣東恒大排球俱樂部有限公司)
- (cc) Kunming Jincui Landscaping Co., Ltd. (昆明金翠園林綠化工程有限公司)
- (dd) E'zhou Hengda Landscaping Co., Ltd. (鄂州恒大園林綠化工程有限公司)
- (ee) Wuhan Hengda Landscaping Co., Ltd. (武漢恒大園林綠化工程有限公司)
- (ff) Tianjin Jinrui Landscaping Co., Ltd. (天津金瑞園林藝術有限公司)
- (gg) Chongqing Runfeng Landscaping Co., Ltd. (重慶潤豐園林綠化工程有限公司)
- (hh) Xian Hengda Landscaping Co., Ltd. (西安恒大園林綠化工程有限公司)
- (ii) Nanning Yujing Landscaping Co., Ltd. (南寧市御景園林綠化工程有限公司)
- (jj) Taiyuan Hengda Landscaping Co., Ltd. (太原恒大園林綠化工程有限公司)
- (kk) Chengsha Junhong Landscaping Co., Ltd. (長沙駿鴻園林綠化工程有限公司)
- (ll) Hefei Hengda Landscaping Co., Ltd. (合肥恒大園林綠化工程有限公司)
- (mm) Nanjing Jingrun Landscaping Co., Ltd. (南京菁潤園林綠化工程有限公司)
- (nn) Chengdu Xinjinkang Landscaping Co., Ltd. (成都鑫金康園綠化工程有限公司)
- (oo) Guiyang Hengda Landscaping Co., Ltd. (貴陽恒大園林綠化工程有限公司)
- (pp) Changsha Tianxi Real Estate Co., Ltd. (長沙天璽置業有限公司)
- (qq) Hengda Real Estate Group Shijiazhuang Company Limited (恒大地產集團石家莊有限公司)
- (rr) Hengda Real Estate Group Jinan Company Limited (恒大地產集團濟南有限公司)

- (ss) Hengda Real Estate Group Tianjin Company Limited (恒大地產集團天津有限公司)
- (tt) Hengda Real Estate Group Shanghai Shengjian Property Company Limited (恒大地產集團上海盛建置業有限公司)
- (uu) Hengda Real Estate Group Nanchang Company Limited (恒大地產集團(南昌)有限公司)
- (vv) Foshan Henghe Wood Industry Company Limited (佛山市恒和木業有限公司)

9.4 The following companies were acquired and held directly or indirectly by Hengda Real Estate Group since June 2006 in China:

- (a) Chengdu Hengda Galaxy New City Property Company Limited (成都恒大銀河新城置業有限公司)
- (b) Chengdu Wenjiang Xinjinkang Property Company Limited (成都市溫江區鑫金康置業有限責任公司)
- (c) Hubei Yi Qing Ya Zhu Property Development Company Limited (湖北怡清雅築房地產開發有限公司)
- (d) Jingzhou Architecture Design Institute Company Limited (荊州市晴川建築設計院有限公司)
- (e) Xian Qujiang Investment Development Company Limited (西安曲江投資建設有限公司)
- (f) Xian Qiyun Property Company Limited (西安祺雲置業有限公司)
- (g) Hengda Real Estate Group Baotou Company Limited (恒大地產集團(包頭)有限公司)
- (h) Henan Software Institute Industrial Development Company Limited (河南省軟件園實業發展有限公司)
- (i) Hunan Xiongzheng Investment Company Limited (湖南雄震投資有限公司)
- (j) Nanjing Handian Property Development Company Limited (南京漢典房地產開發有限公司)
- (k) Nanning Yinxiang Real Estate Development Company Limited (南寧銀象房地產開發有限責任公司).
- (l) Shangxi Jinhong Investment Co., Ltd. (陝西金泓投資有限公司)

- (m) Guangzhou Yuxin Property Construction Company Limited (廣州市越秀住宅建設有限公司)
- (n) Anhui Sanlin Property Company Limited (安徽三林置業有限公司)
- (o) Changsha Xinlin Properties Limited (長沙鑫霖置業有限公司)
- (p) Hebei Dadi Panlong Property Development Company Limited (河北大地蟠龍房地產開發有限公司)
- (q) Jiangxi Hongji Investment Company Limited (江西宏吉投資有限公司)

9.5 The following new company was established directly by Jiajian (BVI) Limited since June 2006 in China:

- (a) Hunan Shengji Real Estate Co., Ltd. (湖南盛基置業有限公司)

9.6 The following company was acquired and held indirectly by Shengyu (BVI) Limited since June 2006:

- (a) Minsin International (Holdings) Limited from Yao Quanbao and Wang ZhongMing for an aggregate consideration of HK\$3,800,000.

10. Reorganization of Jinbi Property Management

10.1 On September 28, 2007, ANJI (BVI) Limited and Pearl River Investment Limited (“Pearl River”) entered into a share purchase agreement pursuant to which Pearl River acquired 400 B ordinary shares of Success Will Group Limited, the intermediate holding company of Jinbi Property Management from ANJI (BVI) Limited for US\$130,000,000.

(B) Members of our group have conducted the following acquisitions and disposals during the Track Record Period:

On September 28, 2007, ANJI (BVI) Limited and Pearl River entered into a share purchase agreement pursuant to which ANJI (BVI) Limited transferred 400 B ordinary shares of Success Will Group Limited to Pearl River for US\$130,000,000.

On October 22, 2007, ANJI (BVI) Limited and the shareholders of Shui Wah Investment Limited (穗華投資有限公司) (“HK Shui Wah”) entered into a share transfer agreement pursuant to which ANJI (BVI) Limited acquired the 100% issued share capital of HK Shui Wah for RMB 1,400,000,000.

5. Changes in share capital of subsidiaries

Certain information on our subsidiaries is contained in “Accountants’ Report” in Appendix I to this prospectus. In addition to the disclosures in the section entitled “Corporate History — Our History” and “— Reorganization” in this prospectus, the following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the issue of this prospectus:

| <u>Name of subsidiary</u> | <u>Date of change</u> | <u>Capital before increase/ decrease</u> | <u>Capital after increase/ decrease</u> |
|---|-----------------------|--|---|
| (1) Nanjing Handian Property Development Company Limited | October 17, 2007 | RMB 20,000,000 | RMB 254,000,000 |
| (2) Hengda Changji (Shenyang) Property Company Limited | October 29, 2007 | US\$29,900,000 | US\$49,900,000 |
| (3) Xian Qiyun Property Company Limited | November 10, 2007 | RMB 9,000,000 | RMB 30,000,000 |
| (4) Hengda Real Estate Group Guiyang Property Company Limited. | November 14, 2007 | RMB 20,000,000 | RMB 54,500,000 |
| (5) Hengda Shengyu (Qingxin) Property Company Limited | November 14, 2007 | US\$20,000,000 | US\$119,000,000 |
| (6) Nanjing Fufeng Property Company Limited. | November 16, 2007 | US\$29,900,000 | US\$128,900,000 |
| (7) Hengda Real Estate Group Guiyang Property Company Limited. | November 19, 2007 | RMB 54,500,000 | RMB 128,100,000 |
| (8) Hengda Xinfeng (Pengshan) Property Company Limited | November 19, 2007 | US\$20,000,000 | US\$118,000,000 |
| (9) Wuhan Jinbi Oasis Real Estate Development Company Limited | November 20, 2007 | US\$29,900,000 | US\$128,900,000 |
| (10) Chongqing Jiyu Property Company Limited. | November 19, 2007 | US\$29,900,000 | US\$128,900,000 |
| (11) Hengda Real Estate Group Xi'an Company Limited | November 20, 2007 | RMB 10,000,000 | RMB 30,000,000 |
| (12) Hengda Xinyuan (Shenyang) Property Company Limited | November 27, 2007 | US\$29,900,000 | US\$99,000,000 |
| (13) Hefei Qijia Property Company Limited. | December 28, 2007 | US\$28,000,000 | US\$126,000,000 |
| (14) Hengda Changji (Shenyang) Property Company Limited | January 28, 2008 | US\$49,900,000 | US\$147,900,000 |
| (15) Guangzhou Kailong Land Co., Ltd. | June 26, 2008 | RMB 16,000,000 | RMB 600,000,000 |
| (16) Hengda Real Estate Group Co., Ltd. | June 27, 2008 | RMB 600,000,000 | RMB 2,500,000,000 |
| (17) Hengda Real Estate Group Wuhan Company Limited | July 2, 2008 | RMB 20,000,000 | RMB 1,308,000,000 |
| (18) Hengda Real Estate Group Chongqing Company Limited | July 2, 2008 | RMB 50,000,000 | RMB 711,000,000 |
| (19) Hengda Real Estate Group Chengdu Company Limited | July 2, 2008 | RMB 20,000,000 | RMB 521,000,000 |
| (20) Hengda Real Estate Group Tianjin Jixian Company Limited | July 2, 2008 | RMB 20,000,000 | RMB 437,000,000 |

| <u>Name of subsidiary</u> | <u>Date of change</u> | <u>Capital before increase/ decrease</u> | <u>Capital after increase/ decrease</u> |
|--|-----------------------|--|---|
| (21) Hengda Real Estate Group Pengshan Company Limited | July 2, 2008 | RMB 10,000,000 | RMB 41,000,000 |
| (22) Hengda Real Estate Group Jiangjin Company Limited | July 2, 2008 | RMB 30,000,000 | RMB 260,000,000 |
| (23) Chengdu Hengda Galaxy New City Property Company Limited | July 2, 2008 | RMB 20,000,000 | RMB 296,000,000 |
| (24) Chengdu Wenjiang Xinjinkang Property Company Limited | July 2, 2008 | RMB 237,500,000 | RMB 495,500,000 |
| (25) Hengda Real Estate Group Taiyuan Company Limited | July 2, 2008 | RMB 20,000,000 | RMB 631,000,000 |
| (26) Xi'an Qiyun Property Company Limited | July 2, 2008 | RMB 30,000,000 | RMB 315,000,000 |
| (27) Nanjing Handian Property Development Company Limited | July 2, 2008 | RMB 254,000,000 | RMB 371,000,000 |
| (28) Hengda Xinyuan (Kunming) Property Company Limited | July 3, 2008 | US\$20,000,000 | US\$99,700,000 |
| (29) E'zhou Hengda Real Estate Development Company Limited | July 11, 2008 | RMB 20,000,000 | RMB 390,000,000 |
| (30) Wuhan Donghu Hengda Real Estate Development Company Limited | July 11, 2008 | RMB 20,000,000 | RMB 1,064,000,000 |
| (31) Hunan Shengji Property Company Limited | June 2, 2009 | US\$95,000,000 | US\$20,000,000 |

6. Repurchase of our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolution by our shareholders passed on October 14, 2009, a general unconditional mandate (the "Repurchase Mandate") was given to our Directors authorizing them to exercise all powers of our company to repurchase on the Stock Exchange, or on any other stock exchange on which the securities of our company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, Shares with a total nominal value of not more than 10% of the total nominal amount of our share capital in issue immediately following the completion of the Global Offering until the end of our next annual general meeting, the expiration of the period within which our next annual general meeting is required by our Memorandum and Articles of Association or any applicable laws to be held, or the revocation or variation by an ordinary resolution of our shareholders in a general meeting, whichever is the earliest.

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the constitutional documents of the listed company and the laws of the jurisdiction of its incorporation. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(b) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our company and our shareholders for our Directors to have a general authority from our shareholders to enable our company to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our company and our shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our company and its assets and/or its earnings per Share.

(c) *Funding of repurchases*

In repurchasing securities, our company may only apply funds legally available for such purpose in accordance with our Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, funds of our company which would otherwise be available for dividend or distribution and, in case of the premium payable on such repurchase, from funds of our company otherwise available for dividend or distribution or out of our share premium account before the Shares are repurchased.

Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or our gearing levels which, in the opinion of our Directors, are from time to time appropriate for our company.

(d) *Share capital*

Exercise in full of the Repurchase Mandate, on the basis of 15,000,000,000 Shares in issue immediately following the Global Offering but before the exercise of the Over-allotment Option, could accordingly result in up to 1,500,000,000 Shares being repurchased by our company during the period prior to:

- (i) the end of our next annual general meeting;
- (ii) the expiration of the period within which we are required by any applicable laws or our Memorandum and Articles of Association to hold our next annual general meeting; or

- (iii) the revocation or variation by an ordinary resolution of our shareholders in a general meeting,

whichever is the earliest.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, has any present intention to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Our company has not repurchased any Shares in the previous six months.

No connected person (as defined in the Listing Rules) has notified us that it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, any of our shareholder's proportionate interest in the voting rights of our company increases, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers and Share Repurchases (the "Codes"). Accordingly, any of our shareholders, or a group of our shareholders acting in concert, depending on the level of increase of our shareholders' interest, could obtain or consolidate control of our company and become obliged to make a mandatory offer in accordance with Rule 26 of the Codes as a result of any such increase. Our directors are not aware of any consequences which may arise under the Codes if the Repurchase Mandate is exercised.

If the Repurchase Mandate is fully exercised immediately following completion of the Global Offering without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme and the Pre-IPO Share Option Scheme, the total number of Shares which will be repurchased pursuant to the Repurchase Mandate shall be 1,500,000,000 Shares (being 10% of our issued share capital based on the aforesaid assumptions). Except as aforesaid, our Directors are not aware of any consequences of the repurchases that would arise under the Codes. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of material contracts**

The following contracts (not being contracts in our ordinary course of business) have been entered into by us or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the share transfer agreement dated October 22, 2007 between ANJI (BVI) Limited and the shareholders of Shui Wah Investment Limited (穗華投資有限公司) in relation to acquisition of a 100% issued share capital of Shui Wah Investment Co., Ltd. and a 100% interest in Shanghai Suihua Property Co., Ltd. for RMB 1,400,000,000 (subject to adjustment);
- (b) the restructuring agreement dated December 11, 2007 between Dr. Hui, the Original Shareholder, our company, Deutsche Bank AG, Hong Kong Branch, Baytree Investments (Mauritius) Pte Ltd and Indopark Holdings Limited pursuant to which we repurchased and cancelled the 800,000,000 Convertible Preferred Shares for an aggregate consideration of US\$400 million;
- (c) a loan agreement dated December 11, 2007 between the Original Shareholder, Deutsche Bank AG, Hong Kong Branch, Baytree Investments (Mauritius) Pte Ltd, Merrill Lynch (Bermuda) Services Ltd., DB Trustees (Hong Kong) Limited and Deutsche Bank AG, Hong Kong Branch pursuant to which Deutsche Bank AG, Hong Kong Branch, Baytree Investments (Mauritius) Pte Ltd and Merrill Lynch (Bermuda) Services Ltd. agreed to provide us with a loan of up to US\$400 million;
- (d) an amended and restated offshore loan agreement dated January 24, 2008 between Shengjian (BVI) Limited, Credit Suisse, Singapore Branch and Credit Suisse International (as initial lender) in relation to amendments to certain terms of the offshore loan agreement dated August 27, 2007;
- (e) the new investment agreement dated June 9, 2008 between Dr. Hui, the Original Shareholder, our company, Merrill Lynch Asian Real Estate Opportunity Fund Pte. Ltd., Deutsche Bank AG, Hong Kong Branch, Rise Success Holdings Limited, CVI GVF (Lux) Master SARL, Global Opportunistic Fund II Company B.S.C. (closed), Global Investment House (K.S.C.C.), Topful Holdings Limited and Cavendish Limited pursuant to which the investors named therein agreed to subscribe for an aggregate of 374,104,266 Shares for an aggregate subscription amount of US\$506 million;
- (f) the amendment agreement dated June 26, 2008 between Dr. Hui, the Original Shareholder, our company, Deutsche Bank AG, Hong Kong Branch, Baytree Investments (Mauritius) Pte Ltd and Indopark Holdings Limited in relation to amendments to certain terms of the restructuring agreement dated December 11, 2007;

- (g) the amendment agreement dated June 26, 2008 between the Original Shareholder, Deutsche Bank AG, Hong Kong Branch, Baytree Investments (Mauritius) Pte Ltd, Merrill Lynch (Bermuda) Services Ltd., DB Trustees (Hong Kong) Limited and Deutsche Bank AG, Hong Kong Branch in relation to amendments to certain terms of the loan agreement dated December 11, 2007;
- (h) the second amended and restated offshore loan agreement dated June 26, 2008 between Shengjian (BVI) Limited, Credit Suisse, Singapore Branch and Credit Suisse International (as initial lender) in relation to amendments to certain terms of the offshore loan agreement dated August 27, 2007 (as further amended by an amended and restated offshore loan agreement dated January 24, 2008);
- (i) the sale and purchase agreement dated June 24, 2009 between Tianji Holding Limited, Shikumen Capital Management Limited and Wu Hoi Shan in relation to the purchase by Tianji Holding Limited of the entire issued share capital of Ever Grace Group Limited and a shareholder's loan for a total consideration of US\$21.7 million (subject to adjustment);
- (j) the agreement dated August 5, 2009 between our company and BOCI concerning the underwriting commitment of US\$400 million;
- (k) the sale and purchase agreement dated September 1, 2009 between Shengyu (BVI) Limited, Yao Quanbao (姚全保) and Wang Zhong Ming (王忠明) in respect of the acquisition of the entire issued share capital of Minsin International (Holdings) Limited for an aggregate consideration of HK\$3,800,000;
- (l) the deed of non-competition dated October 14, 2009 between Hengda Industrial, Dr. Hui, the Original Shareholder and our company pursuant to which each of Hengda Industrial, Dr. Hui and the Original Shareholder have unconditionally undertaken to us that he/it will not directly or indirectly participate in, hold any right or interest, or otherwise be involved in, any business which may be in competition with our businesses and those of our subsidiaries;
- (m) the deed of indemnity dated October 14, 2009 given by Dr. Hui and the Original Shareholder in favor of our company and our subsidiaries in respect of, among others, taxation referred to in the sub-section entitled "— Tax indemnity" in this Appendix;
- (n) a corporate investor agreement dated October 17, 2009 entered into between Sun Power Investments Limited, the Joint Bookrunners and our company, pursuant to which Sun Power Investments Limited has agreed to subscribe at the Offer Price for such number of Offer Shares that may be purchased with US\$50 million, rounded down to the nearest board lot;
- (o) a corporate investor agreement dated October 17, 2009 entered into between Chow Tai Fook Nominee Limited, the Joint Bookrunners and our company, pursuant to which Chow Tai Fook Nominee Limited has agreed to subscribe at the Offer Price for such number of Offer Shares that may be purchased with US\$50 million, rounded down to the nearest board lot; and
- (p) the Hong Kong Underwriting Agreement.

2. Intellectual property
















As of the Latest Practicable Date, the following intellectual property rights might be material to our business:

Trademarks

(a) As at the Latest Practicable Date, we had registered the following trademarks:

| | Application No. | Application date | Class | Place of application |
|--|-----------------|------------------|------------------------|----------------------|
| EVERGRANDE | 300945540 | Sep 3, 2007 | 36, 37, 39, 41, 42, 43 | Hong Kong |
|  恒大地产集团 . . . EVERGRANDE REAL ESTATE GROUP | 300945559 | Sep 3, 2007 | 36, 37, 42 | Hong Kong |

(b) As at the Latest Practicable Date, we had applied for the registration of the following trademarks:

| Trademark | Application No. | Application date | Class | Place of application |
|---|-----------------|------------------|-------|----------------------|
|  | 6269236 | Sep 10, 2007 | 17 | PRC |
|  | 6269237 | Sep 10, 2007 | 37 | PRC |
|  | 6269235 | Sep 10, 2007 | 36 | PRC |
|  恒大雅苑 | 6269549 | Sep 10, 2007 | 37 | PRC |
|  恒大雅苑 | 6269548 | Sep 10, 2007 | 36 | PRC |
|  恒大名郡 | 6269547 | Sep 10, 2007 | 36 | PRC |
|  恒大名郡 | 6269546 | Sep 10, 2007 | 37 | PRC |
|  | 6269545 | Sep 10, 2007 | 37 | PRC |
|  | 6269544 | Sep 10, 2007 | 36 | PRC |
|  恒大金碧天下 EVERGRANDE SPLENDOR | 6269543 | Sep 10, 2007 | 37 | PRC |
|  恒大金碧天下 EVERGRANDE SPLENDOR | 6269542 | Sep 10, 2007 | 36 | PRC |
|  恒大华府 | 6269541 | Sep 10, 2007 | 37 | PRC |
|  恒大华府 | 6269540 | Sep 10, 2007 | 36 | PRC |
|  金碧华府 JINBI PALACE | 6269536 | Sep 10, 2007 | 37 | PRC |
|  恒大华府 | 6269539 | Sep 10, 2007 | 37 | PRC |

| <u>Trademark</u> | <u>Application No.</u> | <u>Application date</u> | <u>Class</u> | <u>Place of application</u> |
|---|------------------------|-------------------------|--------------|-----------------------------|
|  | 6269538 | Sep 10, 2007 | 36 | PRC |
|  | 6269535 | Sep 10, 2007 | 37 | PRC |
|  | 6269537 | Sep 10, 2007 | 37 | PRC |
| EVERGRANDE | 6269238 | Sep 10, 2007 | 1 | PRC |
| EVERGRANDE | 6269491 | Sep 10, 2007 | 2 | PRC |
| EVERGRANDE | 6269492 | Sep 10, 2007 | 3 | PRC |
| EVERGRANDE | 6269493 | Sep 10, 2007 | 4 | PRC |
| EVERGRANDE | 6269494 | Sep 10, 2007 | 5 | PRC |
| EVERGRANDE | 6269495 | Sep 10, 2007 | 6 | PRC |
| EVERGRANDE | 6269496 | Sep 10, 2007 | 7 | PRC |
| EVERGRANDE | 6269497 | Sep 10, 2007 | 8 | PRC |
| EVERGRANDE | 6269498 | Sep 10, 2007 | 9 | PRC |
| EVERGRANDE | 6269500 | Sep 10, 2007 | 11 | PRC |
| EVERGRANDE | 6269501 | Sep 10, 2007 | 12 | PRC |
| EVERGRANDE | 6269502 | Sep 10, 2007 | 13 | PRC |
| EVERGRANDE | 6269503 | Sep 10, 2007 | 14 | PRC |
| EVERGRANDE | 6269504 | Sep 10, 2007 | 15 | PRC |
| EVERGRANDE | 6269505 | Sep 10, 2007 | 16 | PRC |
| EVERGRANDE | 6269506 | Sep 10, 2007 | 17 | PRC |
| EVERGRANDE | 6269507 | Sep 10, 2007 | 18 | PRC |
| EVERGRANDE | 6269508 | Sep 10, 2007 | 19 | PRC |
| EVERGRANDE | 6269509 | Sep 10, 2007 | 20 | PRC |
| EVERGRANDE | 6269510 | Sep 10, 2007 | 21 | PRC |
| EVERGRANDE | 6269511 | Sep 10, 2007 | 22 | PRC |
| EVERGRANDE | 6269512 | Sep 10, 2007 | 23 | PRC |
| EVERGRANDE | 6269513 | Sep 10, 2007 | 24 | PRC |

| <u>Trademark</u> | <u>Application No.</u> | <u>Application date</u> | <u>Class</u> | <u>Place of application</u> |
|---------------------------|------------------------|-------------------------|--------------|-----------------------------|
| EVERGRANDE | 6269514 | Sep 10, 2007 | 25 | PRC |
| EVERGRANDE | 6269515 | Sep 10, 2007 | 26 | PRC |
| EVERGRANDE | 6269516 | Sep 10, 2007 | 27 | PRC |
| EVERGRANDE | 6269517 | Sep 10, 2007 | 28 | PRC |
| EVERGRANDE | 6269518 | Sep 10, 2007 | 29 | PRC |
| EVERGRANDE | 6269519 | Sep 10, 2007 | 30 | PRC |
| EVERGRANDE | 6269520 | Sep 10, 2007 | 31 | PRC |
| EVERGRANDE | 6269521 | Sep 10, 2007 | 32 | PRC |
| EVERGRANDE | 6269522 | Sep 10, 2007 | 33 | PRC |
| EVERGRANDE | 6269523 | Sep 10, 2007 | 34 | PRC |
| EVERGRANDE | 6269524 | Sep 10, 2007 | 35 | PRC |
| EVERGRANDE | 6269525 | Sep 10, 2007 | 36 | PRC |
| EVERGRANDE | 6269526 | Sep 10, 2007 | 37 | PRC |
| EVERGRANDE | 6269527 | Sep 10, 2007 | 38 | PRC |
| EVERGRANDE | 6269528 | Sep 10, 2007 | 39 | PRC |
| EVERGRANDE | 6269529 | Sep 10, 2007 | 40 | PRC |
| EVERGRANDE | 6269530 | Sep 10, 2007 | 41 | PRC |
| EVERGRANDE | 6269531 | Sep 10, 2007 | 42 | PRC |
| EVERGRANDE | 6269532 | Sep 10, 2007 | 43 | PRC |
| EVERGRANDE | 6269533 | Sep 10, 2007 | 44 | PRC |
| EVERGRANDE | 6269534 | Sep 10, 2007 | 45 | PRC |

Domain names

As of the Latest Practicable Date, we were the registered owner of the following domain names:

| <u>Domain name</u> | <u>Expiry date</u> |
|---------------------------------|--------------------|
| www.evergrande.com | July 24, 2016 |
| www.evergrande.com.cn | July 24, 2011 |
| www.evergrande.cn | July 24, 2011 |

The contents at the above websites do not form a part of this prospectus.

Except as disclosed herein, there are no other trade or service marks, patents, other intellectual or industrial property rights which are material to our business.

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Directors

- (a) *Disclosure of interests — interests and short positions of our Directors and the chief executives in the shares, underlying shares and debentures of our company and our associated corporations*

Immediately following the completion of the Global Offering but before the exercise of any options under the Share Option Scheme or the Pre-IPO Share Option Scheme and assuming an Offer Price at HK\$3.50, the mid-point of the indicative offer price range, interests and short positions of our Directors and the chief executives in the Shares, underlying Shares and debentures of our company and our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, once the Shares are listed, will be as follows:

- (i) *Interest in Shares of our company*

| <u>Name of Director</u> | <u>Nature of interest</u> | <u>Number of securities</u> | <u>Approximate percentage of shareholding</u> |
|---------------------------|--------------------------------------|-----------------------------|---|
| Hui Ka Yan ⁽¹⁾ | Interest of a controlled corporation | 10,202,332,702 | 68.02% |

- (1) Of the 10,202,332,702 Shares held, 9,270,619,497 Shares were held by Xin Xin (BVI) Limited, a company wholly owned by Dr. Hui, and 931,713,205 Shares were held by Even Honour Holdings Limited, a company wholly owned by Mrs. Hui. The interest of Even Honour Holdings Limited in our company is also deemed to be held by Dr. Hui pursuant to the SFO.

(ii) *Interest in the underlying shares of our company*

| <u>Name of Director</u> | <u>Nature of interest</u> | <u>Number of Shares in the Company subject to options granted under the Pre-IPO Share Option Scheme</u> | <u>Approximate percentage of shareholding upon the exercise of the options granted under the Pre-IPO Share Option Scheme</u> |
|-------------------------|---------------------------|---|--|
| Xia Haijun | Beneficial owner | 20,000,000 | 0.13% |
| Li Gang | Beneficial owner | 20,000,000 | 0.13 |
| Tse Wai Wah | Beneficial owner | 6,000,000 | 0.04 |
| Xu Xiangwu | Beneficial owner | 6,000,000 | 0.04 |
| Xu Wen | Beneficial owner | 6,000,000 | 0.04 |
| Lai Lixin | Beneficial owner | 6,000,000 | 0.04 |
| He Miaoling | Beneficial owner | 6,000,000 | 0.04% |

(iii) *Interest in associated corporations of our company*

| <u>Name of Director</u> | <u>Nature of associated corporations</u> | <u>Number of securities</u> | <u>Approximate percentage of shareholding</u> |
|-------------------------|---|-----------------------------|---|
| Hui Ka Yan | Xin Xin (BVI) Limited | 100 shares | 100% |
| | Even Honour Holdings Limited ⁽¹⁾ | 1 share | 100% |

(1) Even Honour Holdings Limited is a company wholly owned by Mrs. Hui, the spouse of Dr. Hui, and is deemed to be an associated corporation of our company pursuant to the SFO.

(b) *Particulars of service contracts*

Each of our executive Directors has entered into a service contract with our company for a term of three years commencing from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other.

Each of our independent non-executive Directors has entered into a letter of appointment with our company for a term of one year commencing from the Listing Date. Each of the independent non-executive Directors is entitled to an annual fee of RMB 300,000. The appointments are subject to the provisions of retirement and rotation of Directors under our Articles of Association.

(c) *Directors' remuneration*

An aggregate of approximately RMB 710,000, RMB 18,963,000 and RMB 5,619,000 was paid to our Directors as remuneration for 2007, 2008 and the six months ended June 30, 2009, respectively.

Under the arrangement currently in force, the aggregate amount of emoluments, excluding the discretionary bonus, if any, payable by us to our Directors for 2009 will be approximately RMB 21.4 million.

For further information on the remuneration of our Directors, please refer to the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

2. Substantial Shareholders

- (a) So far as our Directors are aware, immediately following the completion of the Global Offering and assuming an Offer Price at HK\$3.50, the mid-point of the indicative offer price range, the following persons (other than the Directors and chief executive of our company) will have interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to us under provisions of Divisions 2 and 3 of part XV of the SFO:

| <u>Name of shareholder</u> | <u>Capacity in which interests are held</u> | <u>Interests in Share</u> | <u>Approximate percentage of shareholding</u> |
|--------------------------------------|---|-------------------------------|---|
| Mrs. Hui | Interest of controlled company | 10,202,332,702 ⁽¹⁾ | 68.01% |
| Xin Xin (BVI) Limited ⁽²⁾ | Beneficial owner | 9,270,619,497 | 61.80 |
| Even Honour Holdings Limited | Beneficial owner | 931,713,205 ⁽³⁾ | 6.21% |

(1) Of the 10,202,332,702 Shares held, 931,713,205 Shares were held by Even Honour Holdings Limited, a company wholly owned by Mrs. Hui, and 9,270,619,497 Shares were held by Xin Xin (BVI) Limited, a company wholly owned by Dr. Hui, spouse of Mrs. Hui. The interest of Xin Xin (BVI) Limited in our company is also deemed to be held by Mrs. Hui pursuant to the SFO.

(2) Xin Xin (BVI) Limited is beneficially owned by Dr. Hui.

(3) Even Honour Holdings Limited is wholly owned by Mrs. Hui.

- (b) As at the Latest Practicable Date, so far as is known to the Directors, the following person was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our shareholders or had option in respect of such capital:

| <u>Nature of shareholder</u> | <u>Name of company</u> | <u>Approximate percentage of shareholding</u> |
|--|--|---|
| Pearl River Investment Limited . . | Success Will Group Limited | 40% |
| Xian Tianma Investment Management Company Limited (西安天馬投資管理有限公司) . . . | Xian Quijiang Investment Development Company Limited | 35 |

| <u>Nature of shareholder</u> | <u>Name of company</u> | <u>Approximate percentage of shareholding</u> |
|---|--|---|
| Henan Xinhui Investment Development Company Limited (河南鑫滙鑫投資發展有限公司) . | Henan Software Institute Industrial Development Company Limited | 15 |
| Mou Jinhui (牟錦輝) | Nanning Yinxiang Real Estate Development Company Limited | 19.95 |
| Liu Hongbo (劉紅波) | Hunan Xiongzhen Investment Co., Ltd. | 49 |
| Guangdong Jiedong County Xinheng Jiezin Paper Industry Factory (廣東省揭東縣新亨潔新紙業紙品廠). | Shangxi Jinhong Investment Co., Ltd. (陝西金泓投資有限公司) | 20 |
| Guangdong Jiedong County Huiyue Technology Development Company Limited (廣東省揭東縣輝躍科技開發有限公司) | Shangxi Jinhong Investment Co., Ltd. (陝西金泓投資有限公司) | 20 |
| Dongguan Jiaju Industry Limited (東莞市佳駒實業有限公司) | Changsha Xinlin Property Company Limited (長沙鑫霖置業有限公司) | 34 |
| Li Xiahui (李霞輝) | Changsha Xinlin Property Company Limited (長沙鑫霖置業有限公司) | 15 |
| Hebei Shidai Jinjian Property Development Company Limited (河北時代金建房地產開發有限公司) | Hebei Dadi Panlong Real Estate Development Company Limited (河北大地蟠龍房地產開發有限公司) | 15 |
| Yisite Economic and Trade Development Company Limited (依斯特(北京)經濟貿易發展有限公司) | Jiangxi Hongji Investment Company Limited (江西宏吉投資有限公司) | 13.6 |
| Tangshan Jidong Material Group Limited (唐山市冀東物資集團有限責任公司) | Jiangxi Hongji Investment Company Limited (江西宏吉投資有限公司) | 23.4 |

| <u>Nature of shareholder</u> | <u>Name of company</u> | <u>Approximate percentage of shareholding</u> |
|---|---|---|
| Hu Yueying (胡月英) | Jiangxi Hongji Investment Company Limited (江西宏吉投資有限公司) | 10 |
| Sichuan Chuanxi Property Company Limited (四川省川喜實業集團有限公司) . | Anhui Sanlin Property Company Limited (安徽三林置業有限公司) | 40 |
| Wu Fengping (吳豐平) | 佛山市恒和木業有限公司 | 40% |

3. Agency fees or commissions received

Except as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our company.

4. Disclaimers

Except as disclosed herein:

- (a) none of our Directors or chief executives has any interest or short position in the shares, underlying shares or debentures of our company or any of our associated corporations (within the meaning 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 or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules once the Shares are listed;
- (b) none of our Directors or experts referred to under the heading “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our company, or are proposed to be acquired or disposed of by or leased to any member of our company;
- (c) none of our Directors or experts referred to under the heading “Consents of experts” in 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) none of our Directors has any existing or proposed service contracts with any member of our company (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our company) who will, immediately following completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our company which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our company;
- (f) none of the experts referred to under the heading "Consents of experts" in this Appendix has any shareholding in any member of our company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our company; and
- (g) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or our shareholders who are interested in more than 5% of the issued share capital of our company has any interest in our five largest customers or our five largest suppliers.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our shareholders passed on October 14, 2009.

(a) *Purpose*

The Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions the eligible participants (as described in paragraph (b) below) had or may have made to our group. The Share Option Scheme will provide the eligible participants an opportunity to have a personal stake in our company with the view to achieving the following objectives:

- (i) motivate the eligible participants to optimize their performance efficiency for the benefit of our group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of our group.

(b) *Who may join*

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “Eligible Participants”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below to:

- (i) any full-time or part-time employees, executives or officers of our company or any of our subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of our company or any of our subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents and such other persons, who in the sole opinion of the Board, have contributed or will contribute to our company or any of its our subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(c) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 1,500,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our company). Subject to the issue of a circular by our company and the approval of our shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by our shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our company to our shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified

Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (q) below, the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of our company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our company in accordance with paragraph (q) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of our company but in no event shall exceed the limit prescribed in this paragraph.

(d) *Maximum number of options to any one individual*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of our shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

(e) *Price of Shares*

Subject to any adjustments made as described in paragraph (q) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(f) *Granting options to connected persons*

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as maybe from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by our company and the approval of the shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of our company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our company to the shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(g) *Restrictions on the times of grant of options*

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our company's annual results, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our company to publish an announcement of its annual results, or half-year, or quarterly or other interim period (whether or not required under the Listing Rules)

and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:

- (iii) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (iv) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(h) *Rights are personal to grantee*

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the share issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our company to cancel any outstanding options or any part thereof granted to such grantee.

(i) *Time of exercise of option and duration of the Share Option Scheme*

An option may be exercised in accordance with the terms of the Share Option Scheme at anytime after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(j) *Performance target*

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(k) *Rights on ceasing employment or death*

If the grantee of an option ceases to be an employee of our company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (l) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with our company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(l) *Rights on dismissal*

If the grantee of an option ceases to be an employee of our company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of our group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our group, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

(m) *Rights on takeover*

If a general offer is made to all the shareholders (or all such shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(n) *Rights on winding-up*

In the event a notice is given by our company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our company, our company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our company referred to above by giving notice in writing to our company, accompanied by a remittance for the full amount of the aggregate subscription amount for the Shares in respect of which the notice is given, whereupon our company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(o) *Rights on compromise or arrangement between our group and its members or creditors*

If a compromise or arrangement between our group and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our company was incorporated, our company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our company accompanied by a remittance for the full amount of the aggregate subscription amount for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two

business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(p) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

(q) *Effect of alterations to capital*

In the event of any alteration in the capital structure of our company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time. The capacity of the auditors of our company or the approval independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on our company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription amount payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than)

as it was be fore such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(r) *Expiry of option*

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of our company referred to in paragraph (o) becomes effective;
- (iv) subject to paragraph (n), the date of commencement of the winding-up of our company;
- (v) the date on which the grantee ceases to be an eligible participant by reason of such grantee's resignation from the employment of our company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of our group (if so determined by the Board) or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the our group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (h) above or the options are cancelled in accordance with paragraph (t) below.

(s) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the eligible participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and

- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

shall first be approved by the shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by shareholders in general meeting.

(t) *Cancellation of Options*

Subject to paragraph (h) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (l).

(u) *Termination of the Share Option Scheme*

Our company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(v) *Administration of the Board*

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (except as otherwise provided herein) shall be final and binding on all parties.

(w) *Condition of the Share Option Scheme*

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;

- (ii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
 - (iii) the approval of the rules of the Share Option Scheme by our shareholders in general meeting; and
 - (iv) the commencement of dealings in the Shares on the Stock Exchange.
- (x) *Disclosure in annual and interim reports*

Our company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(y) *Present status of the Share Option Scheme*

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 1,500,000,000 Shares in total.

2. Pre-IPO Share Option Scheme

(a) Introduction

The purpose of the Pre-IPO Share Option Scheme is to recognize the contribution of certain of our employees, executives or officers made or may have made to the growth of our company and/or the listing of Shares on the Stock Exchange. The principal terms of the Pre-IPO Share Option Scheme were approved by resolutions in writing of all our shareholders passed on October 14, 2009 and are substantially the same as the terms of our Share Option Scheme except for the following principal terms:

- (a) the subscription price per Share shall equivalent to the Offer Price;
- (b) the total number of Shares subject to the Pre-IPO Share Option Scheme is 208,000,000 Shares, representing approximately 1.39% of the issued share capital of our company immediately upon completion of the Global Offering, but excluding all Shares which may fall to be issued upon the exercise of options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme;

- (c) the eligible participant under the Pre-IPO Share Option Scheme are the full-time employees, executives or officers (including executive, non-executive and independent non-executive Directors) of our company or the full-time employees of any of the subsidiaries of the level of manager or above and other full-time employees of our company or any of the subsidiaries who, in the sole opinion of the Board, have contributed or will contribute to our company and/or any of the subsidiaries;
- (d) the conditions which the Board may in its absolute discretion to consider (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised) as it may think fit; and
- (e) except for the options which have been granted under the Pre-IPO Share Option Scheme, no further options will be offered or granted under the Pre-IPO Share Option Scheme, as the right to do so will terminate upon the listing of the Shares on the Stock Exchange.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in Shares to be issued pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme.

(b) Outstanding options

As at the date of this prospectus, options to subscribe for an aggregate of 208,000,000 Shares at an exercise price equivalent to the Offer Price have been conditionally granted by us under the Pre-IPO Share Option Scheme. A total of 44 eligible participants have been granted options under the Pre-IPO Share Option Scheme.

Below is a list of grantees under the Pre-IPO Share Option Scheme:

| <u>Grantee and position</u> | <u>Address</u> | <u>Number of Shares under the options granted</u> | <u>Approximate percentage of shareholding upon the exercise of the options</u> |
|-----------------------------|---|---|--|
| Directors | | | |
| Xia Haijun (夏海鈞) | B 1742, New World Apartment 24 Salisbury Road, Tsimshatsui Kowloon, Hong Kong | 20,000,000 | 0.13% |
| Li Gang (李鋼) | Room 1702, 21 Huaifu Street Tianhe District, Guangzhou, China | 20,000,000 | 0.13 |
| Tse Wai Wah (謝惠華) . . . | Flat 1E, Block 7, Classical Garden 8 Ma Wo Road, Tai Po Hong Kong | 6,000,000 | 0.04 |

| Grantee and position | Address | Number of Shares under the options granted | Approximate percentage of shareholding upon the exercise of the options |
|--|--|---|--|
| Xu Xiangwu (徐湘武) | Room 401 20 Ningquandong Street Jiang Nan Garden Tonghe Road, Baiyun District Guangzhou, China | 6,000,000 | 0.04 |
| Xu Wen (徐文) | Room 601, 5 Yijingdongwu Road Haizhu District, Guangzhou, China | 6,000,000 | 0.04 |
| Lai Lixin (賴立新) | Room 901, No. 18 Huacui Street Tianhe District, Guangzhou, China | 6,000,000 | 0.04 |
| He Miaoling (何妙玲) | Room 1501, No. 12 Jinjun Street Haizhu District, Guangzhou, China | 6,000,000 | 0.04 |
| Senior management and/or other employees of our group | | | |
| Lin Manjun (林漫俊) | Room 601, No. 42 Huakang Street East Tianhe Road, Guangzhou China | 6,000,000 | 0.04 |
| Fong Kar Chun, Jimmy (方家俊) | Flat 19B, South Town 3, Phase II Residence Bel-Air, Island South Hong Kong | 6,000,000 | 0.04 |
| Sun Yunchi (孫雲馳) | Zhudao Garden No. 118 Hesha Road Songzhou Street Guangzhou, China | 4,000,000 | 0.03 |
| Li Guodong (李國東) | Room 16B No. 17 Huafu Street Tianhe District, Guangzhou, China | 4,000,000 | 0.03 |
| Shi Shouming (時守明) | Room 201, No. 68 Jinbi Road Haizhu District, Guangzhou, China | 4,000,000 | 0.03 |
| Wei Keliang (魏克亮) | Room 602, No. 3, First No. 754 Dongfengdong Road Yuxiu District, Guangzhou, China | 4,000,000 | 0.03 |
| Peng Jianjun (彭建軍) | Room 2905, No. 205 North Huajing Road Tianhe District, Guangzhou, China | 4,000,000 | 0.03 |
| Wang Chuan (王川) | Room 502, No. 2 No. 420 Courtyard East Huanshi Road, Guangzhou China | 4,000,000 | 0.03 |
| Zhong Ming (鍾明) | Room 1003, No. 21 East Yujing Street Tianhe District, Guangzhou, China | 4,000,000 | 0.03 |

| <u>Grantee and position</u> | <u>Address</u> | <u>Number of Shares under the options granted</u> | <u>Approximate percentage of shareholding upon the exercise of the options</u> |
|--------------------------------|---|---|--|
| Xu Xiaojun (許曉軍) | Room 302, Block 2 No. 33 Building, Lingxiu Xinguigu Haidian District, Beijing, China | 4,000,000 | 0.03 |
| She Shuangzhou (佘雙州) | Room 604, No. 28 Building Hujing Bay, Hujing Road Chancheng District, Foshan China | 2,000,000 | 0.01 |
| Jiao Yong (焦涌) | Room 603, No. 30 Guanyuanli Siming District, Xiamen, China | 2,000,000 | 0.01 |
| Han Guohua (韓國華) | Room 104, 8/F, Zhi Chun Road Shuangyushu, Haidian District Beijing, China | 2,000,000 | 0.01 |
| Zen Litao (甄立濤) | Room 1-3-1, No. 215, Zhongqing Street, Zhongshan District Dalian, China | 2,000,000 | 0.01 |
| Xu Jianhua (許建華) | Room 2503, No. 536 West Longkou Road Tianhe District, Guangzhou, China | 2,000,000 | 0.01 |
| Liu Yuzhi (劉玉芝) | Room 1302, Block D6 Jinbi Palace, Guangzhou, China | 2,000,000 | 0.01 |
| Ke Peng (柯鵬) | Room 701, No. 22 Lane 567 East Jin'an Road, Shanghai, China | 2,000,000 | 0.01 |
| Li Guolin (黎國林) | No. 14, Heyi Street Yuexiu District, Guangzhou, China | 2,000,000 | 0.01 |
| Xiong Min (熊敏) | No.135, West Xingang Road Guangzhou, China | 6,000,000 | 0.04 |
| Liao Jianing (廖嘉寧) | Room 1606 No. 27 5th Jinbi Street Haizhu District, Guangzhou, China | 6,000,000 | 0.04 |
| Wei Zhaoyang (魏朝陽) | Room 603, No. 10 6th Jinbi Street Haizhu District, Guangzhou, China | 6,000,000 | 0.04 |
| Gu Zhaohui (顧朝暉) | Room 102 No. 90 Shuiyin Road Dongshan District, Guangzhou China | 6,000,000 | 0.04 |
| Yang Songtao (楊松濤) | Room 1502 No. 30 6th Jinbi Street Haizhu District, Guangzhou, China | 6,000,000 | 0.04 |
| Tan Zhaohui (談朝暉) | Room 402, Block A Yanjun Garden No. 48 Eastern Xingang Road Guangzhou, China | 6,000,000 | 0.04 |

| <u>Grantee and position</u> | <u>Address</u> | <u>Number of Shares under the options granted</u> | <u>Approximate percentage of shareholding upon the exercise of the options</u> |
|-----------------------------|---|---|--|
| Li Xiao (李瀟) | Dajia Company No. 12 Dongchang Road Shenzhen, Guangdong, China | 4,000,000 | 0.03 |
| Qian Yonghua (錢永華) . . . | Room 21D, South Loft Shekoujingyuan Building Nanshan District, Shenzhen Guangdong, China | 4,000,000 | 0.03 |
| Liang Weikang (梁偉康) . . . | Room 601, No. 20 No. 34 Courtyard Meihua Road Yuxiu District, Guangzhou, China | 4,000,000 | 0.03 |
| Hong Changlong (洪昌龍) . | Room 1301, No. 19 Huafu Street Tianhe District, Guangzhou, China | 4,000,000 | 0.03 |
| Ai Dong (艾冬) | Room 305 No. 5 Yijing Dongsanjing Haizhu District, Guangzhou, China | 4,000,000 | 0.03 |
| Yang Song (楊松) | No.17, Shahe Road Tianhe District, Guangzhou, China | 4,000,000 | 0.03 |
| Zhao Changlong (趙長龍) . | Room 301 No. 232 2nd Jinbi Street Haizhu District, Guangzhou, China | 4,000,000 | 0.03 |
| Liang Qian (梁謙) | Room 407 Jiadong Court, Yuexin Plaza Jianghai Avenue, Chigang District Guangzhou, China | 4,000,000 | 0.03 |
| Cheng Jun (程軍) | Room 505, No. 2 Building No. 95 Jiefang Road, Liling Hunan, China | 2,000,000 | 0.01 |
| Liu Jiali (劉家立) | Room 904, Block A5 R&F Peach Garden 6 Huanghe Road, Baiyun District Guangzhou, China | 2,000,000 | 0.01 |
| Lu Yaxiong (盧亞雄) | No.1 Dormitory of 5th Zhongjian Bureau Yueyanglou District Yueyang Hunan, China | 2,000,000 | 0.01 |
| Lu Baoping (呂保平) | Room 2102, Block 15 Jinbi Garden No. 1 South Industrial Avenue Guangzhou, China | 2,000,000 | 0.01 |
| Liu Zhijian (劉志堅) | Room 701, 2 Loft No. 82 Courtyard, Jinhui Street Tianhe District, Guangzhou, China | 2,000,000 | 0.01 |
| | | 208,000,000 | 1.39% |

The percentages of shareholding represent the percentages immediately upon completion of the Global Offering but before the exercise of any options granted under the Pre-IPO Share Option Scheme or the Share Option Scheme. Except as set out above, no other options have been granted or agreed to be granted by us under the Pre-IPO Share Option Scheme.

Assuming (i) an Offer Price at HK\$3.50, the mid-point of the indicative offer price range, and (ii) completion of the adjustment of shareholding between the Original Shareholder and the Financial Investors, our shareholding structure before and after the full exercise of all the options granted under the Pre-IPO Share Option Scheme will be as follows:

| <u>Shareholders</u> | <u>Shareholding structure immediately after completion of the Global Offering but before the exercise of the options granted under the Pre-IPO Share Option Scheme</u> | | <u>Shareholding structure immediately after completion of the Global Offering and full exercise of the options granted under the Pre-IPO Share Option Scheme</u> | |
|---|--|--------------|--|--------------|
| | <u>Shares</u> | <u>%</u> | <u>Shares</u> | <u>%</u> |
| Xin Xin (BVI) Limited | 9,270,619,497 | 61.80 | 9,270,619,497 | 60.96 |
| Grantees under the Pre-IPO Share Option Scheme as non-connected persons | — | — | 70,000,000 | 0.46 |
| Grantees under the Pre-IPO Share Option Scheme as connected persons | — | — | 138,000,000 | 0.91 |
| Other shareholders | <u>5,729,380,503</u> | <u>38.20</u> | <u>5,729,380,503</u> | <u>37.67</u> |
| | <u>15,000,000,000</u> | <u>100.0</u> | <u>15,208,000,000</u> | <u>100.0</u> |

We will not permit the exercise of any Pre-IPO Share Option Scheme by any of our connected persons if, upon such exercise, we would not be able to attain the minimum public float requirement of the Stock Exchange.

(c) Valuation of the options granted under the Pre-IPO Share Option Scheme

The valuation of options granted under the Pre-IPO Share Option Scheme was conducted based on the Binomial Model with the following assumptions:

| | |
|--|------------------|
| Date of grant | November 5, 2009 |
| Estimated share price at the date of grant | HK\$3.50 |
| Exercise price per share | HK\$3.50 |
| Annual risk free rate | 1.25% per year |
| Expected volatility | 30% per year |
| Life of the option | 3 years |
| Expected dividend yield | 1.0% per year |

The expected suboptimal early exercise multiple for directors and senior management are assumed to be three times and two times the exercise price respectively. The post-vesting exit rate for directors and senior management are assumed to be 0% per year and 20% per year, respectively.

The fair value per share of option:

| <u>Vesting Period</u> | <u>Directors</u> | <u>Senior Management</u> |
|--|------------------|--------------------------|
| One year after the grant date | HK\$0.7071 | HK\$0.6431 |
| Two years after the grant date | HK\$0.7069 | HK\$0.6868 |
| Three years after the grant date | HK\$0.7062 | HK\$0.7062 |

(d) Effect on the earnings per Share as a result of the Pre-IPO Share Options

Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full during the year ending December 31, 2009 and that 15,208,000,000 Shares, comprising 15,000,000,000 Shares to be in issue immediately after the Global Offering and 208,000,000 Shares to be issued upon the exercise of all of the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the year ending December 31, 2009, this would have a potentially dilutive effect on unaudited estimated basic earnings per Share from approximately RMB 0.069 to approximately RMB 0.068. This calculation has been prepared on the assumption that we will not receive any proceeds from the exercise of any option under the Pre-IPO Share Option Scheme, without taking into account the impact of fair value of the Shares on computation of the number of potentially dilutive Shares, and without taking into account the impact of the fair value of the options under the Pre-IPO Shares Option Scheme on the profit forecast for the year ending December 31, 2009.

(e) Summary of the major terms of the Pre-IPO Share Option Scheme

(i) *Purpose*

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions that the eligible participants (as described in paragraph (ii) below) have or may have made to our group. The Pre-IPO Share Option Scheme will provide the eligible participants with an opportunity to have a personal stake in us with a view to achieving the following objectives:

- (1) motivate the eligible participants to optimize their performance efficiency for the benefit of our group; and
- (2) attract and retain or otherwise maintain relationships with the eligible participants whose contributions are or will be beneficial to the long-term growth of our group.

(ii) *Who may join*

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price set out in paragraph (iv) below to:

- (1) any full-time or part-time employees or potential employees, executives or officers of our company or any of our subsidiaries;
- (2) any directors (including non-executive directors and independent non-executive directors) of our company or any of our subsidiaries; or
- (3) any full-time employees of any subsidiaries of our company of the level of manager or above and other full-time employees of our company or its subsidiaries who, in the sole opinion of the Board, have contributed or will contribute to our company and/or any of the subsidiaries.

(iii) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is 208,000,000 Shares.

(iv) *Price of Shares*

The subscription price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be the equivalent of the Offer Price.

(v) *Rights are personal to grantee*

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do.

(vi) *Time of exercise of option and duration of the Pre-IPO Share Option Scheme*

The grantees to whom an option has been granted under the Pre-IPO Share Option Scheme will be entitled to exercise his/her option in the following manner:

- (a) up to 30% of the Shares that are subject to the Option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on the 1st anniversary of the Listing Date and ending 36 months after the 1st anniversary of the Listing Date.

- (b) up to 60% of the Shares that are subject to the Option so granted to him/her less the number of Shares in respect of which the Option has been exercised (rounded down to the nearest whole number) at any time during the period commencing from the expiry of the 2nd anniversary of the Listing Date and ending 36 months after the 2nd anniversary of the Listing Date; and
- (c) such number of Shares that are subject to the Option so granted to him/her less the number of Shares in respect of which the Option has been exercised at any time during the period commencing from the expiry of the 3rd anniversary of the Listing Date and ending 36 months after the 3rd anniversary of the Listing Date.

(vii) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

(viii) *Effect of alterations to capital*

In the event of any capitalization issue, rights issue, open offer, consolidation, subdivision or reduction of share capital of our company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option and/or the method of exercise of the option as our auditors or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to pre-IPO share option schemes (the "Supplemental Guidance"). Any such alterations will be made on the basis that a grantee shall have the same proportion of our issued share capital (as interpreted in accordance with the Supplementary Guidance) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription amount payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to

be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(ix) *Expiry of option*

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (1) the date of expiry of the option as may be determined by the Board;
- (2) the date of commencement of the winding-up of our company in accordance with the Cayman Companies Law;
- (3) the date on which the grantee ceases to be an eligible participant for reasons of gross negligence, willful misconduct or convicted of a criminal offence; or
- (4) the date on which the Board shall exercise our right to cancel the option in accordance with paragraph (xi) below.

(x) *Alteration of the Pre-IPO Share Option Scheme*

The Pre-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that any material alteration to the terms and conditions of the Pre-IPO Share Option Scheme or any change to the terms of options granted, shall first be approved by our shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Pre-IPO Share Option Scheme.

(xi) *Cancellation of Options*

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options.

(xii) *Termination of the Pre-IPO Share Option Scheme*

We may by resolution in general meeting or the Board at any time terminate the Pre-IPO Share Option Scheme and in such event no further option shall be offered but the provisions of the Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

(xiii) *Administration of the Board*

The Pre-IPO Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Pre-IPO Share Option Scheme or its interpretation or effect (except as otherwise provided herein) shall be final and binding on all parties.

(xiv) *Disclosure in annual and interim reports*

We will disclose details of the Pre-IPO Share Option Scheme in our annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

3. Tax indemnity

Dr. Hui and the Original Shareholder have entered into a deed of indemnity with and in favor of the Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in paragraph (b) of the subsection headed “Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any claim to which our company or any member of our group that may be subject on or before the Global Offering becomes unconditional (the “Effective Date”) which might be payable by any member of our group on or before the Effective Date.

4. Litigation

Except as disclosed in the section entitled “Business — Legal Proceedings” in this prospectus, as of the Latest Practicable Date, no member of our group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened by or against any member of our group.

5. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for a listing of, and permission to deal in, all the Shares in issue and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or the Pre-IPO Share Option Scheme.

6. Preliminary expenses

Our preliminary expenses were approximately US\$18,000 and have been paid by us.

7. Promoters

Our company has no promoter.

8. Taxation of holders of Shares*(a) Hong Kong*

The sale, purchase and transfer of Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration, or if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006. Our Directors have been advised that no material liability for estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our group.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasized that none of our company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise any rights attaching to them.

9. Qualification of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

| <u>Name</u> | <u>Qualifications</u> |
|--|---|
| Merrill Lynch Far East Limited | Deemed licenced under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) under the SFO |
| Goldman Sachs (Asia) L.L.C. | Licensed to conduct Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 6 regulated activity (advising on corporate finance) under the SFO |
| PricewaterhouseCoopers | Certified public accountants |
| Commerce & Finance Law Offices | PRC legal advisors |
| Maples and Calder | Cayman Islands attorneys-at-law |
| CB Richard Ellis Limited | Property valuer |

10. Interests of experts in our company

Except as disclosed in the section entitled “Underwriting — Independence of the Joint Sponsors — Hong Kong Underwriters’ interests in us” in this prospectus, none of the persons named in the section entitled “— 11. Consents of experts” in this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our company or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or securities in any member of our company.

11. Consents of experts

Each of Merrill Lynch, Goldman Sachs, PricewaterhouseCoopers, Commerce & Finance Law Offices, Maples and Calder and CB Richard Ellis Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

12. Particulars of the Selling Shareholders

Particulars of the Selling Shareholders are as follows:

| <u>Name</u> | <u>Description</u> | <u>Registered office</u> | <u>Number of Sale Shares</u> |
|---|--------------------|--|------------------------------|
| Xin Xin (BVI) Limited . | Corporation | P.O. Box 173 Kingston Chambers Road Town, Tortola British Virgin Islands | 426,036,034 |
| Ever Grace Group Limited | Corporation | Quastisky Building P.O. Box 4389 Road Town, Tortola British Virgin Islands | 16,845,129 |
| Credit Suisse, Singapore Branch . . | Corporation | One Raffles Link #03-01 South Lobby Singapore 039393 | 77,965,712 |
| Apollo Asia Opportunity Master Fund, L.P. | Investment Fund | 9 West 57th Street 43rd Floor, New York NY 10019, USA | 5,209,834 |
| Asian CRC Hedge Fund | Investment Fund | Suite 3311–3313 Two International Finance Center 8 Finance Street Central, Hong Kong | 811,064 |
| ACHF (Cayman) Limited | Corporation | P.O. Box 309 Ugland House Grand Cayman KY1–1104 Cayman Islands | 1,620,191 |

| <u>Name</u> | <u>Description</u> | <u>Registered office</u> | <u>Number of Sale Shares</u> |
|---|--------------------|--|----------------------------------|
| CVI GVF (Lux) Master Sarl | Corporation | 300 Beach Road #23-01 Singapore 1999555 | 34,732,217 |
| GLG Credit Fund | Investment Fund | 1 Curzon Street London W1J 5HB United Kingdom | 1,736,611 |
| GLG Market Neutral Fund | Investment Fund | 1 Curzon Street London W1J 5HB United Kingdom | 10,419,663 |
| Asian Special Finance Hedge Fund | Investment Fund | Suite 3311-3313 Two International Finance Center 8 Finance Street Central, Hong Kong | 1,041,968 |
| Liberty Harbor Master Fund I, L.P. | Investment Fund | One New York Plaza New York, NY 10004 USA | 4,167,866 |
| Norwich Assets Limited | Corporation | 3203, Bank of America Tower 12 Harcourt Road Central, Hong Kong | 520,979 |
| Shikumen Special Situations Fund. . . . | Investment Fund | Suite 901 100 Queen's Road Central, Hong Kong | 3,125,898 |
| TCM Asia Opportunities Master Fund Ltd. . . . | Investment Fund | P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands | 1,736,611 |

| <u>Name</u> | <u>Description</u> | <u>Registered office</u> | <u>Number of Sale Shares</u> |
|---|--------------------|---|----------------------------------|
| UBS AG, Singapore Branch | Corporation | 5 Temasek Boulevard #18-00 Suntec Tower 5 Singapore 038985 | 13,892,885 |
| Bright Joy Group Limited | Corporation | Suite 1117-18, 11/F Jardine House 1 Connaught Place Central, Hong Kong | 8,335,727 |
| VMS Investment Group Limited | Corporation | Suite 1117-18, 11/F Jardine House 1 Connaught Place Central, Hong Kong | 1,736,611 |
| Total | | | <u>609,935,000</u> |

If the Over-allotment Option is exercised, the following Shareholders will sell their Shares under the Over-allotment Option:

| <u>Name</u> | <u>Description</u> | <u>Registered office</u> | <u>Number of Sale Shares⁽¹⁾</u> |
|--|--------------------|---|--|
| Baytree Investment (Mauritius) Pte. Ltd.. | Corporation | Les Cascades Building Edith Cavell Street Port Louis, Mauritius | 52,900,000 |
| Indopark Holdings Limited | Corporation | DTOS, 4th Floor IBL House, Caudan Port Louis, Mauritius | 52,505,000 |
| Merrill Lynch Asian Real Estate Opportunity Fund Pte Ltd. | Corporation | 1 Temasek Avenue #28-01 Millenia Tower Singapore 039192 | 15,340,000 |
| Rise Success Holdings Limited . . . | Corporation | 31/F, New World Tower 18 Queen's Road Central Hong Kong | 46,021,000 |

| <u>Name</u> | <u>Description</u> | <u>Registered office</u> | <u>Number of Sale Shares⁽¹⁾</u> |
|--|--------------------|--|--|
| CVI GVF (Lux) Master Sarl | Corporation | 300 Beach Road #23-01, Singapore 199555 | 7,670,000 |
| Global Opportunistic Fund II Company B.S.C. (closed) | Corporation | Second Floor Souk Al-Safat Building Abdullah Al-Mubarak Street, Al-Mirqab PO Box 28807 Safat 13149, Kuwait | 9,204,000 |
| Global Investment House (K.S.C.C) . . . | Corporation | Second Floor, Souk Al-Safat Building Abdullah Al-Mubarak Street, Al-Mirqab PO Box 28807 Safat 13149, Kuwait | 35,590,000 |
| Topful Holdings Limited | Corporation | Suite 901, 100 Queen's Road Central Hong Kong | 7,670,000 |
| Cavendish Limited . . . | Corporation | Walker House, 87 Mary Street, George Town Grand Cayman Cayman Islands | 15,340,000 |
| Total | | | <u>242,240,000</u> |

(1) Assuming the Over-allotment Option has been fully exercised at the mid-point of the indicative offer price range of HK\$3.50.

13. Binding effect

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

14. Miscellaneous

- (a) Except as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our company or any of our subsidiaries;
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our company or any of our subsidiaries;
- (b) Except as disclosed in this prospectus, there are no founder, management or deferred shares or any debentures in our company or any of our subsidiaries;
- (c) Our Directors confirm that, there has been no material adverse change in our financial or trading position since June 30, 2009, being the date to which our latest audited consolidated financial statements were made up;
- (d) There has not been any interruption in our business which may have or has had a significant effect on our financial position in the 12 months preceding the date of this prospectus;
- (e) The principal register of our members will be maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a register of our members will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS; and
- (f) None of our associates is presently listed on any stock exchange or traded on any trading system.

15. 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).