

OUR HISTORY AND DEVELOPMENT

We originated from Xiamen, Fujian Province

In 1994, Mr. Wong Wun Ming and Mr. Huang Qingzhu founded our real estate business by establishing Mingfa Real Estate (XM) in Xiamen, Fujian Province.

Since 1994, we completed various property projects in Xiamen and Quanzhou in Fujian Province. We started by developing industrial parks and hotels in Xiamen, and later began to focus on the development of residential properties. In 2002, we commenced construction of Xiamen Mingfa Noble Place, our first large-scale residential property in Xiamen. We also developed several other integrated residential properties in Xiamen over the next few years and quickly established our reputation as one of the leading developers in Fujian Province.

To further expand our diversified portfolio and meet the growing market demand for commercial properties, in 2005, we commenced construction of Xiamen Mingfa Shopping Mall, our first large-scale mixed use commercial complex in Xiamen. Xiamen Mingfa Shopping Mall comprises several internationally well-known anchor retail stores, restaurants, themed commercial streets and cultural and entertainment facilities. We believe that with an aggregate GFA of approximately 400,000 sq.m., Xiamen Mingfa Shopping Mall is one of the largest shopping malls and one of the most popular tourist attractions in Xiamen. Building on this success, we commenced construction of similar shopping malls in other areas in Fujian Province, including Zhangzhou and Nan'an, which signifies our increasing focus on the development of large-scale, mixed use commercial complexes.

We entered Jiangsu Province in 2002

Leveraging on our well-recognized brand and management capabilities, in 2002, we expanded our operations to Nanjing and other selected cities of Jiangsu Province, one of the most affluent provinces in the Greater Yangtze River Delta region. In 2003, we commenced construction of our first project in Jiangsu Province, Nanjing Mingfa Riverside New Town, which we believe is one of the largest single property projects in Jiangsu Province. This large-scale integrated residential project, which was built in three phases, covers an aggregate GFA of approximately 2.2 million sq.m., and was awarded numerous titles and prizes, including “2006 Top-10 Best Selling Projects” (2006十大暢銷樓盤) by *Nanjing Daily* and “Riverside Landmark Project” (濱江地標樓盤) awarded jointly by Nanjing Broadcasting and Television Group (南京廣電集團), Nanjing Broadcasting and Television (南京廣播電視報) and the United Media of Nanjing Broadcasting and Television (南京廣電聯合媒體) in 2008.

Another key development is our Nanjing Mingfa Shopping Mall, a large-scale integrated commercial complex which commenced construction in 2008. This project covers an aggregate GFA of approximately 416,000 sq.m., and is designed to include retail, office, hotel spaces and ancillary facilities. Since 2005, we have strategically expanded our operations to other regions of Jiangsu Province and have commenced construction of similar large-scale, commercial complexes in Wuxi, Yangzhou and Zhenjiang.

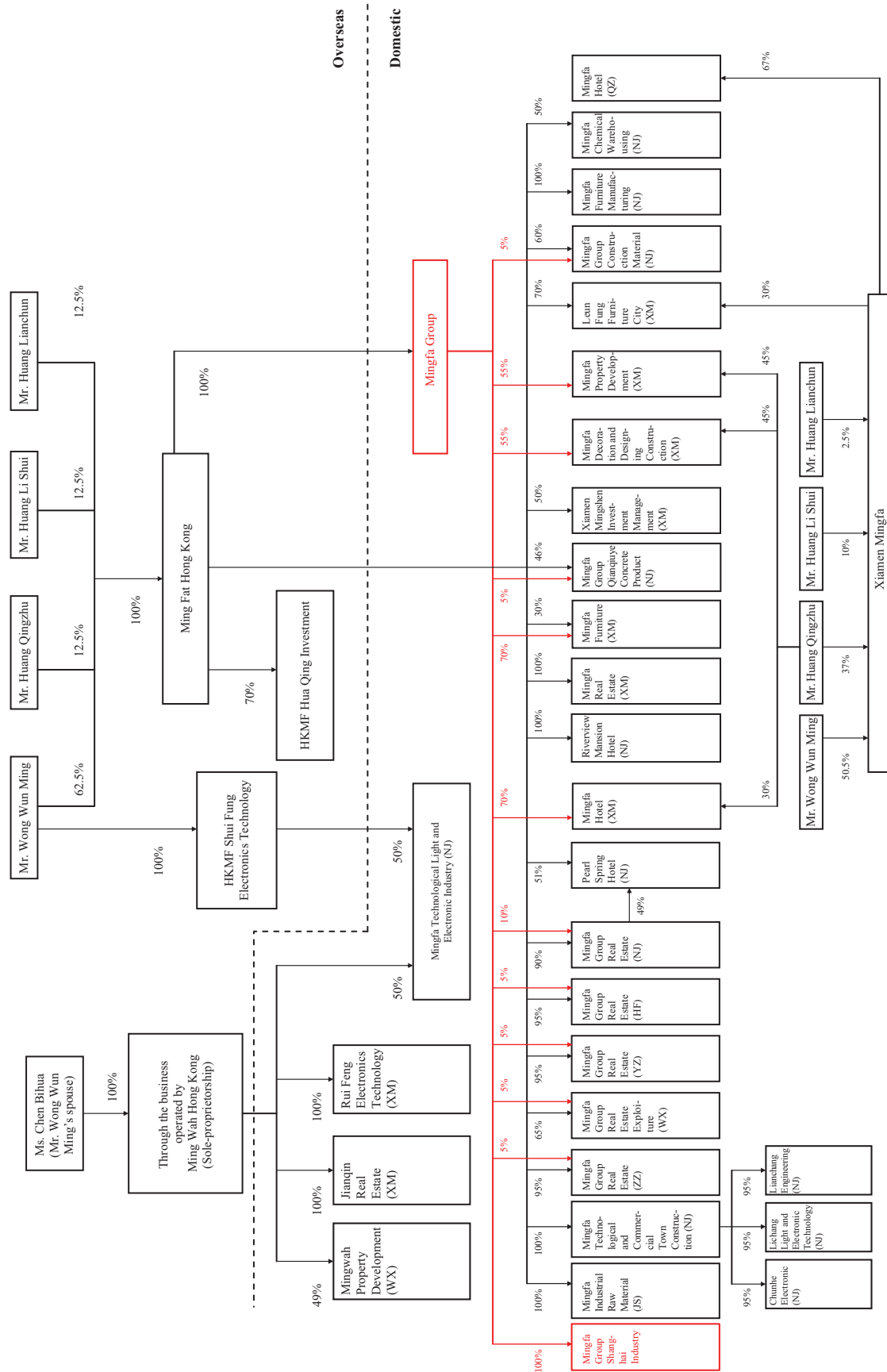
Entry into Anhui Province

Following the successful implementation of our “selected regional focus” growth strategy, we commenced construction of Hefei Mingfa Shopping Mall in Hefei, Anhui Province, in 2007. This project has an aggregate GFA of approximately 579,000 sq.m. and will become one of the largest integrated shopping malls in Anhui Province upon completion in 2010. We intend to continue expanding our operations into high-growth areas in second- and third-tier cities in Southeast China and the Greater Yangtze River Delta region in the future.

HISTORY AND REORGANIZATION

Corporate and Shareholding structure prior to Reorganization

The following chart sets forth our corporate and shareholding structure prior to our Reorganization.



HISTORY AND REORGANIZATION

OUR REORGANIZATION

Our Group underwent a reorganization in preparation for the Global Offering, pursuant to which we carried out certain steps in parallel to achieve the following: (i) establish certain intermediary companies in BVI and Hong Kong (*Step 1*); (ii) restructure our subsidiaries in the PRC (*Steps 2 to 4*); and (iii) establish the holding company of our Group (*Steps 5 to 12*).

The specific steps are set out below:

Step 1 Establishment of intermediary subsidiaries in BVI and Hong Kong

As at the Latest Practicable Date, we incorporated the following companies in BVI and Hong Kong as our intermediary holding companies, which indirectly hold our onshore PRC businesses:

<u>Company</u>	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Shareholder(s) as at the date of incorporation</u>
Fit Top Group	October 30, 2007	BVI	Growing Group (62.5%), Gainday Holdings (12.5%), Better Luck Group (12.5%) and Tin Sun Holdings (12.5%)
Add High International	October 30, 2007	BVI	Growing Group (62.5%), Gainday Holdings (12.5%), Better Luck Group (12.5%) and Tin Sun Holdings (12.5%)
Profit Surplus Investments	November 21, 2007	BVI	Growing Group (62.5%), Gainday Holdings (12.5%), Better Luck Group (12.5%) and Tin Sun Holdings (12.5%)
Ming Fat Hong Kong	October 25, 2000	Hong Kong	Mr. Wong Wun Ming (62.5%) Mr. Huang Li Shui (12.5%) Mr. Huang Qingzhu (12.5%) Mr. Huang Lianchun (12.5%)
Ming Wah Hong Kong	May 11, 2002	Hong Kong	N/A ⁽¹⁾
HKMF Shui Fung Electronics Technology	September 28, 2004	Hong Kong	Mr. Wong Wun Ming
HKMF Hua Qing Investment	August 23, 2005	Hong Kong	Ming Fat Hong Kong (70%) Econotime Group Limited (15%) Mr. Huang Yasan (15%)
HK Full Bright Holdings	December 4, 2007	Hong Kong	Add High International
H.K. Ming Shing Assets Management Group Limited	September 10, 2009	Hong Kong	Ming Fat Hong Kong (100%)

Note:

(1) Ms. Chen Bihua, the wife of Mr. Wong Wun Ming, the Chairman and one of the Controlling Shareholders of the Company, carried on a business as a sole proprietor under the trade name “Ming Wah Hong Kong”. Ms. Chen Bihua acted all along as a nominee holding the investment interest in a number of PRC incorporated companies for property development for and on behalf of the Controlling Shareholders under the trade name “Ming Wah Hong Kong”. At all times, Ms. Chen Bihua had all along acted in accordance with the directions and instructions of the Controlling Shareholders to conduct the investment holding business of Ming Wah Hong Kong.

As part of the Reorganization, Ms. Chen Bihua transferred the business, assets, goodwill (including the trade name of “Ming Wah Hong Kong”) and liabilities of Ming Wah Hong Kong to two wholly owned subsidiaries of our Group, namely HKMF Shui Fung

HISTORY AND REORGANIZATION

Electronics Technology and HK Full Bright Holdings (collectively referred to as the “**Transferees**”) for a consideration of HK\$8,463,950 based on the net asset value as shown in the account of Ming Wah Hong Kong as at September 30, 2007, pursuant to a business and assets transfer agreement dated January 25, 2008 (the “**Business and Assets Transfer Agreement**”).

Under the Business and Assets Transfer Agreement, Ms. Chen Bihua represented and warranted to the Transferees, among other things, that she had no interest, directly or indirectly, in any company or business which was or was likely to be or become competitive with the transferred business and she had not carried on the transferred business under a name other than the trade name of “Ming Wah Hong Kong”.

Ms. Chen Bihua further confirmed and undertook that she has not carried and will not carry on any business under the trade name of “Ming Wah Hong Kong” or any similar trade name since the said transfer. Mr. Wong Wun Ming, her spouse, has further given an undertaking in favor of our Group not to compete, and to procure his associates (including Ms. Chen Bihua) not to compete, with our Group. For details of the terms and conditions of his non-competition undertakings, please refer to the section headed “Relationship with our Controlling Shareholders and Connected Transactions” of this prospectus.

Step 2 Acquisition of PRC operating companies by our Group

From January 2006 to September 2008, our Group entered into various equity interest transfer agreements to acquire the equity interests in our PRC subsidiaries. All the acquired companies during the Reorganization (except Mingwah Property Development (WX), Hengxin Real Estate (NA), Honglai Town Construction (NA), Hanxiang Real Estate (ZJ) and Longxiang Real Estate (XM)) were owned or controlled by the Controlling Shareholders). The details of these transfers are set out below:

Name of PRC Company subject to the Acquisition	Transferor	Transferor’s Relationship with the Company	Transferee	Transferee’s main business	The Group’s interest in the acquired company before the relevant acquisition	The Group’s interest in the acquired company after the relevant acquisition	Amount of Consideration	Basis of determination of consideration
1. Xiamen Mingsheng Investment Management (XM)	Kiu Lok Property Management (50%)	Independent third party	Ming Fat Hong Kong	Investment holding	50%	100%	HK\$0.9 million	(Note 5)
2. Xiamen Mingfa	Wong Wun Ming (50.5%)	Controlling Shareholder	Mingfa Group	Property development and investment holding	0%	100%	RMB80 million	(Note 5)
	Huang Qingzhu (37%)	Controlling Shareholder						
	Huang Li Shui (10%)	Controlling Shareholder						
	Huang Lianchun (2.5%)	Controlling Shareholder						
3. Mingfa Hotel (XM)	Huang Qingzhu (30%)	Controlling Shareholder	Mingfa Group	Property development and investment holding	70%	100%	RMB3 million	(Note 5)
4. Chunhe Electronic (NJ)	Huang Lianchun (5%)	Controlling Shareholder	Mingfa Technological and Commercial Town Construction (NJ)	Development of business centre	95%	100%	RMB0.5 million	(Note 5)
5. Lianchang Engineering (NJ)	Huang Hai Biao (5%)	A family member of the Controlling Shareholders	Mingfa Technological and Commercial Town Construction (NJ)	Development of business centre	95%	100%	RMB0.8 million	(Note 5)

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Name of PRC Company subject to the Acquisition	Transferor	Transferor's Relationship with the Company	Transferee	Transferee's main business	The Group's interest in the acquired company before the relevant acquisition	The Group's interest in the acquired company after the relevant acquisition	Amount of Consideration	Basis of determination of consideration
6. Lichang Light and Electronic Technology (NJ)	Huang Qingzhu (5%)	Controlling Shareholder	Mingfa Technological and Commercial Town Construction (NJ)	Development of business centre	95%	100%	RMB0.6 million	(Note 5)
7. Mingfa Hotel (QZ)	Tai Shan Trading Company (33%)	Independent third party	Ming Fat Hong Kong	Investment holding	67%	100%	RMB10 million	(Note 5)
8. Mingwah Property Development (WX)	Xi Zhang Cun Town Construction (WX) (51%)	Independent third party	Ming Wah Hong Kong	Investment holding	49%	100%	RMB10.2 million	(Note 5)
9. Longxiang Real Estate (XM)	Yuan Chang Real Estate (XM) (80%)	Independent third party	Mingfa Group	Property development and investment holding	0%	50%	RMB25 million	(Note 5)
	Cheng Zhu Investment (XM) (20%)	Independent third party						
10. Hengxin Real Estate (NA)	Dai Qing Lin (56.25%)	Independent third party	Mingfa Group	Property development and investment holding	0%	100%	RMB8 million	(Note 5)
	Xu Xi Shui (43.75%)	Independent third party						
11. Honglai Town Construction (NA)	Nan'an Construction (FJ) (80%)	Independent third party	Xiamen Mingfa	Property development	0%	100%	RMB8.1 million	(Note 5)
	Honglai Town Electric Pumping Station (NA) (20%)	Independent third party						
12. Hanxiang Real Estate (ZJ)	Wing Lung Holdings (HK) Limited (40%)	Independent third party	Ming Fat Hong Kong	Investment holding	0%	100%	RMB124.6 million	(Note 6)
	U.S. Group Consolidator (HK) Limited (30%)	Independent third party						
	Peace Extend International Limited (30%)	Independent third party						

Notes:

- (1) Formerly known as Kiu Lok Ming Fat Property Management.
- (2) Mingfa Group is wholly owned by Ming Fat Hong Kong.
- (3) Mingfa Technological and Commercial Town Construction (NJ) is wholly owned by Ming Fat Hong Kong.
- (4) Xiamen Mingfa is wholly owned by Mingfa Group.
- (5) The consideration for the equity transfer was determined based on the capital contribution as at the date of transfer.
- (6) The consideration for transfer of the equity interest of Hanxiang Real Estate (ZJ) to Ming Fat Hong Kong was determined based on the fair market value of the piece of land held by Hanxiang Real Estate (ZJ).

Step 3 Establishment of PRC operating subsidiaries

From January 2007 to June 2008, Mingfa Group, Ming Fat Hong Kong, Mingfa Industrial Raw Materials (JS) and Mingfa Group Real Estate (NJ) established six new companies in the PRC, comprising three project companies, namely Mingfa Group Shanghai Industry, Mingfa Group Real Estate (HA) and Mingfa Group Real Estate (ZZ), one hotel management company, namely Mingfa Xinghewan Hotel (NJ), and two industrial and manufacturing companies, namely Mingfa Lighting and Electronic Technology (HA) and Mingfa Seafood Logistics (NA).

Step 4 Exclusion of non-core businesses from our Group

Businesses relating to commercial and residential property development and ancillary services, including property management services, together with the hotel business and industrial and manufacturing business, were included as part of our Group. We have excluded Mingfa Property Development (XM), Mingfa Decoration and Designing Construction (XM), Mingfa Group Qianqiuye Concrete Product (NJ) and Mingfa Group Construction Material (NJ) because these companies no longer carry on any businesses or carry on any of our core businesses as further explained below.

Mingfa Property Development (XM) was incorporated to engage in the business of real estate development but no longer carries on any business. Our Directors considered that there are no future business development opportunities for Mingfa Property Development (XM). The entire interest of Mingfa Property Development (XM) was therefore transferred to Mr. Huang Qingzhu, one of our Controlling Shareholders, for a consideration of RMB1,100,000 in December 2007. Mr. Huang Qingzhu is currently the sole director and shareholder of Mingfa Property Development (XM). As Mingfa Property Development (XM) no longer carries on any business, our Group is capable of carrying on our business independently of Mingfa Property Development (XM). We will not transfer Mingfa Property Development (XM) into our Group in the future.

Mingfa Decoration and Designing Construction (XM) was engaged in the business of property decoration and installation of water and electricity devices. Mingfa Decoration and Designing Construction (XM) no longer carries on any business. Our Group therefore transferred its equity interests in Mingfa Decoration and Designing Construction (XM) to Mr. Huang Lianchun, one of our Controlling Shareholders, for a consideration of RMB5,500,000 in December 2007 and following such transfer, Mr. Huang Qingzhu and Mr. Huang Lianchun were the shareholders holding a respective interest of 45% and 55% in Mingfa Decoration and Designing Construction (XM). Mr. Huang Qingzhu and Mr. Huang Lianchun subsequently transferred 100% equity interest in aggregate to Huang Yasan who is also a substantial shareholder of HKMF Hua Qing Investment. Our Group is capable of carrying our business independently of Mingfa Decoration and Designing Construction (XM). We will not transfer Mingfa Decoration and Designing Construction (XM) into our Group in the future.

Mingfa Group Qianqiuye Concrete Product (NJ) is engaged in the business of providing various concrete products services. Our Group's 51% equity interest in Mingfa Group Qianqiuye Concrete Product (NJ) was transferred to Goldrich Hong Kong International Development Limited (金富(香港)國際發展有限公司), an independent third party, for a consideration of RMB9,200,000 and the

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Controlling Shareholders' special purpose vehicle for a consideration of RMB1,000,000 in April 2008. The Controlling Shareholders currently hold beneficially a 15% interest in Mingfa Group Qianqiuye Concrete Product (NJ). Mr. Huang Lianchun, Mr. Zhang Yihui, Mr. Li Jianshe, Mr. Zhang Yisheng and Mr. Zhang Jinpeng are currently the directors of Mingfa Group Qianqiuye Concrete Product (NJ). As Mingfa Group Qianqiuye Concrete Product (NJ) does not conduct real estate development, we believe that the business of Mingfa Group Qianqiuye Concrete Product (NJ) will not compete with the business of our Group and our Group is capable of carrying on our business independently of Mingfa Group Qianqiuye Concrete Product (NJ). We will not transfer Mingfa Group Qianqiuye Concrete Product (NJ) into our Group in the future.

Mingfa Group Construction Material (NJ) was engaged in the business of manufacturing construction materials and furniture. Mingfa Group Construction Material (NJ) was transferred to H.K. Pingan Group Company Limited, an independent third party, for a total consideration of US\$1,300,000 in May 2008. Mr. Huang Jincheng, Ms. Huang Yuzhen and Ms. Huang Jinlian are currently the directors of Mingfa Group Construction Material (NJ). As Mingfa Group Construction Material (NJ) does not carry on our core business of real estate development, we believe that the business of Mingfa Group Construction Material (NJ) will not compete with the business of our Group and our Group is capable of carrying on our business independently of Mingfa Group Construction Material (NJ). We will not transfer Mingfa Group Construction Material (NJ) back into our Group in the future.

Our Directors believe that none of the above excluded businesses compete or will compete with the business of our Group. Our Directors confirm that the consideration for the disposal of those excluded businesses was determined after arms-length negotiation between the relevant transferor(s) and independent transferee(s) with reference to the respective companies' capital of the actual paid-in registered capital as at the date of transfer. The details of the exclusion and disposal of the non-core PRC companies are summarized below:

Name of the Excluded Entity	The major business of the PRC Company not carrying on core-business of our Group	Reason of the Exclusion	Transferor	Transferee	Transferee's Relationship with the Company	The Group's interest in the acquired company before the relevant exclusion	The Group's interest in the acquired company after the relevant exclusion	Date of Exclusion	Amount of Consideration	Basis of determination of consideration
1. Mingfa Property Development (XM)	Dormant Company	Mingfa Property Development (XM) no longer carries on any business and there is no future business development opportunity	Mingfa Group	Huang Qingzhu	Controlling Shareholder	55%	0%	December 17, 2007	RMB1.1 million	Capital contribution by Mingfa Group
2. Mingfa Decoration and Designing Construction (XM)	Dormant Company	Mingfa Decoration and Designing Construction (XM) no longer carries on any business	Mingfa Group	Huang Lianchun	Controlling Shareholder	55%	0%	December 17, 2007	RMB5.5 million	Capital contribution by Mingfa Group

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Name of the Excluded Entity	The major business of the PRC Company not carrying on core-business of our Group	Reason of the Exclusion	Transferor	Transferee	Transferee's Relationship with the Company	The Group's interest in the acquired company before the relevant exclusion	The Group's interest in the acquired company after the relevant exclusion	Date of Exclusion	Amount of Consideration	Basis of determination of consideration
3. Mingfa Group Qianqiuye Product (NJ)	Provision of various concrete products	Mingfa Group Qianqiuye Product (NJ) does not form part of the core business of real estate development of our Group	Ming Fat Hong Kong (46%)	Goldrich Hong Kong International Development Limited	Independent third party	51%	0%	April 8, 2008	RMB9.2 million	Capital contribution by Ming Fat Hong Kong
			Mingfa Group (5%)	Bloom Luck Holdings Limited	Special purpose vehicle of the Controlling Shareholders				RMB1 million	Capital contribution by Mingfa Group
4. Mingfa Group Construction Material (NJ)	Manufacture of construction materials and furniture	Mingfa Group Construction Material (NJ) does not form part of the core business of real estate development of our Group	Ming Fat Hong Kong (60%)	H.K. Pingan Group Company Limited	Independent third party	65%	0%	May 26, 2008	US\$1.2 million	Capital contribution by Ming Fat Hong Kong
			Mingfa Group (5%)	H.K. Pingan Group Company Limited					US\$0.1 million	Capital contribution by Mingfa Group

In addition, we de-registered Mingfa Lighting and Electronic Technology (HA) on July 16, 2009 and are currently in the process of de-registering another two PRC companies, namely, Mingfa Chemical Warehousing (NJ) and Mingfa Technological Light and Electronic Industry (NJ). These were project companies that were established for the sole purpose of bidding for land or purchasing project companies that own interests in land. As no potential projects have been identified since these companies were established, we decided to de-register these companies.

Step 5 Incorporation of the Company

In preparation for the Global Offering, the Company was incorporated in the Cayman Islands on November 27, 2007 with an authorized share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each. One Share was allotted and issued as fully paid up to Offshore Incorporations (Cayman) Limited. On November 27, 2007, Offshore Incorporations (Cayman) Limited transferred its one Share to Growing Group at par value, and 6,249 Shares, 1,250 Shares, 1,250 Shares and 1,250 Shares were allotted and issued as fully paid up to Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings, respectively.

Step 6 Acquisition of Hong Kong subsidiaries by the Company

On January 2, 2008, Fit Top Group acquired all of the shares in HKMF Shui Fung Electronics Technology, a company incorporated in Hong Kong, from Mr. Wong Wun Ming for a consideration of

HK\$1,970,000. The consideration was determined by reference to the net asset value of HKMF Shui Fung Electronics Technology.

On January 25, 2008, HK Full Bright Holdings, HKMF Shui Fung Electronics Technology and Ms. Chen Bihua, Mr. Wong Wun Ming's wife, entered into a business assets transfer agreement pursuant to which all of the business assets and trade name of Ming Wah Hong Kong were transferred from Ms. Chen Bihua to HK Full Bright Holdings and HKMF Shui Fung Electronics Technology in the proportion of 99% and 1%, respectively. The aggregate consideration for such transfer was HK\$8,463,950, which represents Ming Wah Hong Kong's net asset value as at September 30, 2007. Pursuant to a partnership agreement dated January 25, 2008, HK Full Bright Holdings and HKMF Shui Fung Electronics Technology agreed to operate the business of Ming Wah Hong Kong in partnership so as to keep the trade name "Ming Wah Hong Kong" unchanged.

Step 7 Allotment and Issue of shares by Ming Fat Hong Kong to Profit Surplus Investments Ltd

On February 12, 2008, Ming Fat Hong Kong allotted and issued 79,200,000 ordinary shares to Profit Surplus Investments pursuant to a deed of set-off (the "Deed of Set-Off") entered into between Ming Fat Hong Kong, Profit Surplus Investments, Growing Group and Mr. Wong Wun Ming. Pursuant to the Deed of Set-Off, Profit Surplus Investments issued 625 new shares to Growing Group, and Growing Group in turn issued 100 new shares to Mr. Wong Wun Ming. On the same date, Profit Surplus Investments also issued to each of Gainday Holdings, Better Luck Group and Tin Sun Holdings 125 shares. Pursuant to the Deed of Set-Off and the arrangements set out above, HK\$79,200,000 shareholders loan owed by Ming Fat Hong Kong to Mr. Wong Wun Ming was deemed cancelled and settled. After such share issue, Profit Surplus Investments held 99% of the then issued share capital of Ming Fat Hong Kong and Mr. Wong Wun Ming, Mr. Huang Li Shui, Mr. Huang Qingzhu and Mr. Huang Lianchun held in aggregate 1% of the then issued share capital of Ming Fat Hong Kong.

Step 8 Transfer of shares in Ming Fat Hong Kong

On September 5, 2008, in relation to the share transfer of Ming Fat Hong Kong, Mr. Wong Wun Ming transferred 800,000 shares, Mr. Huang Qingzhu transferred 100,000 shares, Mr. Huang Li Shui transferred 100,000 shares and Mr. Huang Lianchun transferred 100,000 shares to Profit Surplus in consideration of Profit Surplus issuing a total of 100 shares comprising 62.5 shares to Growing Group (wholly owned by Mr. Wong Wun Ming) and 12.5 shares to each of Gainday Holdings (wholly owned Mr. Huang Qingzhu), Better Luck Group (wholly owned by Ms. Huang Li Shui) and Tin Sun Holdings (wholly owned by Mr. Huang Lianchun). Since it is a share swap normally adopted in the course of reorganization, the consideration for purchase of Ming Fat Hong Kong is shares of the Profit Surplus and by doing so, the beneficial interest of the Controlling Shareholders in Ming Fat Hong Kong remains unchanged.

Step 9 Acquisition of shares in BVI subsidiaries by the Company

On September 26, 2008, each of Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings transferred all their shares in Profit Surplus Investments (in aggregate, 11,100 shares), Fit Top Group (in aggregate, 10,000 shares) and Add High International (in aggregate, 10,000

shares) to the Company. In consideration, the Company allotted and issued 625 shares to Growing Group and 125 shares to each of Gainday Holdings, Better Luck Group and Tin Sun Holdings. Upon completion of such share transfer, Growing Group held 62.5% of the issued shares in the Company, and Gainday Holdings Limited, Better Luck Group and Tin Sun Holdings each held 12.5% of the issued shares in the Company. It is a share swap and the ultimate beneficial interests of the Controlling Shareholders in the BVI subsidiaries remain unchanged.

Step 10 Transfer of shares in the Company

On September 29, 2008, Growing Group, which is 100% owned by Mr. Wong Wun Ming, transferred 275 issued shares in the Company to each of Gainday Holdings, Better Luck Group and Tin Sun Holdings, representing in aggregate 7.5% of the issued shares in the Company at nominal consideration. Gainday Holdings, Better Luck Group and Tin Sun Holdings are 100% owned by Mr. Huang Qingzhu, Mr. Huang Li Shui and Mr. Huang Lianchun respectively, who are Mr. Wong Wun Ming's brothers. Following completion of such share transfer, Growing Group held 55% of the issued shares in the Company and Gainday Holdings, Better Luck Group and Tin Sun Holdings each held 15% of the issued shares in the Company.

Step 11 Incorporation of Galaxy Earnest Limited

Galaxy Earnest Limited was incorporated in the British Virgin Islands on August 11, 2009 with an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00. On the date of its incorporation, 5,500 shares, 1,500 shares, 1,500 shares and 1,500 shares were allotted and issued as fully paid up to Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings, respectively, and the respective interests of Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings in Galaxy Holdings Limited were the same as their shareholdings in the Company in the respective proportions of 55%, 15%, 15% and 15%.

Step 12 Transfer of the Company to Galaxy Earnest Limited

On September 21, 2009, Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings transferred 6,050 Shares, 1,650 Shares, 1,650 Shares and 1,650 Shares, respectively, cumulating to a total of 11,000 Shares to Galaxy Earnest Limited. In consideration of the share transfers, Galaxy Earnest Limited issued 550 shares, 150 shares, 150 shares and 150 shares to Growing Group, Gainday Holdings, Better Luck Group and Tin Sun Holdings, respectively.

Following completion of the share transfers, the Company was wholly owned by Galaxy Earnest Limited, whereas Galaxy Earnest Limited is owned by Growing Group as to 55%, Gainday Holdings as to 15%, Better Luck Group as to 15% and Tin Sun Holdings as to 15%. The respective ultimate beneficial interests of the Controlling Shareholders in the Company remained unchanged in the proportions of 55%, 15%, 15% and 15%.

The Controlling Shareholders agree with each other that any disposal of interest in their respective BVI holding companies and Galaxy Earnest Limited by any Controlling Shareholder shall be subject to the consents and pre-emptive rights of the other Controlling Shareholders.

Regulation on the acquisition of domestic enterprises by foreign investors

On August 8, 2006, six PRC Governmental and regulatory agencies, including the Ministry of Commerce and the CSRC, promulgated the *Regulation on the Acquisitions of Domestic Enterprises by Foreign Investors* (the “**Acquisitions Regulation**”) which became effective on September 8, 2006 and was revised on June 22, 2009. Article 40 of the Acquisition Regulation requires that an offshore special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals shall obtain the approval of the CSRC prior to the listing and trading of the securities of such offshore special purpose vehicle on an overseas stock exchange.

Based on its understanding of the current PRC laws, regulations and rules, our PRC legal adviser has advised that CSRC approval for this offering is not required based on the following reasons: (i) our Reorganization does not constitute an acquisition of a related PRC domestic enterprise by a foreign investor as defined in the Acquisition Regulation or the relevant transactions had taken effect before the Acquisitions Regulation came into effect; and (ii) our Group did not acquire any equity interest in any PRC domestic enterprise by means of exchange of its shares for the purposes of an overseas listing, which could result in such overseas listing subject to CSRC approval under the Acquisition Regulation. As a result, we are not required to obtain further approvals from the CSRC or other competent authorities pursuant to such provisions and the listing of the Company does not require CSRC approval.

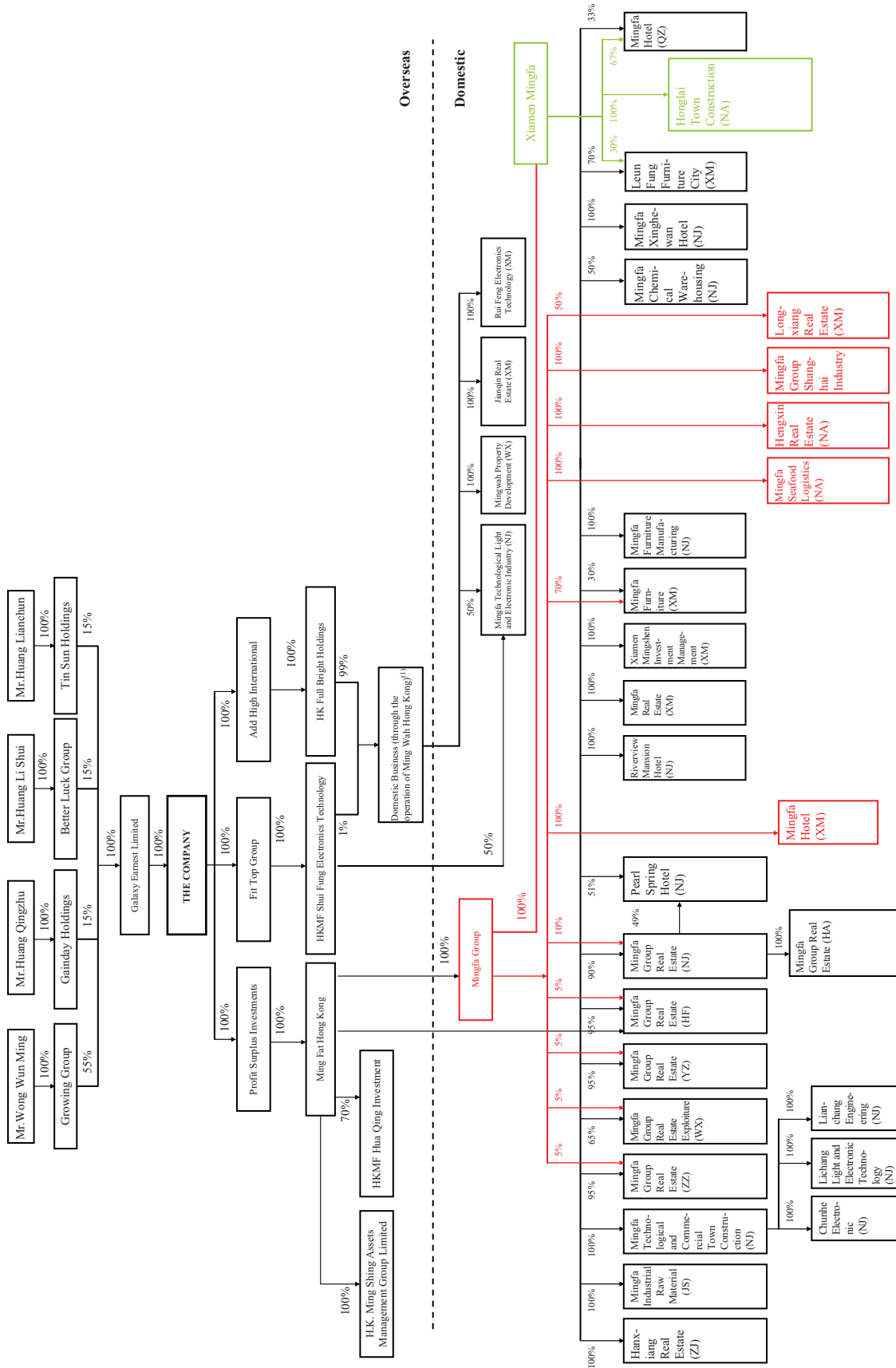
On October 21, 2005, SAFE issued the *Notice on Issues Relating to the Administration of Foreign Exchange in Fund-raising and Round-trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies* (“**Circular 75**”) which became effective on November 1, 2005. Circular 75 states that PRC residents, which includes both legal and natural persons, must register with the relevant SAFE branches with respect to their overseas investments in offshore companies if they use assets or equity interests in their PRC entities as capital contributions to establish offshore companies or inject assets or equity interests of their PRC entities into offshore companies to raise capital overseas.

Our PRC legal adviser has confirmed that the Controlling Shareholders established or acquired their equity interests in the Company through the following methods: (i) establishing PRC foreign-invested Companies; (ii) acquiring equity interests of PRC companies from independent third parties; (iii) acquiring a PRC company, prior to Circular 75 taking effect, by Ming Fat HK, a HK company that was established in 2000 and had established many foreign-invested enterprises in the PRC, therefore not a Special Purpose Company as defined in Circular 75; and (iv) acquiring the minority equity interests of the PRC domestic subsidiaries of our Group through its PRC foreign-invested companies. None of the transactions above relating to our Reorganization involves a round-trip investment as defined in Circular 75. As a result, we are not required to apply to SAFE or its relevant branches for foreign exchange registration of overseas investment under Circular 75.

Our PRC legal adviser has further confirmed that no other PRC approvals or consents in relation to the Controlling Shareholders’ direct or indirect interest in the Company are required to be obtained and that our Reorganization complies with applicable PRC laws and regulations, and all necessary approvals from PRC governmental authorities required to implement our Reorganization have been obtained.

Corporate and Shareholding Structure Prior to the Global Offering

The following diagram shows our corporate and shareholding structure immediately following the completion of our Reorganization and prior to the Global Offering:



Note: (1)

Following the completion of the Reorganization, Ming Wah Hong Kong is held by HKMF Shui Fung Electronics Technology and HK Full Bright Holdings in the form of a partnership. For more details, please refer to the section headed "History and Reorganization — Our Reorganization — Step 6 Acquisition of Hong Kong subsidiaries by the Company" of this prospectus.

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Our PRC Subsidiaries

As at the Latest Practicable Date, we owned a total of 33 PRC subsidiaries and one jointly controlled entity, all of which engage in real estate development and other ancillary businesses.

The following chart is a summary of the corporate information of our PRC operating subsidiaries and jointly controlled entities:

	Subsidiaries and Entities	Principal Activities	Date of Incorporation	Place of Incorporation	Our equity interests	Minority shareholders (if any) and their equity interests
1.	Mingfa Group Real Estate (HA)	Property development	January 28, 2008	Huai'an, Jiangsu Province	100%	—
2.	Mingfa Industrial Raw Material (JS)	Development of logistic centre	June 21, 2005	Nanjing, Jiangsu Province	100%	—
3.	Leun Fung Furniture City (XM)	Property Investment	September 15, 1993	Xiamen, Fujian Province	100%	—
4.	Mingfa Group	Property development and Investment holding	November 6, 2001	Xiamen, Fujian Province	100%	—
5.	Mingfa Group Real Estate (HF)	Property development	November 1, 2005	Hefei, Anhui Province	100%	—
6.	Mingfa Group Real Estate (NJ)	Property development	July 12, 2002	Nanjing, Jiangsu Province	100%	—
7.	Mingfa Group Shanghai Industry	Property development	January 10, 2007	Shanghai	100%	—
8.	Mingfa Group Real Estate Exploiture (WX)	Property development	December 12, 2003	Wuxi, Jiangsu Province	70%	Mr. Xu He Shan (30%)
9.	Mingfa Group Real Estate (YZ)	Property development	October 18, 2006	Yangzhou, Jiangsu Province	100%	—
10.	Mingfa Group Real Estate (ZZ)	Property development	February 13, 2007	Zhangzhou, Fujian Province	100%	—
11.	Hengxin Real Estate (NA)	Property development	November 28, 2006	Nan'an, Fujian Province	100%	—
12.	Honglai Town Construction (NA)	Property development	October 18, 1999	Nan'an, Fujian Province	100%	—
13.	Mingfa Seafood Logistics (NA)	Property development	June 12, 2008	Nan'an, Fujian Province	100%	—
14.	Chunhe Electronic (NJ)	Development of business centre	April 11, 2007	Nanjing, Jiangsu Province	100%	—
15.	Lianchang Engineering (NJ)	Development of business centre	April 13, 2007	Nanjing, Jiangsu Province	100%	—
16.	Lichang Light and Electronic Technology (NJ)	Development of business centre	April 10, 2007	Nanjing, Jiangsu Province	100%	—
17.	Mingfa Chemical Warehousing (NJ) (note)	Development of logistic centre	September 7, 2005	Nanjing, Jiangsu Province	50%	Tai San International (泰山國際貿易有限公司)
18.	Mingfa Furniture Manufacturing (NJ)	Furniture manufacturing	October 27, 2005	Nanjing, Jiangsu Province	100%	—

HISTORY AND REORGANIZATION

	<u>Subsidiaries and Entities</u>	<u>Principal Activities</u>	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Our equity interests</u>	<u>Minority shareholders (if any) and their equity interests</u>
19.	Riverview Mansion Hotel (NJ)	Hotel operation	September 16, 2004	Nanjing, Jiangsu Province	100%	—
20.	Mingfa Technological and Commercial Town Construction (NJ)	Development of business centre	September 9, 2005	Nanjing, Jiangsu Province	100%	—
21.	Mingfa Technological Light and Electronic Industry (NJ) (note)	Industrial manufacturing	May 19, 2006	Nanjing, Jiangsu Province	100%	—
22.	Mingfa Xinghewan Hotel (NJ)	Hotel operation	December 17, 2007	Nanjing, Jiangsu Province	100%	—
23.	Pearl Spring Hotel (NJ)	Hotel operation	September 15, 2004	Nanjing, Jiangsu Province	100%	—
24.	Mingfa Hotel (QZ)	Hotel operation	August 25, 1998	Quanzhou, Fujian Province	100%	—
25.	Mingwah Property Development (WX)	Property development	December 12, 2006	Wuxi, Jiangsu Province	100%	—
26.	Jianqin Real Estate (XM)	Property development	May 16, 2002	Xiamen, Fujian Province	100%	—
27.	Longxiang Real Estate (XM)	Property development	June 29, 2001	Xiamen, Fujian Province	50%	Yuan Chang Real Estate (XM) as to 40% and Cheng Zhu Investment (XM) as to 10%
28.	Mingfa Furniture (XM)	Furniture manufacturing	September 5, 1994	Xiamen, Fujian Province	100%	—
29.	Xiamen Mingfa	Property development	January 7, 1998	Xiamen, Fujian Province	100%	—
30.	Mingfa Hotel (XM)	Property Investment	December 14, 1999	Xiamen, Fujian Province	100%	—
31.	Mingfa Real Estate (XM)	Property development	October 21, 1994	Xiamen, Fujian Province	100%	—
32.	Xiamen Mingsheng Investment Management (XM)	Property Management	April 18, 2006	Xiamen, Fujian Province	100%	—
33.	Rui Feng Electronics Technology (XM)	Property development	December 16, 2004	Xiamen, Fujian Province	100%	—
34.	Hanxiang Real Estate* (ZJ)	Property development and hotel operation	March 16, 2005	Zhenjiang Jiangsu Province	100%	—

Note:

We are currently in the process of de-registering two PRC companies, namely, Mingfa Chemical Warehousing (NJ) and Mingfa Technological Light and Electronic Industry (NJ). These were project companies that were established for the sole purpose of bidding for land or purchasing project companies that own interests in land. As no potential projects have been identified since these companies were established, our Group decided to de-register these companies.

* Please see note 38(b) to the Accountant's Report in Appendix I