
HISTORY AND CORPORATE STRUCTURE

CORPORATE HISTORY

History and Development of our Main Operating Subsidiaries—RHY Technology and Aproud Technology

Establishment of RHY Technology

We trace our history back to February 16, 2001, when RHY Technology was established by RAY Holdings (瑞華贏投資控股有限公司) (formerly known as Hainan New Huangpu Investments Ltd. (海南新黃浦投資有限公司)), a company owned as to 60% by Wang Jing (executive Director and Controlling Shareholder), as to 10% by Guan Xiong (Controlling Shareholder), as to 10% by Zheng Hui (Controlling Shareholder), as to 10% by Zhang Qian (Controlling Shareholder) and as to 10% by Xue Weibing (independent third party). The initial registered capital of RHY Technology was RMB8 million, with RAY Holdings holding 80% equity interest while the remaining 20% was held by Beijing Xinyongsheng Investment Consulting Co., Ltd. (北京新永盛投資顧問有限公司), a subsidiary of RAY Holdings. RAY Holdings is an investment holding company that invested in different industries in China but focused primarily on infrastructure industry at that time.

Establishment of Aproud Technology

Aproud Technology was established on February 15, 2001 by Dang Kulun (Controlling Shareholder) (holding 31%), Pan Jianguo (executive Director and Controlling Shareholder) (holding 20%), Beijing North Huaneng Project Technology Development Co., Ltd. (北京北方華能工程技術開發有限公司), a company owned as to 50% by Beijing Taile Investment Management Center (北京泰樂投資管理中心) and as to 50% by Beijing Huawang Shengshi Technology Co., Ltd. (北京華王盛世科技有限公司) (holding 35% for RAY Holdings under an entrustment arrangement) and Hao Guoping (a shareholder of Beijing Tripod until September 2006) (holding 14%), with an initial registered capital of RMB5.0 million. Aproud Technology was established to focus on communications solutions business in the ITS industry in China. On April 25, 2001, the entrustment arrangement between RAY Holdings and Beijing North Huaneng Project Technology Development Co., Ltd. was unwound and Beijing North Huaneng Project Technology Development Co., Ltd. transferred its 35% interest in Aproud Technology to RAY Holdings for a consideration of RMB1,750,000. On the same date, Hao Guoping transferred his 14% interest in Aproud Technology to Tang Han (independent third party) for a consideration of RMB700,000. Dang Kulun and Pan Jianguo transferred 5% and 4% equity interests in Aproud Technology, respectively, to Jing Yang (Controlling Shareholder) for RMB250,000 and RMB200,000 respectively. The considerations were determined with reference to the registered capital of Aproud Technology. Following the transfer, Aproud Technology was owned as to 35% by RAY Holdings, as to 26% by Dang Kulun, as to 16% by Pan Jianguo, as to 9% by Jing Yang (Controlling Shareholder) and as to 14% by Tang Han (independent third party).

Investment in RHY Technology by Bailian Youli

With an aim to further expand the Group with additional funding and management expertise, in May 2002, Bailian Youli (Beijing) Investment Co., Ltd. (百聯優力(北京)投資有限公司) (“Bailian Youli”), an investment holding company led by Jiang Hailin (Chairman and executive Director), acquired a 50% equity interest in RHY Technology by way of capital contribution in the sum of RMB10.0 million. At the same time, RAY Holdings contributed RMB2.0 million to the registered capital of RHY Technology and Beijing Xinyongsheng Investment Consulting Co., Ltd., a subsidiary of RAY Holdings, transferred an 8% equity interest in RHY Technology to RAY Holdings at cost. Following the consummation of the acquisition, RHY Technology was owned as to 50% by Bailian Youli and as to 50% by RAY Holdings, and the board of RHY Technology was controlled by Bailian Youli through an investment agreement with RAY Holdings dated May 18, 2002. Pursuant to the investment agreement, Bailian Youli had the right to acquire an additional 30% interest in RHY Technology from RAY Holdings over the course of five years. At the time of the investment in RHY Technology, Zhao Lisen (Controlling Shareholder) was promoted to serve as the president of RHY Technology responsible for the overall business operations of RHY Technology. In July 2003, Lv Xilin joined RHY Technology as a vice president and was responsible for marketing and engineering implementation of our Turnkey Solutions business. For further details of our Board and senior management, please refer to the sections headed “Directors and Senior

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Management” and “Business—Our Competitive Strengths—Experienced and highly incentivized management team.” Save as the transactions described elsewhere in this prospectus, there has been no business relationship between Bailian Youli and RHY Technology, and between the shareholders of Bailian Youli and RHY Technology during the Track Record Period.

Integration with Aproud Technology

As a term of Bailian Youli’s investment in RHY Technology pursuant to the agreement dated May 18, 2002, on August 13, 2002, RHY Technology integrated with Aproud Technology through the transfer by RAY Holdings of a 35% equity interest in Aproud Technology to RHY Technology for the sum of RMB1,750,000 which was determined with reference to the registered capital of Aproud Technology. On the same date, RHY Technology acquired a 5% interest in Aproud Technology from Tang Han for the sum of RMB250,000 which was determined with reference to the registered capital of Aproud Technology and became the largest single shareholder of Aproud Technology. At the same time, Hao Guoping acquired a 9% equity interest from Tang Han for the sum of RMB450,000 which was determined with reference to the registered capital of Aproud Technology. Following the acquisition, RHY Technology held a 40% equity interest in Aproud Technology and remained as the largest single shareholder of Aproud Technology. Jiang Hailin and Wang Jing were appointed directors of Aproud Technology.

As part of the internal restructuring, on October 28, 2003, Dang Kulun, Pan Jianguo and Jing Yang transferred an aggregate of 39% and 12% equity interests in Aproud Technology to Beijing Aproud Innovative Technology Co., Ltd. and Beijing Tianyi Weiye Technology Co., Ltd., respectively. Beijing Aproud Innovative Technology Co. Ltd. was owned as to 49.5% by Dang Kulun, as to 30.5% by Pan Jianguo and as to 20% by Jing Yang. Beijing Tianyi Weiye Technology Co. Ltd. was owned as to 49.5% by Dang Kulun, as to 30.5% by Pan Jianguo and as to 20% by Jing Yang. Following the transfer, Aproud Technology was owned as to 40% by RHY Technology, as to 39% by Beijing Aproud Innovative Technology Co., Ltd., as to 12% by Beijing Tianyi Weiye Technology Co., Ltd. and as to 9% by Hao Guoping.

From 2002 to 2004, RHY Technology developed its Turnkey Solutions business focusing on the expressway sector of the ITS industry in the PRC while Aproud Technology developed its specialized communications solutions, also focusing on the expressway sector, thereby creating synergy with the Group’s business. Under the guidance and marketing efforts of Jiang Hailin and Wang Jing, RHY Technology was able to introduce Aproud Technology’s specialized communications solutions to a broader market, and Aproud Technology became a major supplier of specialized communications solutions to RHY Technology.

Further consolidation of control over RHY Technology by Bailian Youli

On June 23, 2004, RAY Holdings sold a 10% interest in RHY Technology to Bailian Youli, for the sum of RMB2 million with reference to the registered capital of RHY Technology pursuant to the investment agreement dated May 18, 2002. At the same time, RAY Holdings and Bailian Youli sold a total of 7.5% interest in RHY Technology to Zhao Lisen and Lv Xilin for the aggregate sum of RMB1.5 million which was determined with reference to the registered capital of RHY Technology to incentivize them as key managers of RHY Technology. Following the transfer, RAY Holdings, Bailian Youli, Zhao Lisen and Lv Xilin held 37%, 55.5%, 5% and 2.5% of equity interests, respectively, in RHY Technology. Zhao Lisen and Lv Xilin settled the consideration in cash in proportion to their interests.

To consolidate control in RHY Technology, on June 23, 2004, Bailian Youli entered into a shareholders voting agreement with Zhao Lisen and Lv Xilin, pursuant to which Zhao Lisen and Lv Xilin delegated their voting rights with respect to RHY Technology to Bailian Youli and authorize Bailian Youli to manage the affairs of RHY Technology, including the right to nominate directors of RHY Technology, attend shareholders’ meetings and oversee the business operations and management of RHY Technology. On October 16, 2004, save for Jiang Hailin, the other shareholders of Bailian Youli, namely Yuan Chuang, Wu Chunhong, Liang Shiping, Wu Yurui and Liao Daoxun, delegated their voting rights with respect of Bailian Youli to Jiang Hailin by way of a shareholders voting agreement pursuant to which Jiang Hailin was authorized to manage the affairs of RHY

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Technology on behalf of Bailian Youli, including the right to nominate directors of RHY Technology, attend shareholders' meetings and oversee the business operations and management of RHY Technology.

Further consolidation of control over Aproud Technology by RHY Technology

To incentivize the key managers of Aproud Technology, on November 10, 2004, RHY Technology agreed to sell 20% of its equity interest in Aproud Technology to Beijing Aproud Innovative Technology Co., Ltd. for the aggregate sum of RMB11,183,000 which was determined with reference to the net asset value of Aproud Technology. The consideration was settled in cash by the individual shareholders of Beijing Aproud Innovative Technology Co., Ltd. in proportion to their respective equity interests. Notwithstanding such sale, Jiang Hailin and Wang Jing continued to serve on the board of directors of Aproud Technology which enabled RHY Technology to exert significant influence over the decision-making process on the board of Aproud Technology. At the same time, Hao Guoping transferred his entire 9% interest in Aproud Technology to Beijing Aproud Innovative Technology Co., Ltd for a consideration of RMB900,000 which was determined with reference to the registered capital of the Aproud Technology. Following the transfers, Aproud Technology was owned as to 20% by RHY Technology, 68% by Beijing Aproud Innovative Technology Co., Ltd. and as to 12% by Beijing Tianyi Weiye Technology Co., Ltd.

During 2005, our Directors believed that the Group would further benefit from the more formalized integration of Turnkey Solutions of RHY Technology and Specialized Solutions of Aproud Technology. For this reason, on January 1, 2006, RHY Technology entered into an equity transfer agreement with Beijing Aproud Innovative Technology Co., Ltd. and Beijing Tianyi Weiye Technology Co., Ltd. for the acquisition of 68% and 12% equity interest in Aproud Technology, respectively, in consideration for a 42.5% equity interest in China ITS Co., Ltd. Pursuant to the agreement, RHY Technology could direct the 80% equity interest in Aproud Technology to be transferred to its overseas holding company. As a result, as of January 1, 2006, Aproud Technology was effectively controlled by RHY Technology. As part of the Reorganization, Fairstar Success Holdings Limited was subsequently directed by RHY Technology to take up the 80% interest in Aproud Technology, further details are set out in the section headed "Acquisition of Aproud Technology by Fairstar Success Holdings Limited." To simplify the acquisition procedures, in May 2006, Beijing Tianyi Weiye Technology Co., Ltd. transferred its 12% interest in Aproud Technology to Beijing Aproud Innovative Technology Co., Ltd.

Prior to January 1, 2006, the board of directors of Aproud Technology consisted of Jiang Hailin, Wang Jing, Dang Kulun, Pan Jianguo and Jing Yang. Pursuant to the equity transfer agreement dated January 1, 2006 and the shareholders' resolutions of Aproud Technology passed on January 1, 2006, Aproud Technology's shareholders authorized RHY Technology to establish a management committee consisted of members nominated by RHY Technology. The management committee consisted of Jiang Hailin, Dang Kulun and Wang Jing, as nominated by RHY Technology. The management committee was responsible for the overall business operations of Aproud Technology including, but not limited to, making decisions regarding finances, management of the investments and financial forecast, and the appointment and determination of the remuneration of members of the senior management. Dang Kulun and Wang Jing were responsible for overseeing the day-to-day operations of Aproud Technology and assisting Jiang Hailin in discharging his duties. According to the Company's PRC legal advisors, such management committee was not against PRC law. The management committee was disbanded in August 2006 following the transfer of an 80% equity interest in Aproud Technology from Beijing Aproud Innovative Technology Co., Ltd. to Fairstar Success Holdings Limited as part of the Reorganization, further details of which are set out in the section headed "Acquisition of Aproud Technology by Fairstar Success Holdings Limited."

Further increase in equity interest in RHY Technology by Bailian Youli

Following the investment agreement entered into on May 18, 2002, in August 2006, RAY Holdings sold a 20% equity interest in RHY Technology to Bailian Youli for RMB35.0 million which was determined with reference to the net asset value of RHY Technology. Upon completion of this transaction, RHY Technology was owned as to 75.5% by Bailian Youli, as to 17% by RAY Holdings, as to 5% by Zhao Lisen and as to 2.5% by Lv Xilin.

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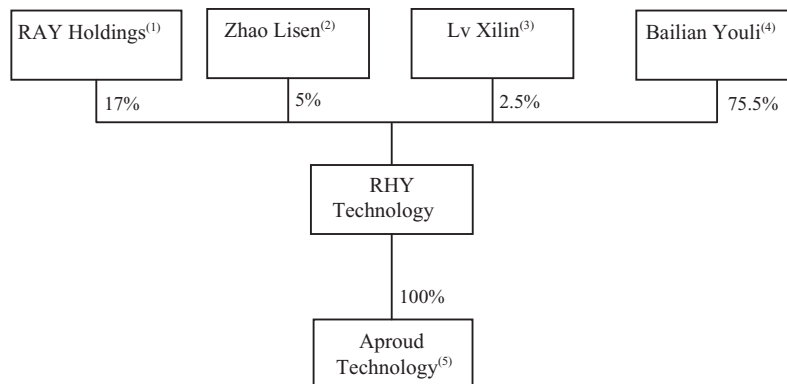
Companies Established during the Track Record Period

During the Track Record Period, we established the following entities in the PRC to meet our expansion requirements:

| Date of establishment | Name of company | Principal business activities |
|-----------------------|---------------------------|--|
| March 30, 2007 | Haotian Jiajie | VA Services and Specialized Solutions provider |
| April 4, 2007 | Beijing Jiyier Technology | Tolling solution provider |
| April 18, 2007 | Bailian Zhida | Surveillance solution provider |
| June 25, 2007 | Zhixun Tiancheng | Communications solution provider in railway sector |
| July 11, 2007 | Beijing Aproud Software | Research and development of software for ITS and sale of such software |
| November 19, 2009 | Jiangsu Zhixun Tiancheng | Research and development, production and sales of communications products, equipment and services |
| December 9, 2009 | Chengdu Weilute | Research and development and sales of hardware and software for intelligent video detection application for ITS sector |

REORGANIZATION

The following chart shows our simplified shareholding structure immediately prior to the Reorganization (all percentages shown are approximate figures):



Notes:

- (1) RAY Holdings was owned as to 58.9% by Wang Jing, as to 11.7% by Zheng Hui, as to 11.7% by Guan Xiong, as to 11.7% by Zhang Qian and as to 6.0% by Wang Li. RAY Holdings is an investment holding company that used to invest in different industries in China, focused primarily on infrastructure industry at that time. Since August 7, 2006, RAY Holdings no longer invests in the ITS industry but focuses on providing service business in the financial sector.
- (2) Controlling Shareholder.
- (3) Controlling Shareholder.
- (4) Bailian Youli was owned as to 25.0% by Liao Daoxun, as to 24.0% by Wu Yurui, as to 22.0% by Jiang Hailin, as to 12.0% by Wu Chunhong, as to 12.0% by Liang Shiping and as to 5.0% by Yuan Chuang. As of the Latest Practicable Date, Bailian Youli is an investment holding company that mainly invests in entities that engage in e-commerce of on-line digital-images, internet-based education solution and service and enterprise software application.
- (5) As of August 15, 2006, Aproud Technology was owned as to 20% by RHY Technology and as to 80% by Aproud Innovation Technology Co., Ltd. However, on January 1, 2006, RHY Technology entered into an agreement with Beijing Aproud Innovative Technology Co., Ltd. and Beijing Tianyi Weiye Technology Co., Ltd. for the acquisition of 68.0% and 12.0% equity interest in Aproud Technology, respectively, in consideration for a 42.5% equity interest in China ITS Co., Ltd. Pursuant to the agreement, RHY Technology could direct the 80.0% equity interest in Aproud Technology to be transferred to its overseas holding company. As a result, as of January 1, 2006 Aproud Technology was effectively controlled by RHY Technology.

To rationalize our structure and further integrate our business, we undertook a series of reorganization steps.

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Incorporation of Holding Company for Zhao Lisen, Lv Xilin, Individual Shareholders of RAY Holdings and Individual Shareholders of Bailian Youli

Best Partners, a company incorporated in the British Virgin Islands, was set up on June 23, 2006 to serve as the holding company for the individual shareholders of RAY Holdings, Zhao Lisen, Lv Xilin and the individual shareholders of Bailian Youli to consolidate their interest in the Group. The initial authorized share capital of Best Partners was US\$1,000 divided into 100,000 shares of US\$0.01 each.

As of August 7, 2006 and until June 11, 2008, the share capital of Best Partners was held as to 18.875% by Liao Daoxun, 18.120% by Wu Yurui, 16.610% by Jiang Hailin, 10.013% by Wang Jing, 9.060% by Liang Shiping, 9.060% by Wu Chunhong, 5.000% by Zhao Lisen, 3.775% by Yuan Chuang, 1.989% by Zhang Qian, 1.989% by Guan Xiong, 1.989% by Zheng Hui, 2.500% by Lv Xilin and 1.020% by Wang Li. On June 11, 2008, Credit Suisse Trust Limited established the Tesco Trust and the Fino Trust as irrevocable discretionary trusts for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui, Wang Li, Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen to hold their respective interests in Best Partners. For further details, please refer to the section headed “Reorganization of the shareholders’ interest in Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited.”

Incorporation of Holding Company for Dang Kulun, Pan Jianguo and Jing Yang

Joy Bright, a company incorporated in the British Virgin Islands, was set up on June 23, 2006 to serve as a holding company for Dang Kulun, Pan Jianguo and Jing Yang to consolidate their interests in the Group. The initial authorized share capital of Joy Bright was US\$50,000 divided into 50,000 shares of US\$1.00 each.

Since September 20, 2006 and until June 11, 2008, the share capital of Joy Bright was owned as to 49.5% by Huaxin Investments (a company wholly owned by Dang Kulun) as to 30.5% by Gouver Investments Limited (formerly known as Joy Bright Jianguo Limited, a company wholly owned by Pan Jianguo) and as to 20% by Rockyjing Investment Limited (formerly known as Joy Bright Jingyang Limited, a company wholly owned by Jing Yang). On June 11, 2008, Credit Suisse Trust Limited established the Binks Trust as an irrevocable discretionary trust for the benefit of Dang Kulun, Pan Jianguo and Jing Yang to hold their respective interests in Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited, further details please refer to “Reorganization of the shareholders’ interest in Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited.”

Incorporation of China Toprise Limited as Intermediate Holding Company

China Toprise Limited, a company incorporated in the British Virgin Islands, was set up on June 16, 2006 to serve as an intermediate holding company of our Company to hold the equity interest in RHY Technology. The initial authorized share capital of China Toprise Limited was US\$1,000 divided into 100,000 shares of US\$0.01 each.

Since August 7, 2006 and until October 17, 2006, the share capital of China Toprise Limited was held as to 18.875% by Liao Daoxun, 18.120% by Wu Yurui, 16.610% by Jiang Hailin, 10.013% by Wang Jing, 9.060% by Liang Shiping, 9.060% by Wu Chunhong, 5.000% by Zhao Lisen, 3.775% by Yuan Chuang, 2.500% by Lv Xilin, 1.989% by Zhang Qian, 1.989% by Guan Xiong, 1.989% by Zheng Hui and 1.020% by Wang Li. On October 17, 2006, Best Partners acquired all the issued share capital in China Toprise Limited, further details of which are included in the section entitled “Acquisition of China Toprise Limited by Best Partners.”

Transfer of Interest in RHY Technology and Acquisition by China Toprise Limited

In anticipation of converting RHY Technology from a domestic company to a foreign investment enterprise and based on our then understanding, a foreign investment enterprise was required to have an independent domestic shareholder to carry out ITS projects in the highway sector, on August 8, 2006, RAY Holdings, Bailian Youli, Zhao Lisen and Lv Xilin transferred 0.85%, 3.775%, 0.25% and 0.125% interests in RHY Technology,

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respectively, to Beijing Jiufan Technology Co., Ltd. for an aggregate consideration of RMB4,178,100 which was determined with reference to 5% of the net asset value of RHY Technology. Beijing Jiufan Technology Co., Ltd. was owned as to 60% by Huang Rong and as to 40% by Xue Biansheng. Beijing Jiufan Technology Co., Ltd. was engaged in the development and provision of training and consultation services in relation to computer technology and communication systems. Beijing Jiufan Technology Co., Ltd., Huang Rong and Xue Biansheng are independent of our Group and its connected persons.

Following the approval issued by the Administration Committee of Beijing Economic Technological Development Area on August 22, 2006, China Toprise Limited acquired 95% of the equity interest in RHY Technology from Bailian Youli, RAY Holdings, Zhao Lisen and Lv Xilin for an aggregate consideration of RMB72,865,570 which was determined with reference to the net asset value as of June 30, 2006. A certificate of approval for establishment of enterprises with foreign investment in the PRC 《外商投資企業批准證書》 was issued by the Beijing People's Government on August 23, 2006. A revised business license of RHY Technology was issued on August 31, 2006.

A loan agreement dated August 8, 2006 was entered into among the individual shareholders of Bailian Youli, namely Liao Daoxun, Wu Yurui, Jiang Hailin, Wu Chunhung, Liang Shiping and Yuan Chuang; the individual shareholders of RAY Holdings, namely Wang Jing, Zheng Hui, Guan Xiong, Zhang Qian and Wang Li, Zhao Lisen, Lv Xilin; and the two individual shareholders of Beijing Jiufan Technology Co., Ltd., namely, Huang Rong and Xue Biansheng, pursuant to which a sum of RMB4,178,100 was advanced to Huang Rong and Xue Biansheng to acquire the 5% equity interest in RHY Technology. According to the loan agreement, Huang Rong and Xue Biansheng could only extend the amount to Beijing Jiufan Technology Co., Ltd. for the purpose of acquiring a 5% equity interest in RHY Technology. The loan has no maturity date, and the lenders may demand the repayment at any time. Huang Rong and Xue Biansheng undertook to transfer all the dividend received from Beijing Jiufan Technology Co., Ltd. as a result of its investment in RHY Technology to the lenders of the loan agreement as payment of interest.

On August 8, 2006, Huang Rong and Xue Biansheng entered into another loan agreement under similar terms with Beijing Jiufan Technology Co., Ltd., pursuant to which a sum of RMB4,178,100 was advanced to Beijing Jiufan Technology Co., Ltd. Pursuant to the loan agreement, Beijing Jiufan Technology Co., Ltd. could only use the fund for the purpose of acquiring the 5% equity interest in RHY Technology. The loan to Beijing Jiufan Technology Co., Ltd. has no maturity date. No specific interest rate was stipulated in the loan agreement, however, any dividend received by Beijing Jiufan Technology Co., Ltd. from RHY Technology should be paid to Huang Rong and Xue Biansheng as payment of interest. In addition to the loan agreement, the RAY Holdings shareholders, the Bailian Youli shareholders, Zhao Lisen and Lv Xilin entered into an agreement with RHY Technology, pursuant to which all future economic benefits received from the above-mentioned loan would be transferred to RHY Technology. As a result of those agreements, all economic benefits of RHY Technology would flow to Bailian Youli, RAY Holdings, Zhao Lisen and Lv Xilin.

The two loans were treated as having been repaid upon completion of the transfer of the 5% interest in RHY Technology from Beijing Jiufan Technology Co., Ltd. to Beijing Aproud Information, a wholly owned subsidiary of Aproud Technology, on October 12, 2007 for a consideration of RMB1 as further explained below. The two loan agreements were also terminated on the same day.

Our PRC legal advisors have confirmed that each of the above-mentioned agreements (including the loan agreements) was legal, valid, and binding on the contracting parties under the PRC laws, rules and regulations. Furthermore, the execution, delivery, effectiveness, enforceability and performance of the above-mentioned agreements to which the PRC parties are a party to do not violate any PRC laws, rules and regulations.

Upon further clarification and advice from our PRC legal advisors, we were subsequently informed that under the current PRC laws and regulations, there is no requirement for a foreign investment enterprise to have an independent domestic shareholder before it is permitted to engage in ITS projects in the highway sector. Accordingly, to consolidate our interest in RHY Technology, we acquired the 5% interest in RHY Technology from Beijing Jiufan Technology Co., Ltd. On September 30, 2007, the Administration Committee of the Beijing Economic Technological Development Area approved the transfer of 5% equity interest in RHY Technology

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from Beijing Jiufan Technology Co., Ltd. to Beijing Aproud Information, a wholly owned subsidiary of Aproud Technology for a consideration of RMB1, and the increase in the registered capital of RHY Technology from RMB20 million to RMB38 million, whereby China Toprise Limited and Beijing Aproud Information would contribute RMB9.5 million and RMB8.5 million, respectively. Upon consummation of the above, RHY Technology was owned as to 75% by China Toprise Limited and as to 25% by Beijing Aproud Information, a wholly owned subsidiary of Aproud Technology.

On December 19, 2007, the Administration Committee of Beijing Economic Technological-Development Area approved the change in the business scope of RHY Technology to include, inter alia, highway communications, monitoring and tolling system engineering; and the increase in the registered capital of RHY Technology from RMB38.0 million to RMB70.0 million, whereby China Toprise Limited and Beijing Aproud Information would contribute RMB24 million and RMB8 million, respectively. Following which, RHY Technology was owned as to 75% by China Toprise Limited and as to 25% by Beijing Aproud Information, a wholly owned subsidiary of Aproud Technology.

Incorporation of Fairstar Success Holdings Limited as Intermediate Holding Company

Fairstar Success Holdings Limited, a company incorporated in the British Virgin Islands, was set up on June 13, 2006 to serve as an intermediate holding company in the Group. The initial authorized share capital of Fairstar Success Holdings Limited was US\$50,000 divided into 50,000 shares of US\$1.00 each.

As of August 7, 2006, the share capital of Fairstar Success Holdings Limited was held as to 24,750 shares by Dang Kulun, 15,250 shares by Pan Jianguo and 10,000 shares by Jing Yang.

Acquisition of Aproud Technology by Fairstar Success Holdings Limited

On August 16, 2006, following the approval from the Administration Committee of Zhongguancun Science Park, Haidianyuan, Beijing Aproud Innovative Technology Co., Ltd. transferred its 80% equity interest in Aproud Technology to Fairstar Success Holdings Limited as directed by RHY Technology pursuant to its agreement dated January 1, 2006 with Beijing Aproud Innovative Technology Co., Ltd. and Beijing Tianyi Weiye Technology Co., Ltd. for RMB36 million which was determined with reference to the net asset value as of June 30, 2006. A certificate of approval for establishment of enterprises with foreign investment in the PRC 《外商投資企業批准證書》 was issued by the Beijing People's Government on August 18, 2006. The revised business license of Aproud Technology was issued on August 25, 2006.

Acquisition of China Toprise Limited by Best Partners

On October 17, 2006, Best Partners acquired all the issued share capital in China Toprise Limited at par in cash. Following the acquisition, China Toprise Limited became a wholly-owned subsidiary of Best Partners.

Acquisition of Fairstar Success Holdings Limited by Joy Bright

On October 17, 2006, Joy Bright acquired all the issued share capital in Fairstar Success Holdings Limited at par in cash. Following the acquisition, Fairstar Success Holdings Limited became a wholly owned subsidiary of Joy Bright.

Incorporation of China ITS Co., Ltd.

China ITS Co., Ltd. was incorporated in the Cayman Islands on June 21, 2006 to act as the ultimate holding company of the Group. The initial authorized share capital of China ITS Co., Ltd. was US\$50,000 divided into 50,000 shares of US\$1.00 each. On October 16, 2006, one subscriber share with the par value of US\$1.00 was transferred to Best Partners.

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Acquisition of China Toprise Limited and Fairstar Success Holdings Limited by China ITS Co., Ltd. by way of Share Swap

On October 18, 2006, China ITS Co., Ltd. acquired the entire issued share capital of each of China Toprise Limited and Fairstar Success Holdings Limited from Best Partners and Joy Bright, respectively. The consideration for the acquisitions of the entire issued share capital of China Toprise Limited and Fairstar Success Holdings Limited was satisfied by the issue of 28,749 shares and 21,250 shares in China ITS Co., Ltd. to Best Partners and Joy Bright, respectively.

The value of the shares of China ITS Co., Ltd. was based on an assessment made by the board of directors of RHY Technology at the end of 2005. For the preparation of our financial statements in accordance with IFRS, we engaged Savills Valuation and Professional Services Limited, an independent valuer, to review and confirm the assessment. A valuation report confirming the assessment was subsequently issued by Savills Valuation and Professional Services Limited on September 15, 2007.

Investments in China ITS Co., Ltd.

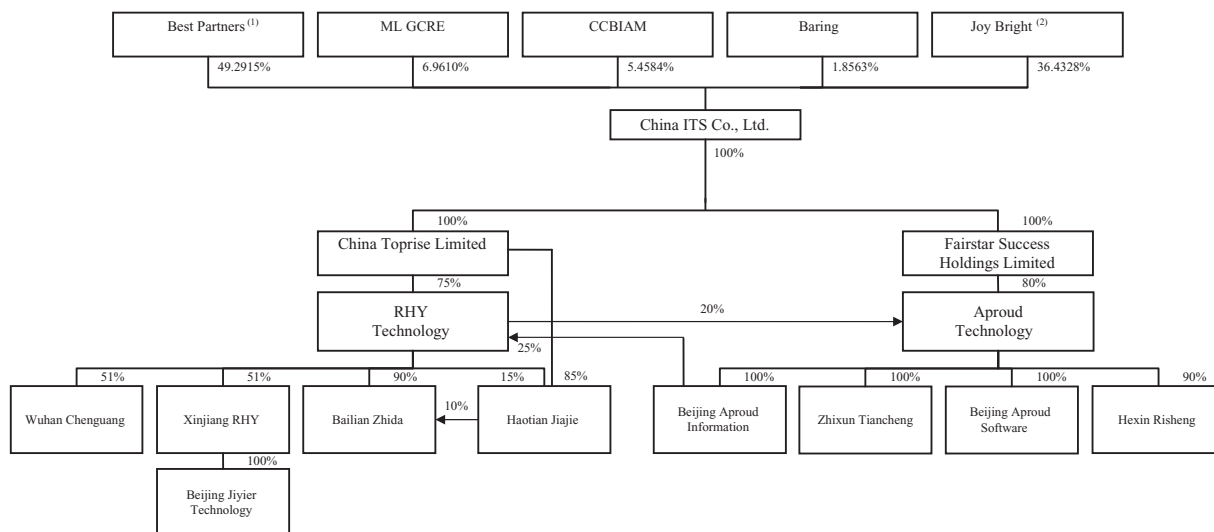
To raise funds for our business expansion, on November 14, 2006, a subscription agreement was entered into, inter alios, between CCBIAM and China ITS Co., Ltd., pursuant to which CCBIAM agreed to subscribe for convertible bonds issued by China ITS Co., Ltd. in the amount of HK\$108,846,229.96. The proceeds from the subscription of the convertible bonds of China ITS Co., Ltd. were applied for financing the Reorganization and the general working capital of our Group. The bonds were converted into 7,663 shares of China ITS Co., Ltd. on November 19, 2007.

At the general meeting of China ITS Co., Ltd. held on November 19, 2007, its shareholders approved that every one share of US\$1.00 each in the capital of China ITS Co., Ltd. as of November 19, 2007 be divided into 20,000 shares with a par value of US\$0.00005 each in the capital of China ITS Co., Ltd.

On November 27, 2007, ML GCRE acquired 71,281,176 shares of China ITS Co., Ltd. from CCBIAM for a consideration of HK\$105,417,276.72 and subscribed for 9,921,416 new shares of China ITS Co., Ltd. for HK\$11,060,970.49. On the same day, Baring subscribed for 21,654,024 new shares of China ITS Co., Ltd. for HK\$31,060,865.93; the proceeds of the new issue were mainly used for China Toprise to pay for its share of contribution to the increase in the registered capital of RHY Technology from RMB38 million to RMB70 million and as general working capital for our Group.

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The following chart shows the shareholding structure of our Group upon consummation of the above mentioned reorganizational steps:



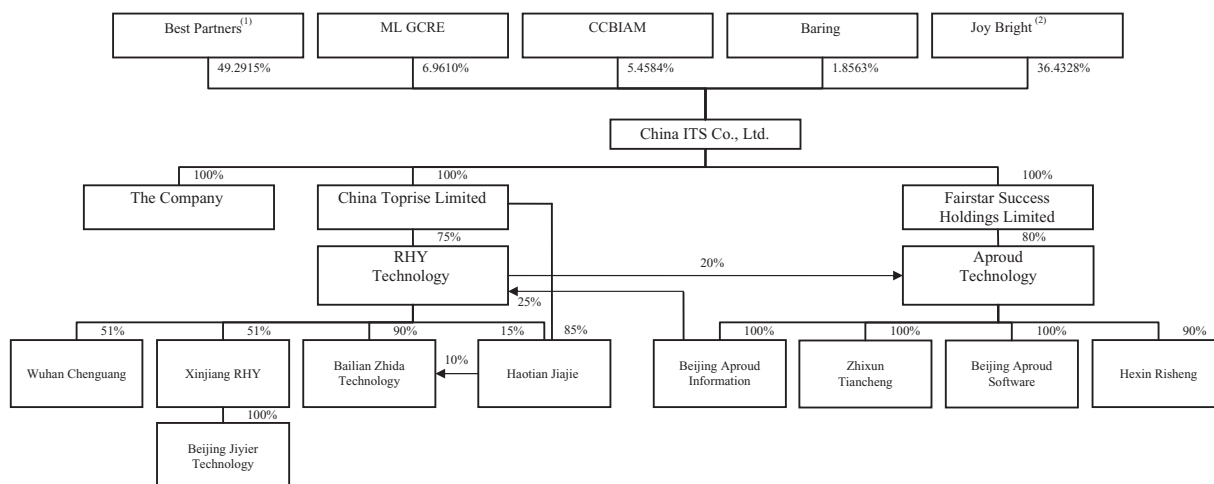
Notes:

- (1) Prior to June 11, 2008, Best Partners was owned as to 18.8750% by Liao Daoxun, as to 18.1200% by Wu Yurui, as to 16.610% by Jiang Hailin, as to 10.0130% by Wang Jing, as to 9.0600% by Liang Shiping, as to 9.0600% by Wu Chunhong, as to 5.0000% by Zhao Lisen, as to 3.7750% by Yuan Chuang, as to 2.5000% by Lv Xilin, as to 1.9890% by Zheng Hui, as to 1.0200% by Wang Li, as to 1.9890% by Zhang Qian and as to 1.9890% by Guan Xiong.
- (2) Prior to June 11, 2008, Joy Bright was owned as to 49.5% by Huaxin Investments, as to 30.5% by Gouver Investments Limited and as to 20% by Rockyjing Investment Limited. Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited were wholly owned by Dang Kulun, Pan Jianguo and Jing Yang, respectively.

HISTORY AND CORPORATE STRUCTURE

Incorporation of Our Company

Our Company was incorporated in the Cayman Islands on February 20, 2008. The initial authorized share capital of our Company was HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each. Upon incorporation, one nil-paid Share was allotted and issued to Best Partners. On June 10, 2008, Best Partners transferred to China ITS Co., Ltd. one nil-paid Share.



Notes:

- (1) Prior to June 11, 2008, Best Partners was owned as to 18.8750% by Liao Daoxun, as to 18.1200% by Wu Yurui, as to 16.610% by Jiang Hailin, as to 10.0130% by Wang Jing, as to 9.0600% by Liang Shiping, as to 9.0600% by Wu Chunhong, as to 5.0000% by Zhao Lisen, as to 3.7750% by Yuan Chuang, as to 2.5000% by Lv Xilin, as to 1.9890% by Zheng Hui, as to 1.0200% by Wang Li, as to 1.9890% by Zhang Qian and as to 1.9890% by Guan Xiong.
- (2) Prior to June 11, 2008, Joy Bright was owned as to 49.5% by Huaxin Investments, as to 30.5% by Gouver Investments Limited and as to 20% by Rockyjing Investment Limited. Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited were wholly owned by Dang Kulun, Pan Jianguo and Jing Yang, respectively.

Equity Injection by China ITS Co., Ltd. into China Toprise Limited and Fairstar Success Holdings Limited

On June 18, 2008, China ITS Co., Ltd. subscribed 100 shares in China Toprise Limited and 1 share in Fairstar Success Holdings Limited for approximately HK\$106.9 million and HK\$36.1 million, respectively, credited as fully paid at premium, representing the aggregate amount of approximately HK\$143.0 million due to China ITS Co., Ltd. from China Toprise Limited and Fairstar Success Holdings Limited as a result of the Reorganization and the payment made on behalf of the Company, for expenses primarily relating to the Listing.

Share Split

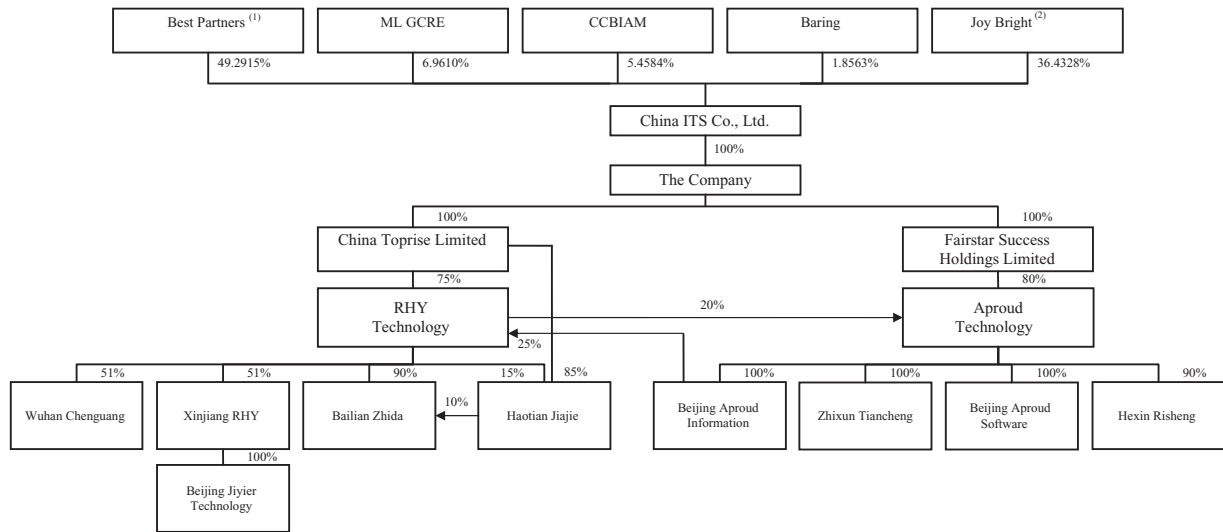
Pursuant to the resolutions in writing of the shareholders passed on June 18, 2008, each of the issued and unissued share of par value of HK\$0.10 each in the share capital of the Company be subdivided into 500 shares of par value of HK\$0.0002 each, such that the Company will have an authorized share capital of HK\$380,000 divided into 1,900,000,000 shares of par value of HK\$0.0002 each with immediate effect.

Acquisition of China Toprise Limited and Fairstar Success Holdings Limited by the Company

On June 18, 2008, our Company acquired the entire issued capital of each of China Toprise Limited and Fairstar Success Holdings Limited from China ITS Co., Ltd., to be satisfied by (1) the crediting of the 500 nil-paid shares of our Company held by China ITS Co., Ltd. as fully paid; and (2) the issue and allotment of 1,166,530,554 Shares to China ITS Co., Ltd., credited as fully paid at premium. Upon completing such transactions, our Company became the holding company of our Group.

HISTORY AND CORPORATE STRUCTURE

The following chart shows the shareholding structure of our Group immediately after transfer of China Toprise Limited and Fairstar Success Holdings Limited to the Company:



Notes:

- (1) Prior to June 11, 2008, Best Partners was owned as to 18.8750% by Liao Daoxun, as to 18.1200% by Wu Yurui, as to 16.610% by Jiang Hailin, as to 10.0130% by Wang Jing, as to 9.0600% by Liang Shiping, as to 9.0600% by Wu Chunhong, as to 5.0000% by Zhao Lisen, as to 3.7750% by Yuan Chuang, as to 2.5000% by Lv Xilin, as to 1.9890% by Zheng Hui, as to 1.0200% by Wang Li, as to 1.9890% by Zhang Qian and as to 1.9890% by Guan Xiong.
- (2) Prior to June 11, 2008, Joy Bright was owned as to 49.5% by Huaxin Investments, as to 30.5% by Gouver Investments Limited and as to 20% by Rockyjing Investment Limited. Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited were wholly owned by Dang Kulun, Pan Jianguo and Jing Yang, respectively.

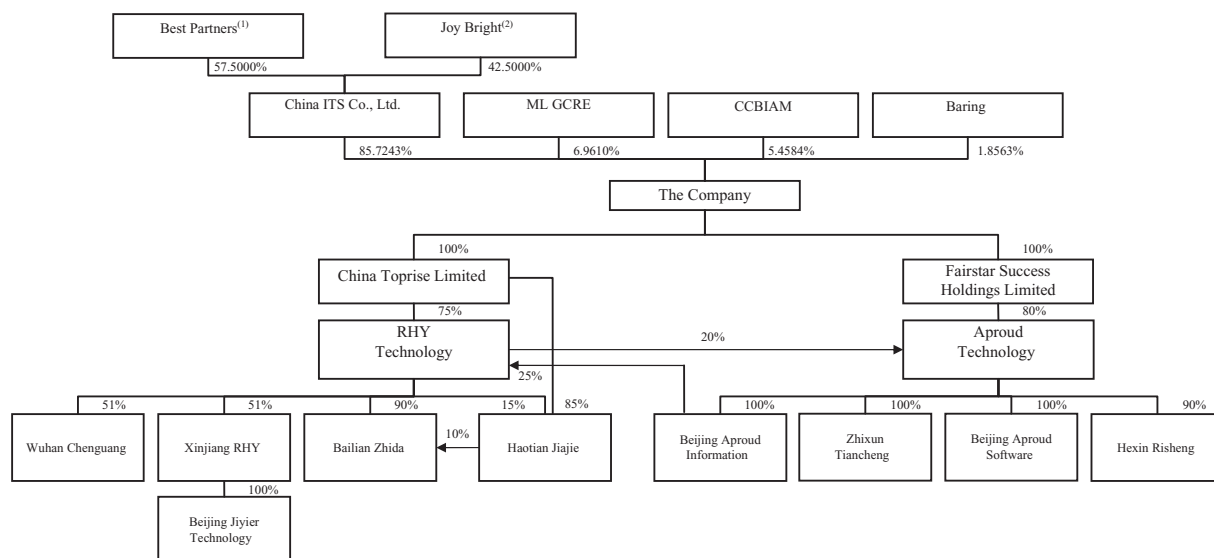
Transfer of Shareholdings in the Company to CCBIAM, ML GCRE and Baring

On June 19, 2008, China ITS Co., Ltd. transferred 81,202,592, 63,674,438 and 21,654,024 Shares to ML GCRE, CCBIAM and Baring, respectively.

Upon the transfer of 81,202,592, 63,674,438, and 21,654,024 Shares to ML GCRE, CCBIAM and Baring, respectively, Best Partners and Joy Bright agreed to assume the payment of the transfer price payable to China ITS Co., Ltd. and due from ML GCRE, CCBIAM and Baring as a result of the transfer of Shares to them as directed by China ITS Co., Ltd. In consideration of such assumption of the liability by Best Partners and Joy Bright, ML GCRE, CCBIAM and Baring agreed to transfer their respective shareholdings in China ITS Co., Ltd. to Best Partners and Joy Bright.

HISTORY AND CORPORATE STRUCTURE

The following chart shows the shareholding structure of our Group immediately after the transfer of shareholdings in the Company to CCBIAM, ML GCRE and Baring:



Notes:

- (1) Prior to June 11 2008, Best Partners was owned as to 18.8750% by Liao Daoxun, as to 18.1200% by Wu Yurui, as to 16.610% by Jiang Hailin, as to 10.0130% by Wang Jing, as to 9.0600% by Liang Shiping, as to 9.0600% by Wu Chunhong, as to 5.0000% by Zhao Lisen, as to 3.7750% by Yuan Chuang, as to 2.5000% by Lv Xilin, as to 1.9890% by Zheng Hui, as to 1.0200% by Wang Li, as to 1.9890% by Zhang Qian and as to 1.9890% by Guan Xiong.
- (2) Prior to June 11 2008, Joy Bright was owned as to 49.5% by Huaxin Investments, as to 30.5% by Gouver Investments Limited and as to 20% by Rockyjng Investment Limited. Huaxin Investments, Gouver Investments Limited and Rockyjng Investment Limited are wholly owned by Dang Kulun, Pan Jianguo and Jing Yang, respectively.

Reorganization of the Shareholders' Interests in Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjng Investment Limited

As part of the estate planning of the individual shareholders of Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjng Investment Limited, three irrevocable trusts were established to hold their respective interests in Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjng Investment Limited.

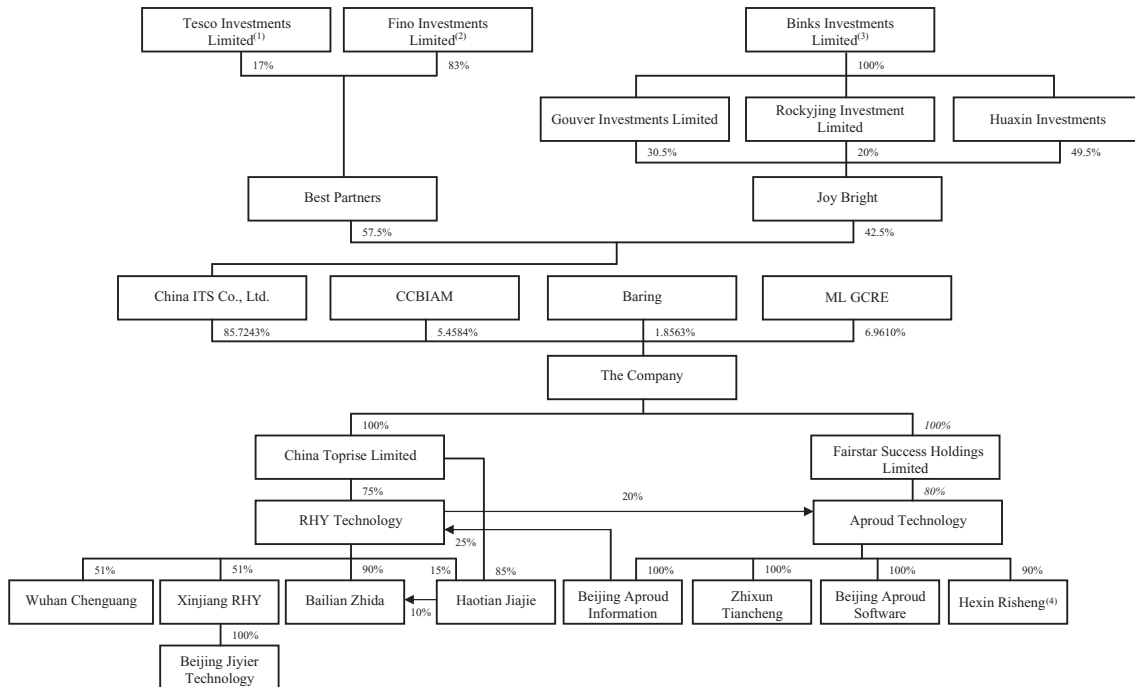
On June 11, 2008, Credit Suisse Trust Limited established the Tesco Trust, an irrevocable discretionary trust for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li. Pursuant to their estate planning exercise, Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li transferred their respective interests in Best Partners to Carpathian Investments Limited, the name of which was later changed to Tesco Investments Limited on November 6, 2009, a company established by the Tesco Trust. Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li are the beneficiaries of the Tesco Trust and Credit Suisse Trust Limited is the trustee of the Tesco Trust.

On June 11, 2008, Credit Suisse Trust Limited established the Fino Trust, an irrevocable discretionary trust for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen. Pursuant to their estate planning exercise, Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen transferred their respective interests in Best Partners to Cunard Investments Limited, the name of which was later changed to Fino Investments Limited on November 6, 2009, a company established by the Fino Trust. Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen are the beneficiaries of the Fino Trust and Credit Suisse Trust Limited is the trustee of the Fino Trust.

HISTORY AND CORPORATE STRUCTURE

On June 11, 2008, Credit Suisse Trust Limited established the Binks Trust, an irrevocable discretionary trust for the benefit of Dang Kulun, Pan Jianguo and Jing Yang. Pursuant to their estate planning exercise, Dang Kulun, Pan Jianguo and Jing Yang transferred their respective interests in Huaxin Investments, Gouver Investments Limited and Rockyjing Investment Limited to Sinatra Investments Limited, the name of which was later changed to Binks Investments Limited on November 6, 2009, a company established by the Binks Trust. Dang Kulun, Pan Jianguo and Jing Yang are the beneficiaries of the Binks Trust and Credit Suisse Trust Limited is the trustee of the Binks Trust.

The following chart shows the shareholding structure of our Group immediately after the reorganization of the shareholders' interests in Best Partners, Huaxin Investments, Gouver Investments Limited and Rockyjing Investments Limited:



Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang
- (4) The remaining 10% is held by Wang Bin. Save as being a substantial shareholder of our subsidiary, namely Hexin Risheng, Wang Bin is independent of and not connected with any Director, chief executive or substantial shareholder of our Company. Hexin Risheng is not a connected person of the Company as no connected person of the Company (other than Wang Bin) is entitled to exercise 10% or more of the voting power at the general meeting of Hexin Risheng and Hexin Risheng is not an associate of a connected person (other than Wang Bin) of the Company.

Subsequent Subscription of Bonds by CCBIAM

On December 12, 2008, February 3, 2009 and March 5, 2009, CCBIAM subscribed for four exchangeable bonds of China ITS Co., Ltd. in the aggregate principal amount of RMB200,000,000, exchangeable into Shares owned by China ITS Co., Ltd. The proceeds from the sale of the exchangeable bonds were primarily used to fund the payment of consideration payable by China ITS Co., Ltd. to repurchase Shares from ML GCRE. On March 29, 2010, China ITS Co., Ltd. and CCBIAM agreed, among other matters, to revise and restate the exchangeable bonds in the aggregate amount of RMB200,000,000 and China ITS Co., Ltd. agreed to pay to CCBIAM a consideration in the aggregate amount of RMB25,350,000. The revised and restated exchangeable

HISTORY AND CORPORATE STRUCTURE

bonds in the aggregate amount of RMB200,000,000 were issued to CCBIAM on the same date. See the section headed “Our Investors—Principal Terms of the Exchangeable Bonds” for details.

Establishment of Pre-IPO Share Incentive Scheme

On December 28, 2008, China ITS Co., Ltd. established a Pre-IPO Share Incentive Scheme pursuant to which options to purchase an aggregate of 116,653,105 Shares held by China ITS Co., Ltd. have been granted to 115 eligible participants, comprising Directors and employees of our Company. The purpose of the Pre-IPO Share Incentive 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 the Shares of the Stock Exchange. The principal terms of the Pre-IPO Share Incentive Scheme are set out in “Statutory and General Information—Pre-IPO Share Incentive Scheme” in Appendix VI to this prospectus.

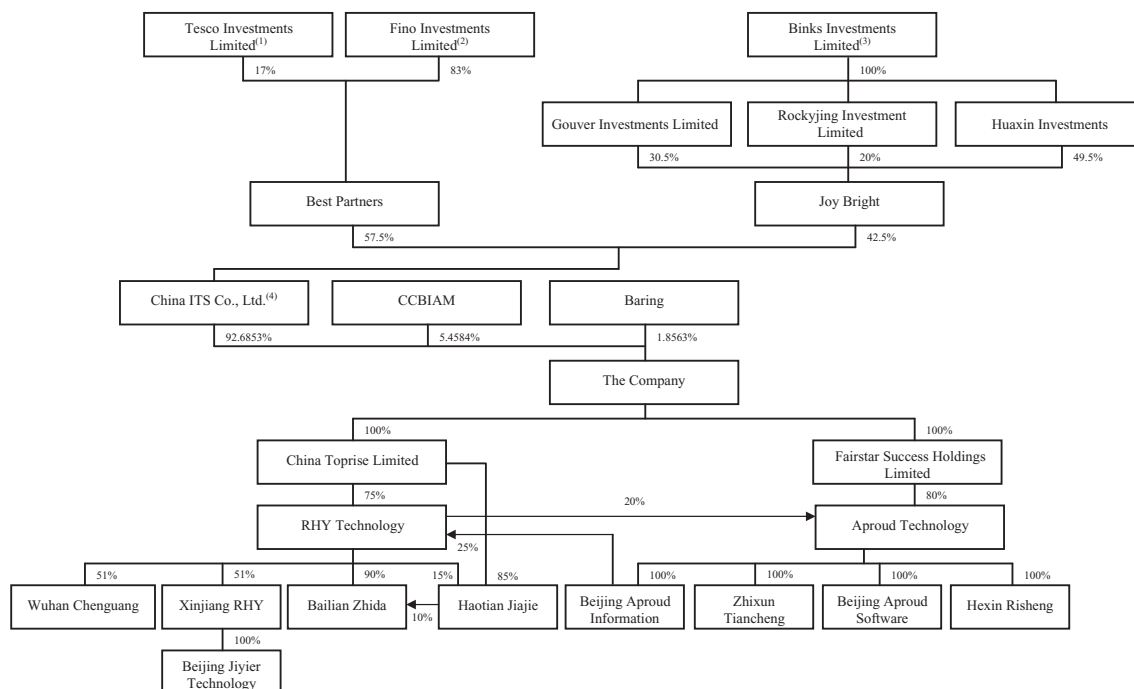
The options subject to the Pre-IPO Share Incentive Scheme are exercisable as to approximately 49.87% from December 31, 2008 and thereafter as to approximately 8.35% for every six months commencing from December 31, 2010, subject to the requirements of the holding and exercise of the options and the transfer of the Shares to the option holder and the holding of such Shares must comply with all laws, legislation and regulations. In compliance with Rule 10.07(1)(a) of the Listing Rules, China ITS Co., Ltd. will not transfer any Shares under the Pre-IPO Share Incentive Scheme to the option holders during the six months immediately after the commencement of dealing of the Shares on the Stock Exchange. Since the Shares that are the subject of the Pre-IPO Share Incentive Scheme only accounts for approximately 8.6% of the issued share capital of our Company prior to the completion of the Global Offering and approximately 7.52% of the issued share capital of our Company immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised), the transfer of the option Shares under the Pre-IPO Share Incentive Scheme by China ITS Co., Ltd. to the option holders in the second six-month period after Listing will not result in China ITS Co., Ltd. ceasing to be our controlling shareholder.

Subsequent Investments and Disposals of Equity Interests in Our Company

On January 5, 2009, China ITS Co., Ltd. purchased 81,202,592 Shares from ML GCRE for consideration of approximately US\$15,450,000.

HISTORY AND CORPORATE STRUCTURE

The following chart shows the shareholding structure of our Group immediately after the transfer described above:



Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang.
- (4) Including Shares which have been set aside under the Pre-IPO Share Incentive Scheme, which Shares constitute approximately 8.6391% of the issued and outstanding share capital of the Company immediately prior to the completion of the Global Offering.

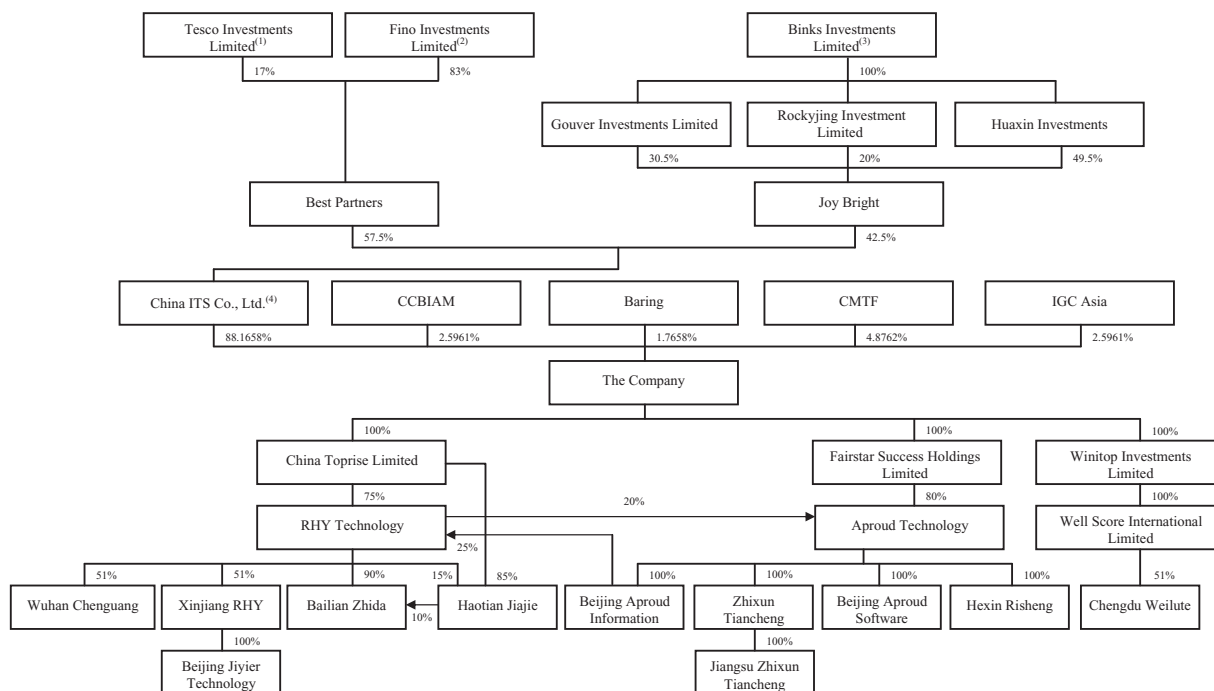
On April 23, 2009, CMTF Private Equity One and CMTF SPC for the account of CMTF Private Equity Two Segregated Portfolio, subscribed, through two of their respective subsidiaries, for an aggregate 59,798,423 Shares for consideration of approximately RMB120.2 million. The proceeds from the subscription were used as additional working capital for our Group. See the section headed “Our Investors—CMTF” for details.

On August 5, 2009, IGC Asia acquired, through two investment holding subsidiaries of Investor AB, an aggregate of 31,837,219 Shares from China ITS Co., Ltd. for a consideration of US\$9.6 million. See the section headed “Our Investors—IGC Asia” for details.

On December 28, 2009, CCBIAM transferred 31,837,219 Shares to China ITS Co., Ltd. for a consideration of US\$9.2 million. See the section headed “Our Investors—CCBIAM” for details.

HISTORY AND CORPORATE STRUCTURE

The following chart shows the shareholding structure of our Group immediately after the transfer described above:



Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang.
- (4) Including Shares which have been set aside under the Pre-IPO Share Incentive Scheme, which Shares constitute approximately 8.6391% of the issued and outstanding share capital of the Company immediately prior to the completion of the Global Offering.

Reorganization of Our Board

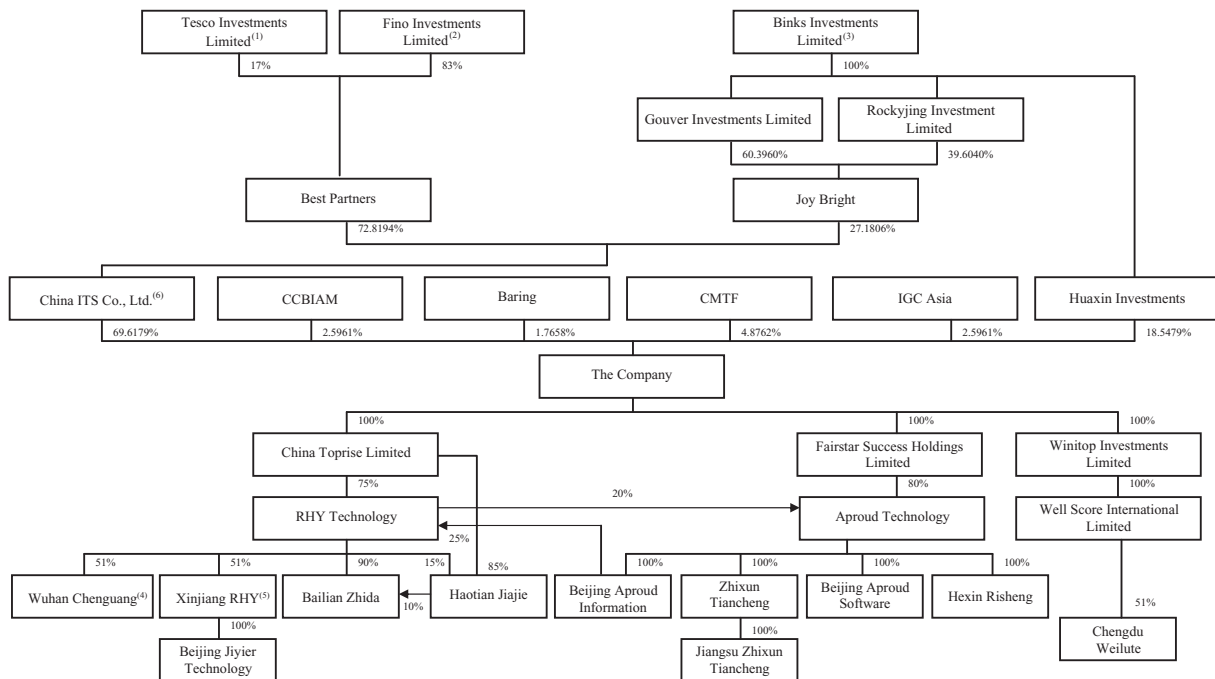
In June 2009, we streamlined our Board composition with a view to achieve efficient management process. Prior to our reorganization of our Board, the Board comprised nine executive directors, one non-executive director and three independent non-executive directors. Of the nine executive directors who were on the Board prior to such reorganization, three remained as executive directors, namely, Mr. Jiang Hailin, Mr. Wang Jing and Mr. Pan Jianguo, and five executive directors who resigned from the Board pursuant to the reorganization, namely, Mr. Leung Ming Shu, Mr. Lv Xilin, Mr. Zhao Lisen, Mr. Jing Yang and Mr. Mou Yi remained as senior management of the Company. One executive director, Mr. Dang Kulun, resigned from the Board in February 2010, and one non-executive director, Mr. Yuan Chuang, resigned from the Board in June 2009. The reorganization was put in place to promote better corporate governance by segregating the Board from the senior management. The reorganization has not resulted in the change in the core management of our Company and there has not been any material impact to the business and operations of the Company as a result of such reorganisation.

Reorganization of Joy Bright's Interest in Our Company

On February 9, 2010, as a result of the resignation of Dang Kulun as a director of our Company, Joy Bright underwent a reorganization of its shareholding interest in our Company. Pursuant to such reorganization, Huaxin Investments transferred 14,948 shares and 9,802 shares in Joy Bright, representing its entire shareholding in Joy

HISTORY AND CORPORATE STRUCTURE

Bright, to Gouver Investments Limited and Rockyjng Investment Limited, respectively, in consideration of Joy Bright transferring to Huaxin Investments 245,408,971 shares in China ITS Co., Ltd. Subsequently, on February 12, 2010, Huaxin Investments transferred 178,705,282 shares and 66,703,689 shares in China ITS Co., Ltd. to Best Partners and Joy Bright, respectively, in consideration of China ITS Co., Ltd. transferring 227,457,995 Shares in our Company to Huaxin Investments. After such reorganization, Huaxin Investments became a direct shareholder of our Company. Because of such reorganization, Huaxin Investments has on March 29, 2010 entered into a deed of indemnity in favor of China ITS Co., Ltd. pursuant to which Huaxin Investments has undertaken that it will assume, perform and comply with the provisions and obligations of certain agreements applicable to or binding on China ITS Co., Ltd. in respect of its shareholding on our Company on a pro rata basis to the shareholdings of Huaxin Investments and China ITS Co., Ltd. in our Company. As a result of such indemnity, the respective obligations and liabilities of China ITS Co., Ltd. and Huaxin Investments with regard to their interests in our Company will remain the same as before the reorganization described above.



Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang.
- (4) The remaining 49% is held by Wuhan Xingde Technology Co., Ltd. Save as being a substantial shareholder of our subsidiary, namely Wuhan Chenguang, Wuhan Xingde Technology Co., Ltd. is independent of and not connected with any Director, chief executive or substantial shareholder of our Company. Wuhan Chenguang is not a connected person of the Company as no connected person of the Company (other than Wuhan Xingde Technology Co., Ltd.) is entitled to exercise 10% or more of the voting power at the general meeting of Wuhan Chenguang and Wuhan Chenguang is not an associate of a connected person (other than Wuhan Xingde Technology Co., Ltd.) of the Company.
- (5) The remaining 49% is held by Xinjiang Shenghengtian Information Technology Co., Ltd. Save as being a substantial shareholder of our subsidiary, namely Xinjiang RHY, Xinjiang Shenghengtian Information Technology Co., Ltd. is independent of and not connected with any Director, chief executive or substantial shareholder of our Company. Xinjiang RHY is not a connected person of the Company as no connected person of the Company (other than Xinjiang Shenghengtian Information Technology Co., Ltd.) is entitled to exercise 10% or more of the voting power at the general meeting of Xingjiang RHY and Xingjiang RHY is not an associate of a connected person (other than Xinjiang Shenghengtian Information Technology Co., Ltd.) of the Company.
- (6) Including Shares which have been set aside under the Pre-IPO Share Incentive Scheme, which Shares constitute approximately 8.6391% of the issued and outstanding share capital of the Company immediately prior to the completion of the Global Offering.

HISTORY AND CORPORATE STRUCTURE

Introduction of New Investors

On February 26, 2010, a consortium consisting of Baytree, GE Capital, Intel Capital, Greater China and Future Choice, entered into an agreement for (a) the purchase and subscription of Shares by the Consortium, (b) the subscription of an exchangeable bond of China ITS Co., Ltd. by Baytree and the extension of a short-term loan to China ITS Co., Ltd. by Baytree and (c) further subscription of Shares at the time of the Listing by Baytree and Future Choice. Particulars of the consortium are as follows:

- Baytree is a wholly-owned subsidiary of Temasek Holdings (Private) Limited;
- GE Capital is an exempted company incorporated in the Cayman Islands with limited liability;
- Intel Capital is a corporation organized and existing under the General Corporation Law of the State of Delaware in the U.S.;
- Greater China is a proprietary investment vehicle of Mizuho Securities Principal Investment Co., Ltd., which is a wholly-owned subsidiary of Mizuho Securities Co., Ltd.; and
- Future Choice is an indirect wholly-owned subsidiary of NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange.

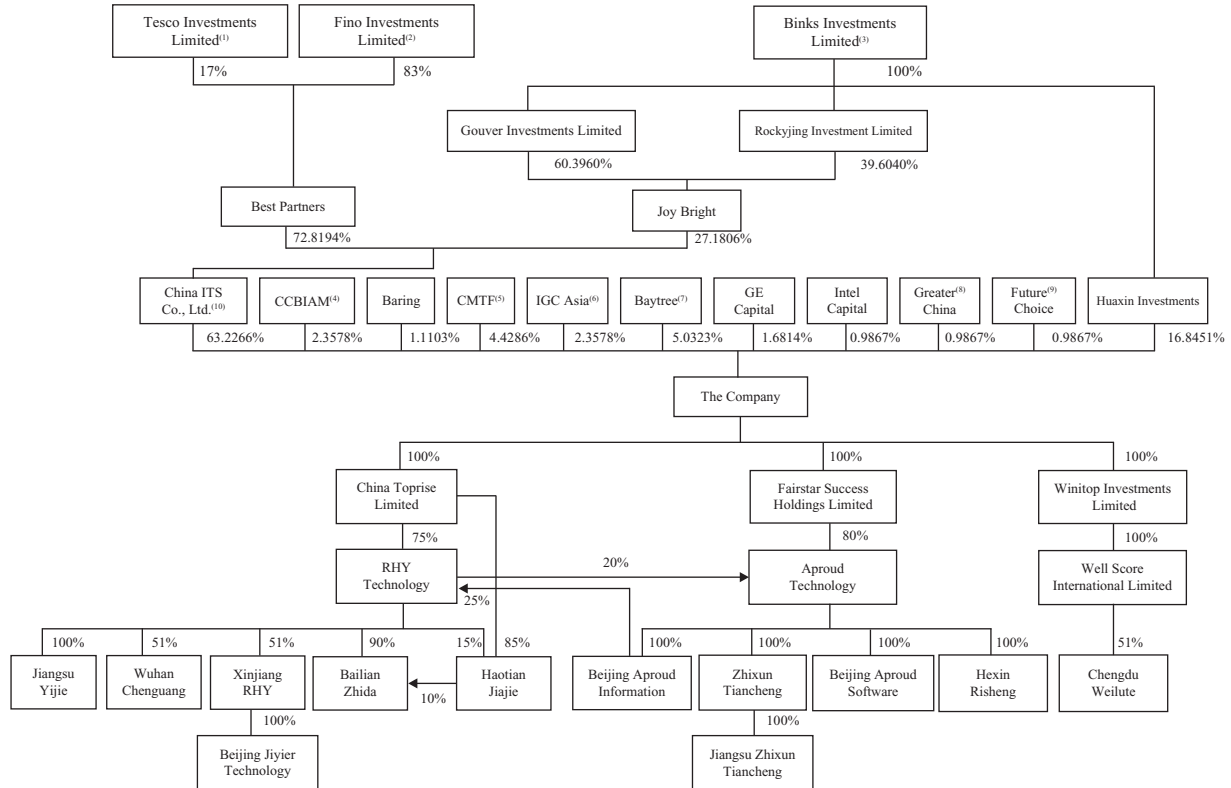
Details of the investment are as follows:

- Baytree, GE Capital, Intel Capital, Greater China and Future Choice agreed to subscribe for an aggregate of 123,964,076 Shares for a total consideration of US\$46.0 million (approximately HK\$357,079,600).
- Greater China agreed to purchase an additional 6,661,838 Shares from Baring for consideration of US\$2.5 million.
- Baytree agreed to:
 - subscribe for an exchangeable bond of China ITS Co., Ltd. in the principal amount of US\$11.0 million, exchangeable into Shares owned by China ITS Co., Ltd.,
 - extended a short-term loan to China ITS Co., Ltd. in the principal amount of US\$11.5 million, and
 - subject to the unconditional effectiveness of the Public Offer Underwriting Agreement and the International Purchase Agreement entered into by our Company in connection with the Global Offering, to subscribe in connection with the Global Offering at the Offer Price, for such additional number of Shares, the aggregate subscription price for which is US\$11.5 million in the aggregate.
- Future Choice agreed, subject to the unconditional effectiveness of the Public Offer Underwriting Agreement and the International Purchase Agreement entered into by our Company in connection with the Global Offering, to subscribe in connection with the Global Offering at the Offer Price, for such additional number of Shares, the aggregate subscription price for which is US\$10.0 million in the aggregate.

The transactions contemplated above (other than the subscription of Shares in connection with the Global Offering) were completed on March 5, 2010. See the section headed “Our Investors—Subscription and purchase by Baytree, GE Capital, Intel Capital, Greater China and Future Choice” for details.

HISTORY AND CORPORATE STRUCTURE

The following chart shows the shareholding structure of the Group immediately prior to the completion of the Global Offering:



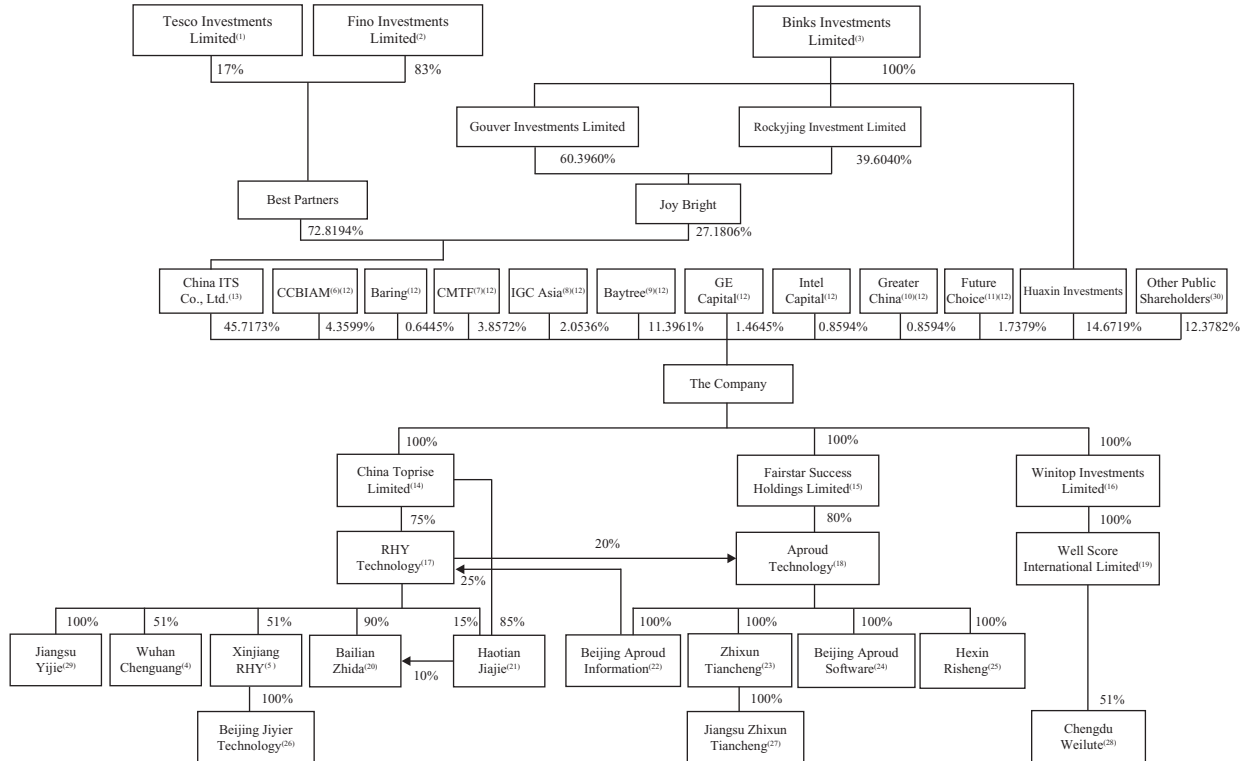
Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang.
- (4) A company incorporated in Hong Kong with limited liability and one of the shareholders upon Listing, the entire issued share capital of which is beneficially owned by China Construction Bank Corporation.
- (5) A wholly owned subsidiary of China Merchants Securities Investment Ltd.
- (6) Investor Investments Asia Limited and Investor Group Asia L.P., which are the proprietary investment vehicles for Investor Growth Capital Asia, the investment advisor to, and wholly owned subsidiary of, Investor AB.
- (7) A wholly owned subsidiary of Temasek Holdings (Private) Limited.
- (8) A proprietary investment vehicle of Mizuho Securities Principal Investment Co., Ltd., which is a wholly-owned subsidiary of Mizuho Securities Co., Ltd.
- (9) An indirect wholly owned subsidiary of NWS Holdings Limited.
- (10) Including Shares which have been set aside under the Pre-IPO Share Incentive Scheme, which Shares constitute approximately 8.6391% of the issued and outstanding share capital of the Company immediately prior to the completion of the Global Offering.

The following chart shows the shareholding structure of our Group immediately after completion of the Global Offering, assuming (i) an Offer Price at the low end of the indicative offer price range at HK\$2.85 per Share, and (ii) the Over-allotment Option is not exercised; and reflecting (x) full exchange of the Baytree Exchangeable Bonds and the exchangeable portion of the Revised and Restated CCBIAM Exchangeable Bonds, (y) Shares sold by CCBIAM and Baring in the Global Offering (see “Substantial Shareholders and Selling Shareholders—Selling Shareholders”), and (z) the subscription of Shares by Baytree and Future Choice as part of a corporate placing in the Global Offering (see “Corporate Investors”). With respect to (x) above, on or prior to the Listing Date, the Company will deliver an irrevocable letter of instruction to Union Registrars Limited, the Company’s share registrar, to instruct it to register, no later than the third business day after six months from Listing Date, in the

HISTORY AND CORPORATE STRUCTURE

names of the respective designees of Baytree and CCBIAM such numbers of Shares transferable upon the automatic exchange of the Baytree Exchangeable Bonds and the exchangeable portion of the Revised and Restated CCBIAM Exchangeable Bonds, respectively. Until the delivery of the above-mentioned irrevocable letter of instruction, China ITS Co., Ltd. has agreed to exchange the Baytree Exchangeable Bonds and the exchangeable portion of the Revised and Restated CCBIAM Exchangeable Bonds into the Shares, and to register designees of Baytree and CCBIAM in the register of members of the Company and will cause its registrar to deliver the share certificates to the designees as soon as permitted by the Stock Exchange but in no event later than the third business day following six months from the Listing Date. As a result, such Shares are effectively locked up for a period of approximately six months from the Listing Date. See “Our Investors—Lock-up Arrangements—Arrangements with the Pre-IPO Investors”.



Notes:

- (1) Owned by the Tesco Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Wang Jing, Zhang Qian, Guan Xiong, Zheng Hui and Wang Li.
- (2) Owned by the Fino Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Liao Daoxun, Wu Yurui, Liang Shiping, Jiang Hailin, Wu Chunhong, Yuan Chuang, Lv Xilin and Zhao Lisen.
- (3) Owned by the Binks Trust, which is an irrevocable discretionary trust established by Credit Suisse Trust Limited for the benefit of Dang Kulun, Pan Jianguo and Jing Yang.
- (4) The remaining 49% is held by Wuhan Xingde Technology Co., Ltd. Save as being a substantial shareholder of our subsidiary, namely Wuhan Chenguang, Wuhan Xingde Technology Co., Ltd. is independent of and not connected with any Director, chief executive or substantial shareholder of our Company. Wuhan Chenguang is not a connected person of the Company as no connected person of the Company (other than Wuhan Xingde Technology Co., Ltd.) is entitled to exercise 10% or more of the voting power at the general meeting of Wuhan Chenguang and Wuhan Chenguang is not an associate of a connected person (other than Wuhan Xingde Technology Co., Ltd.) of the Company. Wuhan Chenguang is mainly engaged in providing turnkey project management and marketing as well as communication and surveillance solutions.
- (5) The remaining 49% is held by Xinjiang Shenghengtian Information Technology Co., Ltd. Save as being a substantial shareholder of Xinjiang RHY, Xinjiang Shenghengtian Information Technology Co., Ltd. is independent of and not connected with any Director, chief executive or substantial shareholder of our Company. Xinjiang RHY is not a connected person of the Company as no connected person of the Company (other than Xinjiang Shenghengtian Information Technology Co., Ltd.) is entitled to exercise 10% or more of the voting power at the general meeting of Xingjiang RHY and Xingjiang RHY is not an associate of a connected person (other than Xinjiang Shenghengtian Information Technology Co., Ltd.) of the Company. Xinjiang RHY is mainly engaged in providing VA Services.
- (6) A company incorporated in Hong Kong with limited liability and one of the shareholders upon Listing, the entire issued share capital of which is beneficially owned by China Construction Bank Corporation.
- (7) A wholly owned subsidiary of China Merchants Securities Investment Ltd.

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- (8) Investor Investments Asia Limited and Investor Group Asia L.P., which are the proprietary investment vehicles for Investor Growth Capital Asia, the investment advisor to, and wholly owned subsidiary of, Investor AB.
- (9) A wholly owned subsidiary of Temasek Holdings (Private) Limited.
- (10) A proprietary investment vehicle of Mizuho Securities Principal Investment Co., Ltd., which is a wholly-owned subsidiary of Mizuho Securities Co., Ltd.
- (11) An indirect wholly owned subsidiary of NWS Holdings Limited.
- (12) As each of CCBIAM, Baring, CMTF, IGC Asia, Baytree, GE Capital, Intel Capital, Greater China and Future Choice will hold less than 10% of our total issued share capital immediately following completion of the Global Offering, and will not be a connected person of our Company, CCBIAM, Baring, CMTF, IGC Asia, Baytree, GE Capital, Intel Capital, Greater China and Future Choice will be regarded as public shareholders.
- (13) Including shares which have been set aside under the Pre-IPO Share Incentive Scheme.
- (14) China Toprise Limited is an investment holding company.
- (15) Fairstar Success Holdings Limited is an investment holding company.
- (16) Winitop Investments Limited is an investment holding company.
- (17) RHY Technology is mainly engaged in providing Turnkey Solutions and VA Services for the expressway sector, as well as Turnkey Solutions for the urban traffic sector.
- (18) Aproud Technology is mainly engaged in providing Specialized Solutions for the expressway sector.
- (19) Well Score International Limited is an investment holding company.
- (20) Bailian Zhida is mainly engaged in specialized surveillance solutions.
- (21) Haotian Jiajie is mainly engaged in providing VA Services and Specialized Solutions.
- (22) Beijing Aproud Information is mainly engaged in VA Services for communication solutions.
- (23) Zhixun Tiancheng is mainly engaged in providing specialized communication solutions for the railway sector.
- (24) Beijing Aproud Software is mainly engaged in research and development and sales of ITS related software.
- (25) Hexin Risheng is mainly engaged in providing Specialized Solutions for the urban traffic and energy sectors.
- (26) Beijing Jiyier Technology is mainly engaged in providing specialized tolling solutions.
- (27) Jiangsu Zhixun Tiancheng is mainly engaged in research and development, production and sales of communication products, equipment and services.
- (28) Chengdu Weilute is mainly engaged in research and development and sales of hardware and software for intelligent video detection application for the ITS sector. The remaining 49% interest in Chengdu Weilute is owned by Chengdu Weilute Software Technology Limited, which is independent of and not connected with the Company or any of its connected persons.
- (29) Jiangsu Yijie is mainly engaged in research, development and consultancy of Turnkey Solutions for the ITS sector and sales of related products and services.
- (30) Other public shareholders, for purpose of this calculation, exclude any Shares held by the Pre-IPO Investors, including Shares to be subscribed by Baytree and Future Choice as corporate investors. See “Corporate Investors”. Immediately upon completion of the Global Offering, the public float of the Company will consist of Shares held by CCBIAM, Baring, CMTF, IGC Asia, GE Capital, Intel Capital, Greater China, Future Choice and other public shareholders.

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SHAREHOLDING STRUCTURE OF PRC COMPANIES WITHIN OUR GROUP

Set out below is a summary of the changes in the equity interest in PRC companies within our Group from the date of their establishment to the Latest Practicable Date:

RHY Technology

| <u>Date</u> | <u>Registered Owners of RHY Technology</u> | <u>Background</u> | <u>Ownership Percentage</u> |
|-------------------|---|--|-----------------------------|
| February 16, 2001 | Hainan New Huangpu Investments Ltd. RAY Holdings (later changed its name to RAY Holdings) | A company owned as to 60% by Wang Jing (executive Director and Controlling Shareholder), as to 10% by Guan Xiong (Controlling Shareholder), as to 10% by Zheng Hui (Controlling Shareholder), as to 10% by Zhang Qian (Controlling Shareholder) and as to 10% by Xue Weibing (independent third party) | 80% |
| | Beijing Xinyongsheng Investment Consulting Co., Ltd. | A company owned as to 80% by RAY Holdings and as to 20% by Beijing Huawang Shengshi Technology Co., Ltd. Beijing Huawang Shengshi Technology Co., Ltd. is in turn owned as to 20% by Zheng Hui (Controlling Shareholder) and as to 80% by Xue Weibing (independent third party) | 20% |
| May 27, 2002 | Bailian Youli | A company is owned as to 5% by Yuan Chuang (Controlling Shareholder), as to 12% by Wu Chunhong (Controlling Shareholder), as to 12% by Liang Shiping (Controlling Shareholder), as to 22% by Jiang Hailin (executive Director and Controlling Shareholder), as to 24% by Wu Yurui (Controlling Shareholder) and as to 25% by Liao Daoxun (Controlling Shareholder) | 50% |
| | RAY Holdings | A company owned as to 58.9% by Wang Jing (executive Director and Controlling Shareholder), as to 11.7% by Zheng Hui (Controlling Shareholder), as to 11.7% by Guan Xiong (Controlling Shareholder), as to 11.7% by Zhang Qian (Controlling Shareholder) and as to 6% by Wang Li (Controlling Shareholder) | 50% |

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| Date | Registered Owners of RHY Technology | Background | Ownership Percentage |
|---------------|-------------------------------------|---|--|
| June 23, 2004 | Bailian Youli | A company owned as to 5% by Yuan Chuang (Controlling Shareholder), as to 12% by Wu Chunhong (Controlling Shareholder), as to 12% by Liang Shiping (Controlling Shareholder), as to 22% by Jiang Hailin (executive Director and Controlling Shareholder), as to 24% by Wu Yurui (Controlling Shareholder) and as to 25% by Liao Daoxun (Controlling Shareholder) | 55.5% |
| | RAY Holdings | A company owned as to 58.9% by Wang Jing (executive Director and Controlling Shareholder), as to 11.7% by Zheng Hui (Controlling Shareholder), as to 11.7% by Guan Xiong (Controlling Shareholder), as to 11.7% by Zhang Qian (Controlling Shareholder) and as to 6% by Wang Li (Controlling Shareholder) | 37% |
| | Zhao Lisen | Controlling Shareholder | 5% |
| | Lv Xilin | Controlling Shareholder | 2.5% |
| | August 2, 2006 | Bailian Youli | A company is owned as to 5% by Yuan Chuang (Controlling Shareholder), as to 12% by Wu Chunhong (Controlling Shareholder), as to 12% by Liang Shiping (Controlling Shareholder), as to 22% by Jiang Hailin (executive Director and Controlling Shareholder), as to 24% by Wu Yurui (Controlling Shareholder) and as to 25% by Liao Daoxun (Controlling Shareholder) |
| RAY Holdings | | A company owned as to 58.9% by Wang Jing (executive Director and Controlling Shareholder), as to 11.7% by Zheng Hui (Controlling Shareholder), as to 11.7% by Guan Xiong (Controlling Shareholder), as to 11.7% by Zhang Qian (Controlling Shareholder) and as to 6% by Wang Li (Controlling Shareholder) | 17% |
| Zhao Lisen | | Controlling Shareholder | 5% |
| Lv Xilin | | Controlling Shareholder | 2.5% |

HISTORY AND CORPORATE STRUCTURE

| Date | Registered Owners of RHY Technology | Background | Ownership Percentage |
|--------------------|-------------------------------------|---|----------------------|
| August 8, 2006 | Bailian Youli | A company owned as to 5% by Yuan Chuang (Controlling Shareholder), as to 12% by Wu Chunhong (Controlling Shareholder), as to 12% by Liang Shiping (Controlling Shareholder), as to 22% by Jiang Hailin (executive Director and Controlling Shareholder), as to 24% by Wu Yurui (Controlling Shareholder) and as to 25% by Liao Daoxun (Controlling Shareholder) | 71.725% |
| | RAY Holdings | A company owned as to 58.9% by Wang Jing (executive Director and Controlling Shareholder), as to 11.7% by Zheng Hui (Controlling Shareholder), as to 11.7% by Guan Xiong (Controlling Shareholder), as to 11.7% by Zhang Qian (Controlling Shareholder) and as to 6% by Wang Li (Controlling Shareholder) | 16.15% |
| | Zhao Lisen | Controlling Shareholder | 4.75% |
| | Lv Xilin | Controlling Shareholder | 2.375% |
| | Beijing Jiufan Technology Co., Ltd. | Owned as to 60% by Huang Rong (independent third party) and as to 40% by Xue Biansheng (independent third party) | 5% |
| August 22, 2006 | China Toprise Limited | A subsidiary of our Company | 95% |
| | Beijing Jiufan Technology Co., Ltd. | Owned as to 60% by Huang Rong (independent third party) and as to 40% by Xue Biansheng (independent third party) | 5% |
| September 30, 2007 | China Toprise Limited | A subsidiary of our Company | 75% |
| | Beijing Aproud Information | A subsidiary of our Company | 25% |

Aproud Technology

| Date | Registered Owners of Aproud Technology | Background | Ownership Percentage |
|-------------------|--|---|----------------------|
| February 15, 2001 | Dang Kulun | Controlling Shareholder | 31% |
| | Pan Jianguo | Executive Director and Controlling Shareholder | 20% |
| | Beijing North Huaneng Project Technology Development Co., Ltd. | Owned as to 50% by Taile Investments Management Center, and as to 50% by Beijing Huawang Sheng Shi Technology Co., Ltd. | 35% |
| | Hao Guoping | Independent third party | 14% |

HISTORY AND CORPORATE STRUCTURE

| Date | Registered Owners of Aproud Technology | Background | Ownership Percentage |
|-------------------|--|--|----------------------|
| April 25, 2001 | RAY Holdings | A company owned as to 60% by Wang Jing (executive Director and Controlling Shareholder), as to 10% by Zheng Hui (Controlling Shareholder), as to 10% by Guan Xiong (Controlling Shareholder), as to 10% by Zhang Qian (Controlling Shareholder) and as to 10% by Xue Weibing (independent third party) | 35% |
| | Dang Kulun | Controlling Shareholder | 26% |
| | Pan Jianguo | Executive Director and Controlling Shareholder | 16% |
| | Jing Yang | Controlling Shareholder | 9% |
| | Tang Han | Independent third party | 14% |
| August 13, 2002 | RHY Technology | A subsidiary of our Company | 40% |
| | Dang Kulun | Controlling Shareholder | 25% |
| | Pan Jianguo | Executive Director and Controlling Shareholder | 16% |
| | Hao Guoping | Independent third party | 9% |
| | Jing Yang | Controlling Shareholder | 10% |
| October 28, 2003 | RHY Technology | A subsidiary of our Company | 40% |
| | Beijing Aproud Innovative Technology Co., Ltd. | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 39% |
| | Beijing Tianyi Weiye Technology Co., Ltd. | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 12% |
| | Hao Guoping | Independent third party | 9% |
| November 10, 2004 | RHY Technology | A subsidiary of our Company | 20% |
| | Beijing Aproud Innovative Technology Co., Ltd. | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 68% |
| | Beijing Tianyi Weiye Technology Co., Ltd. | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 12% |

HISTORY AND CORPORATE STRUCTURE

| Date | Registered Owners of Aproud Technology | Background | Ownership Percentage |
|--------------------------------|--|---|----------------------|
| May 22, 2006 | RHY Technology | A subsidiary of our Company | 20% |
| | Beijing Aproud Innovative Technology Co., Ltd. | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 80% |
| August 16, 2006 ⁽¹⁾ | Fairstar Success Holdings Limited | A subsidiary of our Company | 80% |
| | RHY Technology | A subsidiary of our Company | 20% |

Wuhan Chenguang

| Date | Registered Owners of Wuhan Chenguang | Background | Ownership Percentage |
|----------------|--------------------------------------|---|----------------------|
| April 22, 2005 | RHY Technology | A subsidiary of our Company | 51% |
| | Wuhan Xingde Technology Co., Ltd. | Owned as to 44% by Chang Dandan (director of Wuhan Chenguang), as to 22% by Li Tianbing (director of Wuhan Chenguang), as to 33% by Chengfang (independent third party), as to 0.5% by Huang Zhengyong (independent third party) and as to 0.5% by Zhou Haibo (independent third party) | 49% |

Xinjiang RHY

| Date | Registered Owners of Xinjiang RHY | Background | Ownership Percentage |
|------------------|---------------------------------------|--|----------------------|
| October 24, 2005 | RHY Technology | A subsidiary of our Company | 51% |
| | Urumqi Shengtong Technology Co., Ltd. | Owned as to 45% by Niu Jianhua (director of Xinjiang RHY), as to 15% by Niu Hongxia (director of Xinjiang RHY), as to 20% by Chen Weiping (independent third party), as to 15% by Zhang Baoti (independent third party) and as to 5% by Meng Hongxun (independent third party) | 3% |
| | Niu Jianhua | Director of Xinjiang RHY | 46% |

Note:

- (1) As a result of setting up of the management committee on January 1, 2006 (as mentioned in the section headed “Further Consideration of Control over Aproud Technology by RHY Technology”), Aproud Technology was effectively controlled by RHY Technology since January 1, 2006.

HISTORY AND CORPORATE STRUCTURE

| <u>Date</u> | <u>Registered Owners of Xinjiang RHY</u> | <u>Background</u> | <u>Ownership Percentage</u> |
|-------------------|---|---------------------------------------|-----------------------------|
| May 18, 2006 | RHY Technology | A subsidiary of our Company | 51% |
| | Niu Jianhua | Director of Xinjiang RHY | 49% |
| February 22, 2010 | RHY Technology | A subsidiary of our Company | 51% |
| | Xinjiang Shenghengtian Information Technology Co., Ltd. | A company wholly owned by Niu Jianhua | 49% |

Bailian Zhida

| <u>Date</u> | <u>Registered Owners of Bailian Zhida</u> | <u>Background</u> | <u>Ownership Percentage</u> |
|-----------------|---|-----------------------------|-----------------------------|
| April 18, 2007 | RHY Technology | A subsidiary of our Company | 90% |
| | Zhang Jun | Director of Bailian Zhida | 10% |
| August 23, 2007 | RHY Technology | A subsidiary of our Company | 90% |
| | Haotian Jiajie | A subsidiary of our Company | 10% |

Haotian Jiajie

| <u>Date</u> | <u>Registered Owners of Haotian Jiajie</u> | <u>Background</u> | <u>Ownership Percentage</u> |
|--------------------|--|-----------------------------------|-----------------------------|
| March 30, 2007 | China Toprise Limited | A subsidiary of our Company | 85% |
| | Peng Luyang | Former director of Haotian Jiajie | 15% |
| September 18, 2007 | China Toprise Limited | A subsidiary of our Company | 85% |
| | RHY Technology | A subsidiary of our Company | 15% |

HISTORY AND CORPORATE STRUCTURE

Beijing Aproud Information

| Date | Registered Owners of Beijing Aproud Information | Background | Ownership Percentage |
|-------------------|---|---|----------------------|
| September 3, 2004 | Aproud Technology | A subsidiary of our Company | 51% |
| | Gou Haiyan | Employee of Aproud Technology | 6.6% |
| | Shu Yonghua | Employee of Aproud Software | 6.6% |
| | Wang Peihong | Independent third party | 6.6% |
| | Shen Fei | Employee of Aproud Technology | 6.6% |
| | Wu Zengtao | Employee of Aproud Technology | 4.7% |
| | Zhao Qian | Employee of Aproud Technology | 4.7% |
| | Sun Qingling | Supervisor of RHY Technology, Jiangsu Zhixun Tiancheng, Wuhan Chenguang, Aproud Software, Hexin Risheng and Zhixun Tiancheng, director of Aproud Technology | 4.7% |
| | Zhu Yan | Employee of Aproud Technology | 2.5% |
| | Xu Mingzhe | Independent third party | 2% |
| August 1, 2005 | Wang Hong | Employee of Aproud Technology | 2% |
| | Xia Yang | Employee of Aproud Technology | 2% |
| | Aproud Technology | A subsidiary of our Company | 80% |
| | Beijing Tianyi Weiye Technology Co., Ltd. ⁽¹⁾ | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder), as to 20% by Jing Yang (Controlling Shareholder) | 20% |
| May 15, 2006 | Aproud Technology | A subsidiary of our Company | 80% |
| | Beijing Aproud Innovative Technology Co., Ltd. ⁽¹⁾ | Owned as to 49.5% by Dang Kulun (Controlling Shareholder), as to 30.5% by Pan Jianguo (executive Director and Controlling Shareholder) and as to 20% by Jing Yang (Controlling Shareholder) | 20% |
| October 8, 2006 | Aproud Technology | A subsidiary of our Company | 100% |

Zhixun Tiancheng

| Date | Registered Owner of Zhixun Tiancheng | Background | Ownership Percentage |
|---------------|--------------------------------------|-----------------------------|----------------------|
| June 15, 2007 | Aproud Technology | A subsidiary of our Company | 100% |

Note:

- (1) Pursuant to the agreement dated January 1, 2006, RHY Technology could direct the 80.0% equity interest in Aproud Technology to be transferred to an overseas holding company as nominated by it and establish a management committee that comprised members nominated by RHY Technology. As a result, Aproud Technology was effectively controlled by RHY Technology.

HISTORY AND CORPORATE STRUCTURE

Beijing Aproud Software

| Date | Registered Owner of Beijing Aproud Software | Background | Ownership Percentage |
|---------------|---|-----------------------------|----------------------|
| July 11, 2007 | Aproud Technology | A subsidiary of our Company | 100% |

Hexin Risheng

| Date | Registered Owners of Hexin Risheng | Background | Ownership Percentage |
|-------------------|------------------------------------|-----------------------------|----------------------|
| December 26, 2003 | Aproud Technology | A subsidiary of our Company | 64% |
| | Kong Qiang | Director of Hexin Risheng | 8.6% |
| | Huang Zhiwen | Employee of Hexin Risheng | 9% |
| | Wang Bin | Independent third party | 10% |
| | Wang Wanxin | Independent third party | 8.4% |
| June 20, 2004 | Aproud Technology | A subsidiary of our Company | 51% |
| | Kong Qiang | Director of Hexin Risheng | 30.6% |
| | Wang Bin | Independent third party | 10% |
| | Wang Wanxin | Independent third party | 8.4% |
| October 25, 2006 | Aproud Technology | A subsidiary of our Company | 51% |
| | Kong Qiang | Director of Hexin Risheng | 39% |
| | Wang Bin | Independent third party | 10% |
| August 2, 2007 | Aproud Technology | A subsidiary of our Company | 90% |
| | Wang Bin | Independent third party | 10% |
| December 10, 2008 | Aproud Technology | A subsidiary of our Company | 100% |

Jiangsu Zhixun Tiancheng

| Date | Registered Owner of Jiangsu Zhixun Tiancheng | Background | Ownership Percentage |
|-------------------|--|-----------------------------|----------------------|
| November 19, 2009 | Zhixun Tiancheng | A subsidiary of our Company | 100% |

Chengdu Weilute

| Date | Registered Owners of Chengdu Weilute | Background | Ownership Percentage |
|------------------|---|-----------------------------|----------------------|
| December 9, 2009 | Well Score International Limited | A subsidiary of our Company | 51% |
| | Chengdu Weilute Software Technology Limited | Independent third party | 49% |

Jiangsu Yijie

| Date | Registered Owner of Jiangsu Yijie | Background | Ownership Percentage |
|----------------|-----------------------------------|-----------------------------|----------------------|
| March 16, 2010 | RHY Technology | A subsidiary of our Company | 100% |