

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR HISTORY AND DEVELOPMENT

Overview

Our Founder, Chairman and Chief Executive Officer, Mr. Wong, has more than two decades of experience in the PRC and Hong Kong real estate industry. Based in Hong Kong and Shenzhen and under the leadership of Mr. Wong, we commenced our real estate property development operations in Shenzhen in 2001, specializing in the development and operation of urban mixed-use communities and the development and sale of upscale residential properties in the Yangtze River Delta and the Pearl River Delta regions. As at December 31, 2010, we had a total of 13 projects at various stages of development in Shenzhen, Changzhou, Hangzhou, Chengdu, Dongguan and Tianjin with an Aggregate GFA of approximately 2.3 million sq.m. for which we have entered into land grant contracts and/or obtained land use rights, and an Aggregate GFA of approximately 0.8 million sq.m. for which we have yet to enter into land grant contracts.

The following table is an overview of changes of control of our projects during the Track Record Period:

Projects (Note 1)	Ultimate controlling parties			
	As at December 31, 2007	As at December 31, 2008	As at December 31, 2009	As at September 30, 2010
Changzhou Landmark	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Shenzhen Hidden Valley	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
The Spring Land (Phases 1 to 3)	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Shenzhen Water Flower Garden	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Dongguan Landmark	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Shenzhen Blue Bay	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Changzhou Le Leman City (Note 2)	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Hangzhou Landmark (Note 3)	Mr. Wong and the Scarborough Group	Mr. Wong	Mr. Wong	Mr. Wong
The Spring Land (Phases 4 to 6) (Note 4)	Mr. Wong	Mr. Wong	Mr. Wong	Mr. Wong
Chengdu Landmark (Note 5)	The Scarborough Group	Mr. Wong	Mr. Wong	Mr. Wong
Taihu Hidden Valley	Not applicable	Not applicable	Mr. Wong	Mr. Wong
Hangzhou Hidden Valley	Not applicable	Not applicable	Mr. Wong	Mr. Wong
Shenzhen New City Plaza	Not applicable	Not applicable	Not applicable	Mr. Wong
Tianjin Le Leman City	Not applicable	Not applicable	Not applicable	(Note 6)

Notes:

1. As our interests in Shanghai Baoshan Landmark and Kunming Water Flower were disposed of to Independent Third Parties during the Track Record Period, the above table does not include changes of control of these two projects during the Track Record Period.
2. (a) Since December 2006, a 60% interest of Changzhou Le Leman City and its project company, Changzhou Water Flower, has been held by our subsidiary, SZITIC Property.
- (b) In January 2008, 40% interest of this project was transferred by TSGHL, a company which was indirectly wholly-owned by Mr. Wong, to SIL. For further details of SIL, see Note 3 below.
- (c) As Mr. Wong maintained control over and was responsible for the management of Changzhou Water Flower throughout the Track Record Period, the results of Changzhou Water Flower had been included in our Group's results for the Track Record Period.

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3.
 - (a) In December 2005, Mr. Wong (through TSGHL) and the Scarborough Group formed a 50-50 joint venture company, SIL, for the purpose of co-development of projects through a jointly controlled entity. At the time of the formation of SIL, the Scarborough Group contributed cash to SIL and Mr. Wong contributed his entire interest in Hangzhou Landmark and a shareholder's loan to SIL. Hangzhou Landmark and the holding companies of this project, namely Le Leman Yuhang and Top Spring International (Yuhang), were then jointly controlled by Mr. Wong and the Scarborough Group.
 - (b) In June 2008, Original TSI, a company which was then wholly-owned by Mr. Wong and which already held a 50% indirect interest in SIL, acquired, through a wholly-owned subsidiary, the remaining 50% interest from the Scarborough Group. The Scarborough Group converted its entire interest in the issued share capital in SIL plus certain shareholder loans in the amount of HK\$413,523,021 provided by it to SIL and its subsidiaries into a 15% stake in Original TSI (the "2008 Acquisition").
 - (c) Since the completion of the 2008 Acquisition, Hangzhou Landmark and the holding companies of this project mentioned above have been under Mr. Wong's control and management, and the results of these companies have been included in our Group's results.
4.
 - (a) Prior to December 2007, Mr. Wong held a 100% interest of Shenzhen Longhua Lots 3 to 5.
 - (b) In December 2007, the entire interest in Shenzhen Longhua Lots 3 to 5 was transferred by TSGHL, a company which was indirectly wholly-owned by Mr. Wong, to SIL.
 - (c) During the period between December 2007 and June 2008, notwithstanding the fact that Mr. Wong was interested in 50% of Shenzhen Longhua Lots 3 to 5, Mr. Wong maintained control over and was responsible for the management of this project and the holding companies of this project, namely Top Spring Real Estate (Shenzhen), Long Hua and Top Orient. On this basis, the results of these companies have been included in our Group's results throughout the Track Record Period, and such companies have been treated as subsidiaries of our Group throughout such period.
5.
 - (a) Prior to December 2007, Scarborough Group held a 100% interest in Chengdu Landmark.
 - (b) In December 2007, Scarborough Group transferred its interest in Chengdu Landmark to SIL. Immediately thereafter, Mr. Wong was interested in this project through his 50% indirect interest in SIL.
 - (c) During the period between December 2007 and June 2008, notwithstanding the fact that Mr. Wong was interested in 50% of Chengdu Landmark, the Scarborough Group maintained control over and was responsible for the management of this project and the holding companies of this project, namely Fortune Mega, Scarborough China and Top Spring (Chengdu).
 - (d) Upon completion of the 2008 Acquisition, Original TSI acquired a 100% indirect interest in Chengdu Landmark. Since then, Chengdu Landmark and the holding companies of this project mentioned above have been under Mr. Wong's control and management, and the results of such companies have been included in our Group's results.
6. The project companies for Tianjin Le Leman City are Tianjin Jinghai Project Joint Venture Company and its wholly-owned subsidiary, Tianjin Haijixing. Our Group held a 40% equity interest of Tianjin Jinghai Project Joint Venture Company as at the Latest Practicable Date.

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The following table sets out the significance of our projects in terms of their total turnover from property sales, fair value gain and total GFA during the Track Record Period.

Projects (Note 1)	Percentage of total turnover from property sales (%)				Fair value gain (HK\$'000)				Total GFA (sq.m.) as at September 30, 2010
	For the year ended December 31, 2007	For the year ended December 31, 2008	For the year ended December 31, 2009	For the nine months ended September 30, 2010	For the year ended December 31, 2007	For the year ended December 31, 2008	For the year ended December 31, 2009	For the nine months ended September 30, 2010	
Changzhou Landmark	85.5	0.7	30.3	68.70	42,383	5,154	139,659	12,009	568,911
Shenzhen Hidden Valley	—	44.3	40.2	—	—	—	—	—	131,270
The Spring Land (Phases 1 to 3)	—	—	—	—	—	—	—	—	373,938
Shenzhen Water Flower Garden	14.0	1.0	0.4	1.10	7,763	1,884	6,645	909	294,638
Dongguan Landmark	—	53.9	2.2	0.60	—	172,485	25,728	1,289	79,679
Shenzhen Blue Bay	—	—	—	—	—	—	—	—	23,000
Changzhou Le Leman City	—	—	26.9	29.60	—	—	—	—	1,362,365
Hangzhou Landmark (Note 2)	Not applicable (Note 2)	—	—	—	Not applicable (Note 3)	(26,656)	7,946	8,395	49,989
The Spring Land (Phases 4 to 6)	—	—	—	—	—	—	—	—	395,809
Chengdu Landmark (Note 2)	Not applicable (Note 2)	—	—	—	Not applicable (Note 3)	—	—	—	139,265
Taihu Hidden Valley(Phase 1)	—	—	—	—	—	—	—	—	240,000
Others	0.5	0.1	—	—	—	—	—	—	—

Notes:

- As our interests in Shanghai Baoshan Landmark and Kunming Water Flower were disposed of to Independent Third Parties during the Track Record Period, the above table does not include information on total turnover from property sales, fair value gain and total GFA of these two projects.
- Hangzhou Landmark (which had been jointly controlled by the Scarborough Group and Mr. Wong prior to the 2008 Acquisition) and Chengdu Landmark (which had been controlled and developed by the Scarborough Group prior to the 2008 Acquisition) contributed no turnover from property sales for the period between June 2008 and June 2010.
- The results of the holding companies of Hangzhou Landmark and Chengdu Landmark have only been included in our Group's results after completion of the 2008 Acquisition. On this basis, the information on total turnover from property sales and the fair value gain of Hangzhou Landmark and Chengdu Landmark for the year ended December 31, 2007 is not applicable.

Management of projects

Our senior management team under the leadership of Mr. Wong has extensive strategic planning, business management and operational capabilities. Apart from Hangzhou Landmark (a project held through SIL, the 50–50 joint venture company formed by Mr. Wong (through TSGHL) and the Scarborough Group, and in which the Scarborough Group was involved in the strategic planning at the board level prior to the 2008 Acquisition) and Chengdu Landmark (in which the Scarborough Group was involved in land acquisition, development and management prior to the 2008 Acquisition), our senior management team at the headquarters and the project company level has been responsible for the coordination, control and supervision of our projects. Their involvement has ranged from project selection, project financing, land acquisition, pre-construction, project design, construction, pre-sale and sales, to after-sales services.

In addition to our own management team, our Group has developed and maintained strong relationships with the Scarborough Group.

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We began our strategic partnership with the Scarborough Group in December 2003, when Dr. McCabe, the founder and chairman of the Scarborough Group, first cooperated with Mr. Wong in the development of Changzhou Landmark by providing funding to the project by way of loan notes. Since then, we have developed other projects with the Scarborough Group. Although the daily management and development work with regard to the projects on which we have cooperated with the Scarborough Group have been carried out by our management team under the supervision of Mr. Wong, the participation of the Scarborough Group provided us with many advantages. Among other things, the Scarborough Group's experience in the global real estate market has enhanced our existing project management know-how by bringing in new professional parties with expertise. The Scarborough Group's international network connections have also assisted our Group by introducing us to potential overseas investors. For further details of the Scarborough Group, please see the section headed "Relationship with our Controlling Shareholders — Relationship with the Scarborough Group" in this prospectus.

In July 2006, Mr. Wong, through TSGHL, acquired a controlling interest in SZITIC Property, which in turn held interests in Shenzhen Longhua Lots 1 and 2 (which are currently in the process of being developed into Shenzhen Hidden Valley and The Spring Land (Phases 1 to 3), respectively), Shenzhen Water Flower Garden, Dongguan Landmark and Shenzhen Blue Bay. Since July 2006, six projects of our Group, namely Shenzhen Water Flower Garden, Dongguan Landmark, Shenzhen Hidden Valley, The Spring Land (Phases 1 to 3), Shenzhen Blue Bay and Changzhou Le Leman City have been developed by SZITIC Property and/or its subsidiaries under Mr. Wong's control.

At the time of Mr. Wong's acquisition of a controlling interest in SZITIC Property in July 2006, CR SZITIC Trust (then known as 深圳國際信託投資有限責任公司 (Shenzhen International Trust & Investment Co., Ltd.*) and controlled by 深圳市人民政府國有資產監督管理委員會 (The State-owned Assets Supervision and Administration Commission of People's Government of Shenzhen*)) held a 49% interest in SZITIC Property. In December 2006, CR Company acquired a 51% interest in CR SZITIC Trust, which held 49% interest in SZITIC Property. On March 16, 2009, CR SZITIC Investment (a company which was owned by CR Company as to 51%) took over CR SZITIC Trust's interest in SZITIC Property, CR Company continued to hold a 49% indirect interest in SZITIC Property through CR SZITIC Investment until Sheng Xing's acquisition of its entire interest in SZITIC Property in August 2010, further details of which are set out in the paragraph headed "Acquisition of remaining interest in SZITIC Property" below.

Notwithstanding CR Company's interest in SZITIC Property and representation on its board prior to the disposal of its entire interest in SZITIC Property as mentioned above, CR Company was not involved in the business operation and day-to-day management of SZITIC Property and we had control over and been responsible for the management and development of SZITIC Property, its subsidiaries and the projects held by them. The directors appointed by CR SZITIC Investment were to represent shareholding interests of CR SZITIC Investment in SZITIC Property, and discharged their obligations for the purpose of satisfying the formal requirements of the articles of association of SZITIC Property. On the basis of our control over SZITIC Property, we believe that, the absence of CR Company's involvement in SZITIC Property due to our acquisition of its interest therein has not and will not have material adverse impact on SZITIC Property. Our Group has not entered into any co-operation or partnership agreement with CR Company.

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We set out below the important milestones in the history of our development.

Shenzhen Hidden Valley (深圳水榭山), The Spring Land (Phases 1 to 3) (深圳水榭春天第一至三期) and The Spring Land (Phases 4 to 6) (深圳水榭春天第四至六期)

In March 2001, Mr. Wong acquired a 100% direct interest in Long Hua which in turn held a 100% interest in Top Spring Real Estate (Shenzhen). Long Hua was incorporated in November 1997 and it established a wholly-owned subsidiary, Top Spring Real Estate (Shenzhen), in January 2001. Since the completion of the acquisition, Long Hua and Top Spring Real Estate (Shenzhen) have been our wholly-owned subsidiaries. Top Spring Real Estate (Shenzhen) is the project company for The Spring Land (Phases 4 to 6).

In August 2004, Top Spring Real Estate (Shenzhen) and SZITIC Property (a company which was then controlled by 深圳市投资管理公司 (Shenzhen Investment Management Company*) (“Shenzhen Investment”), further details of which are set out in the paragraph headed “Establishment of relationship with SZITIC Property” below) established Shenzhen Water Flower for the development of Shenzhen Longhua Lots 1 and 2. Pursuant to the articles of association of Shenzhen Water Flower at the time of its establishment, Shenzhen Water Flower had a registered capital of RMB30,000,000. Top Spring Real Estate (Shenzhen) and SZITIC Property contributed RMB7,500,000 and RMB22,500,000 to the registered capital of Shenzhen Water Flower, representing 25% and 75% of the registered capital of the joint venture, respectively. The contribution of SZITIC Property was made by cash and that of Top Spring Real Estate (Shenzhen) was made by contributing Shenzhen Longhua Lots 1 and 2 which were then valued at RMB208,884,021, of which RMB7,500,000 was treated as capital contribution to Shenzhen Water Flower as mentioned above, and the balance of RMB201,384,021 was treated as capital reserve. At the time of the establishment of Shenzhen Water Flower, Top Spring Real Estate (Shenzhen) and SZITIC Property agreed that such capital reserve shall subsequently be converted into the registered capital of Shenzhen Water Flower. Immediately after the establishment of Shenzhen Water Flower, SZITIC Property and Top Spring Real Estate (Shenzhen) resolved to implement such arrangement, and to maintain the parties’ respective interests in Shenzhen Water Flower in the proportion of 75:25. On such basis, Shenzhen Water Flower converted its capital reserve in the amount of RMB201,384,021, (contributed by Top Spring Real Estate (Shenzhen) as mentioned above) into the registered capital, and SZITIC Property paid RMB151,038,015.75 to Top Spring Real Estate (Shenzhen), representing 75% of such converted capital reserve. According to its articles of association at the time, Shenzhen Water Flower was managed by the board, which comprised four members, with three directors nominated by SZITIC Property and one director nominated by Top Spring Real Estate (Shenzhen), respectively.

In January 2008, Xiang Kang (a company which was indirectly owned by Mr. Wong as to 50%) acquired a 25% interest in Shenzhen Water Flower from Top Spring Real Estate (Shenzhen). Since then, Shenzhen Water Flower has been owned by SZITIC Property and Xiang Kang as to 75% and 25%, respectively. Since the acquisition of SZITIC Property, Shenzhen Water Flower has been our wholly-owned subsidiary. Shenzhen Water Flower is the project company for Shenzhen Hidden Valley and The Spring Land (Phases 1 to 3).

— *Shenzhen Hidden Valley (深圳水榭山)*

In July 2007, Shenzhen Water Flower commenced the construction of Shenzhen Hidden Valley. The project is an upscale residential development comprising villas and a club house located in Bao’an District, Shenzhen. The project occupies a total site area of 143,047 sq.m. Shenzhen Hidden Valley

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Phases 1, 2 and 3 were completed in October 2008, August 2009 and November 2010, respectively, and it is expected that the entire project will be completed by June 2011.

Shenzhen Longhua Lot 1 is currently in the process of being developed into Shenzhen Hidden Valley.

— *The Spring Land (Phases 1 to 3)* (深圳水樹春天第一至三期)

In May 2009, Shenzhen Water Flower commenced construction of The Spring Land (Phase 1) and the entire project is expected to be completed by December 2011. The project is a large upscale residential development located in Bao'an District, Shenzhen. It is expected to comprise high rise residential apartments with facilities and services, such as a swimming pool, a gym, a kindergarten, health facilities and a police outpost, occupying a total site area of 85,664 sq.m.

Shenzhen Longhua Lot 2 is currently in the process of being developed into The Spring Land (Phases 1 to 3).

— *The Spring Land (Phases 4 to 6)* (深圳水樹春天第四至六期)

The Spring Land (Phases 4 to 6) are, pending government approval, expected to comprise residential units, retail shops and other commercial units. The Spring Land (Phases 4 to 6) occupy a total site area of 81,315 sq.m.

Shenzhen Longhua Lots 3 to 5 are currently in the process of being developed into The Spring Land (Phases 4 to 6).

Changzhou Landmark (常州萊蒙都會)

In December 2002, Changzhou Top Spring was established. It was then wholly-owned by Jointak, which was in turn owned as to 99% by an Independent Third Party and 1% by Mr. Wong. Later in February 2003, Jointak was owned as to 70% by Joinbest (a wholly-owned subsidiary of TSGHL, which was indirectly wholly-owned by Mr. Wong) and 30% by an Independent Third Party. In December 2003, Joinbest issued to the Scarborough Group two loan notes each in the principal amount of £2,000,000, bearing interest at the rate of 12.25% per annum and of which one is convertible into shares of Joinbest. In June 2006, the Scarborough Group exercised its conversion right and converted the £2,000,000 convertible loan note into a 10% interest in the share capital of Joinbest. In August 2006, 50% of the principal amount of the non-convertible loan note, being £1,000,000, was repaid by our Group. Later in February 2007, the remaining 50% of the principal amount of such loan note was repaid by our Group by way of a certain offset arrangement between our Group and the Scarborough Group. For further details of the Scarborough Group, please see the section headed "Relationship with our Controlling Shareholders and the Scarborough Group" in this prospectus.

In December 2006, Jointak allotted 20,999,994 shares to Joinbest for a cash consideration of HK\$27,299,992.20 and 6 shares to Mr. Wong for a cash consideration of HK\$7.80. As a result of the allotment, the interest held by the Independent Third Party in Jointak was diluted from 30% to approximately 5.77%. In June 2007, our Group acquired from the Independent Third Party his entire interest in the issued share capital of Jointak (being approximately 5.77% of the then issued share capital of Jointak) for HK\$61,719,174 in cash. The transaction was negotiated on arm's length basis and the

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consideration was based on the expected future prospects of Jointak. In July of the same year, Joinbest issued 84 additional shares to TSGHL for a cash consideration of US\$84 and 6 additional shares to the Scarborough Group for a cash consideration of US\$6, resulting in TSGHL holding 93 shares representing 93% and the Scarborough Group holding seven shares representing 7% of the then issued share capital of Joinbest. In January 2008, Original TSI acquired the entire interest in Joinbest from TSGHL and the Scarborough Group, and subsequently in December 2010, we acquired such interest from Original TSI. For further details of such acquisitions, see the paragraphs headed “Incorporation of Original TSI as a holding company” and “Reorganization — Acquisition of interests in our operating subsidiaries by BVI Holdco” in this section. Since the completion of the above acquisitions, Joinbest, Jointak and Changzhou Top Spring have been our wholly-owned subsidiaries. Changzhou Top Spring is the project company for Changzhou Landmark.

Changzhou Landmark is a large upscale urban mixed-use community comprising a retail mall, office space, hotels, residential buildings and serviced apartments located in Zhong Lou District, Changzhou. This project occupies a total site area of 123,934 sq.m. Changzhou Landmark (Phases 1 to 3) have been completed, with the last phase expected to be completed by June 2013.

Establishment of relationship with SZITIC Property

In February 2004, in anticipation of acquiring an interest in SZITIC Property (a company which was then controlled by Shenzhen Investment), Mr. Wong instructed two relatives, his sister and his niece, also an employee of our Group, to set up Top Spring Investment. Mr. Wong is a Hong Kong permanent resident. His sister and niece are both PRC residents and they could therefore set up Top Spring Investment as a PRC domestic investment company within a short period of time. Although Mr. Wong is not the legal owner of Top Spring Investment, he enjoys all the rights and takes up all the obligations as the sole shareholder of such company. According to an explanatory statement signed by the two registered shareholders of Top Spring Investment in September 2009, Mr. Wong is entitled to exercise all the rights as the sole shareholder of Top Spring Investment including but not limited to the right to instruct the two registered shareholders to vote in accordance with his direction at shareholders’ meeting, the right to appoint and replace the legal representative and all directors of the company, and the right to all the profits of the company. Mr. Wong also assumes the obligations as a shareholder, such as the risks associated with the operation of Top Spring Investment. The two registered shareholders of Top Spring Investment have waived their rights to make any management or investment decisions. Our PRC legal adviser has confirmed that such arrangements do not breach the mandatory requirements of the PRC laws and regulations, and Mr. Wong is entitled to exercise the rights as a shareholder of Top Spring Investment. After the disposal of interest in SZITIC Property and Sheng Xing by Top Spring Investment in 2004 and 2006 respectively, and its disposal of interest in some of the PRC subsidiaries of our Group in 2009 as described in the paragraph headed “Acquisition of non-controlling interests in certain subsidiaries by our Group” below, Top Spring Investment did not hold any interest in any member of our Group. In light of this, our Directors believe that the arrangement between the two registered shareholders of Top Spring Investment and Mr. Wong is unlikely to have any material adverse impact on our Group as a whole.

In May 2004, Top Spring Investment acquired a 14% interest in SZITIC Property from an Independent Third Party at a consideration of RMB13,500,000, which was determined by an internal appraisal by SZITIC Property. In September 2004, Top Spring Investment together with two shareholders, being Shenzhen Sheng Feng and an Independent Third Party, established Sheng Xing with a registered capital of RMB10,500,000. Later in the same month, as part of the reorganization arrangements, Shenzhen Sheng Feng, Top Spring Investment and the Independent Third Party transferred their interests of 21%,

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14% and 5%, respectively, in SZITIC Property to Sheng Xing at a consideration of RMB5,512,500, RMB3,675,000 and RMB1,312,500, respectively, determined based on the registered capital of and the parties' respective interests in Sheng Xing. As a result of such transfers, Sheng Xing held a 40% interest in SZITIC Property. Sheng Xing was then held by Top Spring Investment as to 35%. Later, in January 2005, Sheng Xing, on behalf of Top Spring Investment, acquired a further 11% interest in SZITIC Property from CR SZITIC Trust and became the majority shareholder of SZITIC Property, holding 51% of its equity interest. Such interest was acquired and paid by Sheng Xing on behalf of Top Spring Investment at a consideration of RMB13,610,000, which was determined on the basis of an independent valuation of SZITIC Property and the agreement between CR SZITIC Trust and Sheng Xing. To reflect Top Spring Investment's payment for the 11% equity interest in SZITIC Property acquired by Sheng Xing, one month later, Top Spring Investment acquired an additional 11.32% interest in Sheng Xing from Shenzhen Sheng Feng and another 2.7% interest in Sheng Xing from the Independent Third Party at a nominal consideration of RMB1 each and became Sheng Xing's largest shareholder, holding 49.02% of Sheng Xing.

Mr. Wong was appointed a director of SZITIC Property in May 2004 after Top Spring Investment's acquisition of a 14% interest in SZITIC Property and he was appointed the vice chairman of SZITIC Property in September 2006. Since May 2004, Mr. Wong has been a core member of the board of SZITIC Property and heavily involved in the strategy formulation and management of SZITIC Property.

Acquisition of controlling interest in SZITIC Property

In May 2006, TSGHL (a company which is indirectly wholly-owned by Mr. Wong) through acquisition of one share from Mr. Wong and subscription of 767 shares in Fullest Max, acquired a 87.87% interest in the issued share capital of Fullest Max. In June 2006, a wholly-owned subsidiary of Fullest Max, Prosperous Properties Holdings, allotted a total of 9,999 shares to Fullest Max, Fullshine and Glory Wise at par. Since then, Prosperous Properties Holdings has been owned by Fullest Max, Fullshine and Glory Wise as to 63.83%, 26.37% and 9.8%, respectively. In July 2006, a wholly-owned subsidiary of Prosperous Properties Holdings, Tai Xiang, acquired the entire equity interest in Sheng Xing from Top Spring Investment, Shenzhen Sheng Feng and an Independent Third Party at a consideration of RMB5,147,100, RMB4,323,900 and RMB1,029,000, respectively. The consideration was determined based on their respective equity interests in Sheng Xing, being 49.02%, 41.18% and 9.8% of the registered capital of Sheng Xing as at the date of such acquisitions and has been fully paid by Tai Xiang. In August 2006, Mr. Wong, through Reach Prime Investments Limited ("Reach Prime") (an investment holding company wholly-owned by Mr. Wong) further subscribed for 126 shares in Fullest Max at par, resulting in an increase of his attributable interest in Fullest Max by 1.53%. Mr. Wong was then interested in 89.4% of the issued share capital of Fullest Max through his two investment holding companies (being Pacific East Group Limited ("Pacific East"), which acquired TSGHL's entire interest in Fullest Max in August 2006, and Reach Prime, which acquired its interest in Fullest Max upon completion of the aforesaid subscription). In January 2008, Original TSI acquired 89.4% interest in the issued share capital of Fullest Max from Reach Prime and Pacific East, and subsequently in November 2010, Original TSI acquired the remaining 10.6% interest in the issued share capital of Fullest Max from Smart Huge. In December 2010, we acquired the entire interest in Fullest Max from Original TSI. For further information of such acquisitions, please see the paragraphs headed "Incorporation of Original TSI as a holding company" and "Reorganization — Acquisition of interests in certain subsidiaries by Original TSI" below. Fullest Max, Prosperous Properties Holdings, Tai Xiang, Sheng Xing and SZITIC Property are now our wholly-owned subsidiaries.

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Upon completion of the acquisition of the entire equity interest in Sheng Xing by Tai Xiang in July 2006, TSGHL indirectly acquired a controlling interest in SZITIC Property, which in turn held interests in the following projects:

- (a) *Shenzhen Hidden Valley (深圳水榭山) and The Spring Land (Phases 1 to 3) (深圳水榭春天第一至三期)*

Details of these projects are set out in the paragraph headed “Shenzhen Hidden Valley (深圳水榭山), The Spring Land (Phases 1 to 3) (深圳水榭春天第一至三期) and The Spring Land (Phases 4 to 6) (深圳水榭春天第四至六期)” above.

- (b) *Shenzhen Water Flower Garden (深圳水榭花都)*

Shenzhen Water Flower Garden is held by Shenzhen Hua Long, which is now owned as to 100% by SZITIC Property. In March 2002, Shenzhen Hua Long, a company in which SZITIC Property already had a controlling interest, commenced the construction of Shenzhen Water Flower Garden. Shenzhen Water Flower Garden is an upscale low-density property comprising residential developments, retail shops, a vegetable market and two club houses in Futian District, Shenzhen. The project occupies a total site area of 164,764 sq.m. and was completed in October 2006. All of the saleable residential units of this project have been sold.

- (c) *Dongguan Landmark (東莞萊蒙商業中心)*

Dongguan Landmark is held by Dongguan SZITIC, which is now beneficially owned as to 100% by SZITIC Property. This project is an urban mixed-use community comprising a four-storey retail complex and three high-rise buildings and is located in Nancheng District, Dongguan. The project occupies a total site area of 18,738 sq.m. The retail complex was completed in October 2007 while the high-rise buildings were completed in July 2008.

- (d) *Shenzhen Blue Bay (深圳水榭藍灣)*

Shenzhen Blue Bay is held by SZITIC Property directly as to 92% and an Independent Third Party as to 8%. This project is held for future development and is expected to comprise a residential development located in Longgang District, Shenzhen. The project occupies a total site area of 22,033 sq.m. It is expected that construction will commence in January 2012 and will be completed by December 2013.

Kunming Water Flower (昆明水榭花都)

In June 2005, SZITIC Property acquired a 49% equity interest in Kunming Xin He Min, a company established in April 2005, as the directors of SZITIC Property considered that the acquisition of such interest is a good investment opportunity. In April 2007 and July 2009, Kunming Xin He Min acquired the land use right for the development of Kunming Water Flower. SZITIC Property was approached by an Independent Third Party to purchase its entire interest in Kunming Water Flower. Having considered the strategy of our Group and the immediate recoverability of the funds injected into this project, prior to the commencement of any development work in Kunming Water Flower, SZITIC Property sold its 49% equity interest in Kunming Xin He Min to such Independent Third Party in February 2010. The Independent Third Party is required to pay RMB110,690,000 by instalments for such transfer, and subject

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to the fulfillment of certain conditions, the Independent Third Party shall make further payment to SZITIC Property up to the amount of RMB30,000,000 in accordance with the terms of the relevant agreement. The consideration was determined on arm's length negotiations between the parties with reference to, among other things, the registered capital of and SZITIC Property's equity interest in Kunming Xin He Min and the value of the parcels of land held by Kunming Xin He Min.

Hangzhou Landmark (杭州莱蒙商业中心)

In September 2005, Mr. Wong through Le Lemman Yuhang (a company which was wholly-owned by him) set up Top Spring International (Yuhang) for the development of Hangzhou Landmark. In December 2005, TSGHL and Scarborough Holdings formed a 50-50 joint venture company, SIL. Each of TSGHL and Scarborough Holdings contributed HK\$12,000,000 to SIL, of which HK\$5,000,000 was used to subscribe for 50% of the then issued shares of SIL, and HK\$7,000,000 was granted to SIL as a shareholder's loan. The capital contribution of Scarborough Holdings was made in cash whereas the capital contribution of TSGHL was made by way of procuring Mr. Wong to transfer to SIL the entire issued share capital, and the shareholder's loan in the sum of HK\$11,999,999 (which together were deemed to be valued at HK\$12,000,000) to Le Lemman Yuhang. SIL was then interested in 100% of Hangzhou Landmark through Le Lemman Yuhang, a company which held the entire equity interest of Top Spring International (Yuhang), which in turn had a 100% interest in Hangzhou Landmark. In June 2008, Original TSI became interested in the entire interest in Le Lemman Yuhang through its indirect 100% interest in SIL. In March 2009, Original TSI acquired from SIL its entire beneficial interest in Le Lemman Yuhang, and subsequently in December 2010, we acquired the entire interest in Le Lemman Yuhang from Original TSI. For further details of the above, please see the paragraphs headed "2008 Acquisition", "Reorganization — Acquisition of interests in certain subsidiaries by Original TSI" and "Reorganization — Acquisition of interests in our operating subsidiaries by BVI Holdco" in this section. Since the completion of the above acquisitions, Le Lemman Yuhang and Top Spring International (Yuhang) have been our wholly-owned subsidiaries. Top Spring International (Yuhang) is the project company for Hangzhou Landmark.

Hangzhou Landmark is a four-storey retail mall located in Yuhang District, Hangzhou. The project occupies a total site area of 14,780 sq.m. Construction of the project commenced in January 2006 and was completed in July 2007.

Changzhou Le Lemman City (常州莱蒙城)

In April 2006, Mr. Wong through Prosperous Property Development (a company which was indirectly wholly-owned by him) established Changzhou Water Flower. In December 2006, Prosperous Property Development transferred 60% of the registered capital of Changzhou Water Flower to SZITIC Property for joint development of Changzhou Le Lemman City at a consideration of US\$18,000,000, being 60% of the registered capital of Changzhou Water Flower. Such company was then held as to 60% and 40% by SZITIC Property and Prosperous Property Development, respectively. Since the acquisition of SZITIC Property, Changzhou Water Flower has been our wholly-owned subsidiary. Changzhou Water Flower is the project company for Changzhou Le Lemman City.

Changzhou Le Lemman City is an upscale residential development project comprising a hotel, namely Changzhou Holiday Inn, a central park, residential developments (such as villas, high rise and low rise apartments) and a retail mall located in Wujin District, Changzhou. The project will be developed in various phases, with a total site area of 486,823 sq.m. Construction of Changzhou Le Lemman City (Phase 1) commenced in May 2006 and the entire project is expected to be completed by September 2015.

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Shanghai Baoshan Landmark (上海寶山)

In December 2006, Mr. Wong, through Top Spring International (Baoshan) Limited (a company wholly-owned by him and incorporated in Hong Kong), acquired an indirect 10% interest in Shanghai Baoshan Landmark, with the remaining 90% interest held by an Independent Third Party. In June 2007, Top Spring International (Baoshan) Limited acquired indirectly from such Independent Third Party its 90% interest. In August 2007, Mr. Wong transferred his entire interest in Top Spring International (Baoshan) Limited to SIL, which was then held in equal shares by TSGHL and the Scarborough Group. In March 2009, Original TSI, an indirect holding company of SIL, acquired from SIL its entire interest in Top Spring International (Baoshan) Limited. As the development of small scale stand-alone shopping mall (in terms of total GFA) is not in line with our business strategy, which focuses on the development of complex projects involving residential and retail properties, prior to the commencement of any development work in Shanghai Baoshan Landmark, the entire equity interest in 上海萊蒙置業有限公司 (Shanghai Top Spring Landmark Co., Ltd.*), the project company of Shanghai Baoshan Landmark, was sold to an Independent Third Party in September 2009 at a consideration of RMB63,348,907.9, which was agreed on the basis of the net asset value of such company.

Further co-operation with the Scarborough Group

During the period between December 2007 and June 2008, there were a series of corporate activities between Mr. Wong and the Scarborough Group. In December 2007, Mr. Wong and the Scarborough Group agreed to further elevate their co-operation through their 50–50 joint venture company, SIL. Each of TSGHL and the Scarborough Group contributed approximately HK\$909 million to SIL by way of cash or the transfer of their respective interests in the investment holding companies which held certain sites and projects, the amount of which was determined by internal appraisal of such sites and projects and on arm's length negotiations between TSGHL and the Scarborough Group. After completion of the above transactions, SIL continued to be a joint venture company indirectly owned by Mr. Wong and the Scarborough Group as to 50% each, and the respective interests of TSGHL and the Scarborough Group in the following sites and projects were transferred to SIL:

(a) *The Spring Land (Phases 4 to 6) (深圳水榭春天第四至六期) from TSGHL*

Details of this site are set out in the paragraph headed “Shenzhen Hidden Valley (深圳水榭山), The Spring Land (Phases 1 to 3) (深圳水榭春天第一至三期) and The Spring Land (Phases 4 to 6) (深圳水榭春天第四至六期)” above. For further details, please see the section headed “Business — Our Property Projects — Description of Our Projects — 2. The Spring Land — 深圳水榭春天 — Phases 4 to 6” in this prospectus.

(b) *Chengdu Landmark (成都萊蒙置地廣場) from the Scarborough Group*

Chengdu Landmark is expected to be an upscale urban mixed-use community located in Wuhou District, Chengdu. The project occupies a total site area of 20,727 sq.m. It is expected that construction will commence in June 2011 and will be completed by June 2013.

(c) *40% of Changzhou Le Leman City (常州萊蒙城) from TSGHL*

The remaining 60% of this project has been indirectly held by our subsidiary, SZITIC Property since December 2006. Details of this project are set out in the paragraph headed “Changzhou Le Leman City (常州萊蒙城)” above.

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In June 2008, the Scarborough Group converted its 50% interest in SIL plus certain shareholder loans provided by it to SIL and its subsidiaries into a 15% stake in Original TSI. For further details of such conversion, see the paragraph headed “2008 Acquisition” below.

For further details of the Scarborough Group, please see the section headed “Relationship with our Controlling Shareholders and the Scarborough Group — Relationship with the Scarborough Group” in this prospectus.

Incorporation of Original TSI as a holding company

On August 30, 2007, Original TSI was incorporated in the Cayman Islands and wholly-owned by Mr. Wong. On December 10, 2007, Mr. Wong transferred his entire interest in Original TSI to Chance Again, which was then wholly-owned by Mr. Wong.

In January 2008, Original TSI acquired the following interests:

- (a) 93% interest and the remaining 7% interest in the entire issued share capital of Joinbest from TSGHL and the Scarborough Group, respectively; and
- (b) the entire issued share capital of Fullshine and Glory Wise from Independent Third Parties at a consideration of RMB201,730,500 and RMB74,970,000, respectively, each of which was determined by arm’s length negotiations between the parties (as the aforementioned Independent Third Parties could not come to an agreement as to the value of Shanghai Feng Dan, the parties agreed in the relevant sale and purchase agreements that the acquisition of the entire interest in Fullshine and Glory Wise does not include their indirect interest in Shanghai Feng Dan); and 89.4% interest in the issued share capital of Fullest Max from Reach Prime and Pacific East (companies wholly-owned by Mr. Wong), which resulted in Original TSI acquiring 47.55% indirect interest in SZITIC Property.

In May 2008, Original TSI acquired from TSGHL its entire interest in the issued share capital of Top Spring International Shenzhen, a company which held a 25% indirect interest in Shenzhen Water Flower.

2008 Acquisition

In June 2008, Original TSI, which already held a 50% indirect interest in SIL, acquired, through a wholly-owned subsidiary, the remaining 50% interest in SIL from the Scarborough Group. The Scarborough Group converted its entire interest in the issued share capital in SIL plus certain shareholder loans in the amount of HK\$413,523,021 provided by it to SIL and its subsidiaries into a 15% stake in Original TSI, the percentage of which was determined by internal appraisal of the project companies of our Group and the Scarborough Group and upon arm’s length negotiations between the parties. Immediately prior to the completion of the acquisition, Mr. Wong, through his 50% interest in SIL, was interested in Chengdu Landmark, Hangzhou Landmark and Shanghai Baoshan Landmark. As a result of the acquisition, Original TSI, which was controlled and 85%-owned by Mr. Wong, became indirectly interested in the entire interest in each of the companies holding the aforesaid projects. The amount of consideration attributable to the equity interest of the holding company of Chengdu Landmark, which has been fully paid, is approximately HK\$132,881,000. For further details of the other two projects, namely Hangzhou Landmark and Shanghai Baoshan Landmark, please see the paragraphs headed “Hangzhou Landmark (杭州萊蒙商業中心)” and “Shanghai Baoshan Landmark (上海寶山)”, respectively, above.

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Upon completion of the above transactions, Original TSI was owned by Chance Again (a company then wholly-owned by Mr. Wong) and the Scarborough Group as to 85% and 15%, respectively. Since then, Dr. McCabe, the founder and chairman of the Scarborough Group, became a board member of Original TSI. Further, Original TSI was then interested in:

- (a) 100% of Changzhou Landmark;
- (b) 60.66% of Shenzhen Hidden Valley;
- (c) 60.66% of The Spring Land (Phases 1 to 3);
- (d) 47.55% of Shenzhen Water Flower Garden;
- (e) 47.55% of Dongguan Landmark;
- (f) 23.30% of Kunming Water Flower;
- (g) 43.75% of Shenzhen Blue Bay;
- (h) 68.53% of Changzhou Le Leman City;
- (i) 100% of Hangzhou Landmark;
- (j) 100% of Shanghai Baoshan Landmark;
- (k) 100% of The Spring Land (Phases 4 to 6); and
- (l) 100% of Chengdu Landmark.

For further details of the above projects, please see the section headed “Business” in this prospectus.

Taihu Hidden Valley — 太湖水榭山

In November 2009, Mr. Wong through Top Spring Taihu Bay (a wholly-owned subsidiary of TSGHL, which was indirectly wholly-owned by Mr. Wong) established Changzhou Taihu Bay for the development of a piece of land in Wujin District of Changzhou. In June 2010, Original TSI acquired the entire interest in Top Spring Taihu Bay from TSGHL at a nominal consideration of HK\$1.00. In December 2010, we acquired the entire interest held by Original TSI in Top Spring Taihu Bay. Since the completion of the acquisition, Top Spring Taihu Bay and Changzhou Taihu Bay have been our wholly-owned subsidiaries. Changzhou Taihu Bay is the project company for Taihu Hidden Valley.

Taihu Hidden Valley is expected to be developed in three phases. Taihu Hidden Valley (Phase 1), occupying a total site area of 200,002 sq.m., is expected to comprise upscale villas and high-rise apartments located in Wujin District, Changzhou. Construction of Taihu Hidden Valley (Phase 1) is expected to commence in July 2012 and to be completed by December 2016.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Hangzhou Hidden Valley Project — 杭州水榭山

In December 2009, Mr. Wong through Top Spring International (Xiqi) (a company wholly-owned by him) established Top Spring (Fuyang) with an initial registered capital of US\$49,990,000 for the development of six parcels of land in Fuyang, Zhejiang Province. In June 2010, Original TSI acquired the entire interest in Top Spring International (Xiqi) from Mr. Wong at a nominal consideration of HK\$1.00. In September 2010, the registered capital of Top Spring (Fuyang) was increased from US\$49,990,000 to US\$59,990,000. The additional capital of US\$10,000,000, representing 16.67% of the registered capital of Top Spring (Fuyang), was contributed by Xiang Kang. Later in September 2010, Xiang Kang further assumed the obligations of Top Spring International (Xiqi) to contribute a portion of the registered capital of US\$20,594,900, representing an additional 34.33% of the registered capital of Top Spring (Fuyang). Since then, Top Spring (Fuyang) was held as to 49% by Top Spring International (Xiqi) and 51% by Xiang Kang. In November 2010 and December 2010, the registered capital of Top Spring (Fuyang) was further increased to US\$92,990,000 and US\$221,480,000 respectively, all of which was contributed by Top Spring International (Xiqi) and Xiang Kang pro-rata to their respective proportional interests in Top Spring (Fuyang). Top Spring International (Xiqi), Xiang Kang and Top Spring (Fuyang) are our wholly-owned subsidiaries. This project occupies a total site area of 302,599 sq.m. For further details of such project, please see the section headed “Business — Our Property Projects — Description of Our Projects — 11. Hangzhou Hidden Valley — 杭州水榭山” in this prospectus.

Tianjin Le Leman City — 天津萊蒙城

On March 30, 2010, through our wholly-owned subsidiary, Tai Sheng, we entered into a cooperation agreement with 天津市靜海縣人民政府 (Tianjin City Jinghai County Government*), 漢吉斯(天津)建設投資有限公司 (Han Ji Si (Tianjin) Construction Investment Co., Ltd*)、深圳市農產品股份有限公司 (Shenzhen Agricultural Product Co., Ltd*) (“AP Company”) (a company listed on the Shenzhen Stock Exchange), 深圳市祥恒昶貿易有限公司 (Shenzhen Xiang Heng Chang Trade Co., Ltd*) (“Xiang Heng Chang”) and 深圳市臻康貿易有限公司 (Shenzhen Zhen Kang Trade Co., Ltd*) (“Zhen Kang”) in relation to Tianjin Le Leman City. For the purpose of the development of Tianjin Le Leman City, we entered into a joint venture contract on June 1, 2010 through Tai Sheng with AP Company, Xiang Heng Chang, Zhen Kang and 華銳資產管理有限責任公司 (Hua Rui Assets Management Co., Ltd.*) to establish Tianjin Jinghai Project Joint Venture Company. Tianjin Jinghai Project Joint Venture Company was established on July 8, 2010. As at the Latest Practicable Date, we held a 40% equity interest in the Tianjin Jinghai Project Joint Venture Company. On August 30, 2010, Tianjin Haijixing, a wholly-owned subsidiary of Tianjin Jinghai Project Joint Venture Company, was established as a limited liability company in the PRC. Tianjin Le Leman City is expected to comprise warehousing and logistics facilities as well as residential and commercial properties. The project occupies a total site area of approximately 4,000,020 sq.m. For further details of the project, please see the section headed “Business — Our Property Projects — Description of Our Projects — 13. Tianjin Le Leman City — 天津萊蒙城” in this prospectus.

Acquisition of remaining interest in SZITIC Property

In August 2010, Sheng Xing, already holding a 51% majority interest in SZITIC Property, acquired the remaining 49% interest in SZITIC Property at a consideration of RMB823,200,000, which was determined based on the valuation made by an independent valuer, without taking into account SZITIC Property’s interest in Shanghai Feng Dan.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of the above acquisition, our attributable interests in the following projects were increased in the following manner:

Projects	Prior to completion of the acquisition	Upon completion of the acquisition
Shenzhen Hidden Valley	60.66%	94.93%
The Spring Land (Phases 1 to 3)	60.66%	94.93%
Shenzhen Water Flower Garden	47.55%	93.23%
Dongguan Landmark	47.55%	93.23%
Shenzhen Blue Bay	43.75%	85.78%
Changzhou Le Leman City	68.53%	95.94%

Shenzhen New City Plaza — 深圳水榭明天

On September 25, 2010, through our wholly-owned subsidiary Shenzhen Water Flower, we entered into a novation agreement with 深圳市龍崗南聯股份合作公司 (Shenzhen Longgang Nanlian Cooperation Company*) (“Nanlian”) and 深圳市龍崗區龍崗街道辦事處南聯社區居民委員會 (the Nanlian Residents Committee of the Longgang Sub-District Office of the Shenzhen Longgang District*) (the “Resident Committee”), pursuant to which we would be the sole redeveloper of Shenzhen New City Plaza. Shenzhen New City Plaza has a total site area of approximately 220,000 sq.m. Subject to obtaining the relevant land use rights, details of which are set out in the section headed “Business — Our Property Projects — Description of Our Projects — 12. Shenzhen New City Plaza — 深圳水榭明天” in this prospectus, it is expected that construction will commence in January 2012 and will be completed by December 2015.

REORGANIZATION

Immediately prior to completion of our Reorganization, Original TSI was an investment holding company of all our subsidiaries except BVI Holdco.

In preparation for the Listing, we underwent the Reorganization, details of which are set out in the section headed “Statutory and General Information — A. Further Information about our Group — 5. Reorganization” in Appendix VIII to this prospectus. The Reorganization primarily consisted of the following steps:

- Incorporation of our Company
- Incorporation of BVI Holdco

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- Acquisition of interests in certain subsidiaries by Original TSI
- Acquisition of interests in our operating subsidiaries by BVI Holdco
- Acquisition of non-controlling interests in certain subsidiaries by our Group
- Share swap
- Increase in the authorized share capital of our Company
- Establishment of the Wong Family Trust
- Capitalization Issue

Incorporation of our Company

On August 25, 2009, our Company was incorporated in the Cayman Islands under the name of “Top Spring Holdings Limited” and its name was changed to “Top Spring International Holdings Limited (萊蒙鵬源國際集團有限公司)” on September 22, 2009, “Top Spring International Holdings Ltd.” on April 23, 2010, and was further changed to “Top Spring International Holdings Limited (萊蒙國際集團有限公司)” on April 23, 2010. The initial authorized share capital of our Company is HK\$390,000 divided into 3,900,000 shares of HK\$0.10 each. On August 25, 2009, one share of HK\$0.10 each was subscribed by the initial subscriber, Codan Trust Company (Cayman) Limited, which was subsequently transferred to Chance Again. On the same date, 99,999 shares (together with the one subscriber share transferred from Codan Trust Company (Cayman) Limited, representing 85% of the issued share capital of our Company), 12,423 shares (representing 10.56% of the issued share capital of our Company) and 5,224 shares (representing 4.44% of the issued share capital of our Company) of HK\$0.10 each were issued and allotted to Chance Again, Scarborough Holdings and Sheffield United Realty, respectively. On September 11, 2009, 12,423 shares of HK\$0.10 each representing 10.56% of the issued share capital of our Company were transferred by Scarborough Holdings to Sheffield United Realty. On October 16, 2009, our Company was registered as a non-Hong Kong company under Part XI of the Companies Ordinance.

Incorporation of BVI Holdco

On August 25, 2009, BVI Holdco was incorporated in the BVI. BVI Holdco was authorized to issue a maximum of 117,647 shares of no par value. On August 27, 2009, 100,000, 12,423 and 5,224 shares representing 85%, 10.56% and 4.44% of the issued share capital of BVI Holdco were issued and allotted to Chance Again, Scarborough Holdings and Sheffield United Realty, respectively, at a consideration of HK\$0.10 per share. On September 11, 2009, 12,423 shares representing 10.56% of the issued share capital of BVI Holdco was transferred by Scarborough Holdings to Sheffield United Realty.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Acquisition of interests in certain subsidiaries by Original TSI

As part of our Reorganization, Original TSI, whether directly or through its wholly-owned subsidiary, acquired the entire issued share capital of certain subsidiaries from TSGHL, Mr. Wong and SIL:

- (a) on March 31, 2009, SIL transferred its one share of HK\$1.00 (representing 100% of the issued share capital) in Main Century at a consideration of HK\$227,796,575;
- (b) on March 31, 2009, SIL transferred its one share of HK\$1.00 (representing 100% of the issued share capital) in Top Orient at a consideration of HK\$1,186,573,114;
- (c) on March 31, 2009, SIL transferred its one share of HK\$1.00 (representing 100% of the issued share capital) in Fortune Mega at a consideration of HK\$132,880,697;
- (d) on March 31, 2009, SIL transferred its beneficial interest in one share of HK\$1.00 (representing 100% of the issued share capital) in Le Leman Yuhang at a consideration of HK\$1.00;
- (e) on March 31, 2009, SIL transferred its beneficial interest in one share of HK\$1.00 (representing 100% of the issued share capital) in Top Spring International (Baoshan) Limited at a consideration of HK\$1.00;
- (f) on June 23, 2010, TSGHL transferred its one share of HK\$1.00 each (representing 100% of the issued share capital) in Top Spring Taihu Bay at a consideration of HK\$1.00; and
- (g) on June 30, 2010, Mr. Wong transferred his one share of HK\$1.00 each (representing 100% of the issued share capital) in Top Spring International (Xiqi) at a consideration of HK\$1.00.

In October 2010, Original TSI entered into a sale and purchase agreement with Smart Huge, pursuant to which Original TSI agreed to purchase 10.6% interest in the issued share capital of Fullest Max from Smart Huge at a cash consideration of RMB84 million, which was determined on arm's length negotiations between the parties (as the parties could not come to an agreement as to the value of Shanghai Feng Dan, the parties agreed in the relevant sale and purchase agreement that the acquisition of the 10.6% interest in Fullest Max does not include its indirect interest in Shanghai Feng Dan). Such acquisition was completed in November 2010, and since then Original TSI was interested in the entire issued share capital of Fullest Max.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of the above acquisition of the remaining interest in Smart Huge, our attributable interests in the following projects will be increased in the following manner:

Projects	Prior to completion of the acquisition	Upon completion of the acquisition
Shenzhen Hidden Valley	94.93%	100%
The Spring Land (Phases 1 to 3)	94.93%	100%
Shenzhen Water Flower Garden	93.23%	100%
Dongguan Landmark	93.23%	100%
Shenzhen Blue Bay	85.78%	92%
Changzhou Le Leman City	95.94%	100%
Shenzhen New City Plaza	94.93%	100%

Acquisition of interests in our operating subsidiaries by BVI Holdco

As part of our Reorganization, BVI Holdco acquired the entire issued share capital of the following companies:

- (a) on December 1, 2010, Original TSI transferred its one share of HK\$1.00 (representing 100% of the issued share capital) of Top Spring International Shenzhen to BVI Holdco at a consideration of HK\$1.00;
- (b) on December 1, 2010, Le Leman Yuhang allotted and issued 9,999 shares of HK\$1.00 each (representing 99.99% of the issued share capital immediately after such issue and allotment of shares) to BVI Holdco at par value; further, on the same date, Original TSI transferred its one share of HK\$1.00 (representing 0.01% of the issued share capital) of Le Leman Yuhang to BVI Holdco at a consideration of HK\$1.00;
- (c) on December 1, 2010, Original TSI transferred its one share of HK\$1.00 (representing 100% of the issued share capital) of Top Spring International Zhejiang to BVI Holdco at a consideration of HK\$1.00;
- (d) on December 1, 2010, Original TSI transferred its one share of US\$1.00 (representing 100% of the issued share capital) in Top Orient to BVI Holdco at a consideration of HK\$7.80;
- (e) on December 1, 2010, Original TSI transferred its one share of US\$1.00 (representing 100% of the issued share capital) in Main Century to BVI Holdco at a consideration of HK\$7.80;
- (f) on December 1, 2010, Original TSI transferred its 13,448 shares of US\$1.00 each (representing 100% of the issued share capital) in Fullshine to BVI Holdco at a consideration of HK\$216,914,516.13;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (g) on December 1, 2010, Original TSI transferred its one share of US\$1.00 (representing 100% of the issued share capital) in Glory Wise to BVI Holdco at a consideration of HK\$80,612,903;
- (h) on December 1, 2010, Original TSI transferred its 1,000 shares of no par value (representing 100% of the issued share capital) in Fullest Max to BVI Holdco at a consideration of HK\$6,973.20;
- (i) on December 1, 2010, Original TSI transferred its 100 shares of US\$1.00 each (representing 100% of the issued share capital) in Joinbest to BVI Holdco at a consideration of HK\$75,529,425.40;
- (j) on December 1, 2010, Original TSI transferred its one share of US\$1.00 (representing 100% of the issued share capital) in Fortune Mega to BVI Holdco at a consideration of HK\$132,880,697;
- (k) on December 1, 2010, Top Spring Taihu Bay allotted and issued 9,999 shares of HK\$1.00 each (representing 99.99% of the issued share capital immediately after such issue and allotment of shares) to BVI Holdco at par value, further, on the same date, Original TSI transferred its one share of HK\$1.00 (representing 0.01% of the issued share capital) in Top Spring Taihu Bay to BVI Holdco at a consideration of HK\$1.00; and
- (l) on December 1, 2010, Top Spring International (Xiqi) allotted and issued 9,999 shares of HK\$1.00 each (representing 99.99% of the issued share capital immediately after such issue and allotment of shares) to BVI Holdco at par value, further, on the same date, Original TSI transferred its one share of HK\$1.00 (representing 0.01% of the issued share capital) in Top Spring International (Xiqi) to BVI Holdco at a consideration of HK\$1.00.

Acquisition of non-controlling interests in certain subsidiaries by our Group

As part of our Reorganization, our Group acquired non-controlling interests in the following subsidiaries:

- (a) on September 2, 2009, Top Spring Investment transferred its 10% equity interest in Shenzhen Business Management to Sheng Xing at a consideration of RMB50,000;
- (b) on September 30, 2009, Top Spring Investment transferred its 10% equity interest in Changzhou Business Management to Shenzhen Business Management at a consideration of RMB50,000;
- (c) on October 19, 2009, Top Spring Investment transferred its 10% equity interest in Changzhou Advertising to Shenzhen Business Management at a consideration of RMB50,000;
- (d) on September 30, 2009, Mr. Wu Jun transferred his 1.7% equity interest in Changzhou Property Services to Shenzhen Business Management at a consideration of RMB50,000; and
- (e) on August 31, 2010, CR SZITIC Investment transferred its 49% equity interest in SZITIC Property to Sheng Xing at a consideration of RMB823,200,000.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Share swap

On December 2, 2010, Chance Again and Sheffield United Realty transferred 100,000 shares and 17,647 shares, respectively, (collectively representing the entire issued share capital) in BVI Holdco to our Company in consideration of our Company further issuing and allotting 100,000 Shares and 17,647 Shares to Chance Again and Sheffield United Realty, respectively.

Increase in the authorized share capital of our Company

On December 2, 2010, the authorized share capital of Company was increased from HK\$390,000 to HK\$500,000,000 by the creation of an additional 4,996,100,000 new Shares of HK\$0.10 each.

Establishment of the Wong Family Trust

The Wong Family Trust was established on December 1, 2010 as a discretionary family trust by Mr. Wong as the settlor for the benefits of his family members, with HSBC International Trustee as the trustee.

On December 3, 2010, Mr. Wong transferred by way of gift to BVI Co, which is owned as to 100% by HSBC International Trustee, 100 shares of US\$1.00 each (representing 100% of the issued share capital) in Chance Again for the benefit of the Wong Family Trust.

Capitalization Issue

Conditional on the share premium account of our Company being credited as a result of the Global Offering on the terms set forth in this prospectus, the sum of HK\$74,976,470.60 will be capitalized and applied in paying up in full at par 749,764,706 Shares to the Shareholders appearing on the register of members of our Company on December 4, 2010, pro rata to their respective holdings of Shares as at such date. Such Shares to be allotted and issued shall rank pari passu in all respects with the then existing issued Shares of our Company.

SHARE SCHEMES

Share Award Scheme

In recognition of the contributions of certain of our employees or employees of the Invested Entities, we adopted the Share Award Scheme on December 2, 2010. A total of 35 employees of our Group and the Invested Entity (“Selected Employees”) were awarded an aggregate of 6,452,000 Shares (after the Capitalization Issue) (“Awarded Shares”), representing approximately 0.6452% of the total issued share capital of our Company immediately following completion of the Global Offering and the Capitalization Issue (assuming that the Over-allotment Option is not exercised and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Pre-IPO Options and any options which may be granted under the Share Option Scheme). On December 3, 2010, 2,024 Shares were contributed and transferred by Chance Again to the Selected Employees which were immediately transferred to Marble World, a special purpose vehicle incorporated in the BVI under the Share Award Trust which holds such Shares and will hold further Shares to be issued to it pursuant to the Capitalization Issue on trust for the benefit of the Selected Employees prior to the vesting of the Awarded Shares in accordance with the terms and conditions of the Share Award Scheme and instrument constituting the Share Award Trust. As at the Latest Practicable Date, a Selected Employee has ceased to be employed by our Group. A

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

total of 80,000 Awarded Shares (after the Capitalization Issue) granted to her were deemed to have been surrendered by her and will be reallocated at the discretion of the Advisory Committee.

Please see the section headed “Statutory and General Information — D. Share Award Scheme” in Appendix VIII to this prospectus for a summary of the principal terms of the Share Award Scheme.

Pre-IPO Share Option Scheme

In recognition of the contributions of certain of our employees or employees of the Invested Entities, we adopted the Pre-IPO Share Option Scheme on December 2, 2010. As at the Latest Practicable Date, there were Pre-IPO Options to subscribe for a total of 33,005,001 Shares granted to 94 Selected Grantees under the Pre-IPO Share Option Scheme and remaining outstanding. Such outstanding Pre-IPO Options represent approximately 3.19% of the total issued share capital of our Company immediately after completion of the Capitalization Issue and the Global Offering as enlarged by the allotment and issue of Shares upon the exercise of all such Pre-IPO Options but without taking into account any Shares which may fall to be allotted and issued upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme. The Pre-IPO Options were transferred to Great Canyon, a special purpose vehicle incorporated in the BVI under the Share Option Trust which holds the Pre-IPO Options on trust for the benefit of the Selected Grantees prior to the vesting of the Pre-IPO Options in accordance with the terms and conditions of the Pre-IPO Share Option Scheme and instrument constituting the Share Option Trust.

Options to subscribe for a total of 34,371,667 Shares (of which 33,005,001 options remained outstanding as at the Latest Practicable Date) are the only options granted under the Pre-IPO Share Option Scheme and no further options will be granted thereunder after the Listing.

Please see the section headed “Statutory and General Information — E. Pre-IPO Share Option Scheme” in Appendix VIII to this prospectus for a summary of the principal terms of the Pre-IPO Share Option Scheme.

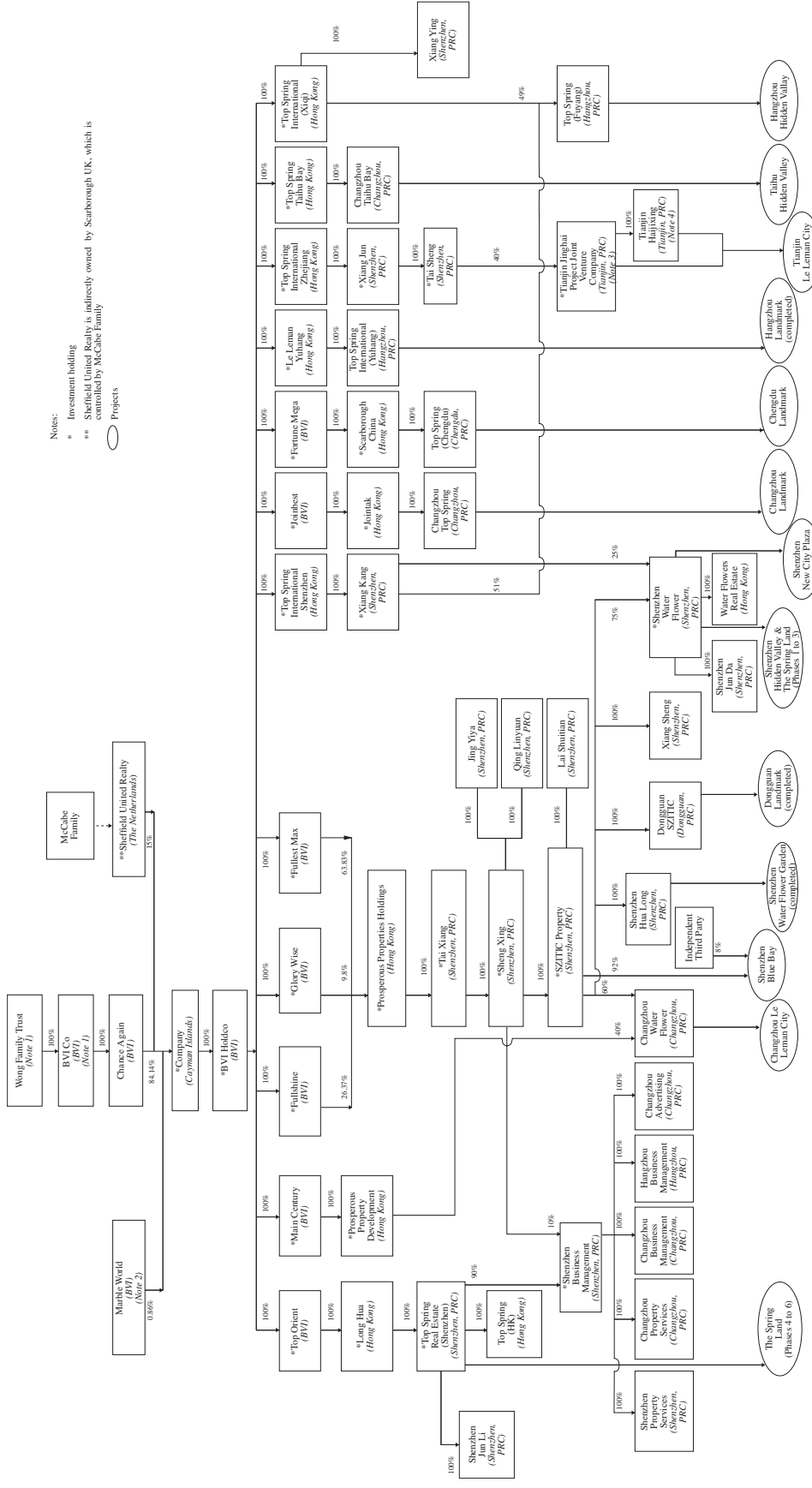
Share Option Scheme

We have conditionally adopted the Share Option Scheme on February 28, 2011. The Share Option Scheme provides for the grant of options to subscribe for our Shares to our staff including our Directors and employees that meet criteria set by us from time to time.

Please see the section headed “Statutory and General Information — F. Share Option Scheme” in Appendix VIII to this prospectus for a summary of the principal terms of the Share Option Scheme.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of the Reorganization and immediately before completion of the Capitalization Issue and the Global Offering, our Company is the holding company of our Group. Our Company holds 8 BVI subsidiaries and 29 PRC subsidiaries and our corporate structure is as set out below:



Notes:

- The entire issued share capital of BVI Co is wholly-owned by HSBIC International Trustee as the trustee of the Wong Family Trust. The Wong Family Trust is a discretionary family trust established by Mr. Wong, the beneficiaries of which include Mr. Wong's family members. Mr. Wong is the settlor of the Wong Family Trust.
- The entire issued share capital of Main Century is wholly-owned by HSBIC International Trustee as the trustee of the Share Award Trust. At the time of establishment of the Share Award Trust, the beneficiary objects of the Share Award Trust were 35 Selected Employees of the Group. As at the Latest Practicable Date, Selected Employees has ceased to be one of the beneficiary objects of the Share Award Trust as a result of her ceasing to be employed by our Group.
- As at the Latest Practicable Date, Tianjin Jinghai Project Joint Venture Company, one of the project companies for Tianjin Le Leman City, was owned as to 40% by our Group. To the best knowledge of our Directors, as at the Latest Practicable Date, the remaining equity interests were held by Independent Third Parties.
- As at the Latest Practicable Date, Tianjin Haijixing, one of the project companies for Tianjin Le Leman City, was wholly-owned by Tianjin Jinghai Project Joint Venture Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following table is a summary of the corporate information of the subsidiaries in our Group:

Subsidiaries incorporated in the BVI

Subsidiaries	Date of Incorporation	Our interests	Business
BVI Holdco	August 25, 2009	100%	investment holding
Top Orient	September 9, 2003	100%	investment holding
Main Century	September 8, 2005	100%	investment holding
Fullshine	January 23, 2006	100%	investment holding
Glory Wise	February 23, 2006	100%	investment holding
Fullest Max	January 25, 2006	100%	investment holding
Joinbest	July 17, 2002	100%	investment holding
Fortune Mega	April 21, 2006	100%	investment holding

Subsidiaries incorporated in Hong Kong

Subsidiaries	Date of Incorporation	Our interests	Business
Long Hua	November 10, 1997	100%	investment holding
Top Spring (HK)	June 5, 2006	100%	property management
Prosperous Property Development	December 1, 2005	100%	investment holding
Prosperous Properties Holdings	February 18, 2006	100%	investment holding
Top Spring International Shenzhen	June 17, 2006	100%	investment holding
Jointak	April 2, 2002	100%	investment holding
Scarborough China	June 8, 2006	100%	investment holding
Le Lemah Yuhang	July 2, 2005	100%	investment holding
Top Spring International Zhejiang	July 7, 2006	100%	investment holding
Top Spring Taihu Bay	November 10, 2006	100%	investment holding
Top Spring International (Xiqi)	July 2, 2005	100%	investment holding
Water Flowers Real Estate	October 6, 2010	100%	dormant

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

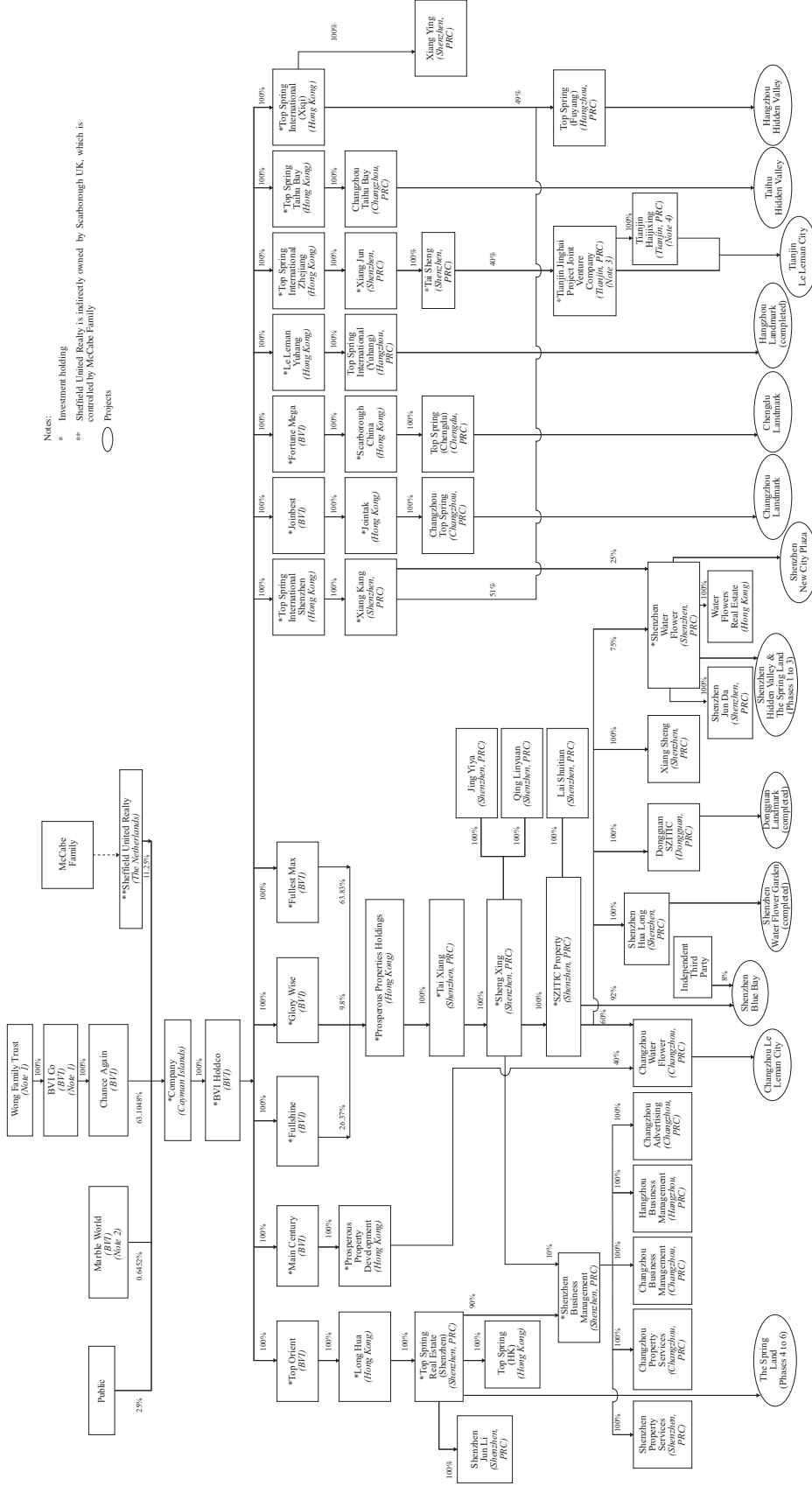
Subsidiaries incorporated in the PRC

Subsidiaries	Date of Incorporation	Our interests	Projects held/ principal activities
Top Spring Real Estate (Shenzhen)	January 5, 2001	100%	The Spring Land (Phases 4 to 6) and investment holding
Shenzhen Business Management	March 31, 2004	100%	property management and investment holding
Changzhou Property Services	August 2, 2006	100%	property management
Shenzhen Property Services	August 24, 2009	100%	property management
Changzhou Business Management	November 13, 2007	100%	property management
Hangzhou Business Management	September 7, 2007	100%	property management
Changzhou Advertising	September 3, 2004	100%	advertising services
Changzhou Water Flower	April 28, 2006	100%	Changzhou Le Leman City
Tai Xiang	June 12, 2003	100%	investment holding
Sheng Xing	September 6, 2004	100%	investment holding
SZITIC Property	April 5, 1996	100%	Shenzhen Blue Bay and investment holding
Shenzhen Hua Long	November 3, 1998	100%	Shenzhen Water Flower Garden (completed)
Dongguan SZITIC	April 14, 2005	100%	Dongguan Landmark (completed)
Xiang Sheng	September 26, 2006	100%	consultancy services
Shenzhen Water Flower	August 26, 2004	100%	Shenzhen Hidden Valley, The Spring Land (Phases 1 to 3) and Shenzhen New City Plaza and investment holding
Xiang Kang	May 26, 2003	100%	consultancy services and investment holding
Changzhou Top Spring	December 17, 2002	100%	Changzhou Landmark
Top Spring (Chengdu)	September 21, 2006	100%	Chengdu Landmark
Top Spring (Fuyang)	December 21, 2009	100%	Hangzhou Hidden Valley
Top Spring International (Yuhang)	September 15, 2005	100%	Hangzhou Landmark (completed)
Xiang Jun	May 30, 2003	100%	consultancy services and investment holding
Changzhou Taihu Bay	November 26, 2009	100%	Taihu Hidden Valley and development, operation, sales, leasing and management of property
Tai Sheng	March 29, 2010	100%	consultancy services and investment holding
Shenzhen Jun Li	May 27, 2010	100%	dormant
Shenzhen Jun Da	May 31, 2010	100%	dormant
Xiang Ying	June 25, 2010	100%	dormant
Lai Shuitian	September 17, 2010	100%	dormant
Qing Linyuan	October 22, 2010	100%	dormant
Jing Yiya	October 25, 2010	100%	dormant

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Upon completion of the Capitalization Issue and the Global Offering (assuming that the Over-allotment Option is not exercised and taking no account of any Shares which may be taken up under the Global Offering and any Shares which may be allotted and issued pursuant to the exercise of the Pre-IPO Options and any options which may be granted under the Share Option Scheme), the corporate structure of our Group is as set out below:



Notes:
 * Investment holding
 ** Sheffield United Realty is indirectly owned by Scarborough UK, which is controlled by McCabe Family
 ○ Projects

Notes:
 1 The entire issued share capital of BVI Co is wholly-owned by HSBIC International Trustee as the trustee of the Wong Family Trust. The Wong Family Trust is a discretionary family trust established by Mr. Wong, the beneficiaries of which include Mr. Wong's family, including Ms. Wong. Mr. Wong is the settlor of the Wong Family Trust.
 2 The HSBIC International Trustee and the HSBIC Trust are wholly-owned by HSBIC Trust, which is a trust established by Mr. Wong. Mr. Wong is the settlor of the HSBIC Trust.
 3 Employees as participants of the Share Award Scheme. As at the Latest Practicable Date, a Selected Employee has ceased to be one of the beneficiary objects of the Share Award Trust as a result of her ceasing to be employed by our Group. As at the Latest Practicable Date, Tianjin Jinghai Project Joint Venture Company, one of the project companies for Tianjin Le Leman City, was owned as to 40% by our Group. To the best knowledge of our Directors, as at the Latest Practicable Date, the remaining equity interests were held by Independent Third Parties.
 4 As at the Latest Practicable Date, Tianjin Haijixing one of the project companies for Tianjin Le Leman City, was wholly-owned by Tianjin Jinghai Project Joint Venture Company.

LEGAL COMPLIANCE

Registration Process under the No. 75 Notice.

According to 《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》(Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles*) (“No. 75 Notice”) promulgated on October 21, 2005 by SAFE, domestic resident natural persons or domestic resident legal persons are required to register with the competent local branch of SAFE before they establish or control any offshore special purpose vehicles for capital raising with the assets or equity interest of PRC domestic companies owned by them. Pursuant to the No. 75 Notice, the domestic resident natural persons include those individuals who hold PRC citizenship and those individuals who have no PRC identity but reside habitually in the PRC for the purpose of economic interests.

Since Mr. Wong, the ultimate controller of our Group, is a Hong Kong permanent resident and does not habitually and/or permanently reside in the PRC, our PRC legal adviser is of the opinion that Mr. Wong is not subject to the registration process under the No. 75 Notice.

Application of the M&A Rules

Pursuant to 《關於外國投資者併購境內企業的規定》(Provisions Regarding Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors*) (“M&A Rules”) promulgated by six PRC regulatory agencies in August 2006, “Merger with and acquisition of domestic enterprises by foreign investors” under the M&A Rules means a foreign investor purchases the equity of a shareholder of a non-foreign-invested enterprise in China (domestic company) or increases the capital of a domestic company so as to convert and re-establish a domestic company as a foreign-invested enterprise (“Equity merger and acquisition”); or, a foreign investor establishes a foreign-invested enterprise and purchases and operates the assets of a domestic enterprise by the agreement of that enterprise, or, a foreign investor purchases the assets of a domestic enterprise by agreement and uses this asset investment to establish a foreign-invested enterprise and operate the assets (“Asset merger and acquisition”).

As at the Latest Practicable Date, our Company held 29 PRC subsidiaries, among which,

- (a) 11 companies are currently foreign-invested enterprises, namely Top Spring Real Estate (Shenzhen), Tai Xiang, Changzhou Top Spring, Changzhou Water Flower, Top Spring (Chengdu), Top Spring (Fuyang), Top Spring International (Yuhang), Xiang Jun, Xiang Kang, Xiang Ying and Changzhou Taihu Bay. All the aforesaid foreign-invested enterprises were originally established by foreign investors;
- (b) four companies are companies re-invested by foreign-invested enterprises, namely, Shenzhen Water Flower, Tai Sheng, Shenzhen Jun Li and Sheng Xing, of which Shenzhen Water Flower, Tai Sheng and Shenzhen Jun Li were companies directly set up by foreign-invested enterprises, and Sheng Xing was acquired by Tai Xiang, a foreign-invested enterprise controlled by our Group, from Top Spring Investment, Shenzhen Sheng Feng and an Independent Third Party. Our PRC legal adviser is of the opinion that such establishments and acquisition are governed by 《關於外商投資企業境內投資的暫行規定》(Provisional Provisions Regarding Domestic Investment by Foreign-invested Enterprises*) and M&A Rules do not apply; and

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (c) 14 companies are domestic companies, namely, SZITIC Property, Dongguan SZITIC, Xiang Sheng, Shenzhen Business Management, Changzhou Advertising, Changzhou Business Management, Changzhou Property Services, Hangzhou Business Management, Shenzhen Property Services, Shenzhen Jun Da, Shenzhen Hua Long, Jing Yiya, Qing Linyuan and Lai Shuitian, all of them (other than SZITIC Property) were not involved in any activities of equity merger and acquisition or asset merger and acquisition. As for SZITIC Property which was acquired by Sheng Xing, a domestic enterprise controlled by our Group, from Top Spring Investment, Shenzhen Sheng Feng, an Independent Third Party and CR SZITIC Investment, our PRC legal adviser is of the opinion that M&A Rules do not apply.

Based on the corporate history of the foregoing companies, our Group and/or its shareholders did not acquire any equity interests in their domestic subsidiaries by Equity merger and acquisition or Asset merger and acquisition, therefore our PRC legal adviser is of the opinion that the M&A Rules do not apply.

Our PRC legal adviser is of the opinion that our Group has obtained all the requisite approvals, permits and licences for the Reorganization under the applicable laws and regulations in the PRC.

Application of the Catalogue

In November 2007, MOFCOM and NDRC promulgated the revised 《外商投資產業指導目錄》 (Industrial Guidance Catalogue for Foreign Investment*) (“Catalogue”). It classified certain businesses of foreign invested enterprises into certain categories — “encouraged”, “restricted” and “prohibited”. The construction and operation of high-ranking hotels, villas, high-class office buildings and international exhibition centers fall into the foreign-investment-restricted category. Our PRC legal adviser is of the opinion that according to the approval certificates and business licences of the foreign invested enterprises within our Group, the business scope of all such enterprises does not fall within the restricted or prohibited categories of business under the Catalogue, therefore the Catalogue does not have adverse impact on the projects constructed or under construction by the foreign invested enterprises within our Group.

Application of the Notice 50

On May 23, 2007 MOFCOM and SAFE jointly issued the Notice Regarding Further Strengthening and Regulating the Approval and Supervision of Foreign Investment Real Estate Company (商務部、國家外匯管理局關於進一步加強、規範外商直接投資房地產業審批和監管的通知) (“Notice 50”), which requires that foreign invested real estate companies newly approved and established after the date of issuance of the Notice 50 must comply with certain filing requirements with MOFCOM. In addition, Notice 50 also requires that foreign invested real estate companies with property projects or property business newly added must also comply with the relevant approval requirements. As advised by our PRC legal advisor, there are seven companies among our Group which are currently foreign-invested real estate companies, namely Top Spring Real Estate (Shenzhen), Changzhou Top Spring, Changzhou Water Flower, Top Spring (Chengdu), Top Spring (Fuyang), Top Spring International (Yuhang) and Changzhou Taihu Bay. Top Spring Real Estate (Shenzhen), Changzhou Top Spring, Changzhou Water Flower, Top Spring (Chengdu) and Top Spring International (Yuhang) were established before May 23, 2007, and therefore such filing requirement stipulated by the Notice 50 does not apply to aforesaid companies in this regard. Top Spring (Fuyang) and Changzhou Taihu Bay, which were established after May 23, 2007, have completed their filing procedures with MOFCOM, and therefore our PRC legal adviser advised that aforesaid two companies have complied with such filing requirement. In addition, as advised by our PRC

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

legal adviser, all of the current existing seven foreign-invested real estate companies of our Group have obtained the relevant approvals in respect of their newly added projects and business or increase of registered capital, and have also obtained the updated Foreign Invested Enterprises Approval Certificates, therefore, our PRC legal adviser is of the view that our Group has also complied with the relevant approval requirements under the Notice 50.

Application of the Notice 130

On July 10, 2007, the General Affairs Department of the SAFE issued the Notice Regarding the Publication of the List of the First Batch of Property Development Projects with Foreign Investment that Have Properly Registered with MOFCOM (國家外匯管理局綜合司關於下發第一批通過商務部備案的外商投資房地產項目名單的通知) (“Notice 130”). The notice stipulates, among other things, (i) that the SAFE will no longer process foreign debt registrations or applications for conversion of foreign debt submitted by foreign-invested property developers which obtained authorization certificates from and filed with the MOFCOM for establishment or increase in registered capital on or after June 1, 2007; and (ii) that the SAFE will no longer process foreign exchange registrations (or change of such registrations) or applications for sale and purchase of foreign exchange for capital account submitted by foreign-invested property developers which obtained approval certificates from local government commerce departments on or after June 1, 2007 but did not file with the MOFCOM. This also applies to foreign invested real estate enterprises that are established and approved before June 1, 2007, where such foreign invested real estate enterprises wish to increase their registered capital after June 1, 2007. As advised by our PRC legal adviser, among the seven foreign-invested real estate companies in our Group, Changzhou Top Spring, Changzhou Water Flower, Top Spring (Chengdu), Top Spring International (Yuhang) and Changzhou Taihu Bay have obtained all the relevant approvals in respect of the increase in registered capital and the new approval certificates prior to May 31, 2007, and therefore such filing requirement stipulated by the Notice 130 does not apply. Top Spring (Fuyang) and Top Spring Real Estate (Shenzhen), which increased their registered capital after June 1, 2007, have completed their filing procedures with MOFCOM, and therefore our Company’s PRC legal adviser advised that aforesaid two companies have complied with such filing requirement under the Notice 130. Our PRC legal adviser is of the view that the Notice 130 does not have any material adverse impact on our Company’s listing on the Stock Exchange.

Land Acquisition

In accordance with the 《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》 (Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to use State-owned Land in Urban Area*), the grant of land use right may be by way of agreement, invitation to bid or auction.

In accordance with the 《招標拍賣掛牌出讓國有土地使用權規定》 (Provisions on Bidding, Auction and Sale of the Land Use Right*), with effect from July 1, 2002, all lands for commercial uses must be granted through tenders, auctions or listings-for-bidding in an open manner.

In accordance with the 《關於繼續開展經營性土地使用權招標拍賣掛牌出讓情況執法監察工作的通知》 (Notice on Continuing the Review of the Implementation of the Grant of Land Use Right for Commercial Uses by Invitation of Bids, Auction or Listing*) issued by the 國土資源部和監察部 (Ministry of Land and Resources and the Ministry of Supervision*), all inherited problems in relation to acquisition of land use right must be defined and resolved across the country before August 31, 2004, and all lands for commercial uses should be granted by tenders, auctions or listings-for-bidding thereafter.

Our PRC legal adviser is of the opinion that the companies that acquired the land use right of our projects have not violated the laws and regulations applicable to the relevant companies.