

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

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on September 22, 2010 and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on June 20, 2011. We have established a place of business in Hong Kong at Suite 811, 8th Floor, Tsimshatsui Centre, East Wing, 66 Mody Road, Tsim Sha Tsui, Hong Kong. Mr. Fung Che Wai Anthony, who resides at Room A, 20th Floor, Block 3, Tanner Gardens, North Point, Hong Kong, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Cayman Companies Law and its constitution comprising the Memorandum of Association and the Articles. A summary of certain provisions of its constitution and relevant aspects of the Cayman Companies Law is set out in Appendix VI to this prospectus.

**2. Change in share capital**

Our authorized share capital as at the date of our incorporation was HK\$380,000 divided into 380,000 shares of HK\$1.00 each. On September 22, 2010, one subscriber share of HK\$1.00 par value was transferred to Zall Investment Holding. On October 8, 2010, 49 shares and 50 shares of HK\$1.00 par value each were allotted and issued to Zall Investment Holding and Chen Lifen, respectively. On the same day, Chen Lifen transferred 50 shares of HK\$1.00 par value to Zall Investment Holding.

Pursuant to the resolutions in writing of the sole Shareholder of our Company passed on June 20, 2011 below, our Company subdivided all its issued and unissued shares with par value of HK\$1.00 each into 100 Shares of HK\$0.01 each and the authorized share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$80,000,000 divided into 8,000,000,000 Shares by the creation of an additional 7,999,990,000 Shares. We allotted and issued an aggregate of 2,974,990,000 Shares to our then existing shareholders pursuant to the Capitalization Issue.

Immediately following completion of the Global Offering and the Capitalization Issue and taking no account of any Shares which may be issued upon the exercise of any options which may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the issued share capital of our Company will be HK\$35,000,000 divided into 3,500,000,000 Shares, all fully paid or credited as fully paid and 4,500,000,000 Shares will remain unissued.

Save for the aforesaid and as mentioned in the sub-section headed "Resolutions in writing of the sole Shareholder of our Company passed on June 20, 2011" below, there has been no alteration in the share capital of our Company since its incorporation.

**3. Resolutions in writing of the sole Shareholder of our Company passed on June 20, 2011**

Pursuant to the written resolutions passed by the sole Shareholder of our Company on June 20, 2011:

- (a) we approved and conditionally adopted the Articles of Association which will become effective upon the Listing Date;

- (b) we subdivided each existing issued and unissued shares of HK\$1.00 each in the share capital of our Company into 100 new ordinary shares of HK\$0.01 each;
- (c) the authorized share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$80,000,000 divided into 8,000,000,000 Shares by the creation of an additional 7,999,990,000 Shares;
- (d) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Capitalization Issue and the Shares to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme); (ii) the entering into of the Price Determination Agreement on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
  - (i) the Global Offering was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;
  - (ii) the Over-allotment Option was approved;
  - (iii) the rules of the Pre-IPO Share Option Scheme and the Share Option Scheme, the principal terms of which are set out in the sub-section headed “— D. Other Information — 1. Share Option Scheme” and “— D. Other Information — 2. Pre-IPO Share Option Scheme” in this Appendix, were approved and adopted and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme; and
  - (iv) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize an amount of HK\$29,749,900 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 2,974,990,000 Shares, such Shares to be allotted and issued to our Shareholders as of June 20, 2011 on a pro rata basis.
- (e) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the grant of options under the Pre-IPO Share Option Scheme and the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by the shareholders of our Company in general meeting, unissued Shares with a total nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and Capitalization Issue (but taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the

expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;

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

#### **4. Corporate reorganization**

The companies comprising our Group underwent a Reorganization in preparation for the listing of our Shares on the Stock Exchange. For information relating to the Reorganization, please refer to the section headed "History, Reorganization and Corporate Structure" in this prospectus.

#### **5. Changes in share capital of subsidiaries**

Our subsidiaries are referred to in the Accountants' Report in Appendix I to this prospectus. The following sets out changes to the share capital of our subsidiaries during the two years preceding the date of this prospectus:

- (a) The registered capital of Zall Property Management was increased from Rmb 1,500,000 to Rmb 3,000,000 on July 24, 2009;
- (b) The registered capital of Wuhan Big World Investment was increased from Rmb 65,000,000 to Rmb 100,000,000 on August 3, 2009;
- (c) The registered capital of Zall Centre Investment was increased from Rmb 3,800,000 to Rmb 30,000,000 on December 11, 2009; and
- (d) The registered capital of North Hankou Advertising was increased from Rmb 100,000 to Rmb 1,500,000 on January 25, 2010.

Save for the subsidiaries mentioned in the Accountants' Report in Appendix I to this prospectus, our Company has no other subsidiaries.

Save as set out above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

## 6. Particulars of our subsidiaries in the PRC

Set out below is a summary of corporate information of our subsidiaries established in the PRC:

### (a) *Zall Center Investment* (武漢卓爾中心投資有限公司)

Date of Establishment:	August 12, 1996
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 30,000,000
Shareholder(s):	Zall Investment Group (100%)

### (b) *Zall Development China* (卓爾發展(武漢)有限公司)

Date of Establishment:	October 23, 1998
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	HK\$2,800,000
Shareholder(s):	Zall Development Hong Kong (100%)

### (c) *Hupan Haoting Real Estate* (湖北湖畔豪庭房地產開發有限公司)

Date of Establishment:	April 26, 2004
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 50,000,000
Shareholder(s):	Zhuohua Real Estate (100%)

### (d) *Wuhan Xinrui Real Estate* (武漢新銳房地產開發有限公司)

Date of Establishment:	June 22, 2004
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 20,000,000
Shareholder(s):	Zhuohua Real Estate (100%)

### (e) *Zall Investment Group* (卓爾投資集團有限公司)

Date of Establishment:	December 31, 2004
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 100,000,000
Shareholder(s):	Zall Development China (100%)

**(f) Zall Property Management (武漢卓爾物業管理有限公司)**

Date of Establishment: October 24, 2005  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 3,000,000  
Shareholder(s): Zall Investment Group (100%)

**(g) Wuhan Zongbu Jidi (武漢總部基地建設有限公司)**

Date of Establishment: January 9, 2007  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 20,000,000  
Shareholder(s): Zall Investment Group (100%)

**(h) North Hankou Market Investment (武漢漢口北商貿市場投資有限公司)**

Date of Establishment: April 16, 2007  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 55,000,000  
Shareholder(s): North Hankou Group (100%)

**(i) Wuhan Eastern Zall Properties (武漢東方卓爾置業有限公司)**

Date of Establishment: October 10, 2007  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 30,000,000  
Shareholder(s): Zall Investment Group (100%)

**(j) North Hankou Market Management (武漢漢口北市場管理有限公司)**

Date of Establishment: March 14, 2008  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 1,000,000  
Shareholder(s): North Hankou Group (100%)

**(k) Wuhan Big World Investment (武漢大世界投資發展有限公司)**

Date of Establishment: May 12, 2008  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 100,000,000  
Shareholder(s): Fujian Zongheng (50%), an Independent Third Party  
North Hankou Group (50%)

**(l) North Hankou Advertising (武漢漢口北商情廣告有限公司)**

Date of Establishment: December 11, 2008  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 1,500,000  
Shareholder(s): North Hankou Group (100%)

**(m) Wuhan Panlong Properties (武漢盤龍卓爾置業有限公司)**

Date of Establishment: December 29, 2008  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 10,000,000  
Shareholder(s): Zhuohua Real Estate (100%)

**(n) North Hankou Logistics (武漢漢口北物流有限公司)**

Date of Establishment: January 14, 2009  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 10,000,000  
Shareholder(s): North Hankou Group (100%)

**(o) North Hankou Group (漢口北集團有限公司)**

Date of Establishment: February 11, 2009  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 59,600,000  
Shareholder(s): Zall Development China (100%)

**(p) North Hankou Commercial Services (武漢漢口北商業服務有限公司)**

Date of Establishment: March 12, 2009  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 1,000,000  
Shareholder(s): North Hankou Group (100%)

**(q) North Hankou Construction (武漢漢口北新城建設有限公司)**

Date of Establishment: January 4, 2010  
Place of Establishment: PRC  
Nature: Company with limited liability  
Registered Capital: Rmb 1,000,000  
Shareholder(s): North Hankou Group (100%)

**(r) Zall City Investment and Development (武漢卓爾城投資發展有限公司)**

Date of Establishment:	April 8, 2010
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 50,000,000
Shareholder(s):	Zall Investment Group (100%)

**(s) Wuhan Salon Investment (武漢客廳投資有限公司)**

Date of Establishment:	April 27, 2010
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 30,000,000
Shareholder(s):	Zall Investment Group (100%)

**(t) Zhuohua Real Estate (湖北卓華地產有限公司)**

Date of Establishment:	September 2, 2009
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 100,000,000
Shareholder(s):	Hubei Liantou (49%) Zall Investment Group (51%)

**(u) Wuhan Logistics Enterprise Community (武漢物聯港投資開發有限公司)**

Date of Establishment:	March 3, 2011
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 30,000,000
Shareholder(s):	Zall Development China (100%)

**(v) Wuhan North Hankou Trading (武漢漢口北國際商品交易中心有限公司)**

Date of Establishment:	April 6, 2011
Place of Establishment:	PRC
Nature:	Company with limited liability
Registered Capital:	Rmb 1,000,000
Shareholder(s):	North Hankou Group (100%)

**7. Repurchases of our Shares****(a) Provisions of the Listing Rules**

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

**(i) Shareholders' approval**

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary

resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note:

Pursuant to the resolutions passed by the Sole Shareholder of our Company on June 20, 2011, a general unconditional mandate (the "**Buyback Mandate**") was granted to the Directors authorizing the repurchase of Shares by our Company on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

*(ii) Source of funds*

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

**(b) Reasons for repurchases**

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

**(c) Funding of repurchases**

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

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company or the proceeds of a fresh issue of shares made for the purpose of the repurchase or, subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the Cayman Companies Law, out of capital.

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

**(d) Share capital**

Exercise in full of the Buyback Mandate, on the basis of 3,500,000,000 Shares in issue immediately after the listing of the Shares (but not taking into account the Shares which may



be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), could accordingly result in up to 350,000,000 Shares being repurchased by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of the shareholders in general meeting, whichever occurs first.

**(e) General**

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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

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

If the Buyback Mandate is fully exercised immediately following completion of the Global Offering and the Capitalization Issue (but not taking into account the Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the Buyback Mandate will be 350,000,000 Shares (being 10% of the issued share capital of our Company based on the aforesaid assumptions). The percentage shareholding of our Controlling Shareholders will be increased to approximately 94.4% of the issued share capital of our Company immediately following the full exercise of the Buyback Mandate. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Buyback Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

**B. INFORMATION ABOUT THE BUSINESS****1. Summary of material contracts**

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

- (a) an equity transfer agreement dated July 22, 2009 entered into between Shanghai Yuanyang as transferor and North Hankou Group as transferee regarding the transfer of a 23.08% equity interest in Wuhan Big World Investment from Shanghai Yuanyang to North Hankou Group at a consideration of Rmb 15,000,000;
- (b) an equity transfer agreement dated September 3, 2009 entered into between Mr. Zhang Zongyu as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 90% equity interest in Wuhan Xinrui Real Estate from Mr. Zhang Zongyu to Zhuohua Real Estate at a consideration of Rmb 18,000,000;
- (c) an equity transfer agreement dated September 3, 2009 entered into between Mr. Feng Changbin as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 3% equity interest in Wuhan Xinrui Real Estate from Mr. Feng Changbin to Zhuohua Real Estate at a consideration of Rmb 600,000;
- (d) an equity transfer agreement dated September 3, 2009 entered into between Mr. Yuan Hong as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 3% equity interest in Wuhan Xinrui Real Estate from Mr. Yuan Hong to Zhuohua Real Estate at a consideration of Rmb 600,000;
- (e) an equity transfer agreement dated September 3, 2009 entered into between Ms. Zhou Dan as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 2% equity interest in Wuhan Xinrui Real Estate from Ms. Zhou Dan to Zhuohua Real Estate at a consideration of Rmb 400,000;
- (f) an equity transfer agreement dated September 3, 2009 entered into between Mr. Cao Shuhong as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 2% equity interest in Wuhan Xinrui Real Estate from Mr. Cao Shuhong to Zhuohua Real Estate at a consideration of Rmb 400,000;
- (g) an equity transfer agreement dated September 15, 2009 entered into between Mr. Zhang Zongyu as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 90% equity interest in Hupan Haoting Real Estate from Mr. Zhang Zongyu to Zhuohua Real Estate at a consideration of Rmb 45,000,000;
- (h) an equity transfer agreement dated September 15, 2009 entered into between Mr. Cao Shuhong as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 10% equity interest in Hupan Haoting Real Estate from Mr. Cao Shuhong to Zhuohua Real Estate at a consideration of Rmb 5,000,000;
- (i) an equity transfer agreement dated September 23, 2009 entered into between Zall Investment Group as transferor and Zall Holding as transferee regarding the transfer of a 50% equity interest in Zhuohua Real Estate from Zall Investment Group to Zall Holding at a consideration of Rmb 50,000,000;


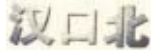
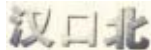
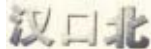
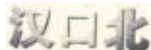
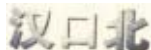
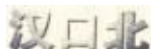
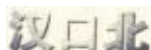
- (j) an equity transfer agreement dated December 16, 2009 entered into between Zall Investment Group as transferor and Zhuohua Real Estate as transferee regarding the transfer of a 100% equity interest in Wuhan Panlong Properties from Zall Investment Group to Zhuohua Real Estate at a consideration of Rmb 10,000,000;
- (k) an equity transfer agreement dated June 12, 2010 entered into between Hubei Dongfang as transferor and Zall Investment Group as transferee regarding transfer of a 50% equity interest in Wuhan Eastern Zall Properties from Hubei Dongfang to Zall Investment Group at a consideration of Rmb 15,000,000;
- (l) an equity transfer agreement dated September 20, 2010 entered into between North Hankou Logistics as transferor and North Hankou Group as transferee regarding the transfer of a 100% equity interest in North Hankou Construction from North Hankou Logistics to North Hankou Group at a consideration of Rmb 1,000,000;
- (m) an equity transfer agreement dated September 25, 2010 entered into between Zall City Investment and Development as transferor and Zall Investment Group as transferee regarding the transfer of a 100% equity interest in Wuhan Salon Investment from Zall City Investment and Development to Zall Investment Group at a consideration of Rmb 30,000,000;
- (n) an equity transfer agreement dated September 25, 2010 entered into between Zall Holding as transferor and Zall Investment Group as transferee regarding the transfer of a 100% equity interest in Zall City Investment and Development from Zall Holding to Zall Investment Group at a consideration of Rmb 50,000,000;
- (o) an equity transfer agreement dated September 27, 2010 entered into between Wuhan Huajin Construction Co., Ltd. (武漢華錦建設工程有限公司) as transferor and Zall Investment Group as transferee regarding the transfer of a 100% equity interest in Zall Property Management from Wuhan Huajin Construction Co., Ltd. to Zall Investment Group at a consideration of Rmb 3,000,000;
- (p) an instrument of transfer dated October 8, 2010 together with bought and sold notes entered into between Ms. Chen Lifen as transferor and Zall BVI as transferee regarding the transfer of 1 share of HK\$1.00 of Zall Development Hong Kong, from Ms. Chen Lifen to Zall BVI for a consideration of HK\$1.00 which was satisfied by the allotment and issue of 50 ordinary shares at par value of HK\$1.00 each of our Company to Ms. Chen Lifen;
- (q) an instrument of transfer dated October 8, 2010 together with bought and sold notes entered into between Mr. Yan as transferor and Zall BVI as transferee regarding the transfer of 1 share of HK\$1.00 of Zall Development Hong Kong, from Mr. Yan to Zall BVI, for a consideration of HK\$1.00 which was satisfied by the allotment and issue of 49 ordinary shares at par value of HK\$1.00 each of our Company to Mr. Yan;
- (r) an equity transfer agreement dated October 10, 2010 entered into between Zall Holding as transferor and Zall Development China as transferee regarding the transfer of a 100% equity interest in North Hankou Group from Zall Holding to Zall Development China at a consideration of Rmb 74,500,000;
- (s) an equity transfer agreement dated October 12, 2010 entered into between Zall Holding as transferor and Zall Development China as transferee regarding the transfer of a 100% equity interest in Zall Investment Group from Zall Holding to Zall Development China at a consideration of Rmb 92,416,322.48;

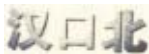
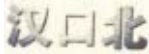
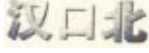
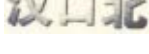
- (t) an equity transfer agreement dated October 13, 2010 entered into between Zall Holding as transferor and Zall Investment Group as transferee regarding the transfer of a 50% equity interest in Zhuohua Real Estate from Zall Holding to Zall Investment Group at a consideration of Rmb 50,000,000;
- (u) an equity transfer agreement dated October 13, 2010 entered into between Hubei Liantou as transferor and Zall Investment Group as transferee regarding the transfer of a 1% equity interest in Zhuohua Real Estate from Hubei Liantou to Zall Investment Group at a consideration of Rmb 1,000,000;
- (v) an assignment of debt agreement dated November 1, 2010 entered into between Zall Holding as transferor, North Hankou Market Investment as transferee and Zall Investment Group as debtor regarding the transfer by Zall Holding of a debt in the amount of Rmb 50,000,000 owed by Zall Investment Group to Zall Holding, to North Hankou Market Investment;
- (w) the deed of indemnity dated June 20, 2010 entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of its present subsidiaries) in respect of, amongst others, taxation and property matters referred to in the paragraph headed “Tax and other indemnities” in this Appendix;
- (x) the deed of non-competition dated June 20, 2010 entered into by our Controlling Shareholders in favor of our Company as detailed in the paragraph headed “Relationship with our Controlling Shareholders — Non-competition Undertakings” of this prospectus; and
- (y) the Hong Kong Underwriting Agreement.

## 2. Intellectual property rights of the Group

### (a) Trademarks

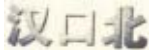
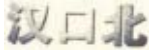
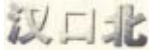
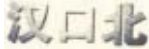
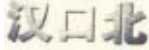
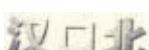







As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks:

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	6051987	37	Wuhan Zall Investment	PRC	March 13, 2010	March 12, 2020
	6051990	35	Wuhan Zall Investment	PRC	May 14, 2010	May 13, 2020
	6416450	3	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416449	5	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416448	6	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416461	8	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416460	9	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416458	11	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416451	14	North Hankou Market Investment	PRC	March 7, 2010	March 6, 2020
	6416453	16	North Hankou Market Investment	PRC	March 21, 2010	March 20, 2020
	6416459	18	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416452	20	North Hankou Market Investment	PRC	March 14, 2010	March 13, 2020

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	6416456	21	North Hankou Market Investment	PRC	March 14, 2010	March 13, 2020
	6416457	22	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416466	23	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416467	24	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416465	25	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416468	26	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416469	27	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416464	28	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416471	30	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416470	31	North Hankou Market Investment	PRC	November 21, 2010	November 20, 2020
	6416463	32	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416455	33	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416454	34	North Hankou Market Investment	PRC	September 7, 2010	September 6, 2020
	6051997	37	North Hankou Market Investment	PRC	July 28, 2010	July 27, 2020
	6416477	38	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020

## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	6416476	39	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416480	40	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416479	41	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416475	42	North Hankou Market Investment	PRC	November 21, 2010	November 20, 2020
	6416472	43	North Hankou Market Investment	PRC	April 7, 2010	April 6, 2020
	6416474	44	North Hankou Market Investment	PRC	April 7, 2010	April 6, 2020
	6416473	45	North Hankou Market Investment	PRC	April 7, 2010	April 6, 2020
	6416446	3	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416445	5	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416441	6	North Hankou Market Investment	PRC	March 7, 2010	March 6, 2020
	6416444	8	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416443	9	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416442	11	North Hankou Market Investment	PRC	April 14, 2010	April 13, 2020
	6416447	14	North Hankou Market Investment	PRC	March 7, 2010	March 6, 2020

## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	6416440	16	North Hankou Market Investment	PRC	March 21, 2010	March 20, 2020
	6416433	18	North Hankou Market Investment	PRC	June 28, 2010	June 27, 2020
	6416436	20	North Hankou Market Investment	PRC	March 14, 2010	March 13, 2020
	6416439	21	North Hankou Market Investment	PRC	March 14, 2010	March 13, 2020
	6416437	22	North Hankou Market Investment	PRC	May 14, 2010	May 13, 2020
	6416435	23	North Hankou Market Investment	PRC	May 14, 2010	May 13, 2020
	6416432	24	North Hankou Market Investment	PRC	June 28, 2010	June 27, 2020
	6416425	25	North Hankou Market Investment	PRC	July 14, 2010	July 13, 2020
	6416431	26	North Hankou Market Investment	PRC	May 14, 2010	May 13, 2020
	6416430	27	North Hankou Market Investment	PRC	May 14, 2010	May 13, 2020
	6416424	28	North Hankou Market Investment	PRC	May 21, 2010	May 20, 2020
	6416429	29	North Hankou Market Investment	PRC	November 7, 2010	November 6, 2020
	6416423	30	North Hankou Market Investment	PRC	March 21, 2010	March 20, 2020




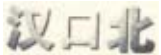






## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
	6416427	31	North Hankou Market Investment	PRC	November 7, 2010	November 6, 2020
	6416438	34	North Hankou Market Investment	PRC	November 21, 2010	November 20, 2020
	6414280	35	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416419	40	North Hankou Market Investment	PRC	March 28, 2010	March 27, 2020
	6416417	42	North Hankou Market Investment	PRC	July 7, 2010	July 6, 2020
	6416416	43	North Hankou Market Investment	PRC	April 28, 2010	April 27, 2020
	6416415	44	North Hankou Market Investment	PRC	April 28, 2010	April 27, 2020
	6416414	45	North Hankou Market Investment	PRC	April 7, 2010	April 6, 2020
	301226880	35	Zall Development Hong Kong	Hong Kong	October 24, 2008	October 23, 2018
	6051987	37	Zall Investment Group	PRC	March 14, 2010	March 13, 2020
	6051990	35	Zall Investment Group	PRC	May 14, 2010	May 13, 2020

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks:

<u>Trademark</u>	<u>Application Number</u>	<u>Class</u>	<u>Name of Applicant</u>	<u>Place of Application</u>	<u>Date of Application</u>
	6416434	33	North Hankou Market Investment	PRC	February 27, 2010
	6416428	32	North Hankou Market Investment	PRC	March 13, 2010
	6054965	37	North Hankou Market Investment	PRC	August 27, 2010
	6416454	34	North Hankou Market Investment	PRC	September 6, 2010
	301783431	35, 36, 37, 39, 41, 42	Zall BVI	Hong Kong	December 8, 2010
	301783440	35, 36, 37, 39, 41, 42	Zall BVI	Hong Kong	December 8, 2010
	301783459	35, 36, 37, 39, 41, 42	Zall BVI	Hong Kong	December 8, 2010
	3017834687	35, 36, 37, 39, 41, 42	Zall BVI	Hong Kong	December 8, 2010

**(c) Domain names**

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain names:

<u>Domain name</u>	<u>Name of Registered Proprietor</u>	<u>Date of Registration</u>	<u>Expiry Date</u>
zallcn.com .....	Zall Development China	March 15, 2007	March 15, 2013
zalldevelopment.com .....	Zall Development China	November 3, 2010	November 3, 2011

## C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

## 1. Directors

**(a) Disclosure of Interests — interests and short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations**

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option is not exercised and without taking into account Shares to be allotted and issued upon the exercise of any options which may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the interests or short positions of the Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

*(i) Interest in Shares of our Company*

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding</u>	<u>Note</u>
Yan Zhi .....	Interest of a controlled corporation	2,975,000,000	85%	1

Note:

(1) Zall Investment Holding is wholly owned by Yan Zhi.

*(ii) Interest in the underlying Shares of our Company*

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Number of Shares in our Company subject to options granted under the Pre-IPO Share Option Scheme</u>	<u>Approximate percentage of shareholding after completion of the Global Offering and the Capitalization Issue and upon the exercise of the options granted under the Pre-IPO Share Option Scheme</u>
Yan Zhi .....	Beneficial owner	14,875,000	0.4214%
Cui Jinfeng .....	Beneficial owner	1,487,500	0.0421%
Fang Li .....	Beneficial owner	1,190,000	0.0337%
Wang Danli .....	Beneficial owner	1,338,750	0.0379%
Fu Gaochao .....	Beneficial owner	1,487,500	0.0421%

*(iii) Interest in associated corporations*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Number of share</u>	<u>Approximate percentage of shareholding</u>
Yan Zhi .....	Zall Investment Holding	1	100%

**(b) Particulars of service contracts**

Each of our executive Directors and our non-executive Director has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

**(c) Directors' remuneration**

Each of our executive Directors and our non-executive Director, is entitled to a director's fee and shall be paid a remuneration on the basis of a twelve-month year. The current annual director's fees and remuneration of our executive Directors and non-executive Director for the year ending December 31, 2011 (excluding any discretionary bonuses which may be paid to our executive Directors) are as follows:

<u>Name</u>	<u>Annual Director's Fee</u> (Rmb)
<i>Executive Directors</i>	
Yan Zhi .....	360,000
Cui Jinfeng .....	75,000
Fang Li .....	60,000
Wang Danli .....	360,000
<i>Non-executive Director</i>	
Fu Gaochao .....	81,000

Our independent non-executive Directors have been appointed for a term of three years. We intend to pay a director's fee of HK\$200,000 per annum to each of Yang Qiongzhen, Cheung Ka Fai and Peng Chi, our independent non-executive Directors, respectively.

Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to the Directors for the year ending December 31, 2011 will be approximately Rmb 1.5 million.

Further details of the terms of the abovementioned service contracts are set out in the paragraph headed "Directors" in this Appendix.

## 2. Substantial Shareholders

So far as the Directors are aware, immediately following the 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 that may be issued pursuant to the exercise of options which may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the following persons (other than the Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

<u>Name</u>	<u>Nature of interest</u>	<u>Interests in Shares</u>	<u>Approximate percentage of shareholding</u>	<u>Note</u>
Zall Investment Holding .....	Beneficial owner	2,975,000,000	85%	1
Yan Zhi .....	Interest of a controlled corporation	2,975,000,000	85%	1

*Note:*

- (1) Zall Investment Holding is beneficially and wholly owned by Yan Zhi and Yan Zhi is deemed to be interested in the Shares held by Zall Investment Holding for the purpose of the SFO.

## 3. Agency fees or commissions received

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

## 4. Disclaimers

Save as disclosed herein:

- (a) none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed;
- (b) none of our Directors or experts referred to under the heading “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

- (d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;
- (f) none of the experts referred to under the heading “Consents of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (g) save as disclosed in this prospectus, so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

## D. OTHER INFORMATION

### 1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our sole Shareholder passed on June 20, 2011.

#### **(a) Purpose**

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

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

**(b) Who may join**

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

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

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

**(c) Acceptance of an offer of Options**

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial advisor as the case may be pursuant to paragraph (r), our Company shall allot and

issue the relevant number of Shares to the grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

**(d) *Maximum number of Shares***

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 350,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to the shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

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

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

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not



exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
  - (aa) the Eligible Participant's name, address and occupation;
  - (bb) the date on which an Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
  - (cc) the date upon which an offer for an Option must be accepted;
  - (dd) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);
  - (ee) the number of Shares in respect of which the Option is offered;
  - (ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;
  - (gg) the date of the notice given by the grantee in respect of the exercise of the Option; and
  - (hh) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

**(f) Price of Shares**

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

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

**(g) Granting options to connected persons**

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

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by our Company and the approval of the shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

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

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

**(h) Restrictions on the times of grant of Options**

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

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

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

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

**(i) Rights are personal to grantee**

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

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

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

**(k) Performance target**

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

**(l) Rights on ceasing employment or death**

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

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

**(m) Rights on dismissal**

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

**(n) Rights on takeover**

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

**(o) Rights on winding-up**

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate

subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

**(p) *Rights on compromise or arrangement between our Company and its members or creditors***

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

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

**(q) *Ranking of Shares***

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

**(r) *Effect of alterations to capital***

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial advisor shall certify in

writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approval independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**(s) Expiry of option**

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

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

**(t) Alteration of the Share Option Scheme**

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

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

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

**(u) Cancellation of Options**

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

**(v) Termination of the Share Option Scheme**

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

**(w) Administration of the Board**

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

**(x) Condition of the Share Option Scheme**

The Share Option Scheme is conditional on:

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

- (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (iii) the commencement of dealings in the Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within two calendar months from the Adoption Date:

- (i) the Share Option Scheme shall forthwith determine;
- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

**(y) *Disclosure in annual and interim reports***

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

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

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

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 350,000,000 Shares in total.

**2. Pre-IPO Share Option Scheme**

**(a) *Summary of terms***

The purpose of the Pre-IPO Share Option Scheme is to recognize the contribution of certain employees, executives or officers of our Group made or may have made to the growth of our Group and/or the listing of Shares on the Stock Exchange. The principal terms of the Pre-IPO Share Option Scheme, which were confirmed and approved by resolutions in writing of all the Shareholders passed on June 20, 2011, are substantially the same as the terms of the Share Option Scheme except that:

- (i) the exercise price per Share is HK\$0.871;
- (ii) the total number of Shares subject to the Pre-IPO Share Option Scheme is 29,750,000 Shares, representing 0.85% of the issued share capital of our



Company immediately upon completion of the Global Offering and the Capitalization Issue, but excluding all Shares which may fall to be issued upon the exercise of options granted or to be granted under the Pre-IPO Share Option Scheme, the Share Option Scheme and the Over-allotment Option;

- (iii) the eligible participant under the Pre-IPO Share Option Scheme are the full-time employees, executives or officers (including executive, non-executive and independent non-executive Directors) of our Company or the full-time employees of any of the subsidiaries of the level of manager or above and other full-time employees of our Company or any of the subsidiaries who have been in employment with our Group for over 3 years from the date of the adoption of the Pre-IPO Share Option Scheme who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of the subsidiaries or persons who, in the sole opinion of the Board, have made past contribution to the development of our Company and/or any of the subsidiaries;
- (iv) the conditions which the Board may in its absolute discretion to consider (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as it may think fit; and
- (v) save for the options which have been granted under the Pre-IPO Share Option Scheme, no further options will be offered or granted under the Pre-IPO Share Option Scheme, as the right to do so will terminate upon the listing of the Shares on the Stock Exchange.

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

(b) ***Outstanding options***

As at the date of this prospectus, options to subscribe for an aggregate of 29,750,000 Shares at an exercise price per Share is HK\$0.871 have been conditionally granted by our Company under the Pre-IPO Share Option Scheme. A total of 22 eligible participants have been granted options under the Pre-IPO Share Option Scheme. Our Directors have been granted options under the Pre-IPO Share Option Scheme to subscribe for a total of 29,750,000 Shares, representing 0.85% of the issued share capital of our Company upon completion of the Global Offering and the Capitalization Issue, but excluding all Shares which may fall to be issued upon the exercise of options granted or to be granted under the Pre-IPO Share Option Scheme, the Share Option Scheme and the Over-allotment Option.

Below is a list of grantees who have been granted the options under the Pre-IPO Share Option Scheme:

Grantee and position	Address	Number of Shares under the options granted	Approximate percentage of shareholding after completion of the Global Offering and the Capitalization Issue and upon the exercise of the options granted under the Pre-IPO Share Option Scheme
<b>Directors</b>			
Yan Zhi (閻志) . . . . .	Room 3103, Block 15 The Riverview No. 6 Yongxin Road, Jiangan District Wuhan, Hubei Province, PRC	14,875,000	0.4214%
Cui Jinfeng (崔錦鋒) . . . .	Room 14-3-301, Qing Qing Mei Lu 1# Zhengyi Road, Jiangan District Wuhan, Hubei Province, PRC	1,487,500	0.0421%
Fang Li (方黎) . . . . .	Room 502, Door 3 Block 4, Yangguang Garden Hongqi Qu Road, Jiangnan District Wuhan, Hubei Province, PRC	1,190,000	0.0337%
Wang Danli (王丹莉) . . . .	Room 601 No. 3-37 Xuesong Road Jiangnan District Wuhan, Hubei Province, PRC	1,338,750	0.0379%
Fu Gaochao (傅高潮) . . . .	Room 602, Door 3 Block 4, Yangguang Garden Hongqi Qu Road, Jiangnan District Wuhan, Hubei Province, PRC	1,487,500	0.0421%
<b>Senior Management and/or other employees of our Group</b>			
Tian Xudong (田旭東) . . . .	No. 2064 Hankou Huajuyuan Community, Wuhan, Hubei Province, PRC	1,190,000	0.0337%
Liu Qin (劉琴) . . . . .	201, Door 5, Block 34 Huabei Community, Jiangan District Wuhan, Hubei Province, PRC	892,500	0.0253%

Grantee and position	Address	Number of Shares under the options granted	Approximate percentage of shareholding after completion of the Global Offering and the Capitalization Issue and upon the exercise of the options granted under the Pre-IPO Share Option Scheme
Li Bin (李斌) . . . . .	202, Door 2, Block A1 Li Shui Jia Yuan, 1# Ma Chi Road Dong Xi Lake District Wuhan, Hubei Province, PRC	788,375	0.0223%
Cao Tianbin (曹天斌) . . .	601, Door 3, Block 13 Country 26, Chang Qing Hua Yuan Hankou District, Wuhan Hubei Province, PRC	788,375	0.0223%
An Shenglong (安升龍) . . . . .	902, Block 15 Hou Hu Xing Fu Ren Jia Nan Yuan Hankou District, Wuhan Hubei Province, PRC	714,000	0.0202%
Tian Hu (田虎) . . . . .	1302, Block 19 Ai Jia Guo Ji Hua City Xu Dong Road Wuchang District, Wuhan Hubei Province, PRC	714,000	0.0202%
Min Xueqin (閩雪琴) . . . .	4/F, No.2, Country 1 Zhuan Che Building, No. 27 Road Jiangan District Wuhan, Hubei Province, PRC	714,000	0.0202%
Zhang Jing (張晶) . . . . .	503, Block 11 79 Jie Fang Gong Yuan Road Jiangan District Wuhan, Hubei Province, PRC	446,250	0.0126%
Zhang Xuefei (張雪飛) . .	32 Gong Nong Bin Road Hankou District Wuhan, Hubei Province, PRC	446,250	0.0126%

Grantee and position	Address	Number of Shares under the options granted	Approximate percentage of shareholding after completion of the Global Offering and the Capitalization Issue and upon the exercise of the options granted under the Pre-IPO Share Option Scheme
Huang Xuan (黃萱) . . . . .	6-2-602, Lv Se Qing Chuan Community Qi Li Temple, Hanyang District Wuhan, Hubei Province, PRC	446,250	0.0126%
Zeng Yu (曾宇) . . . . .	2404, Hua Jun Ya Yuan Hankou District Wuhan, Hubei Province, PRC	446,250	0.0126%
Ming Hanhua (明漢華) . .	201, Door 3, Block 3 Yangguang Garden, Hongqiqu Road Hankou District Wuhan, Hubei Province, PRC	297,500	0.0084%
Peng Jing (彭璟) . . . . .	403-1-401 Bai Bu Hua Ting North District Bai Bu Ting Community Jiangan District Wuhan, Hubei Province, PRC	297,500	0.0084%
Liu Hong (劉紅) . . . . .	301, No. 443-122 Jian She Avenue Jiangnan District Wuhan, Hubei Province, PRC	297,500	0.0084%
Ding Sheng (丁盛) . . . . .	No.26, Qi Pan Street, Wuchang District Wuhan, Hubei Province, PRC	297,500	0.0084%
Zhang Min (張敏) . . . . .	2-201, 60 Chang Fu Lan Fu Xing Country, Jiangnan District Wuhan, Hubei Province, PRC	297,500	0.0084%
Peng Tao (彭濤) . . . . .	No. 20 Gong Nong Bing Raod Hankou District Wuhan, Hubei Province, PRC	297,500	0.0084%

Except as set out above, no other options have been granted or agreed to be granted by us under the Pre-IPO Share Option Scheme.

Assuming the Over-allotment Option is not exercised, the shareholding structure of our Company before and after the full exercise of all the options granted under the Pre-IPO Share Option Scheme will be as follows:

<u>Shareholders</u>	Shareholding structure immediately after completion of the Global Offering and the Capitalization Issue but before the exercise of the options granted under the Pre-IPO Share Option Scheme		Shareholding structure immediately after completion of the Global Offering and the Capitalization Issue and full exercise of the options granted under the Pre-IPO Share Option Scheme	
	Shares	%	Shares	%
Zall Investment Holding . . . . .	2,975,000,000	85.0	2,975,000,000	84.3
Grantees under the Pre-IPO Share Option Scheme as non-connected persons . . .	—	—	9,371,250	0.2
Grantees under the Pre-IPO Share Option Scheme as connected persons . . . . .	—	—	20,378,750	0.6
Other Shareholders . . . . .	525,000,000	15.0	525,000,000	14.9
	<b>3,500,000,000</b>	<b>100.0</b>	<b>3,529,750,000</b>	<b>100.0</b>

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

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

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

Fair value per share at measurement date . . . . .	HK\$2.177
Exercise price per option . . . . .	HK\$0.871
Expected volatility (expressed as weighted average volatility used in the modeling under Binomial model) . . . . .	56%
Option life . . . . .	5 years
Expected dividends . . . . .	Nil
Risk-free interest rate . . . . .	1.92%

The share-based payment expense in relation to the Pre-IPO Share Option Scheme is estimated to be approximately HK\$37.1 million, which will be amortized over the vesting period of the share options from year 2011 to year 2016.

The fair value per share option:

**Vesting Period**

One year after the grant date . . . . .	HK\$1.535
Two years after the grant date . . . . .	HK\$1.561
Three years after the grant date . . . . .	HK\$1.580
Four years after the grant date . . . . .	HK\$1.593
Five years after the grant date . . . . .	HK\$1.600

The result of the Binomial Model can be materially affected by changes in the aforesaid assumptions so an option's actual value may be differ from the estimated

fair value of the options due to limitations of the Binomial Model. All options forfeited before expiry of the Pre-IPO Share Option Scheme will be treated as lapsed and will not be added back to the number of shares available to be issued under the Pre-IPO Share Option Scheme.

(d) ***Effect on the earnings per share as a result of the pre-IPO share options***

Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full during the year ending December 31, 2011 and that 3,529,750,000 Shares, comprising 3,500,000,000 Shares to be in issue immediately after the Global Offering and 29,750,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the year ending December 31, 2011, but not taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option, this would not have material dilutive effect on our unaudited forecast basic earnings per Share.

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

(i) *Purpose*

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

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

(ii) *Who may join*

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

- (1) any full-time employees, executives or officers (including executive, non-executive and independent non-executive Directors) of our Company; or
- (2) any full-time employees of any subsidiaries of our Company of the level of manager or above; or
- (3) other full-time employees of our Company or any of the subsidiaries who have been in employment with our Group for over 3 years from the date of the adoption of the Pre-IPO Share Option Scheme who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of the subsidiaries or persons who, in the sole opinion of the Board, have

made past contribution to the development of the Company and/or any of the subsidiaries.

(iii) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is 29,750,000 Shares.

(iv) *Price of Shares*

The subscription price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be a price of HK\$0.871 per Share.

(v) *Rights are personal to grantee*

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

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

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

- (i) up to 10% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing from the Listing Date and ending on the 5<sup>th</sup> anniversary of the Listing Date;
- (ii) up to 15% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing from the expiry of the 1<sup>st</sup> anniversary of the Listing Date and ending on the 5<sup>th</sup> anniversary of the Listing Date;
- (iii) up to 20% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing from the expiry of the 2<sup>nd</sup> anniversary of the Listing Date and ending on the 5<sup>th</sup> anniversary of the Listing Date;
- (iv) up to 25% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised (rounded down to the nearest whole number) at any time during the period commencing from the expiry of the 3<sup>rd</sup> anniversary of the Listing Date and ending on the 5<sup>th</sup> anniversary of the Listing Date; and
- (v) up to 30% of Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been

exercised (rounded to the nearest whole number) at any time commencing from the expiry of the 4<sup>th</sup> anniversary of the Listing Date and ending on the expiration of the option period.

The options granted under the Pre-IPO Share Option Scheme are not transferable and options not exercised within the exercise period above will lapse and cease to be of further effect.

*(vii) Ranking of Shares*

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

*(viii) Effect of alterations to capital*

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

*(ix) Expiry of option*

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

- (1) the date of expiry of the option as may be determined by the Board;



- (2) the expiry of the respective stated exercise period in the Pre-IPO Share Option Scheme;
- (3) the date of commencement of the winding-up of our Company in accordance with the Cayman Companies Law;
- (4) the date on which the grantee ceases to be an Eligible Participant for any reason. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (5) the date on which the Board shall exercise our Company's right to cancel the option in accordance with paragraph (xii) below.

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

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

*(xi) Cancellation of Options*

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

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

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

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

*(xiii) Administration of the Board*

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

*(xiv) Disclosure in annual and interim reports*

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

Our Directors confirm that they will not exercise any options granted under the Pre-IPO Share Option Scheme if as a result of the conversion our Company would not be able to comply with the minimum public float requirement of the Listing Rules.

### **3. Tax and other indemnities**

Mr. Yan and Zall Investment Holding have entered into a deed of indemnity with and in favor of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in paragraph (a) of the sub-section headed “— B. Information about the Business — 1. Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which any member of our Group may be subject and payable on or before the date when the Global Offering becomes unconditional.

### **4. Litigation**

Save as disclosed in this prospectus, as of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

### **5. Joint Sponsors**

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued upon the exercise of the Over-allotment Option or options which may be granted under the Share Option Scheme and the Pre-IPO Share Option Scheme).

Each of the Joint Sponsors has declared its independence from us pursuant to Rule 3A.08 of the Listing Rules that it is independent pursuant to Rule 3A.07 of the Listing Rules.

### **6. Preliminary expenses**

The estimated preliminary expenses incurred or to be incurred by our Company are approximately HK\$12,000 and are payable by us.

### **7. Promoter**

Our Company has no promoter for the purposes of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

## 8. Taxation of holders of Shares

### (a) *Hong Kong*

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability for estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

### (b) *Cayman Islands*

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

### (c) *Consultation with professional advisers*

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

## 9. Qualification of experts

The following are the qualifications of the experts who have given their opinion or advice which are contained in, or referred to in this prospectus:

<u>Name</u>	<u>Qualifications</u>
BNP Paribas . . . . .	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
BOCOM International (Asia) Limited . . . . .	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
KPMG . . . . .	Certified Public Accountants
Savills Valuation and Professional Services Limited . . . . .	Property valuer
King & Wood PRC Lawyers . . . . .	PRC legal advisors
Conyers Dill & Pearman . . . . .	Cayman Islands attorneys-at-law

**10. Consents of experts**

Each of the experts named in paragraph 9 of this Appendix has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

**11. Interests of experts in our Company**

None of the persons named in paragraph 9 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

**12. Binding effect**

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

**13. Miscellaneous**

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
  - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
  - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our Subsidiaries;
  - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our Subsidiaries;
- (b) save as disclosed in this prospectus, there are no founder, management or deferred shares nor any debentures in our Company or any of our Subsidiaries;
- (c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2010 (being the date to which the latest audited consolidated financial statements of our Group were made up);
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

- (e) the principal register of members of our Company will be maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Service Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (g) our Directors have been advised that under the Cayman Companies Law the use of a Chinese name by our Company does not contravene the Cayman Companies Law; and
- (h) save as disclosed in this prospectus, our Company has no outstanding convertible debt securities or debentures.

#### **14. Bilingual Prospectus**

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