



GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED
金輪天地控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1232

GLOBAL OFFERING



Sole Global Coordinator and Sole Sponsor



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

Joint Bookrunners



BNP PARIBAS
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BOC INTERNATIONAL

Joint Lead Managers



BNP PARIBAS
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IMPORTANT

If you are in any doubt about this prospectus, you should seek independent professional advice.



GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	450,000,000 Shares (subject to adjustment and the Over-allotment Option)
Number of Hong Kong Public Offer Shares	:	45,000,000 Shares (subject to adjustment)
Number of International Offer Shares	:	405,000,000 Shares (subject to adjustment and the Over-allotment Option)
Offer Price	:	Not more than HK\$1.72 per Offer Share (payable in full on application, plus brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005% and subject to refund) and expected to be not less than HK\$1.38 per Offer Share
Nominal value	:	US\$0.01 per Share
Stock code	:	1232

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Bookrunners (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, 8 January 2013 and, in any event, not later than Friday, 11 January 2013. The Offer Price will be not more than HK\$1.72 per Offer Share and is currently expected to be not less than HK\$1.38 per Offer Share. Investors applying for Hong Kong Public Offer Shares must pay, on application, the maximum Offer Price of HK\$1.72 per Offer Share together with brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%.

The Joint Bookrunners, on behalf of the Underwriters, may, with our consent, reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Offer Shares and/or the indicative offer price range will be published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Such notice will also be available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.gwtd.com.hk.

If, for any reason, the Joint Bookrunners (on behalf of the Underwriters) and we are unable to reach an agreement on the Offer Price by Friday, 11 January 2013, the Global Offering will not become unconditional and will lapse immediately.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of each jurisdiction where those offers and sales occur.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk Factors".

31 December 2012

EXPECTED TIMETABLE

Time and date⁽¹⁾

Latest time to complete electronic applications
under **White Form eIPO** service through the
designated website **www.eipo.com.hk**⁽²⁾ 11:30 a.m. on Tuesday, 8 January 2013

Application lists open⁽³⁾ 11:45 a.m. on Tuesday, 8 January 2013

Latest time for lodging **WHITE** and **YELLOW**
Application Forms and giving **electronic**
application instructions to HKSCC⁽⁴⁾ 12:00 noon on Tuesday, 8 January 2013

Latest time to complete payment of **White Form**
eIPO applications by effecting internet banking
transfer(s) or PPS payment transfer(s) 12:00 noon on Tuesday, 8 January 2013

Application lists close⁽³⁾ 12:00 noon on Tuesday, 8 January 2013

Expected Price Determination Date Tuesday, 8 January 2013

(1) Announcement of the Offer Price and the indication
of the levels of interest in the International Offering,
the results of applications in respect of the
Hong Kong Public Offering and the basis of
allocation under the Hong Kong Public Offering
to be published in the South China Morning Post
(in English) and the Hong Kong Economic Times
(in Chinese) on or before Tuesday, 15 January 2013

(2) Results of allocations in the Hong Kong Public Offering
(with successful applicants' identification document
numbers, where appropriate) to be available through a
variety of channels as described in the section entitled
"How to apply for Hong Kong Public Offer Shares —
Results of allocations" in this prospectus from Tuesday, 15 January 2013

(3) A full announcement of the Hong Kong Public
Offering containing (1) and (2) to be published
on the website of the Hong Kong Stock Exchange
at **www.hkexnews.hk** and our Company's website
at **www.gwtd.com.hk** from Tuesday, 15 January 2013

Results of allocations in the Hong Kong Public Offering
will be available at **www.iporeresults.com.hk** with a
"search by ID" function from Tuesday, 15 January 2013

EXPECTED TIMETABLE

Time and date⁽¹⁾

Dispatch of share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before⁽⁵⁾ Tuesday, 15 January 2013

Dispatch of White Form e-Refund payment instructions and refund checks (if applicable) on or before⁽⁶⁾ Tuesday, 15 January 2013

Dealings in Shares on the Hong Kong Stock Exchange to commence on Wednesday, 16 January 2013

-
- (1) All dates and times refer to Hong Kong dates and time.
- (2) You will not be permitted to submit your application to the **White Form eIPO** Service Provider through the designated website, **www.eipo.com.hk**, after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number eight or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, 8 January 2013, the application lists will not open and close on that day. Further information is set out in “Effect of bad weather on the opening of the application lists” under the section headed “How to Apply for Hong Kong Public Offer Shares” in this prospectus. If the application lists do not open and close on Tuesday, 8 January 2013, the dates mentioned in this section may be affected. An announcement will be made by our Company in such event.
- (4) Applicants who apply by giving **electronic application instructions** to HKSCC should refer to the paragraph headed “Applying by giving electronic application instructions to HKSCC” under the section headed “How to apply for Hong Kong Public Offer Shares” in this prospectus.
- (5) **Share certificates will only become valid certificates of title provided that the Hong Kong Public Offering has become unconditional and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details before the receipt of share certificates or before the share certificates becoming valid certificates of title do so entirely at their own risk.**
- (6) e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications and in respect of successful applications if the Offer Price is less than the price payable on application. Part of the applicant’s Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong identity card number or passport number before cashing the refund check. Inaccurate completion of an applicant’s Hong Kong identity card number or passport number may lead to delay in encashment of, or may invalidate, the refund check.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Public Offer Shares, please see the sections headed “Structure of the Global Offering” and “How to apply for Hong Kong Public Offer Shares”, respectively.

CONTENTS

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, or any other person involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. You should read the whole document before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read this section carefully before you decide to invest in the Offer Shares.

OUR BUSINESS

We are an integrated commercial and residential property developer, owner and operator with a proven track record in China. We focus on developing projects in Jiangsu and Hunan provinces that are physically connected or in close proximity to metro stations or other transportation hubs. Examples of such projects are our Golden Wheel International Plaza, Golden Wheel Time Square, Golden Wheel New Metro and Golden Wheel Star Plaza, which, together, accounted for approximately 55.1% of the total GFA of all of our completed properties and properties under development as of 30 September 2012.

Our business model comprises (i) the sale of our commercial and residential properties and (ii) the leasing and operational management of commercial properties owned by us or third-parties. We strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of offices, residential properties and hotel-style apartments for capital growth. In terms of the total GFA of our completed properties and properties under development as of 30 June 2012, our property development business and property leasing and operational management business accounted for 55.2% and 44.8%, respectively. In terms of our total revenue for the six months ended 30 June 2012, our property development business and property leasing and operational management business accounted for 92.8% and 7.2%, respectively.

The following table sets forth a breakdown of our total GFA sold/leased by property type for the periods indicated:

	Year ended 31 December						Six months ended 30 June	
	2009		2010		2011		2012	
	sq.m.	%	sq.m.	%	sq.m.	%	sq.m.	%
Property Development								
Commercial	28,152	51.0%	11,471	11.8%	3,727	3.3%	16,528	12.4%
Residential	—	—	55,834	57.7%	58,834	51.4%	56,928	42.8%
	28,152	51.0%	67,305	69.5%	62,561	54.7%	73,456	55.2%
Property Leasing and Operational Management								
Commercial	27,095	49.0%	29,530	30.5%	51,887	45.3%	59,706	44.8%
Total	55,247	100.0%	96,835	100.0%	114,448	100.0%	133,162	100.0%

Note: Commercial properties include retail, office, hotel-style apartments with 40- or 50-year land use right and car parks. The hotel-style apartments of Golden Wheel International Plaza have 50-year land use right and those of Golden Wheel Waltz have 40-year land use right.

SUMMARY

The following table sets forth a breakdown of our revenue by property type for the periods indicated:

	Year ended 31 December						Six months ended 30 June	
	2009		2010		2011		2012	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Property Development								
Commercial	458,577	92.9%	202,534	41.9%	91,993	17.5%	290,037	43.8%
Residential	—	—	238,734	49.4%	352,959	67.3%	324,449	49.0%
	458,577	92.9%	441,268	91.3%	444,952	84.8%	614,486	92.8%
Property Leasing and Operational Management								
Commercial	35,223	7.1%	42,256	8.7%	79,543	15.2%	47,865	7.2%
Total	493,800	100.0%	483,524	100.0%	524,495	100.0%	662,351	100.0%

Note: Commercial properties include retail, office, hotel-style apartments with 40- or 50-year land use right and carparks. The hotel-style apartments of Golden Wheel International Plaza have 50-year land use right and those of Golden Wheel Waltz have 40-year land use right.

Our flagship project, Golden Wheel International Plaza, situated on top of the Xinjiekou metro station on Hanzhong Road in Nanjing with a total GFA of 98,031 sq.m., has become a well-recognized commercial development of shopping malls and office in Nanjing. During the Track Record Period, we sold the office premises and we also leased the shopping mall units to international and domestic brands such as H&M, Sephora and Dou Lao Fang (豆捞坊) as major tenants. We also sold or leased the units of two other shopping malls and integrated commercial and residential developments, namely Golden Wheel Waltz in Nanjing and Golden Wheel Time Square in Zhuzhou.

In addition to leasing our own properties, we are also engaged in the leasing and operational management of shopping malls owned by third parties. We currently lease and manage Xinjiekou Metro Mall, which is owned by Nanjing Metro. We have established a proven successful platform to “outsource” our expertise in this segment. We will, through a joint venture company, lease and manage another commercial complex close to transportation hub and owned by Nanjing Qin Huai River Construction and Development Company Limited (南京秦淮建設開發有限公司), which is expected to be completed in 2014.

The following table sets forth a summary of our property projects as of 30 September 2012:

Project	City	Primary Use	Site area	Actual/estimated	Actual/estimated	Actual/estimated	Total GFA/Total planned GFA
				construction commencement date	pre-sale commencement date	construction completion date	
			sq.m.	month/year	month/year	month/year	sq.m.
Completed properties							
Golden Wheel International Plaza	Nanjing	Retail (shopping mall) and office	11,341	Jul-04	Dec-06	Jan-09	98,031
Golden Wheel Waltz	Nanjing	Retail (retail shops) and hotel-style apartments	2,046	Jan-08	Oct-09	Feb-10	7,995
Golden Wheel Building	Nanjing	Retail (retail shops) and residential	4,918	May-01	Jan-02	Feb-03	27,000
Golden Wheel Green Garden	Nanjing	Residential	10,334	Aug-01	Oct-01	Sep-02	24,147
Golden Wheel Star City (Phase I)	Yangzhou	Residential	42,803	Aug-08	Oct-08	Mar-12	88,933
Golden Wheel Star City (Phase II Building No. 11, 12, 13, 15, 16 and 17)	Yangzhou	Residential	27,423	Oct-09	Oct-09	Aug-12	84,288
Golden Wheel Time Square	Zhuzhou	Retail (shopping mall) and residential	13,501	May-09	Oct-09	Apr-12	134,096
Subtotal			112,366				464,490

SUMMARY

Project	City	Primary Use	Site area	Actual/estimated	Actual/estimated	Actual/estimated	Total GFA/Total planned GFA
				construction commencement date	pre-sale commencement date	construction completion date	
			sq.m.	month/year	month/year	month/year	sq.m.
Properties under development							
Nanjing Jade Garden	Nanjing	Residential	7,212	Jan-11	Jul-12	Jun-13	29,976
Golden Wheel Star Plaza	Nanjing	Retail (retail shops), office and hotel-style apartments	29,540	Nov-11	Jan-13	Sep-13	70,396
Golden Wheel New Metro	Nanjing	Retail (shopping mall), office and hotel-style apartments	9,218	Aug-11	Nov-12	Jun-13	59,912
Golden Wheel Star City (Phase II Building No. 10 and 18)	Yangzhou	Residential	11,389	Jun-10	Nov-12	Dec-13	33,084
Subtotal			57,359				193,368
Total			169,725				657,858

Note: Our Directors confirm that, as of the Latest Practicable Date, save for Nanjing Jade Garden and Golden Wheel Star Plaza, the progress of the construction work of our properties under development was in accordance with our development schedule. For details of the construction progress of Nanjing Jade Garden and Golden Wheel Star Plaza, please refer to the section headed "Business — Regulatory Compliance — Late Completion of Nanjing Jade Garden and Golden Wheel Star Plaza" in this prospectus. For information relating to our investment properties completed and under development, please refer to the section headed "Business — Our Property Projects" in this prospectus.

The following table sets forth an overview of our completed investment properties:

Project	Total GFA held for investment	Leasable area as of 30 June 2012	Effective leased area as of 30 June 2012	Occupancy rate as of 30 June 2012 ⁽¹⁾	Land certificate expiry date	Completion date	Attributable independent valuation as of 30 September 2012	Weighted average lease expiry term as of 30 September 2012	Total rental income for the six months ended 30 June 2012 ⁽²⁾	Effective average rental price for the six months ended 30 June 2012 ⁽³⁾	Operating lease commitment as of 30 June 2012 ⁽⁴⁾			
											Within one year	In the second to the fifth year (inclusive)	After the fifth year	
											RMB million	RMB/sq.m. per month	RMB million	
Golden Wheel International Plaza	28,056	18,308	18,128	99%	Oct-2044	Jan-2009	1,740.0	4.3	24.0	221	43.8	89.3	31.4	
Golden Wheel Waltz	2,444	2,203	2,203	100%	Feb-2046	Feb-2010	156.0	2.8	3.7	279	5.3	9.2	0.4	
Golden Wheel Building ⁽⁵⁾	1,216	1,216	1,216	100%	Dec-2040	Feb-2003	18.9	8.3	0.2	28 ⁽⁶⁾	0.3	1.3	1.2	
Golden Wheel Green Garden ⁽⁵⁾	1,021	1,021	1,021	100%	Apr-2041	Sep-2002	34.0	1.5	0.4	68 ⁽⁷⁾	0.6	0.5	—	
Golden Wheel Time Square	31,205	18,858	15,877	84%	Feb-2048	Apr-2012	1,029.0	4.0	15.6	164	12.1	47.8	1.0	
Total	63,942	41,606	38,445				2,977.9		43.9		62.1	148.1	34.0	

Notes:

- (1) Occupancy rate is calculated by dividing the effective leased area (which is the leasable area of a project subject to the relevant lease agreements) by the total leasable area (which is determined by us to be leasable and does not include the public or service areas used in common as a whole or those areas used for ancillary purposes) of the project.
- (2) Xinjiekou Metro Mall is not included in the table above as it is not owned by our Group. We generated property leasing and operational management-related revenue of RMB4.56 million from Xinjiekou Metro Mall for the six months ended 30 June 2012.
- (3) Effective average rental price is calculated by dividing the rental income of a project by its effective leased area.
- (4) Xinjiekou Metro Mall is not included in the table above as it is not owned by our Group. The operating lease commitment of the Xinjiekou Metro Mall as of 30 June 2012 was approximately 8.9 million (within one year) and 7.8 million (in the second to fifth year (inclusive)), respectively.
- (5) The result of operations of Golden Wheel Building and Golden Wheel Green Garden are not included in our financial statements during the Track Record Period.
- (6) The effective average rental of Golden Wheel Building is relatively lower because this project was completed in 2003 and all the leasable area of this project has been leased by one tenant with a term of ten years.
- (7) The effective average rental of Golden Wheel Green Garden is relatively lower because this project was completed in 2002 and it is located in a less popular area as compared to our other projects.

SUMMARY

The following table sets forth an overview of our investment properties under development as of 30 September 2012:

Project name	Total planned GFA held for investment	Land certificate expiry date	Construction commencement date	Expected completion date	Estimated ⁽¹⁾ total development costs	Total ⁽²⁾ development costs incurred	Land costs incurred	Other construction costs incurred	Estimated future development costs	Attributable Independent Valuation
	sq.m.	month/year	month/year	month/year	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Golden Wheel New Metro	18,437	Jul-2049	Aug-2011	Jun-2013	156.1	98.6	62.4	36.2	57.5	260.0

Notes:

(1) "Estimated total development costs" represents the sum of "total development costs incurred" and "estimated future development costs".

(2) "Total development costs incurred" represents the sum of "land costs incurred" and "other construction costs incurred".

The following table sets forth the average selling prices and the effective average annual rental price per square meter for our projects and the Xinjiekou Metro Mall that we lease from Nanjing Metro, respectively, for the periods indicated:

	Average selling price				
	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.
Golden Wheel International Plaza	16,289	18,002	25,366	24,245	29,280
Golden Wheel Waltz	—	17,227	18,627	16,617	—
Golden Wheel Star City	—	4,276	5,999	4,677	7,404
Golden Wheel Time Square	—	—	—	—	7,632

	Effective average annual rental price				
	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.	RMB/sq.m.
Golden Wheel International Plaza (Commercial)	2,178	2,202	2,532	2,574	2,649
Golden Wheel Waltz (Commercial)	—	2,342	3,289	3,203	3,343
Golden Wheel Time Square (Commercial)	—	—	2,023	1,578	1,966
Xinjiekou Metro Mall (Commercial)	—	—	6,637	—	7,650

For details of our strengths and business strategies, please refer to the sections headed "Business — Our Competitive Strengths" and "Business — Our Business Strategy", respectively, in this prospectus.

SUMMARY

OUR LAND BANK AND LAND ACQUISITION STRATEGY

Our current land bank as of 30 September 2012 is as follows:

	Total GFA		Appraised value	
	sq.m.	%	RMB '000	%
Completed properties				
Unsold				
Commercial ⁽¹⁾	30,829	10.9%	426,600	8.2%
Residential ⁽²⁾	35,887	12.6%	275,700	5.3%
Subtotal	66,717	23.5%	702,300	13.5%
Held for Investment	63,942	22.5%	2,977,900	57.5%
Subtotal for completed properties	130,659	46.0%	3,680,200	71.0%
Properties under development				
Unsold				
Commercial ⁽¹⁾	85,140	30.0%	790,000	15.2%
Residential ⁽²⁾	49,828	17.5%	453,000	8.8%
Subtotal	134,968	47.5%	1,243,000	24.0%
Held for Investment	18,437	6.5%	260,000	5.0%
Subtotal for properties under development	153,405 ⁽³⁾	54.0%	1,503,000	29.0%
Total for completed properties and properties under development	284,064	100.0%	5,183,200	100.0%

Notes:

- (1) Commercial properties include retail, office, hotel-style apartments with 40- or 50-year land use right and carparks. The hotel-style apartments of Golden Wheel Star City Phases I & II have 40-year land use right.
- (2) Residential properties also include hotel-style apartments with 65-year land use right. The hotel-style apartments of Golden Wheel Star Plaza and Golden Wheel New Metro have 65-year land use right.
- (3) GFA of certain underground civil defense area used as car parking spaces and other ancillary facilities, which is not saleable, is not included.

As of the Latest Practicable Date, all of our land bank either had been developed or was under development. Other than our existing property development projects, we currently do not hold any other land for further development.

Since 2007, due to the substantial amount of capital expenditure involved and the volatility of the PRC real estate market, we prudently acquired one piece of land per year to ensure efficient capital deployment and enhance investment return. We have entered into several non-binding letters of intent (together, the “**Letters of Intent**”) with certain local governmental authorities or third parties to demonstrate our early commitment to develop these potential development projects. Taking into account these projects under the Letters of Intent and the on-going development of metro systems in second and third-tier cities that creates potential for metro-linked shopping malls in these cities (details of which are set out in the section headed “Industry Overview” in this prospectus), we expect to acquire more than one piece of land in 2013 and 2014, subject to the availability of our then financial resources, in order to retain sufficient land bank for future development. However, we are required to go through the public tender, auction, or listing-for-sale procedures under the relevant PRC rules and/or obtain relevant government approvals before we can obtain the land use right with respect to the land parcels under these Letters of Intent. As such, there is no assurance that these Letters of Intent will lead to our acquisition of any land use right. Please also refer to the section headed “Risk Factors — We do not hold any other property for future development other than our existing property development projects, and we may not be able to locate or acquire suitable sites for our future projects at reasonable costs, or at all” in this prospectus.

SUMMARY

We have not set a specific size of land as target to pursue each year. In addition to future land acquisition under the Letters of Intent, we will also explore other opportunities taking into account the following:

- the macro-social economic trends and development of metro systems in China;
- government policies and regulations in relation to the development of the PRC property industry;
- our financial resources;
- project location and whether it is connected or close to the local metro stations and other transportation hubs; and
- whether the potential development project has a total planned GFA of not more than 300,000 sq.m. and a total expected investment amount of not more than RMB1 billion.

The following table sets forth a summary of our potential development projects under the Letters of Intent:

No.	Project	Planned GFA	Expected total investment	Payment made	Expected payment arrangement			Expected construction commencement date
				2012	2013 ⁽²⁾	2014 ⁽⁶⁾	2015 ⁽³⁾	
		sq.m.	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
1	Shuanglong Road Project (雙龍大道項目) ⁽¹⁾	55,324	420,000	42,376	98,624	169,000	110,000	Third quarter of 2013
2	Shengtai Road Project (勝太路項目)	161,212	1,000,000	—	75,000	325,000 ⁽⁴⁾	250,000	Second quarter of 2014
3	China Pharmaceutical University Metro Station Project (中國藥科大學地鐵站項目)	128,173	600,000	—	140,000	170,000 ⁽⁵⁾	150,000	Second quarter of 2014
4	Nanjing Tuo Ban Qiao Project (南京拖板橋項目)	22,000	160,000	—	62,500	82,500	10,000	First quarter of 2014
5	Zhuzhou Yunlong Project (株洲雲龍項目) ⁽⁷⁾	250,000	850,000	60,000	60,000	250,000	250,000	First quarter of 2014
Total		616,709	3,030,000	102,376	436,124	996,500	770,000	

Notes:

- (1) We won the bid for the land acquisition of this project in late October 2012. We did not enter into the relevant land use right grant contract as of the Latest Practicable Date, but we expect to enter into such contract in the first quarter of 2013. We plan to commence the construction work for this project by the third quarter of 2013 and commence pre-sale by the second quarter of 2014. The expected total investment of RMB420 million for this project comprises land acquisition cost of RMB141 million and expected construction cost of RMB279 million. For the land acquisition, we already made a deposit of RMB42,376,000 by 2012, and we expect to make a further payment of RMB28,124,000 in the first quarter of 2013 before entering into the land use right grant contract (the deadline of which is early May 2013) and pay the remaining balance of RMB70,500,000 in accordance with the terms to be determined in the land use right grant contract and before our expected construction commencement date in the third quarter of 2013. We expect to finance the total investment of this project by our operating cash inflow (mainly pre-sale proceeds of our projects), proceeds from the Global Offering and, if required, bank loans. For details, please refer to the section headed "Business — Our Property Projects — Potential Development Projects — Shuanglong Road Project" in this prospectus.
- (2) Represents expected land acquisition costs only.
- (3) Represents expected construction costs only.
- (4) Represents the sum of expected land acquisition costs of RMB275 million and expected construction costs of RMB50 million.
- (5) Represents the sum of expected land acquisition costs of RMB140 million and expected construction costs of RMB30 million.
- (6) Save for the expected land acquisition cost mentioned in notes (4) and (5) above, all of the other payments represent expected construction costs.
- (7) We made a deposit of RMB60.0 million for the potential acquisition of land for this project. According to the letter of intent for this project, we are entitled to a full refund of such deposit if we fail to obtain the relevant land use right. We expect to pay the remaining RMB60.0 million land acquisition costs in 2013 and to incur construction costs of approximately RMB250.0 million in 2014 and RMB250.0 million in 2015 for this project.

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We plan to fund these potential development projects with our operating cash inflow (mainly pre-sale proceeds from our existing properties under development and these potential development projects), proceeds from the Global Offering and, if required, bank loans. For details of our strategy for entering into letters of intent in relation to potential development projects, please refer to the section headed “Business — Our Property Projects — Potential Development Projects” in this prospectus.

RISK FACTORS

There are certain risks involved in our operations and many of these risks are beyond our control. These risks can be characterized as: (i) risks relating to our business and our industry; (ii) risks relating to China; and (iii) risks relating to the Global Offering.

We believe that the following are some of the major risks that may have an adverse effect on us: (i) fair value gains on our investment properties represented a substantial portion of our net profit during the Track Record Period, and the fair value of our investment properties is likely to fluctuate from time to time. The fair value gains of our investment properties for the year ending 31 December 2012 are not expected to increase significantly, or might even decrease, as compared to the year ended 31 December 2011. Any significant decrease in the fair value gains of our investment properties would materially and adversely impact our profitability; (ii) we were not in full compliance with the applicable PRC laws and regulations during the Track Record Period; and (iii) we had net cash outflows from operating activities for the six months ended 30 June 2012.

As different investors may have different interpretations and standards for determining materiality of a risk, you should carefully read the section headed “Risk Factors” in this prospectus.

COMPETITION

We compete in a highly competitive industry. The property market in China is very scattered and the market share of most property developers is not significant in their target markets. Our major competitors comprise both national and regional property developers, some of whom have a better track record, greater financial, marketing and land resources, larger sales networks and stronger brand names. In particular, we face competitions arising from an increasing number of new and recently launched real estate projects in our principal markets, Jiangsu and Hunan provinces, which will compete with our projects and may have an adverse impact on the sales and/or rental pricing of our property units. In particular, our property leasing and operational management business operates in a highly competitive market due to the relatively lower barrier of entry in terms of capital resources needed for such business.

For more information on competition, please also refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — The PRC real estate market is highly competitive and the intense competition in our property development business and property leasing and operational management business may materially and adversely affect our business, financial condition and results of operations” in this prospectus.

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PRC GOVERNMENTAL AUSTERITY MEASURES IN THE PROPERTY MARKET

The PRC government has recently introduced certain new policies which are intended to control the substantial increases in property prices in the PRC. These policies can be classified into four categories: (i) restrictions on speculation activities of real estate developers; (ii) limitations on financing land grant consideration payment; (iii) restrictions on speculation activities of residential property buyers; and (iv) encouragement of the PRC government in the purchase of small-size units and construction of affordable housing. For details of the aforesaid regulations, please refer to the section headed “Regulation — Impact of the PRC Governmental Austerity Measures” in this prospectus.

Our Directors are of the view that these policies did not and would not have any material adverse impact on our business operations on the basis that (i) there was no adverse impact on the average contract prices for the pre-sale of our residential properties at Golden Wheel Star City and our commercial properties at Golden Wheel Time Square during the year ended 31 December 2011 and the six months ended 30 June 2012; (ii) we had not encountered any difficulty in obtaining bank loans during the year ended 31 December 2011 and the six months ended 30 June 2012; and (iii) the residential units within our integrated commercial projects are positioned for mass market home buyers in Jiangsu and Hunan provinces. As of 30 September 2012, approximately 29,347 sq.m., or 81%, of the total GFA available for sale of our residential properties (completed and under development) were categorized as small to medium-sized ordinary commodity houses under the relevant PRC laws and regulations, which will remain as our focus for residential property development. We believe this particular residential market segment has more stable and consistent demand, higher affordability attributable to a lower purchase price in our target markets as compared to luxury residential developments which target higher income households and property investors in these markets.

However, it is difficult to ascertain the full extent of the impact of these measures on the performance of our Group or to accurately estimate the sales volume and turnover of our Group as if such measures had not been introduced. Our Directors confirm that we had not experienced any material cancellation of sales during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC legal advisors, Jun He Law Offices, there has been no material changes in the PRC laws and regulations, regardless at state level or in Nanjing, Yangzhou and Zhuzhou, in the recent months to increase regulation over pre-sale activities of property developers, or to tighten measures to limit bank financing including buying-off plan pre-financing.

HISTORICAL NON-COMPLIANCE INCIDENTS

We failed to fully comply with certain applicable PRC laws and regulations, which had resulted in certain non-compliance incidents during the Track Record Period, including (i) late completion of Nanjing Jade Garden and Golden Wheel Star Plaza, (ii) delivery of certain property units of Golden Wheel Time Square before passing the construction completion examination, (iii) failure to complete lease registration for certain leased properties of Golden Wheel Time Square, (iv) failure to make housing fund contributions for certain employees, and (v) granting loans to Nanjing Golden Wheel Real Estate, our then related company (which became our wholly-owned subsidiary on 18 June 2012). We had rectified all the other non-compliance incidents as of the Latest Practicable Date, except for the late completion of Nanjing Jade Garden and Golden Wheel Star Plaza. As a result, we may be subject to a maximum fine of approximately RMB22.4 million and the relevant authorities may forfeit part of the land on which the constructions has not been completed by their respective deadlines without any payment to us. For details of the reasons for these non-compliance incidents and the corresponding remedial and preventive measures, please refer to the sections headed “Risk Factors — We may not be able to meet our project development schedules and complete our projects on time, or at all” and “Business — Regulatory Compliance” in this prospectus.

SUMMARY

SUMMARY FINANCIAL INFORMATION

We maintained a profitable operation during the Track Record Period. In 2011, our net profit was RMB513.2 million, representing an increase of 74.9% from RMB293.4 million in 2010. We also had a prudent net debt to equity ratio of 15.0% as of 30 June 2012 as a result of our strict financial disciplines over all aspects of our operations from land acquisition to construction. We intend to continue maintaining a disciplined financial strategy.

The fair value gains of investment properties accounted for a substantial portion of our net profit during the Track Record Period, which may, however, fluctuate from time to time. For details, please refer to the section headed “Risk Factors — Fair value gains on our investment properties represented a substantial portion of our net profit during the Track Record Period, and the fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, which may materially and adversely impact our profitability” in this prospectus.

Selected Consolidated Statements of Comprehensive Income and Statements of Financial Position Line Items

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Revenue	493,800	483,524	524,495	167,230	662,351
Gross profit	206,154	140,992	241,061	70,068	321,781
Changes in fair value of investment properties	250,183	306,900	539,919	229,579	75,000
Profit and total comprehensive income attributable to:					
Owners of the Company	263,403	280,744	498,488	187,892	198,767
Non-controlling interests	15,033	12,632	14,705	8,134	7,916
	<u>278,436</u>	<u>293,376</u>	<u>513,193</u>	<u>196,026</u>	<u>206,683</u>
Profit and total comprehensive income (excluding fair value gains and the relevant deferred taxes) attributable to:					
Owners of the Company	83,274	58,894	103,446	22,554	145,443
Non-controlling interests	7,525	4,307	4,808	1,288	4,990
	<u>90,799</u>	<u>63,201</u>	<u>108,254</u>	<u>23,842</u>	<u>150,433</u>
	As of 31 December			As of 30 June	
	2009	2010	2011	2012	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Current assets	1,058,443	1,421,378	1,175,695	1,125,256	
Current liabilities	975,153	1,249,910	1,178,662	756,582	
Net current assets (liabilities)	<u>83,290</u>	<u>171,468</u>	<u>(2,967)</u>	<u>368,674</u>	
Net assets	1,354,631	1,635,894	2,077,334	2,640,968	
Total assets	<u>3,039,726</u>	<u>3,800,116</u>	<u>4,254,543</u>	<u>4,477,322</u>	

Selected Consolidated Statements of Cash Flows Line Items

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net cash from (used in) operating activities	26,684	261,480	134,012	118,520	(75,434)
Net cash (used in) from investing activities	(10,793)	(158,269)	(99,997)	(94,034)	16,586
Net cash from (used in) financing activities	158,503	75,693	(225,540)	(108,518)	(45,404)
Net increase (decrease) in cash and cash equivalents	174,394	178,904	(191,525)	(84,032)	(104,252)
Cash and cash equivalents at beginning of year/period	34,868	209,262	388,166	388,166	196,641
Cash and cash equivalents at end of year/period	<u>209,262</u>	<u>388,166</u>	<u>196,641</u>	<u>304,134</u>	<u>92,389</u>

SUMMARY

We had net cash outflow from operating activities of RMB75.4 million for the six months ended 30 June 2012, which was mainly attributable to a decrease in deposits and prepayments received from pre-sale of properties of RMB472.5 million due to reduced pre-sale activities during this period as the pre-sale of Nanjing Jade Garden started in July 2012 and the pre-sale of Golden Wheel Star Plaza is expected to start in January 2013, as well as an increase in prepayment for acquisition of leasehold land held for development for sale of RMB60.0 million in connection with our Zhuzhou Yunlong Project. During the six months ended 30 June 2012, we pre-sold 2,828 sq.m. residential properties of Golden Wheel Star City at an average contract price of RMB8,521 per sq.m., and 3,025 sq.m. residential properties of Golden Wheel Time Square at an average contract price of RMB7,893 per sq.m. During the six months ended 30 June 2011, we pre-sold 10,377 sq.m. residential properties of Golden Wheel Star City at an average contract price of RMB8,442 per sq.m., and 4,030 sq.m. residential properties of Golden Wheel Time Square at an average contract price of RMB6,241 per sq.m. For details of analysis, please refer to the section headed “Financial Information — Liquidity and Capital Resources — Net cash generated from operating activities” in this prospectus.

RECENT DEVELOPMENT

Our business, financial condition and results of operations are influenced by, among other things, the general macroeconomic condition and the market and regulatory measures undertaken by the PRC government. For the six months ending 31 December 2012, our revenue and net profit is expected to decrease by more than 50% from the six months ended 30 June 2012. During the six months ended 30 June 2012, a substantial portion of our revenue was derived from the sale of Golden Wheel Time Square and a major portion of its total saleable GFA had been sold during such period. Given that only a small portion of the total saleable GFA of Golden Wheel Time Square is expected to be sold after 30 June 2012 and that a substantial portion of the current properties under development are expected to be sold after 2012, we expect that our sales and revenue for the six months ending 31 December 2012 will decrease. Further, we do not expect there will be any gain in the fair value of our investment properties for the six months ending 31 December 2012. For the second half of 2012 and the year ending 31 December 2013, we expect to generate our revenue, profit and cash flows primarily from the sales and/or pre-sales of properties units at Golden Wheel New Metro, Golden Wheel Star Plaza, Nanjing Jade Garden and Phase II of Golden Wheel Star City and, to a lesser extent, from the rental income from Golden Wheel International Plaza, Golden Wheel Time Square and Golden Wheel Waltz. Our pre-sale proceeds for the six months ending 31 December 2012 are expected to be approximately RMB375.9 million. There is no assurance that our property development and property leasing and operational management business will continue to grow at the levels that we achieved during the Track Record Period.

As far as we are aware, there was no material change in the general economic and market conditions in the PRC that had materially and adversely affected our business operations or financial conditions since 30 June 2012 and up to the Latest Practicable Date. During this period, the average contract price per sq.m. for the pre-sale of our properties remained relatively stable. During the three months ended 30 September 2012, we pre-sold 1,035.93 sq.m. residential properties of Golden Wheel Star City at an average contract price of

SUMMARY

RMB8,469 per sq.m., as compared to RMB8,521 per sq.m. during the six months ended 30 June 2012. During the three months ended 30 September 2012, we pre-sold 1,638 sq.m. residential properties of Golden Wheel Time Square at an average contract price of RMB8,311 per sq.m., as compared to RMB7,632 per sq.m. during the six months ended 30 June 2012.

During the six months ended 30 June 2012, we prepaid RMB60.0 million as a deposit for the potential acquisition of leasehold land held for development in connection with our Zhuzhou Yunlong Project, one of the potential property development projects under the relevant Letter of Intent. In addition, we made a deposit of approximately RMB42.0 million for the potential acquisition of land for Shuanglong Road Project and have won the bid for such land acquisition in October 2012. We will comply with all required procedures under applicable PRC laws and regulations and expect to enter into the land use right grant contract in the first quarter of 2013.

The total amount of listing expenses, commissions together with brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee in connection with the Global Offering is estimated to be approximately HK\$57.8 million, of which HK\$35.5 million is expected to be capitalized after the Listing. The remaining HK\$22.3 million was or is expected to be charged to our profit and loss accounts, of which approximately HK\$1.8 million and HK\$9.2 million were charged in the year ended 31 December 2011 and the six months ended 30 June 2012, respectively, and HK\$7.6 million and HK\$3.7 million are expected to be charged in the six months ending 31 December 2012 and in the year of 2013, respectively.

Our Directors confirm that, up to the date of this prospectus, there has been no other material adverse change in our financial or trading position or prospects since 30 June 2012, being the date to which our latest audited financial statements were prepared.

OFFERING STATISTICS

Offer Price per Share:	HK\$1.38 per Offer Share to HK\$1.72 per Offer Share
Market capitalization at Listing:	HK\$2,484 million (based on an Offer Price of HK\$1.38 per Offer Share) to HK\$3,096 million (based on an Offer Price of HK\$1.72 per Offer Share)
Offer Size:	Initially 450,000,000 Shares (excluding Shares to be offered pursuant to the exercise of the Over-allotment Option)
Over-allotment Option:	Up to 15% of the Shares initially being offered under the Global Offering

SUMMARY

Use of proceeds (assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK\$1.55 per offer share (being the mid-point of the indicative Offer Price range):

Net proceeds of HK\$639.70 million to the Company from the Global Offering:

- 50%, representing approximately HK\$319.85 million, to finance new projects, including the land acquisition and preliminary construction costs of potential development projects for which we have entered into letters of intent. For more details of these potential development projects, see “Business — Our Property Projects — Potential Development Projects”. If we cannot obtain the land use right of, or we decide not to proceed with, any of these potential development projects, we will continue to explore other potential development projects and utilize the proceeds from the Global Offering to expand our operations;
- 40%, representing approximately HK\$255.88 million, to finance the development of our projects under development, including:
 - (a) HK\$108.93 million for the construction of Golden Wheel Star Plaza;
 - (b) HK\$73.53 million for the construction of Phase II of Golden Wheel Star City;
 - (c) HK\$61.21 million for the construction of Golden Wheel New Metro; and
 - (d) HK\$12.21 million for the construction of Nanjing Jade Garden; and
- 10%, representing approximately HK\$63.97 million, for working capital and other general corporate purposes.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2012

Forecast consolidated net profit attributable to the owners of our Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012	Not less than RMB213.93 million
Add: fair value gain (net of deferred tax) on investment properties for the year ending 31 December 2012	RMB56.25 million
Forecast consolidated net profit attributable to the owners of our Company	Not less than RMB270.18 million
Unaudited pro forma forecast basic earnings per Share ⁽¹⁾	RMB0.15

Note:

- (1) The unaudited pro forma forecast basic earnings per Share is based on (i) the forecast consolidated net profit attributable to owners of our Company for the year ending 31 December 2012, the bases and assumptions of which are summarized in Section A of Appendix III to this prospectus, and (ii) the weighted average of 1,799,968,832 Shares in issue and outstanding during the year ending 31 December 2012.

The calculation of the weighted average number of 1,799,968,832 Shares has taken into account the Shares issued and outstanding for the period from 1 January 2012 up to the date of the prospectus, 450,000,000 Shares to be issued pursuant to the Global Offering and 1,348,000,000 Shares to be issued pursuant to the Capitalization Issue, assuming that the Global Offering, Capitalization Issue and Reorganization had been completed on 1 January 2012, and does not take into account any Shares that may be issued pursuant to the Share Option Scheme or Issuing Mandate or the exercise of the Over-allotment Option, or any Shares which may be repurchased pursuant to the Repurchase Mandate.

SUMMARY

The forecast consolidated net profit attributable to the owners of our Company for the year ending 31 December 2012 has not taken into account any interest income that would have been earned if the proceeds from the Global Offering had been received by the Company on 1 January 2012.

- (2) In view of the uncertainty and uncountable possibilities of actual fair value change of our Group's investment properties, the following unaudited pro forma financial information has been prepared by excluding fair value change of our Group's investment properties during the year ending 31 December 2012. The basis and assumptions of the calculation are the same as those set out in note (1) above except that the numerator is the forecast consolidated net profit attributable to the owners of our Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012.

Forecast consolidated net profit attributable to the owners of our Company before fair value change
(net of deferred tax) on investment properties for the year ending 31 December 2012 Not less than RMB213.93 million

Unaudited pro forma forecast basic earnings before fair value change (net of deferred tax) on investment
properties for the year ending 31 December 2012 per Share RMB0.12

The table below summarizes the sensitivity analysis of the impact of the change in the fair values of investment properties on our forecast net profit:

Change in fair values of investment properties	-5%	-10%	+5%	+10%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Decrease) increase in fair value of investment properties	(161,530)	(323,060)	161,530	323,060
(Decrease) increase in net profit	(121,148)	(242,295)	121,148	242,295
% of (decrease) increase in net profit	(44.8%)	(89.7%)	44.8%	89.7%

Note: Our Directors adopt a 5% and 10% range of increment/decrement to the base case in the sensitivity analysis above in respect of the change of fair value of our Group's investment properties (including Golden Wheel International Plaza, Golden Wheel Waltz and Golden Wheel Time Square) during the Track Record Period. In respect of Golden Wheel International Plaza and Golden Wheel Waltz, which were completed projects during the Track Record Period, we made reference to their CAGR of approximately 6.0% and 5.4%, respectively, from 2009 to 2011 and the growth rate of approximately 10.4% and 7.7%, respectively, between 30 June 2011 and 30 June 2012. For Golden Wheel Time Square, a project completed after 31 December 2011, we made reference to its growth rate of approximately 2.3% between 31 December 2011 and 30 June 2012. In addition, we take into account certain factors which may impact the fair value of our investment properties including the change of historical rental and selling price of our projects, the historical real estate market growth in Nanjing and Zhuzhou, the prevailing market rental price of nearby comparable properties and the overall economic and regulatory environment in China.

Our Directors consider that it is not meaningful to present the sensitivity analysis of the impact of the changes in the average selling price and GFA to be sold as all properties to be delivered by 31 December 2012 have been pre-sold, and the selling prices and GFA to be sold have been fixed in the pre-sale contracts entered into between our Group and our customers.

UNAUDITED PRO FORMA NET TANGIBLE ASSETS

	Audited consolidated net tangible assets of our Group attributable to owners of our Company as at 30 June 2012	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB)</i>	<i>(HK\$)</i>
Based on an Offer Price of HK\$1.38 per Offer Share	2,640,968	468,808	3,109,776	1.73	2.13
Based on an Offer Price of HK\$1.72 per Offer Share	2,640,968	587,816	3,228,784	1.79	2.20

Note: Please see "Appendix II — Unaudited Pro Forma Financial Information" for further details regarding the assumptions used and the calculation method.

DIVIDEND POLICY

In the absence of circumstances which might affect the amount of available distributable reserves, whether by losses or otherwise, our Board currently intends to distribute to our Shareholders as dividends no less than 30% of our distributable profit (excluding net fair value gains or losses on investment properties) for each of the years ending 31 December 2012 and 2013, respectively. For details of our dividend policy, please refer to the section headed "Financial Information — Dividend Policy" in this prospectus.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings.

“Aman Atlantic”	Aman Atlantic Holdings Limited (AMAN 大西洋控股有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Sjaifudin Aman, one of our ultimate Controlling Shareholders
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s), or where the context so requires, any of them, relating to the Hong Kong Public Offering
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on 10 December 2012, to become effective upon the Listing, and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
“BNP Paribas”	BNP Paribas Capital (Asia Pacific) Limited, acting as the Sole Global Coordinator, and one of the Joint Bookrunners and Joint Lead Managers of the Global Offering and the Sole Sponsor of the Listing, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Board of Directors” or “Board”	the board of Directors
“BOCI”	BOCI Asia Limited, a licensed corporation under the SFO for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Business Day”	any day (excluding a Saturday or a Sunday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate, a measurement to assess the growth rate of value over time
“Capitalization Issue”	the issue of Shares to be made upon capitalization of the share premium account of our Company as referred to in the section entitled “Statutory and General Information — Changes in the Share Capital of Our Company” in Appendix VI to this prospectus

DEFINITIONS

“Cayman Islands Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CBRE”	CBRE HK Limited, our property valuer
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region of China and Taiwan
“China Everbright Securities”	China Everbright Securities (HK) Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) activities
“Chun Hung”	Chun Hung Investments Limited (晉鴻投資有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Tjie Tjin Fung, one of our ultimate Controlling Shareholders
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “Our/our Company”	Golden Wheel Tiandi Holdings Company Limited (金輪天地控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 26 April 2012 under the Cayman Islands Companies Law, or where the context refers to any time prior to its incorporation, those businesses and operations which were assumed by it pursuant to the Reorganization, or where the context requires, any of the businesses and operations that is being carried on by any member of our Group
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, in the context of this prospectus, refers to Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝), Mr. Wong Kam Keung, Barry (王錦強), Ms. Hung So Ling (洪素玲), Mr. Sjaifudin Aman, Mr. Tjie Tjin Fung, Mr. Hafandi Lijaya, Mr. Lili Somantry, Mr. Jamin Haryanto, Mr. Kiky Gunawan, Mr. Janata Suwita, Mr. Hadi Gunaman, Mr. Atjen Tanuwidjaja, Mr. Bambang Trisna and Ms. Julia Oscar, all of whom are our ultimate controlling shareholders, and the companies through which they hold equity interest in our Company, namely, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever
“Director(s)”	director(s) of our Company
“EIT Law”	PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), enacted by NPC in March 2007 and effective on 1 January 2008
“Eligible Applicants”	applicants who have made valid applications for the Hong Kong Public Offer Shares
“Fa Xing”	Fa Xing Limited (發興有限公司), a limited liability company incorporated in the BVI on 13 February 2012, the entire issued share capital of which is owned by Mr. Hadi Gunaman, one of our ultimate Controlling Shareholders
“Fire Spark”	Fire Spark Holdings Limited (火耀控股有限公司), a limited liability company incorporated in the BVI on 10 January 2012, the entire issued share capital of which is owned by Mr. Kiky Gunawan, one of our ultimate Controlling Shareholders
“GDP”	gross domestic product

DEFINITIONS

“Global Offering”	the Hong Kong Public Offering and the International Offering
“Golden Era Forever”	Golden Era Forever Holding Company Limited (金時代永恒控股有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Janata Suwita, one of our ultimate Controlling Shareholders
“Golden Joy Forever”	Golden Joy Forever Holding Company Limited (金欣悅永恒控股有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Ms. Julia Oscar, one of our ultimate Controlling Shareholders
“Golden Wheel Creation”	Golden Wheel International Creation Company Limited (金輪國際創建有限公司), a limited liability company incorporated in Hong Kong on 21 August 2012 and a wholly-owned subsidiary of our Company
“Golden Wheel Diamond”	Golden Wheel Diamond Company Limited (金輪鑽石有限公司), a limited liability company incorporated in the BVI on 26 June 2012 and a wholly-owned subsidiary of our Company
“Golden Wheel Group”	Golden Wheel (Group) Company Limited (金輪(集團)有限公司), a company incorporated in Hong Kong on 2 June 1992, the entire issued share capital of which is owned by the Wong Family
“Golden Wheel International Corporation”	Golden Wheel International Corporation Limited (金輪國際興業有限公司), a company incorporated in Hong Kong on 7 July 2010 and a wholly-owned subsidiary of our Company
“Golden Wheel International Investment”	Golden Wheel International Investment Limited (金輪國際投資有限公司), a company incorporated in Hong Kong on 17 May 2002 and a wholly-owned subsidiary of our Company
“Golden Wheel Jade”	Golden Wheel Jade Company Limited (金輪翡翠有限公司), a limited liability company incorporated in the BVI on 8 May 2012 and a wholly-owned subsidiary of our Company
“Golden Wheel Pearl”	Golden Wheel Pearl Company Limited (金輪明珠有限公司), a limited liability company incorporated in the BVI on 8 May 2012 and a wholly-owned subsidiary of our Company

DEFINITIONS

“Golden Wheel Properties Investment”	Golden Wheel Properties Investment Company Limited (金輪地產投資有限公司), formerly known as Coin Harbour Limited (金港建業有限公司), a company incorporated in Hong Kong on 3 December 1996, the entire issued share capital of which is owned by the Wong Family
“Golden Wheel Realty”	Golden Wheel Realty Company Limited (金輪置業有限公司), a limited liability company incorporated in the BVI on 12 November 2009, which is owned as to 40.0% by Mr. Wong Yam Yin (王欽賢), 35.0% by Ms. Hung So Ling (洪素玲), 12.5% by Mr. Wong Kam Fai (王錦輝) and 12.5% by Mr. Wong Kam Keung, Barry (王錦強)
“Green Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Green Paragon”	Green Paragon Investment Limited (綠色典範投資有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Lili Somantry, one of our ultimate Controlling Shareholders
“Group”	our Company and its subsidiaries at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the present subsidiaries of our Company or the businesses operated by its present subsidiaries
“HK\$” or “HKD” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Hong Kong Public Offer Shares”	the 45,000,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering, subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus

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“Hong Kong Public Offering”	the issue and offer for subscription of the Hong Kong Public Offer Shares to the public in Hong Kong for cash (subject to adjustment as described in “Structure of the Global Offering”) at the Offer Price subject to and in accordance with the terms and conditions described in this prospectus and the Application Forms, as further described in the sections headed “Structure of the Global Offering” and “How to apply for the Hong Kong Public Offer Shares” in this prospectus
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Underwriters”	the underwriters listed in the section headed “Underwriting — Hong Kong Underwriters”, in this prospectus, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 28 December 2012 relating to the Hong Kong Public Offering and entered into by the Sole Global Coordinator, the Joint Bookrunners, the Hong Kong Underwriters, our Company and the Warranting Shareholders, as further described in the section headed “Underwriting” in this prospectus
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	person(s) or company(ies) which is(are) not a connected person(s) (as defined in the Listing Rules) of our Company
“International Offer Shares”	the 405,000,000 Shares initially being offered by our Company for subscription under the International Offering together, where relevant, with any Shares that may be issued by our Company pursuant to any exercise of the Over-allotment Option, subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters with professional, institutional and/or other investors outside the United States in offshore transactions in reliance on Regulation S at the Offer Price, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering

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“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering expected to be entered into on or about the Price Determination Date by the Sole Global Coordinator, the Joint Bookrunners, the International Underwriters, our Company and the Warranting Shareholders, as further described in the section headed “Underwriting” in this prospectus
“Joint Bookrunners”	BNP Paribas and BOCI
“Joint Lead Managers”	BNP Paribas, BOCI and China Everbright Securities
“Kang Fu Ming”	Kang Fu Ming Investment Limited (康福明投資有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Hafandi Lijaya, one of our ultimate Controlling Shareholders
“Keita International”	Keita International Limited (凱塔國際有限公司), a limited liability company incorporated in the BVI on 12 January 2012, the entire issued share capital of which is owned by Jamin Haryanto, one of our ultimate Controlling Shareholders
“LAT”	land appreciation tax (土地增值稅)
“Latest Practicable Date”	24 December 2012, being the latest practicable date for ascertaining certain information in this prospectus prior to its publication
“Listing”	listing of the Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Date”	the date on which dealing in the Shares first commences on the Main Board of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange operated by the Hong Kong Stock Exchange which is independent from and operated in parallel to the Growth Enterprise Market of the Stock Exchange
“Memorandum”	the memorandum of association of our Company, adopted on 10 December 2012, a summary of which is set out in Appendix V to this prospectus

DEFINITIONS

“Ministry of Land and Resources” or “MLR”	the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
“MOHURD”	the Ministry of Housing and Urban-rural Development (住房和城鄉建設部)
“Nanjing Golden Wheel Real Estate”	Nanjing Golden Wheel Real Estate Development Co., Ltd.* (南京金輪房地產開發有限公司), a limited liability company incorporated in the PRC on 21 April 1994 and a wholly-owned subsidiary of our Company
“Nanjing Jade Golden Wheel”	Nanjing Jade Golden Wheel Realty Company Limited* (南京翡翠金輪置業有限公司), a limited liability company incorporated in the PRC on 21 June 2002 and a wholly-owned subsidiary of our Company
“Nanjing Metro”	Nanjing Metro Company Limited* (南京地下鐵道有限責任公司), a state-owned enterprise responsible for the operation and management of the metro system in Nanjing and an Independent Third Party
“NDRC”	the National Development and Reform Commission of China
“NPC” or “National People’s Congress”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會) and its standing committee
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) of not more than HK\$1.72 and expected to be not less than HK\$1.38, such price to be agreed upon by our Company and the Joint Bookrunners (on behalf of the Underwriters) on the Price Determination Date
“Offer Shares”	the Hong Kong Public Offer Shares and the International Offer Shares
“Over-allotment Option”	the option to be granted by our Company to the Joint Bookrunners, exercisable by the Sole Global Coordinator (on behalf of the Joint Bookrunners and after notification to the Joint Bookrunners), pursuant to which our Company is required to allot and issue up to an aggregate of 67,500,000 Shares (representing in aggregate 15% of the Shares initially being offered under the Global Offering) at the Offer Price to, among other things, cover over-allocation in the International Offering, details of which are described in the section headed “Structure of the Global Offering” in this prospectus

DEFINITIONS

“PBOC”	the People’s Bank of China
“Price Determination Date”	the date, expected to be on or around 8 January 2013 and, in any event, not later than 11 January 2013 on which the Offer Price is to be fixed by agreement between our Company and the Joint Bookrunners (on behalf of the Underwriters)
“Propitious Winds”	Propitious Winds Limited (順風有限公司), a limited liability company incorporated in the BVI on 8 February 2012, the entire issued share capital of which is owned by Bambang Trisna, one of our ultimate Controlling Shareholders
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganization”	the reorganization of the companies within our Group as set out in the section headed “Our History, Reorganization and Group Structure” in this prospectus, pursuant to which our Company has become the holding company of our various subsidiaries
“RMB” or “Renminbi”	the lawful currency of China
“SAFE”	State Administration of Foreign Exchange of China (中華人民共和國國家外匯管理局)
“SAIC”	State Administration for Industry and Commerce of China (中華人民共和國國家工商行政管理局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares of US\$0.01 each in the capital of our Company
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to a resolution passed by the Shareholders on 10 December 2012 and adopted by a resolution of the Board on 10 December 2012, a summary of the principal terms of which is set out in the section headed “Statutory and General Information” in Appendix VI to this prospectus
“Sole Global Coordinator”, “Sole Sponsor” or “Sponsor”	BNP Paribas

DEFINITIONS

“Stabilizing Manager”	the Sole Global Coordinator
“State Administration of Taxation” or “SAT”	State Administration of Taxation of China (中華人民共和國國家稅務總局)
“Supervisory Committee”	our supervisory committee, which oversees, handles and liaises with various departments of our Group in relation to all regulatory and compliance related matters
“Tien Shan Di Hai”	Tien Shan Di Hai Limited (天山地海有限公司), a limited liability company incorporated in the BVI on 15 March 2012, the entire issued share capital of which is owned by Mr. Atjen Tanuwidjaja, one of our ultimate Controlling Shareholders
“Track Record Period”	the three financial years ended 31 December 2011, and the six months ended 30 June 2012
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“VAT”	value added tax
“Warranting Shareholders”	Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝), Mr. Wong Kam Keung, Barry (王錦強), Ms. Hung So Ling (洪素玲), Mr. Tjie Tjin Fung, Mr. Janata Suwita and Ms. Julia Oscar, all of whom are our ultimate controlling shareholders, and the companies through which they hold equity interest in our Company, namely, Golden Wheel Realty, Chun Hung, Golden Era Forever and Golden Joy Forever
“White Form eIPO”	applying for Hong Kong Public Offer Shares to be issued in your own name by submitting applications online through the designated website of the eIPO Service Provider, www.eipo.com.hk

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“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Wong Family”	Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝), Mr. Wong Kam Keung, Barry (王錦強) and Ms. Hung So Ling (洪素玲)
“Xinjiekou Metro Mall”	the underground area leased by us from Nanjing Metro for our property leasing and operational management business
“Yangzhou Golden Wheel Real Estate”	Yangzhou Golden Wheel Real Estate Development Co., Ltd.* (揚州金輪房地產開發有限公司), a limited liability company incorporated in the PRC on 15 December 2006 and a wholly-owned subsidiary of our Company
“Zhuzhou Golden Wheel Business Management”	Zhuzhou Golden Wheel Business Management Co., Ltd.* (株洲金輪商業管理有限公司), a limited liability company incorporated in the PRC on 1 February 2010 and a wholly-owned subsidiary of our Company
“Zhuzhou Golden Wheel Real Estate”	Zhuzhou Golden Wheel Real Estate Development Co., Ltd.* (株洲金輪房地產開發有限公司), a limited liability company incorporated in the PRC on 30 July 2004 and a wholly-owned subsidiary of our Company

In this prospectus, the terms “associate”, “connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

In this prospectus, unless otherwise stated, certain amounts denominated in Renminbi have been translated into HK dollars or U.S. dollars and vice versa at an exchange rate of RMB0.81 = HK\$1.00 or RMB6.30 = US\$1.00, respectively, and certain amounts denominated in U.S. dollars have been translated into HK dollars and vice versa at an exchange rate of US\$1.00 = HK\$7.75, in each case, for illustration purpose only. Such conversions shall not be construed as representations that amounts in Renminbi or U.S. dollars were or may have been converted into those currencies and vice versa at such rates or any other exchange rates.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

In this prospectus, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with “” are for identification purpose only.*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this prospectus as they relate to our business. As such, these terms and their meanings may not always correspond to the standard industry meaning or usage of these terms.

“effective average annual rental price”	calculated by dividing the annual rental income by the effective leased area of a given project
“effective leased area”	the leasable area of a given project according to relevant lease agreements signed with our tenants
“GFA”	gross floor area
“GFA available for sale”	(i) in respect of completed properties, the GFA that has been designated by us for sale, but has not been sold yet; and (ii) in respect of properties under development, the estimated GFA that is designated by us for sale
“GFA held for investment”	(i) in respect of completed properties, the GFA that has been designated by us for leasing; and (ii) in respect of properties under development, the estimated GFA that is designated by us for leasing
“GFA leased”	the total GFA of a given project subject to lease, which includes public or service areas used in common as a whole and those areas used for ancillary purposes
“GFA pre-sold”	the GFA that has been pre-sold to our customers pursuant to pre-sale agreements
“GFA sold”	the GFA that has been sold and delivered to our customers
“leasable area”	the area determined by us to be leasable excluding public or service areas used in common as a whole or those areas used for ancillary purposes
“occupancy rate”	calculated by dividing the effective leased area by the total leasable area of a given project
“sq.m.”	square meter(s)
“weighted average lease expiry term”	the average remaining lease term for all existing leases of a given project weighted by leasable area calculated based on our internal record

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- our business and operating strategies and our ability to implement such strategies;
- our dividend distribution plans;
- our operations and business prospects, including development plans for our existing and new businesses;
- the future competitive environment for the PRC real estate industry;
- the regulatory environment in terms of changes in laws and PRC government regulations, policies and approval processes in the regions where we operate as well as the general industry outlook for the PRC real estate industry;
- exchange rate fluctuations and restrictions; and
- the general economic trend of the PRC.

The words “anticipate”, “believe”, “could”, “estimate”, “expect”, “consider”, “going forward”, “intend”, “may”, “plan”, “seek”, “will”, “would” and similar expressions, as they relate to us, in particular, in the sections headed “Business” and “Financial Information” of this prospectus, are intended to identify a number of these forward-looking statements. These statements are based on numerous assumptions regarding our present and future business strategy and the environment in which we will operate in the future. They reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Hence, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, our business operations and/or financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed, estimated or expected. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on such forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

In this prospectus, statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

RESPONSIBILITY STATEMENT

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Markets Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION AND REPRESENTATION

We have not authorized anyone to provide any information or to make any representation not contained in this prospectus. You should not rely on any information or representation not contained in this prospectus as having been authorized by us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of our or their respective directors, officers or representatives or any other person involved in this Global Offering (the "Relevant Parties"). No representation is made that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of or dealing in the Shares. No responsibility is accepted by us or by any of the Relevant Parties for any tax effects or liabilities resulting from the subscription of, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

RISK FACTORS

You should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described below in respect of our business and the industry, before making an investment in the Offer Shares. You should pay particular attention to the fact that our principal operations are conducted in the PRC and are governed by a legal and regulatory environment that in some respects differs from that which prevails in other jurisdictions. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

Our property development business is heavily dependent on the performance of the real estate market in China, particularly in Jiangsu and Hunan provinces

Our property development business is subject to the conditions of the PRC real estate market, particularly in Jiangsu and Hunan provinces, where all of our existing property projects are located. Growth in demand for commercial and residential properties in the PRC is often coupled with volatility in market conditions and fluctuation in property prices. The PRC property market is affected by many factors, including changes in the PRC's political, economic and legal environment. During the Track Record Period, we derived a substantial portion of our revenue from our Golden Wheel International Plaza and Golden Wheel Star City projects. We will continue to depend on our property developments for a substantial portion of our revenue in the future. As all of our projects and property developments are located in Jiangsu and Hunan provinces, we expect that our property development business will be significantly affected by the state of the real estate market in these regions. In addition, as advised by Savills, the current over-supply of real estate properties in Nanjing and Yangzhou, our principal markets, may also subject us to greater competition and potential price cuts. Any over-development, market downturn, or fluctuations in property prices in the PRC in general, and in particular Jiangsu and Hunan provinces, would have a material adverse impact on our business, financial condition and results of operations. If we do not respond to the changes in market conditions and customer preferences in a timely manner, our business, financial condition and results of operations may be materially and adversely affected. Furthermore, the PRC government may from time to time revise its fiscal and monetary policies to adjust the growth rate of PRC national economy and local economies, and such policy changes may affect the real estate market in the regions where we have or will have property developments. There can be no assurance that our property development or our sales and leasing activities will maintain at the levels we achieved during the Track Record Period.

Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in governmental policies relating to the real estate industry in China

Our business is subject to extensive governmental regulations. As with other PRC property developers, we must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities

RISK FACTORS

designed for the implementation of such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control of foreign exchange, taxation, financing available and foreign investment. These measures include raising benchmark interest rates of commercial banks, placing additional limitations on the ability of commercial banks to make loans to property developers, imposing additional taxes and levies on property sales, restricting foreign investment in the PRC property sector and restricting domestic individuals to purchase properties in some cities in China. For additional information on the PRC laws and regulations relating to the property market, please refer to the section headed “Regulation” in this prospectus. Many of the property industry policies carried out by the PRC government are unprecedented and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on our operations and our future business development. We cannot assure you that the PRC government will not adopt additional and more stringent industry policies and regulations in the future. If we fail to adapt our operations to new policies and regulations that may come into effect from time to time with respect to the real estate industry, or such policy changes disrupt our business prospects or cause us to incur additional costs, our business, results of operations and financial condition may be materially and adversely affected.

Fair value gains on our investment properties represented a substantial portion of our net profit during the Track Record Period, and the fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, which may materially and adversely impact our profitability

We had a sizeable completed investment property portfolio with an aggregate GFA of approximately 63,942 sq.m. as of 30 September 2012 and we are required to reassess the fair value of our investment properties at the end of each reporting period on which we issue financial statements. Under IFRS, gains or losses arising from changes in the fair value of our investment properties are included in our consolidated statements of comprehensive income in the period in which they arise.

We recognize the fair value of our investment properties on our consolidated statements of financial position, and recognize fair value gains or losses on investment properties and the relevant deferred tax on our consolidated statements of comprehensive income. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, we recorded fair value gains on our investment properties in the amounts of approximately RMB250.2 million, RMB306.9 million, RMB539.9 million and RMB75.0 million, respectively, which represented 60.3%, 75.1%, 73.6% and 21.0% of our profit before tax, respectively, and 67.4%, 78.5%, 78.9% and 27.2% of our net profit, respectively, for the same periods.

The increase in the fair value of our investment properties during the Track Record Period was primarily due to the addition of new investment properties and the overall value appreciation of our properties in Jiangsu and Hunan provinces. Fair value gains do not, however, change our overall cash position as long as we continue to hold such investment properties. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. The fair value gains of our investment properties for the year ending 31

RISK FACTORS

December 2012 are not expected to increase significantly, or might even decrease, as compared to the year ended 31 December 2011. We cannot assure you that changes in market conditions (if any) will continue to create fair value gains on our investment properties at previous levels or at any level at all, or that the fair value of our investment properties will not decrease in the future or that our investment properties will increase substantially or at all. In particular, the fair value of our investment properties could decline in the event that, among other things, the real estate industry experiences a downturn as a result of PRC government policies aimed at “cooling-off” the PRC real estate market, or any global market fluctuations and economic downturn. There is no assurance that the fair value gains (if any) on our investment properties will increase due to any increase in our portfolio of investment properties and/or increase overall value appreciation of properties in Jiangsu and Hunan provinces. Any decrease in the fair value of our investment properties could lead to a decrease in fair value gains on investment properties in our statements of comprehensive income which could adversely affect our financial performance.

We do not hold any other property for future development other than our existing property development projects, and we may not be able to locate or acquire suitable sites for our future projects at reasonable costs, or at all

We derived our revenue mainly from the sale and lease of properties developed by us. Our ability to generate sustainable revenue depends on our ability to continuously identify and acquire suitable sites for property development. Many cities in China, including Nanjing, Yangzhou and Zhuzhou, have seen an increase in land costs in recent years and there is a limited supply of suitable land available for development in such cities. As a result, we may not be able to acquire suitable land at reasonable costs. We may also face strong competition from other property developers for the sites we plan to acquire and we cannot assure you that we will be able to acquire these sites at reasonable costs, or at all. Furthermore, the PRC government and the relevant local authorities have control over the supply of substantially all land and their approved usage, which in turn affects the price at which we can acquire land. Further changes in government policy with regard to land supply and development may lead to increases in our costs of acquiring land and limit our ability to successfully acquire land at reasonable costs, which would have a material adverse impact on our business, financial condition and results of operations.

We have entered into a number of non-binding letters of intent with the relevant governmental authorities and third-parties with respect to certain parcels of land. One of the letters of intent is in relation to the Shuanglong Road Project, for which we won the bid for the land acquisition in late October 2012 but we have not entered into the relevant land use right grant contract as of the Latest Practicable Date. We cannot assure you that these letters of intent (including Shuanglong Road Project) will eventually result in our acquisition of any land use right or our entering into of any land use right grant contract, or that the governmental authorities will grant us the land use right or issue the relevant land use right certificates in respect of these parcels of land. If we fail to obtain or experience a material delay in obtaining the land use right, our business, financial condition and results of operations may be materially and adversely affected.

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As of the Latest Practicable Date, other than our existing property development projects, we currently do not hold any other land for further development since all of our land bank either had been developed or was under development. If we were unable to locate and acquire suitable land for future development before we complete the construction work for all of our current properties under development (namely, Nanjing Jade Garden, Golden Wheel Star Plaza, Golden Wheel New Metro and Golden Wheel Star City (Phase II Buildings No. 10 and 18)), which is expected to be the end of 2013, we would not have any new property for development. If we do not have any new property for sale or lease, our operating cash inflow and profitability would be materially and adversely affected. Given that pre-sale proceeds have been an important source of our funding for new projects, if we do not have any pre-sale proceeds from new properties, our then revenue from our property leasing and operational management business may not be sufficient to maintain our Group's operation or fund future development projects when opportunities arise. Such risks, if realized, could have a material adverse effect on our business, operation and future prospects.

We were not in full compliance with the applicable PRC laws and regulations during the Track Record Period

We were not in full compliance with the applicable PRC laws and regulations during the Track Record Period. The non-compliance incidents include (i) Late completion of Nanjing Jade Garden and Golden Wheel Star Plaza, (ii) delivery of certain property units of Golden Wheel Time Square to our customers before passing the construction completion examination, (iii) failure to complete lease registration for certain leased properties of Golden Wheel Time Square, (iv) failure to make housing fund contributions for some of our employees, and (v) granting loans to one of our PRC subsidiaries. For details of the non-compliance incidents, please refer to the section headed "Business — Regulatory Compliance" in this prospectus. Any future judgment or penalty against us in respect of these non-compliance incidents could have an adverse effect on our reputation, cash flow and results of operations. For the risks associated with our failure to make housing fund contributions for our employees, please refer to "— We were not in full compliance with PRC housing funds contribution requirement and did not make housing fund contributions until April 2012", and for risks associated with late completion, please refer to the section headed "— We may not be able to meet project development schedules and complete our projects on time, or at all" below.

We were not in full compliance with PRC housing funds contribution requirements and did not make housing fund contributions until April 2012

Our PRC subsidiaries had not set up their respective housing fund accounts with the relevant local housing funds authorities until April 2012 and we did not make housing fund contributions for our employees before these accounts were set up. Although we were not aware of any recent complaints or demands for payment of housing fund contributions from our employees and did not receive any relevant legal documentation from the relevant authorities disputing our housing fund contributions, we cannot assure you that no such claims would be brought against us in the future.

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As advised by our PRC legal advisors, Jun He Law Offices, according to the applicable PRC laws and regulations, employers who fail to pay housing fund contributions may be ordered to rectify the problem. If the relevant authorities determine that we have violated the relevant laws and regulations, the maximum liability will be approximately RMB2.5 million, for which we have made a full provision as of the Latest Practicable Date. Any judgment against us in respect of our outstanding housing fund contributions could have a material adverse effect on our reputation, cash flow and results of operations.

We had net cash outflows from operating activities for the six months ended 30 June 2012, which may impair our ability to make necessary capital expenditures, acquire suitable land, develop and complete our property projects on time, or settle our debt obligations when due.

We had net cash outflow from operating activities of RMB75.4 million for the six months ended 30 June 2012, which was primarily attributable to a decrease in deposits and prepayments received from pre-sale of properties due to project development schedules, as well as an increase in prepayment for acquisition of leasehold land held for development for sale of RMB60.0 million in connection with our Zhuzhou Yunlong Project. For details, please refer to the section headed “Financial Information — Liquidity and Capital Resources — Cash Flows” in this prospectus. Net cash outflows from operating activities may impair our ability to make necessary capital expenditures, acquire suitable land, develop and complete our property projects on time, or settle our debt obligations when due. If we are unable to meet our debt obligations, our creditors could choose to demand immediate repayment from us, which may materially and adversely affect our financial condition. During the six months ended 30 June 2012, a substantial portion of our revenue was derived from the sale of Golden Wheel Time Square in which a major portion of the total saleable GFA of the property had been sold. Given that only a small portion of the total saleable GFA of Golden Wheel Time Square is expected to be sold after 30 June 2012 and that a substantial portion of the current properties under development is expected to be sold after 2012, each of our revenue and net profit for the six months ending 31 December 2012 is expected to decrease by more than 50% from that for the six months ended 30 June 2012. There is no assurance that our property development and property leasing and operational management business will continue at the levels that we achieved during the Track Record Period. If we continue to have net cash outflows from operating activities in the future, we may not have sufficient working capital and our business, financial condition and results of operations may be materially and adversely affected.

We require substantial capital resources to acquire land and develop our projects, which may not be available on commercially reasonable terms, or at all, and are subject to market demand and policy changes

Property development is capital intensive. The availability of adequate financing is crucial to our ability to acquire land and to complete our projects. We finance our property development projects through our operating cash inflow (mainly pre-sale proceeds of our projects), bank loans and our shareholders’ capital contribution.

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Our ability to obtain adequate financing for land acquisitions or property development on terms commercially acceptable to us depends on a number of factors, many of which are beyond our control. The PRC government has in recent years introduced numerous policy initiatives in the financial sector to further tighten the requirements for lending to property developers which, among other things:

- prohibit the PRC commercial banks from granting loans to property developers for the purpose of paying land acquisition consideration;
- restrict the PRC commercial banks from granting loans for the development of luxury residential properties;
- require property developers to fund a minimum amount of 20% (commodity residential property projects) and 30% (other projects) of the total estimated capital required for the project with internal funds; and
- prohibit property developers from using borrowings obtained from local banks to fund property developments outside that local region.

As a result, we may not be able to obtain bank loans or funding from other sources in the future on commercially acceptable terms, or at all, which could have a material adverse impact on our business, financial condition and results of operations.

In addition to bank loans, we utilize pre-sale proceeds and funds generated from our operations as an important source of financing for our property development. There can be no assurance that we can achieve sufficient pre-sale proceeds, or at all, to finance a particular development project. Any restriction on our ability to pre-sell or sell our properties, including any increase in the amount of upfront expenditures we must incur prior to obtaining a pre-sale permit, or any restriction on our ability to utilize pre-sale proceeds, including as a result of changes to PRC laws and regulations governing the use of pre-sale proceeds, would extend the time required to recover our capital outlay and could require us to seek alternative means to finance the various stages of our property development projects. Our ability to generate cash depends on the demand for and prices of our properties and our ability to continuously develop and sell or lease our properties. Any restriction on our ability to pre-sell or sell, any change in our ability to generate profits from our operations or our ability to collect installments from the purchasers could have a material adverse impact on our business, financial condition and results of operations. Moreover, there is no assurance that we will be able to maintain our prudent net debt to equity ratio in the future at the level we had during the Track Record Period. If our net debt to equity ratio increases significantly in the future, our ability to raise bank borrowings could be negatively affected, which would in turn limit our ability to acquire land or capture other opportunities and as a result our business, financial condition and results of operations may be materially and adversely affected.

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We may not be able to meet our project development schedules and complete our projects on time, or at all

Development of property projects involves a complex process that lasts for a long period of time and contains many inherent risks that could prevent the projects from being completed as originally planned. Construction of a particular project may take several years before it can generate positive cash flows through pre-sales, sales and leases, and the timing and costs involved in completing a particular project could be materially and adversely affected by many factors, including, among others:

- delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;
- relocation of existing site occupants and demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents;
- natural catastrophes and adverse weather conditions;
- adverse geographical conditions; and
- changes in market conditions.

Any delay in, or failure to complete, the construction of a particular project according to its planned specifications or schedule may damage our reputation as a property developer, and lead to loss of revenues, potential penalties arising from late delivery of our properties and an increase in construction costs. If we do not complete our projects on time, or at all, our business, financial condition and results of operations may be materially and adversely affected.

In addition, we are required to complete the construction of the projects within certain specified time periods under the respective land use right contracts that we signed with the relevant local land authorities. We expect that we will not be able to complete the construction of Nanjing Jade Garden and Golden Wheel Star Plaza within the specified time periods under the relevant land use right contracts and the relevant extension approval (the “**Late Completion**”). If we fail to complete the construction of the projects within the specified time periods, we will be required to pay to the Nanjing Land and Resource Bureau (南京市國土資源局) (the “**Land Bureau**”) a daily late fine of 0.05% of the proportionate consideration calculated based on the incomplete portion of the projects under the land use right contracts. If the delay extends beyond one year, the local land authorities are entitled to forfeit part of the land on which the construction has not been completed without any payment to us. Our PRC legal advisors, Jun He Law Offices, have conducted an interview with the Land Bureau with respect to the Late Completion and understands that the Land Bureau is aware that delay in completion of construction is not uncommon in Nanjing and in practice it generally would not

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strictly enforce the terms of the relevant land use right contracts in relation to a late fine or forfeiture of the relevant land use right. We plan to complete Nanjing Jade Garden and Golden Wheel Star Plaza within one year after the respective deadline under the land use right contracts and the extension approval. On that basis, Jun He Law Offices, our PRC legal advisors, advised us that the Land Bureau would not seek to forfeit the relevant land use right and the risk that the Land Bureau would impose a late fine on us would be minimal. For details, please refer to the section headed “Business — Regulatory Compliance — Late Completion of Nanjing Jade Garden and Golden Wheel Star Plaza” in this prospectus. However, we cannot assure you that the relevant land authorities will not strictly follow the terms of the relevant land use right contracts and ask us to pay a late fine or even forfeit the relevant land use right. In addition, we may be required to pay penalties for late delivery to the purchasers of these two projects. According to the pre-sale contracts of Nanjing Jade Garden, we are required to pay a daily fine of 0.01% of the payment made by our purchasers if we fail to deliver the properties by the end of November 2013. Based on the pre-sale proceeds recorded for Nanjing Jade Garden as of the Latest Practicable Date, if we fail to deliver the properties on time, the daily fine we are required to pay to our purchasers will be approximately RMB16,000 and the amount of the total fine will depend on the length of delay. Such risks, if realized, will materially and adversely affect our business, financial condition and results of operations.

The illiquidity of investment properties and the lack of alternative uses for investment properties could limit our ability to respond to materially adverse changes in the performance of our properties

As of 30 September 2012, we held an aggregate GFA of approximately 63,942 sq.m. as investment properties. Investment properties are illiquid and, as a result, our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We cannot predict whether we will be able to sell any of our investment properties for the price or on the terms set by us, or whether any price or other terms offered by prospective purchasers would be acceptable to us. We also cannot predict the length of time needed to find customers and to complete the sale. In addition, we may be required to expend funds to maintain properties, to correct defects, or to make improvements before a property can be sold, and we cannot assure you that we would have such funds available.

In addition, investment properties may not be readily convertible to alternative uses if they become unprofitable due to competition, age, decreased demand, increased supply or other factors. The conversion of investment properties to alternative uses would generally require substantial capital expenditure and we cannot assure you that we will have such funds available. These factors and any other factors that would impede our ability to respond to material adverse changes in the performance of our investment properties may have a material adverse impact on our business, financial condition and results of operations.

Any failure of third-party transferors to comply with the applicable PRC laws and regulations for transfers of state-owned assets may affect our business

With respect to transfers of state-owned assets in the PRC, transferors are generally required to go through certain procedures as required by applicable PRC laws and regulations,

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including the filing of an asset appraisal report with the state-owned assets administration authorities and selling through a listing-for-sale process at designated exchange centers as required by the Provisional Measures for the Transfer of State-Owned Property Rights of Enterprises (《企業國有產權轉讓管理暫行辦法》) and the Provisional Measures for the Administration of Assessment of State-Owned Assets of Enterprises (《企業國有資產評估管理暫行辦法》). In the event of a transfer of state-owned assets which is not in compliance with applicable PRC laws or regulations, the state-owned assets supervision and administration authorities have the right to require the transferors to rectify such non-compliance or to seek a court order to nullify such transfers.

In 2011, we acquired the land (the “**Land**”) for Golden Wheel New Metro from Nanjing Metro (the “**Transfer**”). Nanjing Metro invited us to bid for the Land as part of its open invitation to the public, and did not undergo a listing-for-sale process at the designated exchange center in connection with the Transfer as required by relevant rules governing the transfer of state-owned assets. As a result, as advised by our PRC legal advisors, Jun He Law Offices, the Nanjing State-owned Assets Supervision and Administration Committee may require Nanjing Metro to rectify such non-compliance or seek a court order to nullify the Transfer. For details, please refer to the section headed “Business — Our Property Projects — Projects under Development — Golden Wheel New Metro” in this prospectus.

We expect to continue to build up our land bank. However, we cannot assure you that third-party transferors will fully comply with the applicable PRC laws and regulations for transfer of state-owned assets. Consequently, our property projects could be delayed indefinitely and we might need to spend time, incur costs and make efforts on litigations with such transferors; or if we have already pre-sold or sold the property units of the relevant projects and the court subsequently makes any unfavorable rulings in relation to the relevant land, we may be subject to claims by the purchasers. Although we may seek compensation from such transferors, it is uncertain as to whether and when we can obtain such compensation and the amount of compensation, if any. Any such risks, if realized, may materially and adversely affect our business, financial condition and results of operations.

The appraisal values of our properties may be different from the actual realizable values and are subject to change

The appraisal values of our properties as contained in the property valuation report contained in Appendix IV to this prospectus are based on multiple assumptions that include elements of subjectivity and uncertainty, and may be subject to substantial fluctuations. Therefore, the appraised values of our properties should not be taken as their actual or forecast realizable values. Unforeseeable changes to the development of the property projects as well as national and local economic conditions may affect the value of our properties.

These assumptions include:

- we will complete development projects on time;

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- we have obtained or will obtain, on a timely basis, all approvals from regulators necessary for the development of the projects; and
- we have paid all the land premium and obtained all land use right certificates and transferable land use right.

If any of these assumptions turns out to be incorrect or the actual realizable value of any of our properties is significantly lower than its appraised value, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to obtain, extend or renew qualification certificates for property development

As a pre-condition to engaging in property development in China, a property developer must obtain a qualification certificate and have it renewed annually unless the rules and regulations allow for a longer renewal period. According to the relevant PRC regulations on qualification of property developers, a newly established property developer must first apply for a provisional qualification certificate with a one-year validity, which can be extended for a maximum of two years. If the newly established property developer fails to commence a property development project within the one-year period when the provisional qualification certificate is in effect, it will not be allowed to extend its provisional qualification certificate. More established property developers must also apply for renewal of their qualification certificates on an annual basis. It is mandatory under government regulations that developers fulfill all statutory requirements before obtaining or renewing their qualification certificates. We may not be able to obtain the qualification certificates in a timely manner, or at all, as and when they become due to expire. If we do not possess valid qualification certificates, the governmental authorities may refuse to issue pre-sale and other permits necessary for our property development business. In addition, the governmental authorities may impose a penalty on us and our project companies for failure to comply with the relevant licensing requirements. If we are unable to meet the relevant requirements, and therefore unable to obtain or renew the qualification certificates or pass the annual verification, our business and financial condition could be materially and adversely affected.

Our failure to meet all requirements for issuance of property ownership certificates may render us liable to compensate our customers

Once a property project has passed the requisite completion inspections, we are required to deliver such completed properties to our property purchasers within the timeframe provided in the property sale and purchase agreements. We may become liable to our property purchasers for monetary penalties for delays in property delivery in such circumstances. This may have an adverse impact on our reputation and business operations.

Under the relevant PRC laws and regulations, we are required to submit requisite applications for governmental approvals in connection with our property developments, including land use right documents and planning and construction permits, to the relevant local authorities of land resources and housing administration within 30 days after the receipt of the

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certificate of completion for the relevant properties, and to apply for the general property ownership certificates in respect of these properties. We are then required, within stipulated periods after delivery of the properties, to submit the relevant property sale and purchase agreements, identification documents of the purchasers, proof of payment of deed tax, and the general property ownership certificate, for the relevant authorities' review and issuance of the individual property ownership certificates in respect of the sale of the properties to the individual purchasers. Delay by any of the administrative authorities in reviewing the relevant applications and granting approval as well as other factors may affect the timely delivery of the general as well as individual property ownership certificates. We may become liable to property purchasers for monetary penalties for any late delivery of the individual property ownership certificates, which may be caused by delays in the administrative approval process or other reasons beyond our control. While we have not experienced any delay in the issuance of property ownership certificate to date, we cannot assure you that such delays will not occur with respect to our future property projects. In the event of any significant delay with respect to one or more of our property projects, our business and reputation would be adversely affected.

Our business, financial condition and results of operations may be materially and adversely affected if interest rates increase in the future

Changes in interest rates have affected and will continue to affect our financing costs and, ultimately, our results of operations. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the interest expenses of our bank borrowings (including the amount capitalized to inventories and properties under development) incurred were RMB16.0 million, RMB33.9 million, RMB35.3 million and RMB16.1 million, respectively. Increases in interest rates may also affect our customers' ability to secure mortgages on acceptable terms, which in turn may affect their ability to purchase our properties. We cannot assure you that PBOC will not raise lending rates further or otherwise discourage bank lendings or that our business, results of operations and financial position will not be materially and adversely affected as a result.

We provide guarantees for mortgage loans taken out by our customers and if a significant number of these guarantees are called upon, our business, financial condition and results of operations could be materially and adversely affected

We pre-sell some of our properties before the construction is completed. In accordance with industry practice in China, we typically provide guarantees in respect of mortgages provided by the relevant banks to our customers of residential properties until completion of construction and the relevant property ownership certificates are submitted to these banks. If a customer defaults on his mortgage loan and the bank calls upon the guarantee, we will have to repay the full portion of the mortgage loan owed by the customer to the mortgagee bank. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage. In line with industry practice, we do not conduct any independent credit checks but only rely on the results of customer credit checks conducted by the relevant mortgagee banks.

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As of 31 December 2009, 2010 and 2011 and 30 June 2012, our outstanding guarantees of mortgage loans in connection with our pre-sold residential properties amounted to RMB137.4 million, RMB176.8 million, RMB185.1 million and RMB210.3 million, respectively. During the Track Record Period, we have not experienced any material defaults by our customers. However, there can be no assurance that defaults will not occur in the future or that we will not suffer any loss as a result of such defaults. In addition, if a significant number of customers default on their mortgages and our guarantees are called upon, our business, financial condition and results of operations could be materially and adversely affected to the extent that there is a material depreciation in the value of the relevant properties from the price paid by the customer or that we cannot sell such properties due to unfavorable market conditions or other reasons.

We depend heavily on the continuing services of our senior management team and other key personnel

Our success depends on the continued services of our executive Directors, in particular, Mr. Wong Yam Yin, Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry and other members of our senior management. Competition for talented employees is intense in the PRC commercial property industry. We are particularly dependent on our executive Directors as well as other senior management members for their vision to lead our Company and their industry knowledge and relationships that are crucial to our business and operations. If we lose the services of any core management team member and fail to find a suitable substitute, our business may be adversely impacted.

We may not be able to control the individual or collective decisions of certain tenants and property owners of our commercial complexes and other properties

To realize better cash flow and to free up capital to invest in additional property development projects, we have sold or leased in the past and will continue to sell or lease units of our commercial complexes and other properties. There can be no assurance that we will be able to control any individual or collective decisions of any tenants and property owners in the way they operate or lease such units or that any conflict in the usage of such units will not arise. Any material dispute between our tenants and us may have a material adverse impact on the reputation, business, operations and value of the related commercial complexes and other properties.

We may not be able to continue to attract and maintain major tenants for our commercial complexes

Our commercial properties compete for tenants with a number of other commercial properties in the surrounding areas on the basis of a wide range of factors, including location, design, construction quality and management. We also compete for tenants on the basis of rent levels and other lease terms. We seek to maintain the quality and attractiveness of our commercial complexes by securing long-term partnerships with domestic and foreign brands across a wide spectrum of industries. Many branded companies, such as H&M, Sephora and Dou Lao Fang (豆撈坊), are our major tenants.

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However, we cannot assure you that our existing and prospective tenants will not lease properties from our competitors. As a result, we may lose existing and prospective tenants to our competitors and have difficulty in renewing leases when they become due or in finding new tenants. An increase in the number of competing properties, particularly in close proximity to our properties, could increase competition for tenants, reduce the relative attractiveness of our properties and force us to reduce rent or incur additional costs in order to make our properties more attractive. If we are not able to consistently compete effectively for commercial tenants with other property developers or operators, our occupancy rates may decline. If we fail to continue to attract well-known brands as our tenants or maintain our existing major tenants, the attractiveness and competitiveness of our commercial complexes may be adversely affected. This in turn could have a material adverse effect on our business, reputation, results of operations and financial position.

Any default by our major tenants could result in a significant loss of rental income and a reduction in asset value

We derive a substantial portion of our revenue from rent received from our major tenants. Our major tenants generally pay a significant portion of the total rents in respect of a commercial complex and, in some cases, contribute to our success of securing other tenants by attracting significant number of customers to our properties. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the percentages of rental income attributable to our top five tenants were approximately 26.8%, 14.6%, 9.0% and 17.2%, respectively. Any default by our major tenants could result in a loss of rental income and a decrease in the value of our properties. Moreover, such default may prevent us from increasing rents or result in lease terminations by, or reductions in rents for, other tenants under the conditions of their leases. Any of the above effects could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to liability to environmental violations

We are subject to a variety of laws and regulations concerning environmental protection. The environmental laws and regulations that apply to any given project development site vary greatly according to the site's location, the site's environmental condition, the present and former uses of the site, as well as adjoining properties. Compliance with environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs and can severely restrict project development activities in environmentally sensitive areas.

As required by PRC laws and regulations, we have engaged independent environmental consultants to conduct environmental impact assessments for all of our development projects and the environmental investigations conducted to-date have not revealed environmental violations that would be expected to have a material adverse impact on our business, financial condition and results of operations. It is possible that these investigations did not reveal all potential environmental violations or their full magnitude, and that there are material environmental liabilities of which we are unaware. We cannot assure you that our procedures will be effective in preventing non-compliance in the environmental area. If any portion of our

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development projects is found to be non-compliant with certain environmental laws or regulations, we may be subject to suspension of operations or a portion of our operations as well as fines and other penalties, which may materially and adversely affect our business, financial condition and results of operations.

We may be involved in disputes, legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result

We may from time to time be involved in disputes with various parties involved in the development, sale, leasing and management of our properties, including contractors, suppliers, construction workers, purchasers and tenants. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs to our operations, and diversion of our management's attention. In addition, we may disagree with regulatory bodies in certain respects in the course of our operations, which may subject us to administrative proceedings and unfavorable decrees that result in liabilities and cause delays to our property developments. We cannot assure you that we will not be involved in any major legal proceedings in the future.

We have limited insurance to cover all potential losses and claims

We do not carry insurance against all potential losses or damages with respect to our properties before their delivery to customers. In addition, we do not maintain insurance coverage against liability arising from personal injuries or other tortious acts related to construction of our projects as such liabilities should be borne by the construction companies. However, we cannot assure you that we would not be sued or held liable for damages due to any such personal injuries and other tortious acts. Moreover, our business may be adversely affected due to the occurrence of natural disasters and other unanticipated catastrophic events, with respect to which we do not carry any insurance. Also, there are certain losses for which insurance is not available on commercially practicable terms, such as losses suffered due to earthquake, nuclear contamination, typhoon, flooding, war and civil disorder. If we suffer from any losses, damages or liabilities in the course of our operations and property development, we may not have sufficient financial resources to cover fully such losses, damages or liabilities or to replace any property development that has been destroyed, and may lose all or a portion of our invested capital in the affected properties and anticipated future income from such properties. Any such material uninsured loss could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the performance of third-party contractors and service providers and prices of construction materials

We engage third party contractors to carry out various work including construction, equipment installation, internal decoration, landscaping, electro-mechanical engineering, pipeline engineering and lift installation. We select third party contractors mainly through a tender process. We cannot guarantee that any such third party contractor will provide satisfactory services and at the required quality level. In addition, we may not be able to engage sufficient quality third party contractors in the cities which we plan to expand into.

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Moreover, completion of our property developments may be delayed and we may incur additional costs due to a contractor's financial or operational difficulties. The contractors may undertake projects from other developers; engage in risky undertakings or otherwise encounter financial or other difficulties, which may cause delay in the completion of our property projects or increase our project development costs. The services rendered by any of these independent contractors may not be constantly satisfactory or match our requirements for quality. Any of these factors could have a negative impact on our reputation, business, financial condition and results of operations.

In addition, substantially all of the costs of construction materials were accounted for as part of the contractor fees upon settlement with the relevant contractors. However, if the cost of construction materials increases beyond our expectation, the contractors may request to transfer such increase in costs of construction materials to us and to increase the contractor fees. In the event there is a material increase in construction costs, our business, financial condition and results of operations may be materially and adversely affected.

We also engage third party property management service providers to provide services such as security, property maintenance, cleaning and other ancillary services to our tenants. We cannot guarantee that any such third party service provider will provide satisfactory services and at the required quality level. In addition, we may not be able to engage sufficient quality third party service providers for the projects we are developing. Any of these factors could have a negative impact on our reputation, business, financial condition and results of operations.

The PRC real estate market is highly competitive and the intense competition in our property development business and property leasing and operational management business may materially and adversely affect our business, financial condition and results of operations

The PRC real estate market has been highly competitive in recent years. Our major competitors consist of large national and regional property developers, including local property developers that focus on one or more cities in Jiangsu and Hunan provinces. Some of our competitors may have better track record, greater financial, marketing and land resources, large sales networks and stronger brand name.

Our properties in Nanjing, Yangzhou and Zhuzhou face competition from similar properties in the same regions. Increasing competition in these regions may lead to an increase in competition for quality sites, an increase in land acquisition costs, an increase in supply of developed properties, decreased sales prices and a slowdown in the rate at which new property developments will be reviewed and approved by the relevant governmental authorities, all of which could materially and adversely affect our profitability. Such competition may also affect our ability to attract and retain tenants and customers and may reduce the rents or prices we are able to charge. Competing properties may have occupancy rates lower

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than our properties, which may result in those competitors being willing to lease or sell available space at lower prices than the space in our properties. If we are unable to compete effectively, our business, financial condition, results of operations, operation and prospects could be materially and adversely affected.

In addition, we face intense competition in our property leasing and operational management business. Competition in such businesses is based on quality of services, brand name recognition, commission rates and range of services. As compared to property development, such business does not require significant capital commitments. This low entry barrier provides easy access for new competitors to enter into this business. New and existing competitors may offer competitive rates, greater convenience or better services and take business opportunities away from us. If we fail to compete effectively, our property leasing and operational management business may suffer and our results of operations may be materially and adversely affected.

Any deterioration in our brand image could adversely affect our business

Our brand is important to the business operation and development. We also rely on the brand name of our corporate partners, including our major tenants, to attract potential customers to our commercial complexes. Any negative incident or negative publicity concerning us or our properties or any of our major tenants at our commercial complexes could adversely affect our reputation and business prospects. Brand value is based largely on consumer perceptions with a variety of subjective qualities and can be damaged even by isolated business incidents that degrade consumer trust. Consumer demand for our products and services and our brand value could diminish significantly if we fail to preserve the quality of our products and services, or fail to deliver a consistently positive consumer experience in each of our commercial complexes, or if we are perceived to act in an unethical or socially irresponsible manner. As we are less well known in certain regions in China where we do not have property projects, any negative publicity and resulting decrease in brand value, and/or failure to establish our brand in these regions could have a material adverse effect on our business, financial condition and results of operations.

As of the Latest Practicable Date, we have not registered trademarks containing our brand “金輪 (Golden Wheel)” in the PRC. Any registration and use of such marks or any unauthorized use of our registered trademarks and other related intellectual property rights by others in their corporate names or brands could harm our image and competitive advantages. Furthermore, the PRC intellectual property laws and regulations are still evolving and there exists uncertainties as to how the relevant courts or governmental authorities will enforce such laws and regulations. Any failure by us to adequately protect our brand, trademarks and other related intellectual property rights may have a material adverse effect on our business, financial condition and results of operations.

We may be treated as a resident enterprise for PRC tax purposes under the EIT Law, which could result in unfavorable tax consequences to us and our non-PRC shareholders.

We are incorporated under the laws of the Cayman Islands, but substantially all of our operations are in China. Under the EIT Law and its implementation rules, an enterprise

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incorporated in a foreign country or region may be classified as either a “non-resident enterprise” or a “resident enterprise.” If an enterprise incorporated in a foreign country or region has its “de facto management bodies” located within China, such enterprise will be considered a PRC tax resident enterprise and will normally be subject to the enterprise income tax of 25% on its worldwide income. The relevant implementation rules define “de facto management bodies” as those which exercise substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties and other aspects of an enterprise. In April 2009, the State Tax Bureau issued a Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, which sets forth certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in mainland China. However, Circular 82 only applies to offshore enterprises controlled by PRC enterprises and not those controlled by PRC individuals. Substantially all of the members of our management are currently residing in China and we expect them to continue to be located in China. Due to the lack of clear guidance on the criteria pursuant to which the PRC tax authorities will determine our tax residency under the EIT Law, it remains unclear whether the PRC tax authorities will treat us as a PRC resident enterprise for tax purposes. As a result, if we are deemed to be a PRC tax resident enterprise, we will be subject to an enterprise income tax rate of 25% on our worldwide income, and in addition, we will be obligated to withhold PRC income tax on the gross amount of dividends we pay to our Shareholders who are non-PRC tax residents. The withholding income tax rate is 10%, unless otherwise provided under applicable double taxation treaties between China and the governments of foreign tax jurisdictions where such non-PRC tax resident Shareholders reside. In addition, if we are deemed to be a PRC resident enterprise for tax purposes under the EIT Law, gains on sales or other transfers of the Offer Shares by an investor may also be treated as income derived from sources within the PRC and be subject to PRC tax.

The relevant PRC tax authorities may enforce the payment of LAT and may challenge the basis on which we calculate our LAT obligations

Our income from the sale of land use right, buildings or related facilities on such land is subject to LAT, which is payable on the appreciation in value representing the balance of the proceeds received on such sales, after deducting various prescribed items, including payments made for acquisition of land use right, the direct costs and expenses of the development of the land and construction of the buildings and structures, finance costs up to a maximum of 10% of the total land acquisition costs and construction costs, the appraised price of any existing buildings and structures on the land and taxes related to the assignment of the property. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use right and the costs of land development and construction of new buildings or related facilities. An exemption from payment of LAT may be available if the taxpayer constructs ordinary standard residential apartments and the appreciation amount does not exceed 20% of the sum of deductions allowed under PRC law.

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On 28 December 2006, the SAT issued the *Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development* (《關於房地產開發企業土地增值稅清算管理有關問題的通知》). This notice came into effect on 1 February 2007 and provides further clarity on the application of LAT with respect to property development projects. First, the notice specified that taxpayers will be required to settle LAT for each property project developed, or if the project is developed in stages, for each stage of the project. Second, LAT should be imposed on taxpayers under the following conditions: (i) when a property development is completed and completely sold; (ii) when an unfinished property project that is subject to final accounts is wholly transferred to a third party; or (iii) when the taxpayer's land use right is directly transferred. Finally, LAT may be imposed on taxpayers under the following additional conditions: (i) where a property development has been completed and approved, if the area transferred is greater than 85% of the total saleable area of the development, or if the area transferred is less than 85%, and the retained area is leased or used by the developer; (ii) where a property development has not been sold out on the expiration of three years from the date the advanced sale or pre-sale license was obtained; (iii) where a taxpayer has applied for cancellation of its tax registration but has not yet settled LAT; or (iv) where there are other circumstances as prescribed by the provincial tax authorities.

We have been prepaying LAT with reference to our pre-sale proceeds according to the relevant regulations of the local PRC government in jurisdictions where we have operations. Such LAT prepayments are recorded as a part of "prepaid taxes" on our consolidated statements of financial position. We also made LAT provision of RMB34.0 million, RMB19.4 million, RMB43.9 million and RMB72.6 million during the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, respectively. However, the actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects and the PRC tax authorities may not agree with us on the basis on which we calculate our LAT obligations. We cannot assure you that our LAT provision will be sufficient to cover our past LAT liabilities. We also cannot assure you that the relevant tax authorities will agree with us on the basis on which we have calculated our LAT liabilities. In the event that our Group is required to settle any or all unpaid LAT, our cash flow and results of operations during the related period may be materially and adversely affected.

Changes of PRC laws and regulations with respect to pre-sale may adversely affect our cash flow position and business performance

We depend on cash flows from the pre-sale of properties as an important source of funding for our property development. Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sale of the relevant properties and may only use pre-sale proceeds to finance their developments. In August 2005, PBOC issued a report entitled "2004 Real Estate Financing Report", in which it recommended the discontinuation of the practice of pre-selling uncompleted properties as it creates significant market risks and generates transactional irregularities. This and other PBOC recommendations have not been adopted by the PRC government. However, we cannot assure you that the PRC government will not adopt such recommendations and abolish the practice of pre-selling uncompleted properties or implement further restrictions on property pre-sale,

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such as imposing additional conditions for obtaining pre-sale permits or imposing further restrictions on the use of pre-sale proceeds. Any such measures will materially and adversely affect our cash flow position and force us to seek alternative sources of funding to finance our project developments.

In addition, we make certain undertakings in our sale and purchase agreements including obtaining the requisite completion acceptance inspection certificates for the properties and delivering completed properties and property ownership certificates to the customers within the period stipulated in the sale and purchase agreements. These sale and purchase agreements and PRC laws and regulations provide for remedies for breach of such undertakings. For example, if we pre-sell a property project and we fail to complete that property project on time, we will be liable to the purchasers of our pre-sold properties for their losses. Should we fail to complete a pre-sold property project on time, our purchasers may seek compensation for late delivery pursuant to either their contracts with us or relevant PRC laws and regulations. If our delay extends beyond the specified period, our purchasers may terminate the sale and purchase agreements and claim compensation. We cannot assure you that we will not experience significant delays in the completion and delivery of our projects which could have a materially adverse effect on our business, financial condition and results of operations.

We face uncertainty with respect to indirect transfers of equity interests in PRC subsidiaries through their non-PRC holding companies

On 10 December 2009, SAT promulgated the Circular of the State Administration of Taxation on Strengthening the Administration of Enterprise Income Tax on Incomes from Equity Transfers of Non-Resident Enterprises (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》) (“**Circular 698**”) to regulate the administration of enterprise income tax on equity transfer from non-resident enterprise, with retroactive effect from 1 January 2008. Under Circular 698, if a foreign investor transfers its indirect equity interest in a PRC resident enterprise by means of disposal of its equity interests in an overseas holding company (the “**Indirect Transfer**”) and the overseas holding company is located in a tax jurisdiction which levies tax at an effective tax rate of less than 12.5% or does not levy tax, the foreign investor shall report the Indirect Transfer to the competent tax authorities and provide required materials within 30 days after signing of the equity transfer agreement. The competent taxation authorities may ignore the existence of the overseas holding company, if the foreign investor conducts Indirect Transfer without reasonable commercial purpose and establishes the overseas holding company for tax avoidance purposes. As a result, gains derived from the Indirect Transfer may be subject to PRC withholding tax at a rate of up to 10% and the foreign investor may be subject to penalty for any late tax payment.

We have made the requisite filings with the relevant local tax authorities with respect to the acquisitions of Golden Wheel International Corporation and Golden Wheel International Investment by Golden Wheel Pearl and Golden Wheel Jade. However, we cannot assure you that such acquisitions will not be regarded as Indirect Transfers. In the event that we are required to settle any relevant withholding tax under Circular 698, our cash flow and results of operations during the related period may be materially and adversely affected.

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RISKS RELATING TO CHINA

Our business, financial condition and results of operations are heavily impacted by the political and economic situation in the PRC

Since 1978, China's GDP has grown at a rapid rate. In 2011, China's real GDP grew at a rate of 9.2%. We cannot assure you that such growth will continue in the future, particularly in light of the slower GDP growth data for the early part of 2012.

The PRC economy differs from the economies of most developed countries in many respects, including structure, government involvement, level of development, economic growth rate, control of foreign exchange, allocation of resources and balance of payment position. For the past three decades, the PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Although we believe these reforms will have a positive effect on the PRC's overall long-term development, we cannot predict whether changes in the economic, political and social conditions of the PRC will materially and adversely affect our current or future business, financial condition, results of operations or prospects. Moreover, even if new policies may benefit us in the long term, we cannot assure you that we will be able to successfully adjust to such policies. If there is a further slowdown in the economic growth of the PRC, or if the PRC economy experiences a recession, demand for our products may also decrease and our business, financial condition, results of operations and operations may be materially and adversely affected.

In addition, demand for our products may be affected by a variety of factors, many of which may be beyond our control, including:

- political stability or changes in social conditions within the PRC;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation; and
- the imposition of additional restrictions on currency conversion and remittances abroad.

Any significant changes in relation to any of these factors may materially and adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS

The global financial markets have experienced significant deterioration and volatility, which have negatively affected the global economy. Any further downturn may adversely affect our financial condition and results of operations

The global financial markets have been affected by a general slowdown of economic growth globally, resulting in substantial volatility in global equity securities markets and tightening of liquidity in global credit markets. During the third quarter of 2011, the tightening monetary policies and high inflation in the PRC, global economic uncertainties and the euro zone sovereign debt crisis have resulted in adverse market conditions and increased volatility in the PRC and overseas financial markets. While it is difficult to predict how long these conditions will exist and the extent to which we may be affected, these developments may continue to present risks to our business operations for an extended period of time, including increase in interest expenses on our bank borrowings, or reduction in the amount of banking facilities currently available to us. These challenging market conditions have resulted in reduced liquidity, widening of credit spreads in credit markets, a reduction in available financing and a tightening of credit terms.

Should there be a further economic downturn or credit crisis for any reason, our ability to borrow funds from current or other funding sources may be further limited, causing our continued access to funds to become more expensive, which would adversely affect our business, liquidity, financial condition, results of operations, and most importantly, our property development projects. As such, we cannot assure you that our business operations will not suffer further adverse effects caused by the previous or future credit crisis in the near future.

Fluctuations in the value of the RMB could have an adverse effect on your investment

The value of RMB against the Hong Kong dollar, the U.S. dollar and other foreign currencies is affected by, among other things, changes in the PRC's economic and political conditions. In 2005, the PRC government changed its policy of pegging the value of RMB to the U.S. dollar. Under the new policy, RMB is permitted to fluctuate within a band against a basket of currencies, determined by the PBOC, against which it could rise or fall by as much as 0.3% each day. On 21 May 2007, the PRC government further widened the daily trading band to 0.5%. Between 21 July 2005 and 31 December 2009, RMB has appreciated significantly against the U.S. dollar. In June 2010, the PRC government indicated that it would make the foreign exchange rate of RMB more flexible, which increases the possibility of sharp fluctuations of RMB's value in the near future and the unpredictability associated with RMB's exchange rate. On 16 April 2012, the PRC government further widened the daily trading band to 1%. Notwithstanding, there still remains significant international pressure on the PRC government to further liberalize its currency policy, which could result in a further and more significant fluctuation in the value of RMB against the U.S. dollar.

RISK FACTORS

As we rely on dividends paid to us by our PRC subsidiary, any significant revaluation of the RMB may have an adverse effect on our revenue and financial condition and the value of any dividends payable on the Shares in foreign currency terms. In addition, even though majority of our revenue and expenses are denominated in RMB, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets, earnings or any declared dividends. Also, any unfavorable movement in the exchange rate may lead to an increase in our costs or a decline in sales, which could adversely affect our business, financial condition and results of operations.

Governmental control of currency conversion may affect the value of your investment

The PRC government imposes various controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currencies may restrict the ability of our PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations, if any. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local SAFE branch by complying with certain procedural requirements. However, approval from appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of bank borrowings denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

China's legal system is still developing and there are inherent uncertainties that may affect the protection afforded to our business and shareholders

As substantially all of our businesses are conducted, and substantially all of our assets are located, in the PRC, our operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and recently-enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and

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internal rules (some of which are not published on a timely basis, or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

We are a holding company that substantially relies on dividend payments from our subsidiaries for funding, and our corporate structure may limit our ability to receive dividends from, and transfer funds to, our PRC subsidiaries, which could restrict our ability to act in response to changing market conditions and reallocate funds from one affiliated PRC entity to another in a timely manner

We are a holding company incorporated in the Cayman Islands and operate our core business through our subsidiaries in China. Therefore, the availability of funds to us to pay dividends to our shareholders and to service our indebtedness depends upon dividends received from these subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises, such as some of our subsidiaries in China, to set aside part of their net profits as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future may also restrict the ability of our subsidiaries to make contributions to us and our ability to receive distributions. Therefore, these restrictions on the availability and usage of our major source of funding may impact our ability to pay dividends to our shareholders and to service our indebtedness.

Distribution by our PRC subsidiaries to us other than as dividends may be subject to governmental approval and taxation. Any transfer of funds from our Company to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, is subject to registration or approval of PRC governmental authorities, including the relevant administration of foreign exchange or the relevant examining and approval authority. In addition, it is not permitted under PRC laws for our PRC subsidiaries to directly lend money to each other. Therefore, it is difficult to change our plans with respect to the use of funds or capital expenditure plans once the relevant funds have been remitted from our Company to our PRC subsidiaries. These limitations on the free flow of funds between us and our PRC subsidiaries could restrict our ability to act in response to changing market conditions and reallocate funds from one PRC subsidiary to another in a timely manner.

The national and regional economies in China and our prospects may be materially and adversely affected by a recurrence of SARS or an outbreak of other epidemics, such as avian flu or human swine flu

Some regions in China, including the cities where we operate, are susceptible to epidemics such as Severe Acute Respiratory Syndrome or SARS. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of SARS or an outbreak of any other epidemics in

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China, such as the H5N1 avian flu or the human swine flu, also known as Influenza A (H1N1), especially in the cities where we have operations, may result in material disruptions to our property development and our sales and marketing, which in turn may materially and adversely affect our business, financial condition, results of operations and prospects.

You may experience difficulties in effecting service of process, enforcing foreign judgments or bringing original actions in China against us or our Directors or officers

We are a company incorporated under the laws of the Cayman Islands, but substantially all of our operations and assets are located in China. As a result, it may be difficult or impossible for you to effect service of process upon us. Moreover, China does not have treaties with most other jurisdictions, including Hong Kong, that provide for the reciprocal recognition and enforcement of judicial rulings and awards. As a result, recognition and enforcement in China of the judgment of a non-PRC court, such as Hong Kong, in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. Furthermore, an original action may be brought in China against us or our Directors or officers only if the actions are not required to be arbitrated by PRC law and upon satisfaction of the conditions for institution of a cause of action pursuant to the PRC Civil Procedure Law. As a result of the conditions set forth in the PRC Civil Procedure Law and the discretion of the PRC courts to determine whether the conditions are satisfied and whether to accept the action for adjudication, there remains uncertainty on whether an investor like you will be able to bring an original action in China in this fashion.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares. The market prices and liquidity of our Shares following the Global Offering may be volatile

Prior to the Global Offering, there has been no public market for our Shares. Following the completion of the Global Offering, the Hong Kong Stock Exchange will be the only market on which our Shares are listed. We cannot assure you that an active, liquid public trading market for our Shares will develop upon the present listing on the Hong Kong Stock Exchange. In addition, following the Global Offering our Shares may trade in the public market below the Offer Price. The Offer Price will be determined by agreement among us and the Joint Bookrunners, on behalf of the Underwriters, and the Offer Price may differ significantly from the market price of our Shares following the completion of the Global Offering. If an active trading market for our Shares does not develop or is not sustained after the Global Offering, the market price and liquidity of our Shares could be materially and adversely affected.

The trading price of our Shares may be volatile, which could result in substantial losses to you

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations

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located mainly in China that have listed their securities in Hong Kong, and in particular other property companies, may affect the volatility in the price of and trading volumes for our Shares. Recently, a number of PRC companies have listed their securities, or are in the process of preparing to list their securities, in Hong Kong. Some of the listed companies have experienced significant share price volatility, including significant declines, after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards companies listed in Hong Kong whose operations are primarily in China, and, consequently, may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the share price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our turnover, earnings and cash flow, or the occurrence or speculation of any of the risks described elsewhere in this “Risk Factors” section, could cause the market price of our Shares to change substantially. Any of these factors may result in large and sudden changes in the price and trading volume of our Shares.

Future sale of our securities in the public market (or perception or speculation that such sales may occur) could have a material and adverse impact on the prevailing market price of our Shares

The market price of the Offer Shares could decline as a result of future sale of substantial amount of Shares or other securities relating to the Shares in the public market or the issuance of new Shares or other securities, or the perception or speculation that such sales or issuances may occur. Future sale of substantial amounts of our securities, including any future offerings, or the perception that such sales are likely to occur, may also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem to be appropriate.

In addition, the Shares held by our Controlling Shareholders are subject to a lock-up period, details of which are set out in the section headed “Underwriting — The Hong Kong Public Offering — Undertakings under the Hong Kong Underwriting Agreement” of this prospectus. While we are not aware of any intentions of these shareholders to dispose of significant amounts of their Shares after the completion of the lock-up periods, we are not in a position to give any assurances that they will not dispose of any Shares they may own. Future sales of our Shares by our Controlling Shareholders following the completion of the relevant lock-up periods could materially and adversely affect the prevailing market price of our Shares.

Purchasers of our Shares in the Global Offering may experience dilution if we issue additional Shares in the future

In order to expand our business, we may consider issuing additional Shares in the future. Purchasers of our Shares may experience dilution in the net tangible asset book value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset book value per Share.

RISK FACTORS

There is no assurance that we will pay dividends in the future

No dividend has been paid or declared by our Company since its date of incorporation. Prior to the Reorganization, Golden Wheel International Investment, a wholly-owned subsidiary of our Company, had declared and paid dividend in an amount of RMB54.1 million to its then shareholders during the year ended 31 December 2011. In addition, Nanjing Jade Golden Wheel had declared and paid dividends of RMB55.0 million to Golden Wheel International Investment (eliminated upon consolidation) and RMB4.5 million to a non-controlling shareholder during the year ended 31 December 2011. Nanjing Jade Golden Wheel had declared and paid dividends of RMB32.5 million to Golden Wheel International Investment (eliminated upon consolidation) and RMB2.6 million to a non-controlling shareholder during the six months ended 30 June 2012. Yangzhou Golden Wheel Real Estate had declared and paid dividends in aggregate of RMB83.4 million to Golden Wheel International Investment and Nanjing Jade Golden Wheel (eliminated upon consolidation) and declared dividend of RMB3.3 million to a non-controlling shareholder during the six months ended 30 June 2012.

Our Directors may declare dividends after taking into account, among other things, our results of operations, financial condition and position, the amount of distributable profits based on IFRS, our Memorandum and Articles of Association, the Cayman Islands Companies Law, applicable laws and regulations and other factors that our Directors deem relevant. For further details of our dividend policy, please see the section headed “Financial Information — Dividend Policy” in this prospectus. Our future payments of dividends will be at the absolute discretion of our Board. We cannot assure you when or whether we will pay dividends in the future.

Certain facts and other statistics with respect to China, the PRC economy and the PRC real estate industry in this prospectus are derived from various official government sources and third-party sources and may not be reliable

Certain facts and other statistics in this prospectus relating to China, the PRC economy and the PRC real estate industry have been derived from various official government publications and third-party sources. However, we cannot guarantee the quality or reliability of these sources. They have not been prepared or independently verified by us or any of our affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies. As a result, prospective investors should consider carefully how much weight or importance they should attach to or place on such facts or statistics.

RISK FACTORS

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering

Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering which included, among other things, certain financial information, projection, valuations and other information about our Group and the Global Offering. We have not authorised the disclosure of any such information in the press or media and we do not accept any responsibility for the accuracy or completeness of press coverage or other media reports that have not been prepared or approved by us in advance of publication. We make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any such report, projection, valuation or forward-looking information about us, or any of the assumptions underlying such information. We disclaim statements in the press or other media that are inconsistent or conflict with the information contained in this prospectus. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

INFORMATION ABOUT THE GLOBAL OFFERING

Issuer	Golden Wheel Tiandi Holdings Company Limited 金輪天地控股有限公司
The Offering	Global Offering of 450,000,000 Shares (subject to adjustment and the Over-allotment Option) comprising (i) 45,000,000 Hong Kong Public Offer Shares (subject to adjustment); and (ii) 405,000,000 International Offer Shares (subject to adjustment and the Over-allotment Option).
Offer price range	HK\$1.38 per Offer Share to HK\$1.72 per Offer Share
Stock borrowing arrangement	A stock borrowing agreement is expected to be entered into between Golden Wheel Realty and the Sole Global Coordinator pursuant to which the Sole Global Coordinator may borrow up to an aggregate of 67,500,000 Shares from Golden Wheel Realty for the purpose of covering over-allocation in the International Offering
Over-allotment Option	Up to an aggregate of 67,500,000 Shares (representing in aggregate 15% of the Shares initially being offered under the Global Offering). See the section headed “Structure of the Global Offering — The International Offering”
Shares issued after the Global Offering	1,800,000,000 Shares (excluding the Shares to be issued pursuant to the exercise of the Over-allotment Option)
Lock-up undertakings by the Company and the Controlling Shareholders	See the section headed “Underwriting — The Hong Kong Public Offering”
Dividend policy	See the section headed “Financial Information — Dividend Policy”
Voting rights	Each Share entitles its holder to one vote at our Shareholders’ meeting. See the section headed “Appendix V — Summary of the Constitution of the Company and Cayman Islands Companies Law”
Stamp duty	Dealings in our Shares registered in the share register of our Company in Hong Kong will be subject to Hong Kong stamp duty

INFORMATION ABOUT THE GLOBAL OFFERING

Application for listing on the Hong Kong Stock Exchange

An application has been made to the Listing Committee for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to (i) the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (ii) the exercise of any options that may be granted under our Share Option Scheme.

Save as disclosed herein, no part of the equity or debt securities of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought in the near future.

Restrictions on offers and offers for sale

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

Each person acquiring the Hong Kong Public Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

We offer the Hong Kong Public Offer Shares solely on the basis of the information contained and representations made in this prospectus and the related Application Forms and on the terms and subject to the conditions contained in this prospectus and such forms. No person is authorised in connection with the Global Offering to give any information, or to make any representation, not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers or any other persons or parties involved in the Global Offering.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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Name	Residential Address	Nationality
<i>Executive Directors</i>		
WONG Yam Yin (王欽賢)	Flat A, 49/F, Tower 1 Park Towers, 1 King's Road Hong Kong	Chinese (Hong Kong)
WONG Kam Fai (王錦輝)	Flat A, 49/F, Tower 1 Park Towers, 1 King's Road Hong Kong	Chinese (Hong Kong)
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JANATA David	JL. Naripan No.49 Bandung, 40112 Indonesia	Indonesian
CHAN Wai Kin (陳偉健)	Flat 7H, Block 7 Woodland Crest 33 Tin Ping Road Sheung Shui Hong Kong	British
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GUNAWAN Kiky	JL. Raya Cilember No.317 A RT. 01/06 Cimahi, 40552 Indonesia	Indonesian

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Name	Residential Address	Nationality
<i>Independent non-executive Directors</i>		
HUI Yan Moon (許仁滿)	Flat A3, 16/F, Wah Hoi Mansion 254 Electric Road North Point Hong Kong	Chinese (Hong Kong)
WONG Ying Loi (黃英來)	Flat A, 1/F, Block 6 Villa Esplanada Tsing Yi, New Territories Hong Kong	Chinese (Hong Kong)
HOWE Sau Man (何秀雯)	Flat 02, 16/F Block B, Peninsula Heights NKIL 5104, 63 Broadcast Drive Kowloon Tong, Kowloon Hong Kong	Chinese (Hong Kong)
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Joint Bookrunners	BNP Paribas Capital (Asia Pacific) Limited 59/F to 63/F, Two International Finance Centre 8 Finance Street, Central Hong Kong BOCI Asia Limited 26th Floor, Bank of China Tower 1 Garden Road Central Hong Kong

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Joint Lead Managers

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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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Property valuers	CBRE HK Limited 4/F, Three Exchange Square 8 Connaught Place Central, Hong Kong
Industry advisor	Savills Valuation and Professional Services Limited 23/F, Two Exchange Square Central, Hong Kong
Receiving banks	Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Kowloon Hong Kong Bank of Communications Co., Ltd. Hong Kong Branch 20 Pedder Street Central, Hong Kong

CORPORATE INFORMATION

Registered office	Codan Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business in the PRC	33/F, Golden Wheel International Plaza No. 8, Hanzhong Road Nanjing PRC
Place of business in Hong Kong	Unit 707, Block B Seaview Estate 8 Watson Road North Point Hong Kong
Company website	www.gwtd.com.hk <i>(information contained in this website does not form part of this prospectus)</i>
Company secretary	Mr. Chan Wai Kin
Authorized representatives	Mr. Wong Kam Fai Mr. Chan Wai Kin
Audit committee	Ms. Howe Sau Man (<i>Chairman</i>) Mr. Hui Yan Moon Mr. Lie Tak Sen
Remuneration committee	Mr. Hui Yan Moon (<i>Chairman</i>) Mr. Wong Kam Fai Mr. Lie Tak Sen
Nomination committee	Mr. Wong Yam Yin (<i>Chairman</i>) Mr. Wong Ying Loi Ms. Howe Sau Man
Principal share registrar and transfer office	Codan Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

CORPORATE INFORMATION

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PRC

INDUSTRY OVERVIEW

We have extracted and derived the information and statistics in the section below, in part, from various official government publications and a report prepared by Savills (the “Savills Report”) commissioned by us. We believe that the sources of the information and statistics in this section are appropriate sources for such information and statistics and have taken reasonable care in the extraction and reproduction of such information and statistics. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. None of our Company, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective affiliates, directors or advisors or any other persons or parties involved in the Global Offering have independently verified such information and statistics directly or indirectly derived from official government publications or the Savills Report, or make any representation as to the accuracy of such information or statistics, which may not be consistent with other information and statistics compiled within or outside China. Accordingly, the official and non-official sources contained herein may not be accurate and should not be unduly relied upon.

SOURCE OF INFORMATION

The property market information and statistics about Nanjing, Yangzhou and Zhuzhou in this section are principally adopted from the respective Statistical Yearbook of Nanjing, Yangzhou and Zhuzhou and the data from the National Bureau of Statistics of these cities. For the data and statistics that could not be obtained from the National Bureau of Statistics, we adopted the data and statistics from the respective Real Estate Management Bureau of Nanjing, Yangzhou and Zhuzhou that provides the most current and up-to-date information on the relevant markets in which we operate.

According to the Statistical Survey Scheme on Residential Property Sales Prices (《住宅銷售價格統計調查方案》) (the “Survey Scheme”) announced by the National Bureau of Statistics, from February 2011, the National Bureau of Statistics has adopted transaction data recorded under the administration of the Real Estate Management Bureau as its source of data and its scope of calculation in preparing statistical data for real estate market. Accordingly, from February 2011, the two bureaux use the same source of data and have the same scope for calculation in their preparation of data.

However, the National Bureau of Statistics and the Real Estate Management Bureau present these data in different ways. The major differences in the presentation of data, with respect to the cities of Nanjing, Yangzhou, and Zhuzhou, mainly include:

Reporting Frequency and Method

The Real Estate Management Bureau reports data on a regular interval, usually on monthly basis and presents the data with average selling prices calculated by arithmetic means method. The National Bureau of Statistics reports data on an annual basis, with progressive data reported on a monthly basis tracking price movements by using a statistical

INDUSTRY OVERVIEW

method known as Chained Laspeyres price index presented as an index relative to the base index set as 100 in 2010. Zhuzhou is not included in the 70 assigned cities of China under the Survey Scheme and there is no disclosure of price movements by the National Bureau of Statistics of the city.

Data Coverage

The Real Estate Management Bureau reports data with a wider sector coverage and in a well-defined geographical breakdown and coverage, normally by urban districts under a well-defined geographical boundary. The National Bureau of Statistics reports data for the whole city without any geographical breakdown, and normally the data will be restricted to selective market sectors, such as commodity houses and residential property sector.

Preparation Criteria

The preparation criteria of data by Real Estate Management Bureau and National Bureau of Statistics are not exactly the same. The Real Estate Management Bureau in general reports data frequently within a defined area in an urban district. In addition, the bureau does not report data for all cities at prefecture-level and county level, such as Yangzhou and Zhuzhou.

Savills is of the view that the data reported by the Real Estate Management Bureau is useful for short-term analysis, whereas the data reported by the National Bureau of Statistics is more suitable for long-term analysis.

THE CHINA ECONOMY

Overview

China is the world's third-largest country in terms of total land area spanning approximately 9.6 million square kilometers, and is the world's most-populous country with a population of approximately 1.35 billion at the end of 2011. China's economy has experienced significant growth over the past 30 years, which was driven by its reform to a more market-oriented economy, massive investments in infrastructure by the Chinese government and land development by private investors. Despite the global financial crisis which had caused the global economy to enter into recession in late 2008, China had experienced positive growth in its nominal GDP, which increased from RMB26,581 billion in 2007 to RMB47,156 billion in 2011 at a CAGR of 15.4%. In line with its GDP growth, China's GDP per

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capita increased from RMB20,169 in 2007 to RMB29,992 in 2010 at a CAGR of 14.1%. From 2007 to 2011, the average growth rate of China's real GDP was 10.5%. The following table sets forth selected economic statistics of China for the years indicated:

	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽²⁾	2007-2011 CAGR
Population (million)	1,321.3	1,328.0	1,334.7	1,340.9	1,347.4	0.5%
Nominal GDP (RMB in billions)	26,581	31,405	34,090	40,120	47,156	15.4%
Real GDP Growth (%)	14.2%	9.6%	9.2%	10.4%	9.2%	—
GDP Per Capita (RMB)	20,169	23,708	25,575	29,992	N.A.*	14.1%**
Per Capita Disposable Income (RMB)	13,785.8	15,780.8	17,175.0	19,109	21,810	12.2%
Fixed Asset Investment (RMB in billions)	13,732.4	17,282.8	22,459.9	27,812.2	31,102.2	22.7%
Consumption Expenditure for Urban Residents (RMB)	9,997.5	11,242.9	12,265.0	13,471.5	N.A.*	10.5%**

Sources:

(1) China Statistical Yearbook 2011, National Bureau of Statistics of China

(2) Statistical Communiqué of China 2011

Notes:

* Data is not available.

** CAGR represents 2007 to 2010 only.

Nanjing

Nanjing is the capital city of Jiangsu province with a population of approximately 8.1 million in 2011. Nanjing is one of the most developed industrial cities in the Yangtze River Delta. Nanjing's GDP increased from RMB334.0 billion in 2007 to RMB614.6 billion in 2011, representing a CAGR of 16.5%. Nanjing's per capita GDP increased from RMB54,558 in 2007 to RMB79,427 in 2010, representing a CAGR of 13.3%.

Yangzhou

Yangzhou is located in central Jiangsu province with a population of approximately 4.6 million in 2011. It is on the northern bank of Yangtze River, borders Taizhou and Zhenjiang and is close to Shanghai. Yangzhou's GDP increased from RMB135.7 billion in 2007 to RMB263.0 billion in 2011, representing a CAGR of 18.0%. Yangzhou's per capita GDP increased from RMB30,435 in 2007 to RMB58,950 in 2011, representing a CAGR of 18.0%.

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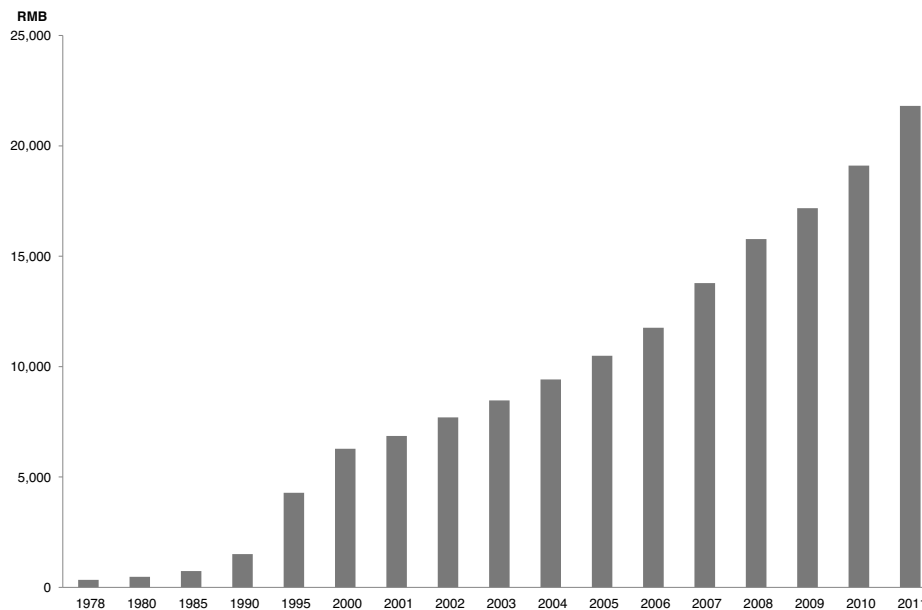
Zhuzhou

Zhuzhou is in the eastern part of Hunan province with a population of approximately 3.9 million in 2011. Zhuzhou's GDP increased from RMB74.4 billion in 2007 to RMB156.4 billion in 2011, representing a CAGR of 20.4%. Zhuzhou's per capita GDP increased from RMB20,188 in 2007 to RMB40,562 in 2011, representing a CAGR of 19.0%.

DRIVERS FOR GROWTH OF REAL ESTATE MARKETS IN CHINA

Urban Household Consumption Expenditure and Annual Urban Disposable Income

Urban household consumption expenditure in China grew rapidly from RMB673.2 in 1985 to RMB13,471 in 2010. The significant growth in urban household consumption expenditure was primarily driven by the increase in urban disposable income during the same period. Urban disposable income per capita for urban households in China increased from RMB739.1 in 1985 to RMB19,109 in 2010, and further to RMB21,810 in 2011, demonstrating a substantial increase in the purchasing power of urban households across China. The following chart illustrates the disposable income per capital for urban households in China for the years indicated:



Source: National Bureau of Statistics of China

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Government Policies

According to the 12th Five Year Plan, the PRC government is committed to stimulating domestic demand as a long-term strategic goal and transforming the economy that relies heavily on investment and export into an economy that gives more weight to domestic consumption. The PRC government is committed to increasing household income by an annual average of 7% and implementing policy initiatives such as raising the minimum wage and the income tax threshold to increase residents' disposable income, build a well-developed social security system and boost domestic household consumption. The PRC government's commitments and measures are expected to have a positive impact on domestic consumption in the next five years.

Metro Development in China's Second- and Third-Tier Cities

China commenced the development of its metro system in 1969 when the first subway line in Beijing was put into operation. According to the NDRC and the Ministry of Housing and Urban-rural Development (住房和城乡建设部), (the "MOHURD"), as of 30 April 2012, there were 12 cities in China which have metro systems in operation and another 21 cities which plan to develop their metro systems. Among these 33 cities, 28 cities have obtained the necessary approvals from the relevant governmental authorities.

According to the NDRC, China has metro routes of approximately 602.3 kilometers in total within 10 cities at the end of 2007. The total length of metro routes in operation in China is expected to increase from 1,690 kilometers in 2011 to 3,000 kilometers in 2015, and further to 7,395 kilometers in 2020. Savills estimates that, from 2009 to 2020, China will invest approximately RMB3.3 trillion in total in the development of metro systems with an average annual investment of RMB270 billion. The on-going development of metro system in second and third-tier cities creates potential for the metro-linked shopping malls in these cities.

Metro development in Nanjing

The metro system in Nanjing was put into operation in 2005. Currently, there are two subway lines in operation with routes of a total length of approximately 87.0 kilometers. Line One started operation in 2005 and its west extension line, which crosses the Yangtze River and will be approximately 14.4 kilometers in length with eight stations, is currently under construction. Line Two, which was put into operation in May 2010, is 40.8 kilometers long and has 26 stations. Line Two runs mainly in an east-west direction from the Youfangqiao Station in the southwest to the Jingtianlu Station in the northeast. Line Three runs an north-south direction, which started construction in January 2010 and will be approximately 40.2 kilometers in length with 28 stations.

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The Nanjing Metro system is playing an important role in the city's public transportation, the average daily traffic volume of Nanjing Metro system recorded approximately 1,000,000 person-times in 2011, representing an increase of 69.5% from 590,000 person-times in 2010.

According to Nanjing Metro Corporation, by 2015, the planned metro system in Nanjing will comprise five metro lines (Lines 1, 2, 3, 4 and 10) with a total route length of approximately 179.95 km and 113 stations. The Nanjing metro rail will be supplemented by three metropolitan express lines which will connect Nanjing to nearby cities such as Gaochun (高淳); Tianchang (天長) and Hexian (和縣) in Anhui Province. The long-term plan for Nanjing Metro will be extended to comprise a 14-line metro system with a planned route length of up to 400 km by 2050. There will be an additional five metropolitan express lines linking Nanjing to cities such as Yizheng (儀征), Jurong (句容), Lishui (溧水), Ma'anshan (馬鞍山) and Chuzhou (滁州).

THE REAL ESTATE MARKET IN CHINA

Overview of the Real Estate Market in China

The economic growth of China and the increase in household consumption expenditure and disposable income has contributed to the rapid growth of China's real estate market. According to the National Bureau of Statistics of China, investments in real estate in China increased rapidly from approximately RMB2,528.9 billion in 2007 to approximately RMB6,174.0 billion in 2011, representing a CAGR of 25.0%. According to the National Bureau of Statistics of China, the total GFA of commodity properties sold in China increased from 773.5 million sq.m. in 2007 to 1,099.5 million sq.m. in 2011, representing a CAGR of 9.2%.

According to the National Bureau of Statistics of China, the average selling price of commodity houses sold increased from RMB3,864 per square meter in 2007 to RMB5,377 per square meter in 2011. The following table sets forth the average selling prices for different types of properties in China from 2007 to 2011:

	2007	2008	2009	2010	2011	2007-2011 CAGR
Average selling price of commodity houses (RMB)	3,864	3,800	4,681	5,032	5,377	8.6%
Average selling price of residential properties (RMB)	3,645	3,576	4,459	4,725	5,011	8.3%
Average selling price of office properties (RMB)	8,667	8,378	10,608	11,406	12,460	9.5%
Average selling price of retail properties (RMB)	5,774	5,886	6,871	7,747	8,507	10.2%
Average selling price of other properties (RMB)	3,351	3,219	3,671	4,099	4,277	6.3%

Source: China Statistical Yearbook 2011, National Bureau of Statistics of China

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Savills believes that residential properties will remain the largest sector in China's real estate market in terms of total investment and total GFA completed and sold. A notable trend, however, is the steady growth of office and retail properties in terms of total GFA sold, while a decline in total GFA of residential properties since 2010.

Outlook of China's Real Estate Market

According to Savills, the outlook of the real estate market in China remains uncertain due to the market consolidation in 2012 in response to the austerity measures. However, on the other hand, increasing household income and urbanization at a steady pace contribute to the increasing demand for properties in China. In addition, the continuing increase in land price may cause further increase in the property price in China.

According to the forecast by the Centre for Forecasting Science of the Chinese Academy of Sciences (中國科學院預測科學研究中心) ("CEFS"), an academic affiliate of the Academy of Mathematics and Systems Science of the Chinese Academy of Sciences (中國科學院數學與系統科學研究院), the real estate market in China may undergo a consolidation process in 2012. CEFS predicts that the total investment in China's real estate market will increase by 21.1% to RMB7,680 billion in 2012, as compared to 2011. The total GFA of commodity houses and residential properties sold will increase by 3.2% and 14.0% to 1,210.1 million sq.m. and 1,188.2 million sq.m. in 2012, respectively, as compared to 2011. However, the average selling price of commodity houses will decrease by 5.3% to RMB5,024.4 per sq.m. in 2012, as compared to 2011.

CEFS estimates that, generally, there will be increasing demand and decreasing supply for real estate market in 2012. The following table sets forth certain information relating to the real estate market in China for the periods indicated:

	2012E ⁽¹⁾	Year-on-year growth (%)	From January to May in 2012 ⁽²⁾	Year-on-year growth (%)
Total real estate investment (RMB in billions)	7,680.0	21.1%	2,221.3	18.5%
Total GFA of commodity houses ⁽³⁾ sold (million sq.m.)	1,210.1	3.2%	288.5	-12.4%
Total GFA of residential properties sold (million sq.m.)	1,188.2	14.0%	255.6	-13.5%
Total revenue from commodity houses sold (RMB in billions)	5,476.3	-9.2%	1,693.2	-9.1%
Total Revenue from residential properties sold (RMB in billions)	4,507.6	-5.9%	1,401.0	-10.6%
Total GFA of commodity houses commenced construction (million sq.m.)	6,252.9	22.1%	4,513.6	19.6%
Total GFA of residential properties commenced construction (million sq.m.)	4,759.7	21.2%	3,390.4	17.3%

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	2012E ⁽¹⁾	Year-on-year growth (%)	From January to May in 2012 ⁽²⁾	Year-on-year growth (%)
Total GFA of commodity properties completed (million sq.m.)	897.8	4.0%	273.1	26.3%
Total GFA of residential properties completed (million sq.m.)	744.5	11.1%	218.2	26.5%
Average selling price of commodity houses (RMB per sq.m.)	5,024.4	-5.3%	5,868.6	N/A*

Sources:

- (1) CEFS
- (2) National Bureau of Statistics of China
- (3) Commodity houses refer to different types of properties that range from residential properties (excluding public houses, low-rent housing, or affordable housing) and non-residential properties (such as offices, commercial properties and industrial properties) that are freely transferrable in the market without onerous restrictions.

Note: * Data is not available.

Competitive Landscape in China's Real Estate Market

According to Savills, an increasing number of real estate developers are entering into shopping mall and retail property markets in the second- and third-tier cities in China. It is further noted that real estate developers with smaller scale compete in niche markets, such as lifestyle shopping malls. Real estate developers started to operate shopping malls that are physically connected or in close proximity to metro stations. According to Savills, we are a first mover in Nanjing in the niche market of leasing metro malls from Nanjing Metro for sub-leasing, operation and management.

Real Estate Market in Nanjing

The real estate market in Nanjing has attracted substantial investment in recent years. The total investment in Nanjing's real estate market increased from RMB44.6 billion in 2007 to RMB87.1 billion in 2011, representing a CAGR of 18.2%. According to the Nanjing Statistical Yearbook, the total GFA of commodity houses completed continued to increase from 6.8 million sq.m. in 2007 to 15.2 million sq.m. in 2009, but declined significantly to 10.4 million sq.m. in 2010 due to the governmental austerity measures in the residential property sector. The total GFA of commodity houses sold increased by 70% from 7.0 million sq.m. in 2008 to 11.9 million sq.m. in 2009, but declined to 8.2 million sq.m. in 2010 due to the governmental austerity

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measures. The average selling price of commodity houses increased from RMB5,304 per sq.m. in 2007 to RMB9,310 per sq.m. in 2011, representing a CAGR of 15.1%. The following table sets forth certain information relating to the real estate development in Nanjing for the years indicated:

	2007	2008	2009	2010	2011
Real Estate Investment (RMB in billions)					
Real estate investment	44.6	50.8	59.6	74.8	87.1
Real estate investment in residential properties	31.7	41.0	43.9	57.0	63.8
Real estate investment in office properties	1.9	2.2	2.8	2.7	4.7
Real estate investment in retail properties	3.1	3.7	6.8	8.0	7.5
Supply of Properties (million sq.m.)					
GFA of commodity houses completed	6.8	10.6	15.2	10.4	11.7
GFA of residential properties completed	5.8	8.9	12.3	7.4	8.6
GFA of office properties completed	0.3	0.3	0.2	0.5	0.5
GFA of retail properties completed	0.3	0.7	1.3	1.2	1.1
Demand for Properties (million sq.m.)					
GFA of commodity houses sold	11.4	7.0	11.9	8.2	7.7
GFA of residential properties sold	10.6	6.6	11.1	7.5	6.8
GFA of office properties sold	0.3	0.2	0.2	0.1	0.4
GFA of retail properties sold	0.3	0.2	0.4	0.4	0.4
Property Price Levels (RMB per sq.m.)					
Average selling price of commodity houses	5,304	5,109	7,185	9,565	9,310
Average selling price of residential properties ^{Note}	5,011	4,808	6,893	9,227	8,415
Average selling price of office properties	11,860	12,932	12,551	12,871	19,334
Average selling price of retail properties	8,469	8,404	12,234	15,100	16,685

Source: Nanjing Statistical Yearbook, Nanjing National Bureau of Statistics

Note: We did not record any sales of residential properties in Nanjing for the year ended 31 December 2011. As a result, the average selling price for our properties for the year ended 31 December 2011 was not affected by the decrease of the average selling price for residential properties in Nanjing.

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Residential property market in Nanjing

The residential property market in Nanjing has cooled down since 2010 due to the austerity measures. However, the transaction volume increased to 627,282 sq.m. in March 2012, reaching the level of the third quarter of 2010. In addition, the overall supply of residential properties available for sale increased to 546,804 sq.m. in March 2012. These data signified the recovery of the residential property market in Nanjing. According to the data from the National Bureau of Statistics of Nanjing, the total supply of completed residential properties in terms of GFA dropped by 17.4% to approximately 3.1 million sq.m. for the seven months ended 31 July 2012, whereas demand for residential properties in terms of GFA increased by approximately 26.2% to approximately 4.5 million sq.m. for the seven months ended 31 July 2012. The average selling price of residential properties in the first seven months of 2012 amounted to approximately RMB9,585.7 per sq.m.

Office property market in Nanjing

According to Nanjing Real Estate Management Bureau, the overall supply of office properties in Nanjing as indicated by the total GFA of office properties registered and approved for pre-sale has increased significantly since 2010 and reached a high level of 785,000 sq.m. in 2011. At the same time, the demand for office properties in Nanjing as measured by total GFA of office properties sold reached 400,000 sq.m. in 2011. Savills attributed the significant increase in demand for office properties in Nanjing to the shift in investor's focus from residential properties to office and commercial properties and the increasing demand for office space from local and multinational enterprises.

Retail property market in Nanjing

The retail property market in Nanjing has a development history of over 25 years and Nanjing is now one of the most vibrant cities in China. From 2007 to 2011, the retail property market in Nanjing grew at a rapid pace, and shopping malls and shopping centers prevailed over department stores in the retail property market.

According to Nanjing Real Estate Management Bureau, the supply of retail properties as indicated by total GFA of retail properties registered and approved for pre-sale decreased from 656,869 sq.m. in 2007 to 609,990 sq.m. in 2011, and the demand for retail properties as measured by total GFA of retail properties sold decreased from 487,231 sq.m. in 2007 to 380,468 sq.m. in 2011. The average selling price of retail properties in Nanjing increased steadily from RMB8,940 per sq.m. in 2007 to RMB16,444 per sq.m. in 2011, representing a CAGR of 16.5%. Based on the data from Nanjing Real Estate Management Bureau, Savills believes that the average selling prices of retail properties in Nanjing will continue to rise.

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Real Estate Market in Yangzhou

The total investment in Yangzhou's real estate market increased from RMB10.6 billion in 2007 to RMB19.8 billion in 2011, representing a CAGR of 16.8%. According to the data from Yangzhou Statistical Yearbook, the total GFA of commodity houses completed increased from 3.2 million sq.m. in 2007 to 4.7 million sq.m. in 2011, representing a CAGR of 10.1%. The total GFA of commodity houses sold increased from 4.3 million sq.m. in 2007 to 5.8 million sq.m. in 2011, representing a CAGR of 7.8%. The average selling price of commodity houses increased from RMB3,293 per sq.m. in 2007 to RMB5,985 per sq.m. in 2011, representing a CAGR of 16.1%. The following table sets forth the selected data in relation to the real estate development in Yangzhou for the years indicated:

	2007	2008	2009	2010	2011
Real Estate Investment (RMB in billions)					
Real estate investment	10.6	14.3	13.0	16.5	19.8
Real estate investment in residential properties	8.0	11.2	10.6	13.7	16.2
Real estate investment in office properties	0.3	0.3	0.2	0.4	0.8
Real estate investment in retail properties	1.4	2.0	1.5	1.4	1.8
Supply of Properties (million sq.m.)					
GFA of commodity houses completed	3.2	4.8	5.1	4.7	4.7
GFA of residential properties completed	2.6	4.2	4.3	3.7	3.7
GFA of office properties completed	0.1	0.1	0.1	0.2	0.1
GFA of retail properties completed	0.5	0.4	0.5	0.6	0.7
Demand for Properties (million sq.m.)					
GFA of commodity houses sold	4.3	3.0	5.1	6.3	5.8
GFA of residential properties sold	3.9	2.9	4.7	5.8	5.1
GFA of office properties sold	0.06	0.08	0.07	0.1	0.2
GFA of retail properties sold	0.3	0.3	0.4	0.3	0.4
Property Price Levels (RMB per sq.m.)					
Average selling price of commodity houses	3,293	3,686	4,381	4,847	5,985
Average selling price of residential properties	3,201	3,446	4,254	4,681	6,007
Average selling price of office properties ^{Note}	4,652	5,612	5,369	6,624	6,316
Average selling price of retail properties	4,341	5,646	6,024	7,416	7,020

Source: Yangzhou Statistical Yearbook, Yangzhou National Bureau of Statistics

Note: We did not record any sales of offices in Yangzhou for the year ended 31 December 2011. As a result, the average selling price for our properties for the year ended 31 December 2011 was not affected by the decrease of the average selling price for office properties in Yangzhou.

INDUSTRY OVERVIEW

Residential property market in Yangzhou

Residential property market in Yangzhou experienced a substantial growth from 2007 to 2011. The total investment in residential property market in Yangzhou increased from RMB8.0 billion in 2007 to RMB16.2 billion in 2011, representing a CAGR of 19.1%. According to Yangzhou Real Estate Management Bureau, the supply of residential properties in the urban districts of Yangzhou as measured by total GFA of residential properties registered and approved for pre-sale increased from 1.8 million sq.m. in 2007 to 2.0 million sq.m. in 2011, representing a CAGR of 3.4%. The demand for residential properties in Yangzhou as measured by total GFA of residential properties sold increased from 2.2 million sq.m. in 2007 to 2.5 million sq.m. in 2009, but then decreased to 1.7 million sq.m. in 2010 and further to 1.2 million sq.m. in 2011 due to the austerity measures. The average selling price of residential properties in Yangzhou increased from RMB3,933 per sq.m. in 2007 to RMB8,677 per sq.m. in 2011, due to the continuous improvement of infrastructure and transportation in Yangzhou and the increase in the income and living standards of Yangzhou residents. According to the data from the Real Estate Management Bureau of Yangzhou, supply of residential properties in the five urban districts of Yangzhou amounted to 1.2 million sq.m. for seven months ended 31 July 2012. Demand for residential properties continued to drop in the first half year of 2012 to 520,500 sq.m. However, in July 2012, residential property sales increased by 52.93% to 172,500 sq.m. as compared to June 2012.

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Real Estate Market in Zhuzhou

The total investment in Zhuzhou's real estate market increased from RMB5.8 billion in 2007 to RMB18.5 billion in 2011, representing a CAGR of 33.7%. According to the data from Zhuzhou Statistical Bureau, the total GFA of commodity houses completed increased from 2.1 million sq.m. in 2007 to 3.5 million sq.m. in 2011, representing a CAGR of 13.6%. The total GFA of commodity houses sold continued to increase from 3.3 million sq.m. in 2007 to 6.0 million sq.m. in 2011, representing a CAGR of 16.1%. The average selling price of commodity houses increased from RMB2,047 per sq.m. in 2007 to RMB3,749 per sq.m. in 2011, representing a CAGR of 16.3%. The following table sets forth the selected data relating to real estate development in Zhuzhou for the years indicated:

	2007	2008	2009	2010	2011
Real Estate Investment (RMB in billions)					
Real estate investment	5.8	8.4	10.4	14.7	18.5
Real estate investment in residential properties	3.9	5.1	7.2	10.2	13.4
Real estate investment in office properties	0.1	0.1	0.1	0.4	0.2
Real estate investment in retail properties	0.8	0.8	1.2	2.1	2.1
Supply of Properties (million sq.m.)					
GFA of commodity houses completed	2.1	2.8	1.7	2.4	3.5
GFA of residential properties completed	1.6	2.4	1.3	1.8	2.8
GFA of office properties completed	0.05	0.03	0.01	0.02	0.06
GFA of retail properties completed	0.4	0.3	0.3	0.5	0.4
Demand for Properties (million sq.m.)					
GFA of commodity houses sold	3.3	3.8	4.3	5.1	6.0
GFA of residential properties sold	3.0	3.4	3.8	4.5	5.5
GFA of office properties sold	0.06	0.02	0.02	0.05	0.04
GFA of retail properties sold	0.3	0.3	0.4	0.5	0.4
Property Price Levels (RMB per sq.m.)					
Average selling price of commodity houses	2,047	2,171	2,551	2,987	3,749
Average selling price of residential properties	1,796	1,865	2,266	2,784	3,415
Average selling price of office properties	2,607	2,401	2,825	4,381	4,803
Average selling price of retail properties	4,897	5,478	4,956	4,513	8,693

Source: Zhuzhou Statistical Yearbook, Zhuzhou National Bureau of Statistics

INDUSTRY OVERVIEW

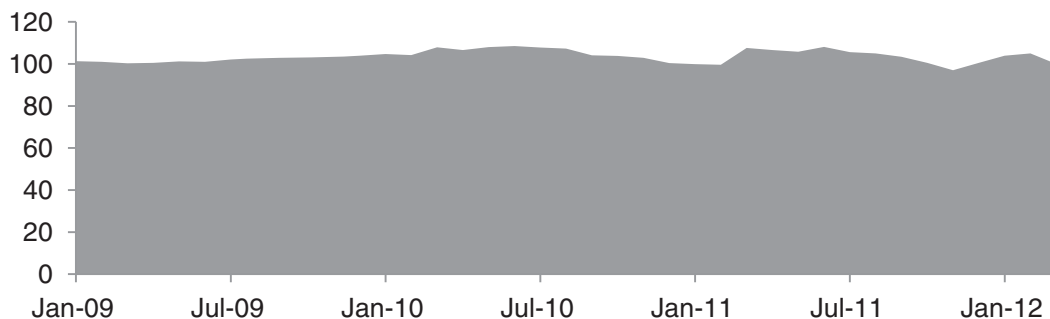
Commodity houses market in Zhuzhou

The commodity houses market in Zhuzhou witnessed a steady growth from 2007 to 2011. According to Zhuzhou Real Estate Management Bureau, supply of commodity houses in Zhuzhou as measured by total GFA of commodity houses registered and approved for pre-sale increased from 2.1 million sq.m. in 2007 to 3.3 million sq.m. in 2011, representing a CAGR of 12.3%. The demand for commodity houses in Zhuzhou as measured by total GFA of commodity houses sold increased from 2.4 million sq.m. in 2007 to 2.9 million sq.m. in 2010, representing a CAGR of 5.8%. In 2011, the demand for commodity houses in Zhuzhou decreased to 1.9 million sq.m. due to the austerity measures. The average selling price of commodity houses in Zhuzhou increased from RMB2,346 per sq.m. in 2007 to RMB3,748 per sq.m. in 2011, according to Zhuzhou Real Estate Management Bureau. According to the data from the National Bureau of Statistics of Zhuzhou, for the six months ended 30 June 2012, the supply of completed commodity houses in terms of GFA increased by 102.5% to 1.2 million sq.m. for the six months ended 30 June 2012 and the demand for commodity houses in terms of GFA sold dropped by 3.1% to 2.45 million sq.m. for the six months ended 30 June 2012. The average commodity house price for the six months ended 30 June 2012 was RMB4,090 per sq.m., representing an increase of 7.97% over last corresponding period in 2011.

THE RETAIL MARKET IN CHINA

China's retail market developed rapidly over the past decade. It is less susceptible to the global financial crisis and continued to grow at double figures. Savills attributed the significant growth of retail market in China to the change in consumption attitude and the increasing number of shopping malls in China's urban areas. High inflation rate and low interest rate for bank deposit also stimulate consumption. In addition, Chinese consumers are becoming more and more fashion and brand awareness, which encouraged the global fashion brands, such as H&M, Zara, C&A, Uniqlo to further expand in China.

The consumer confidence index demonstrates the living standard of consumers and also reflects consumption ability. The consumer confidence index in China increased from 101.3 in January 2009 to 105.0 in February 2012. The following chart sets forth the consumer confidence index in China for the years indicated:



Source: National Bureau of Statistics of China

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SHOPPING MALL INDUSTRY IN CHINA

Overview

China's shopping mall industry has benefited from the strong economic growth in China, which has resulted in higher disposable incomes of urban households and a more affluent domestic customer base. Shopping malls spring up across the country from first-tier cities towards second and third-tier cities where the shopping mall market is still immature. According to Savills, the shopping mall market in second and third-tier cities is expected to grow rapidly in the next ten years due to the on-going urbanization in second and third-tier cities. In 2011, the total investment in shopping centers accounted for 20.8% of the total investment in retail properties. According to China Shopping Center Development Association of Mall China (中購聯發展委員會), the market size as measured by total GFA of shopping centers in China was 168.7 million sq.m. in 2011.

Life-style Shopping Malls

The concept of life-style shopping mall is evolving in China. Its development diverged from the North American standards given the difference in demographics, income level and living standards of residents, development of economy and urbanization and shoppers' tastes and preferences. As observed by Savills, life-style shopping malls in China are wide-ranging in concept, configuration, tenant mix and location with a view to reaching their target customers, increasing pedestrian traffic, and differentiating from traditional shopping malls under a highly competitive environment. Set out below is a summary of the major differences between life-style shopping malls in North America and those in China as observed by Savills:

Attributes of Life-style shopping malls	North America	China
Location	affluent residential neighborhood	from uptown area to downtown
Size	smaller in size, typically from 150,000 — 500,000 sq. ft.	flexible in size
Concept	upscale national chain specialty stores, dining and entertainment in outdoor setting boutique in concept and ambience for shoppers' experience	providing a variety of retail, consumer services including a sizeable food & beverage element

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Attributes of Life-style shopping malls	North America	China
Anchors and tenant mix	not usually anchored in the traditional sense but may include book store, other large-format specialty retailers, multiplex cinema, small department store	with a diversified tenant mix
Brands	chic but less luxury, second lines	luxury or less luxury; with a mix of local and national brands
Configuration	typically with open-air configuration for dining and entertainment	both open-air and enclosed configuration
Target customers	upscale and affluent	upscale and affluent

According to Savills, China has a relatively short development history of life-style shopping malls. Department stores and supermarkets remain the dominant sectors in retail markets up to now. Typical examples of lifestyle shopping malls in China include Shanghai Xintiandi, which is close to the North American model but with central business district (“CBD”) location; or Aquacity (Phase I) in Nanjing, which is a more hybrid form which combines elements of both lifestyle shopping mall and theme/festival center in North American model. In the second and third tier-cities of China, life-style shopping malls are market niche where many retail developers are experimenting to mingle different elements, or to combine the core elements of different retail formats into a retail scheme to direct or accommodate shoppers’ choice and experience. Savills expects that life-style shopping malls will become more and more diverse with different varieties in second and third tier-cities, as these locations became the primary choice of both real estate developers and international brands.

Land Cost in Nanjing, Yangzhou and Zhuzhou

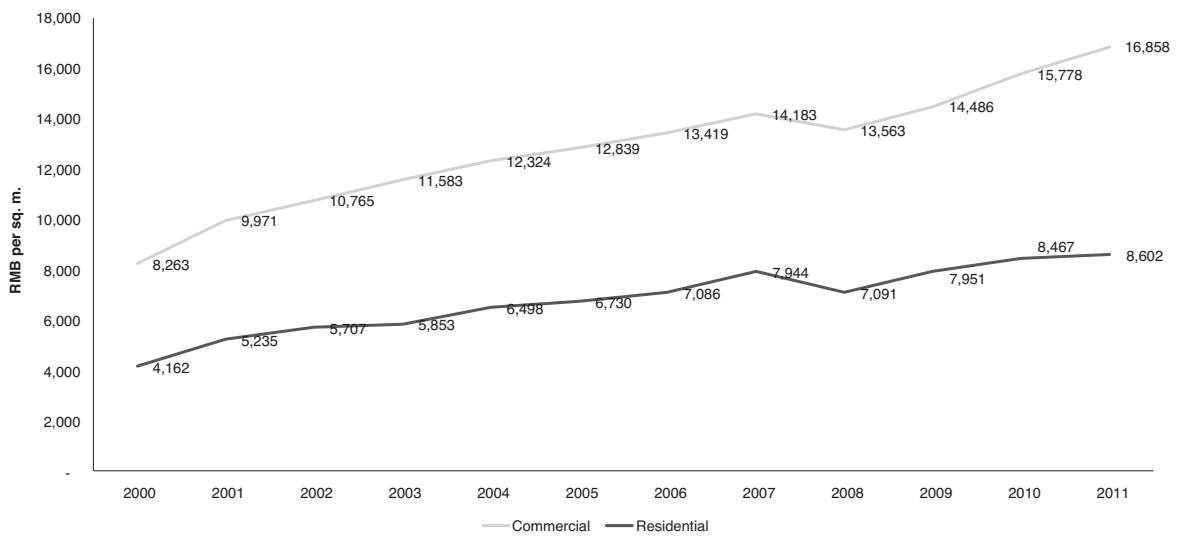
According to the land price data of 50 major cities in China under China Urban Land Price Dynamic Monitor (中國城市地價動態監測) (the “Monitor”), the monitoring system as prepared by the Ministry of Land, in 2011 residential land price in Nanjing, Yangzhou and Zhuzhou was at RMB8,602, RMB1,755 and RMB1,299 per sq.m. respectively, representing an increase of 1.6%, 1.4% and 6.5% over that of 2010.

INDUSTRY OVERVIEW

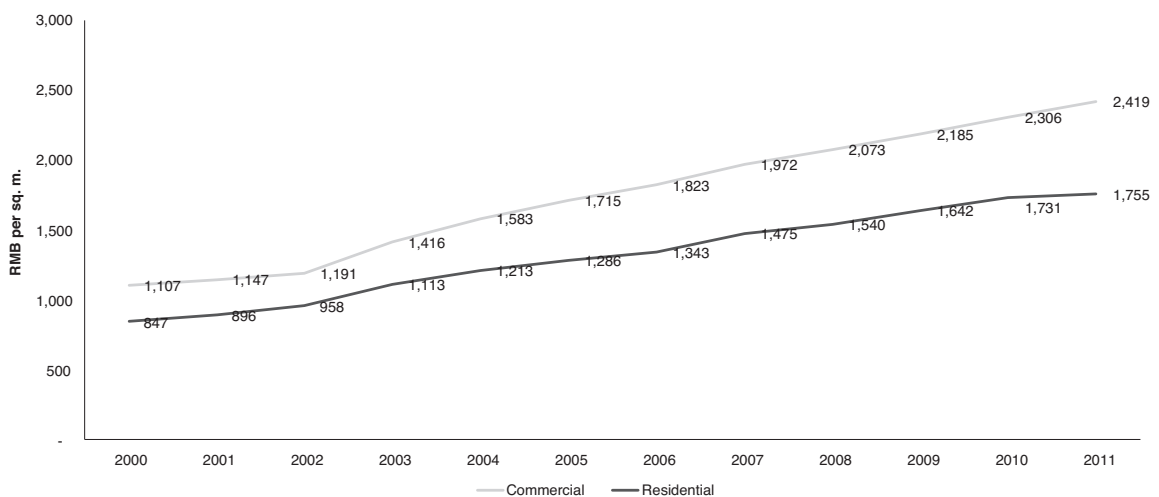
Commercial land prices in these cities had a higher rate of increment in general in 2011. According to the Monitor, commercial land price in Nanjing, Yangzhou and Zhuzhou was RMB16,858, RMB2,419 and RMB2,632 per sq.m. respectively, representing an increase of 6.8%, 4.9% and 7.4% over 2010.

The following charts sets out the residential and commercial land price movements by site value (calculated on the basis of dividing the land cost by the total land area) in Nanjing, Yangzhou and Zhuzhou for the years indicated:

Land Price in Nanjing, 2000 - 2011

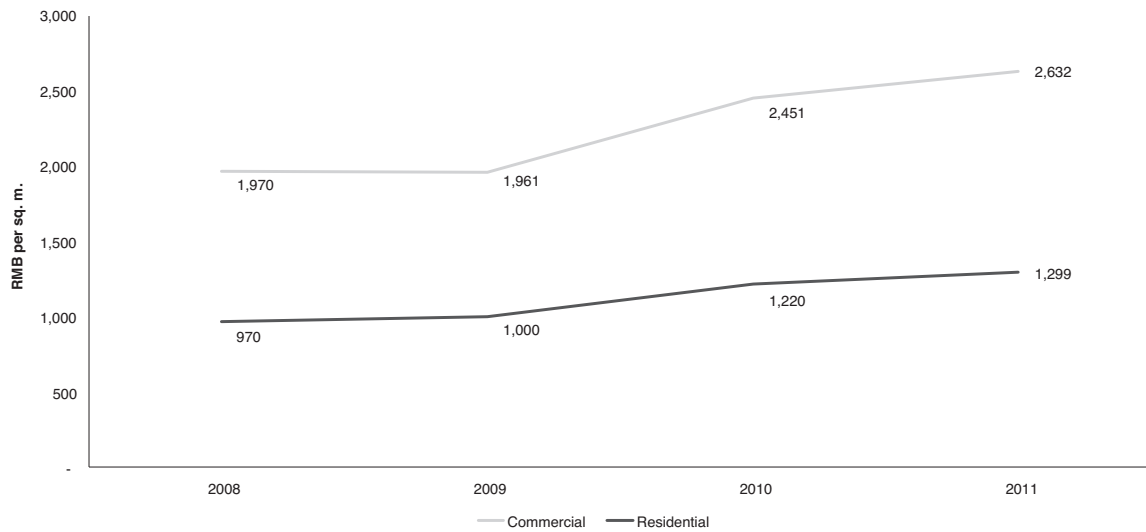


Land Price in Yangzhou, 2000 - 2011



INDUSTRY OVERVIEW

Land Price in Zhuzhou 2008 - 2011



Looking ahead, the Ministry of Land projects that residential land prices will remain steady and keep at 2011 price level, as short-term market uncertainties prevail, and overall land supply in 2012 will be more regularized. Commercial land prices are expected to have a moderate increase over 2011, but the rise will be constrained by concerns over the slowdown of China's economy, and the pace of global economic recovery.

SAVILLS REPORT

We have commissioned Savills, an Independent Third Party and an experienced consultant in global real estate industry, to prepare the Savills Report which analyzes the retail market, the shopping mall industry in China and the real estate market in China and related regions. We will pay Savills a fee of a total of RMB220,000 for the preparation of the Savills Report.

Savills has prepared the Savills Report based on various government publications, site visits and interviews as well as Savills' proprietary data on the relevant property sector markets.

In preparing the Savills Report, Savills has adopted assumptions when some information is not available or falls outside the scope of its expertise. While Savills has adopted assumptions based upon careful consideration of known factors, Savills cannot rule out the risk that any of the assumptions may be incorrect. The Savills Report also contains a significant volume of information which is directly derived from secondary sources or based on other third-party information; Savills does not represent and warrant the accuracy or completeness of such information.

INDUSTRY OVERVIEW

In preparing and updating the Savills Report, Savills has adopted a five-step methodology illustrated below to enhance the credibility and accuracy of the forecasts:

- **Market research:** The market specialists at Savills collected related information and data from various sources, which provided an overview of the current market landscape and trends and also formed the basis for the forecast.
- **Market data analysis:** Data collected from the market research process were analyzed to provide additional insights on their historical and future impact on market size and market development.
- **Identifying drivers and factors:** The market specialists then identified the factors that drove and will drive market growth as well as those that restrained and will restrain growth of the market.
- **Integration of opinions:** The specialists further discussed with and interviewed a variety of industry experts and consultants, as well as industry participants and customers. The data obtained were then integrated with the existing data to provide a refined basis for the forecast data.
- **Quality control:** Before finalizing the report, the market specialists verified the data and forecast by cross-checking against other available data or information.

Assumptions included in the Savills Report are inherently uncertain because of events or combinations of events that cannot reasonably be foreseen, including but without limitation, the activities of the government, individuals, third parties and competitors. Specific factors that could cause actual results to differ materially include, among others, risks inherent in the wholesale and retail trade industry, uncertainty of renewals of leases, property risks, financing risks, labor risks, regulatory risks and environmental concerns.

REGULATION

REGULATIONS FOR CHINA PROPERTY'S MARKET

Establishment of a Real Property Development Enterprise

According to (i) the PRC Law on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》, the “PRC Urban Real Estate Administration Law”) promulgated by the National People’s Congress, effective in January 1995, as amended in August 2007, (ii) the Regulations on Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) promulgated by the State Council in July 1998, and (iii) the Notice on Relevant Issues Concerning Carrying out the Circular on Standardizing the Admittance and Administration of Foreign Capital in the Real Estate Market (《關於貫徹落實〈關於規範房地產市場外資准入和管理的意見〉有關問題的通知》) promulgated by the Ministry of Commerce (商務部, the “MOFCOM”) in August 2006, a real estate developer is defined as an enterprise that engages in the development and operation of real properties for profit. A foreign-invested real estate developer must: (i) have a registered capital of at least RMB1 million; (ii) if its total investment exceeds US\$3 million, its registered capital must not be less than 50% of the total investment amount; (iii) if its total investment is less than or equal to US\$3 million, its registered capital must not be less than 70% of its total investment amount; and (iv) have at least four full-time professional real properties or construction technicians and two or more full-time accounting officers, each of whom must hold the relevant certificate.

A real estate developer must register with the administration for industry and commerce and it must also report to the relevant real estate authority within 30 days upon its establishment. A foreign-invested real estate developer must comply with additional requirements and apply for approvals relating to foreign investments in China.

According to the applicable PRC laws and regulations, including the Company Law (《公司法》), the Law of the People’s Republic of China on Chinese-foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》) and its implementing regulations, and the Law of the PRC on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》) and its implementing rules, the capital increase of a foreign-invested real estate developer is subject to the approvals from the relevant authorities in charge of commercial, corporate and foreign exchange matters.

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Qualifications of a Real Estate Developer

According to the Provisions on Administration of Qualifications of Real Estate Developers (《房地產開發企業資質管理規定》, the “Provisions on Administration of Qualifications”), a real estate developer must obtain a qualification certificate for real property development. Under the Provisions on Administration of Qualifications, real estate developers are classified into four classifications as below:

Classification	Competent approval authority	Eligibility
1	(i) preliminary examination by the construction authorities at the provincial level and final approval by the Ministry of Construction.	(i) undertaking projects of any scale and in any location in China.
2, 3 & 4	(i) construction administrative authorities at the provincial level.	(i) undertaking projects with a gross floor area (“GFA”) less than 250,000 sq.m. (ii) subject to confirmation by the construction administrative authorities at the provincial level.

In approving the applications for qualification certificates, the construction authorities will review the qualifications of professionals employed by a developer and its financial condition and operating results. A developer that passes the qualification examination will typically be issued a qualification certificate of the appropriate classification. A developer may only engage in real property development and sale within the scope permitted for the corresponding classification.

For a newly established real estate developer, the construction authority will typically issue a provisional qualification certificate, if it is an eligible developer, within 30 days of receipt by the authority of the application. The provisional qualification certificate will be effective for one year from its date of issue and may be extended for no more than two additional years with the approval of the construction authority. The real estate developer must apply for the renewal of the qualification classification within one month prior to the expiry of the provisional qualification certificate.

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Development of a Real Properties Project

According to the amended and restated Catalog of Guidance on Industries for Foreign Investment (《外商投資產業指導目錄》, the “MOFCOM Catalog”) promulgated by MOFCOM and the National Development and Reform Committee (國家發展改革委員會, the “NDRC”) in December 2011:

- the mass development of land lots (土地成片開發) falls within restricted category and is only permitted for Sino-foreign equity joint ventures or Sino-foreign contractual joint ventures;
- the construction and operation of villas by foreign investors is prohibited;
- the construction and operation by foreign investors of high-end hotels, high-end office buildings and international conference centers falls within restricted area; and
- foreign investment is generally permitted in all other real property development.

To the extent permitted under the MOFCOM Catalog, a foreign real estate developer may establish joint ventures or wholly foreign owned enterprises in accordance with the PRC laws and administrative regulations governing foreign-invested enterprises.

According to the Interim Provisions on Approving Foreign Investment Projects (《外商投資項目核准暫行管理辦法》) promulgated by NDRC in October 2004 and the Notice on Delegation of Power of Approval for Foreign Investment Projects (《關於做好外商投資項目下放核准權限工作的通知》), NDRC approval is required for foreign investment projects as below:

Approval level	Foreign Investment Projects
NDRC	(i) restricted projects with a total investment of at least US\$50 million, or (ii) encouraged or permitted projects with a total investment of at least US\$300 million.
the State Council	(i) restricted projects with a total investment of at least US\$100 million, or (ii) encouraged or permitted projects with a total investment of at least US\$500 million.
NDRC local counterparts	(i) restricted projects with a total investment less than US\$50 million, or (ii) encouraged or permitted projects with a total investment less than US\$300 million, except for those are subject to the approval of the relevant departments of the State Council as prescribed in the Catalogue of Investment Projects Authorized by the Government (《政府核准的投資項目目錄》).

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According to the Measures for Control and Administration of Grant and Assignment of Right to Use Urban State-owned Land (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Construction in December 1992, the Notice on Strengthening the Planning Administration of Granting and Transferring Right to Use State-owned Land (《建設部關於加強國有土地使用權出讓規劃管理工作的通知》) promulgated by the Ministry of Construction in December 2002 and the Law of the PRC on Urban and Rural Planning (《中華人民共和國城鄉規劃法》, the “PRC Urban and Rural Planning Law”), promulgated by the National People’s Congress (the “NPC”) in October 2007 and became effective in January 2008, after concluding land use right grant contract, a real estate developer must apply for a construction land planning permit and a construction works planning permit from the relevant municipal planning authority.

When the land has been properly prepared and the developer is ready to commence the construction, unless the law does not require such application, it must apply for a construction permit to the construction authorities at or above the county level, according to the Measures for Administration of Granting Permission for Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction in October 1999, as amended in July 2001. According to the Notice Regarding Strengthening and Regulating the Administration of Newly-commenced Projects (《國務院辦公廳關於加強和規範新開工項目管理的通知》) promulgated by the General Office of the State Council in November 2007, before commencement of construction, all projects must fulfill certain conditions, including, among other, compliance with national industrial policy, the relevant development plan, land supply policy and market access standards, completion of all approval or registration procedures, compliance with the relevant zoning plan, completion of proper land use procedures and obtaining proper environmental protection approvals and construction permits or commencement reports.

The development of a real properties project must comply with various laws and legal requirements on construction quality, safety standards and technical guidance on architecture, design and construction work, as well as provisions of the relevant contracts. The Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated by the State Council in January 2000 set out respective quality responsibilities and liabilities for construction companies, reconnaissance companies, design companies, construction contractors and construction supervision companies. According to the Regulations on Energy Efficiency for Civil Buildings (《民用建築節能條例》) promulgated by the State Council in August 2008, civil buildings shall seek to reduce the energy consumption of buildings and make energy utilization more efficient.

After a building is completed, a real estate developer must organize an examination of completion by the relevant government authorities and experts, according to the Interim Provisions on Inspection Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和市政基礎設施工程竣工驗收暫行規定》) promulgated by the Ministry of Construction in June 2000. A developer must file certain documents with the relevant local construction authority at or above the county level within 15 days after the construction is qualified for the

REGULATION

acceptance examination. A real property development project may not be delivered until and unless it has satisfactorily passed the necessary acceptance examination. Where a property project is developed in phases, an acceptance examination may be carried out upon completion of a certain phase.

Land for Property Development

According to the Circular on the Distribution of the Catalog for Restricted Land Use Projects (2012 Edition) and the Catalog for Prohibited Land Use Projects (2012 Edition) (《關於印發<限制用地項目目錄(2012年本)>和<禁止用地項目目錄(2012年本)>的通知》) promulgated by the Ministry of Land and Resources in May 2012, the transferred area of the residential housing projects should not exceed (i) seven hectares for small cities and towns, (ii) 14 hectares for medium-sized cities, or (iii) and 20 hectares for large cities and plot ratio which is not more than 1.0.

According to the Regulations on the Grant of State-owned Construction Land Use Right Through Public Tender, Auction and Listing-for-Sale (《招標拍賣挂牌出讓國有建設用地使用權規定》), the “Regulations on Grant of State-owned Land Use Right” promulgated by the Ministry of Land and Resources in May 2002, amended in September 2007 and effective in November 2007, the Urgent Notice for Further Strengthening the Administration of the Land (《關於當前進一步從嚴土地管理的緊急通知》), the “Urgent Notice on Land Administration” promulgated by the Ministry of Land and Resources in May 2006, land use right for real property development must be granted through public tender, auction or listing-for-sale. According to these regulations, the relevant land administration authority at the city or county level, or the grantor, is responsible for preparing the public tender or auction documents and must make an announcement 20 days prior to the day of public tender or auction with respect to the particulars of the land and the time and venue of the public tender or auction. The grantor must also verify the qualification of the bidding and auction applicants, accept an open public auction to identify the successful tender or hold an auction to identify a successful bidder. The grantor and the successful tender or bidder will then enter into a land use right grant contract in the forms of the “Model Template of the State-owned Land Use Right Granting Contract” (《國有土地使用權出讓合同示範文本》) and the “Model Template of the Supplementary Agreement to State-owned Land Use Right Granting Contract (for trial implementation)” (《國有土地使用權出讓合同補充協議示範文本(試行)》) according to the Urgent Notice on Land Administration.

According to the PRC Property Rights Law (《中華人民共和國物權法》), the “Property Rights Law”) promulgated by the NPC in March 2007 and effective in October 2007, when the term of the land use right for residential construction (but not other) purposes expires, it will be renewed automatically. Unless it is otherwise prescribed by any law, the owner of such land use right has the right to transfer, exchange, and use these rights as equity contributions or collateral for financing. If the state appropriates the premises owned by entities or individuals, it must compensate the property owners and protect their rights and interests.

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According to the Notice on Strengthening the Disposing of Idle Land (《關於加大閒置土地處置力度的通知》) promulgated by the Ministry of Land and Resources in September 2007 and the Rules on Land Registration (《土地登記辦法》) promulgated by the Ministry of Land and Resources in December 2007 and effective in February 2008, the land use right ownership certificate must not be issued prior to full payment of the land grant consideration.

According to the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (《關於進一步加強土地出讓收支管理的通知》) jointly promulgated by the Ministry of Finance, the Ministry of Land and Resources, The People's Bank of China ("PBOC"), the PRC Ministry of Supervision and the PRC National Audit Office in November 2009, the Notice on Issues Related to Strengthening Real Estate Supply and Supervision (《關於加強房地產用地供應和監管有關問題的通知》) promulgated by the Ministry of Land and Resources in March 2010 and the Urgent Notice on Further Tightening Management on Use of Land for Real Estate and Stabilizing the achievements of Macro-control on Real Estate Market (《關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》) jointly promulgated by the MOHURD and the Ministry of Land and Resources in July 2012, the deposit for bidding land use right shall not be less than 20% of the base prices. The real estate developers are required to execute the land use right grant contract within 10 working days upon the successful bidding and make the down payment of at least 50% of the total land grant consideration within one month with the remaining balance to be paid within one year from the execution of the land use right grant contract. Local government authorities are required to strictly enforce the penalties on real estate developers that have delayed in the payment for land grant consideration or the construction due to their fault and the restrictions on them from acquiring new land.

According to the Measures on Disposal of Idle Land (《閒置土地處置辦法》) promulgated by the Ministry of Land and Resources in April 1999, as amended in May 2012 and effective in July 2012, an idle land fee may be imposed on the land that has not been developed within one year from the commencement date set out in the relevant land use right grant contract. Land use right may be forfeited, without compensation, if the land has not been developed within two years from the commencement date set out in the relevant land use right grant contract.

According to the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》) jointly promulgated by the Ministry of Land and Resources and the MOHURD in September 2010, the Notice on Strict Implementation of Policies Regarding Regulation and Control of Real Property Land and Promotion of the Healthy Development of Land Markets (《關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知》) promulgated by the Ministry of Land and Resources in December 2010 and the Urgent Notice on Further Tightening Management on Use of Land for Real Estate and Stabilizing the achievements of Macro-control on Real Estate Market (《關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》): (i) lands sold through auction at prices exceeding 50% of the base prices or the total prices or unit prices hit a highest record shall be promptly reported to the Ministry of Land and Resources and the provincial offices of the Ministry of Land and Resources with the Schedule of Abnormal Land Transactions (《房地產用地交易異常情況一覽表》) within 2 working

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days upon the signing of the successful bidding; (ii) if any land which has been designated for affordable housing is used for property development against relevant policies, the illegal income will be confiscated and the relevant land use right will be forfeited. In addition, changing the plot ratio without approval is strictly prohibited.

According to the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》) jointly promulgated by the Ministry of Land and Resources and the MOHURD in September 2010, the real estate developers and their controlling shareholders who hold idle land for more than one year due to their own fault are prohibited from participating in land bidding process until such activities have been rectified.

According to the Notice on Further Regulating the Real Estate Market (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》) promulgated by the General Office of State Council in January 2011, if a real estate developer fails to obtain the construction permits or commence the construction within two years from the date specified in the land use right grant contract, the relevant land use right will be forfeited and an idle land fee will be imposed. Further, a real estate developer is not allowed to transfer its land or real property development projects if its investment in the projects (excluding the land grant consideration) is less than 25% of the total investment amount.

According to the Notice on Implementation Measures on Urban Housing Land Management and Regulation in 2011 (《關於切實做好2011年城市住房用地管理和調控重點工作的通知》) promulgated by the Ministry of Land and Resources in February 2011, construction land for 10 million units of affordable housing units shall be implemented in 2011. It also requires that the target total supply of urban housing land shall not be lower than the annual average supply for the preceding 2 years.

According to the Notice on Implementation Measures on Urban Housing Land Management and Regulation in 2012 (《關於做好2012年房地產用地管理和調控重點工作的通知》) promulgated by the Ministry of Land and Resources in February 2012, the target total supply of urban housing land shall not be lower than the annual average supply for the preceding 5 years.

According to the Notice on Strictly Implementing the Land Use Standards and Vigorously Promoting the Saving and Intensification of Use of Land (《關於嚴格執行土地使用標準大力促進節約集約用地的通知》) promulgated by the MLR in September 2012, the developers are restricted from obtaining approvals for the use of the parcels of land that: (i) fall under the Catalog for Prohibited Land Use Projects, (ii) do not comply with the conditions set out in the Catalog for Restricted Land Use Projects, (iii) do not meet the requirements with respect to the investment intensity, plot ratio, building coefficient, proportion of administrative, office and living service facilities and rate of green space set out in the Industrial Project Control Indicators, (iv) total area of the land or that of several function zones exceeds the land use indicators, (v) the land area and plot ratio do not comply with the land supply conditions. For the land which exceeds the land use indicators but has passed the evaluation and obtained

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approvals from the local government, all relevant documents including land supply plans, allocation decisions, land use right grant contracts, expert assessment opinions as well as official governmental approvals shall be filed with the relevant land authorities at the provincial level through land market dynamics monitoring system.

As advised by our PRC legal advisors, Jun He Law Offices, “affordable housing” generally refers to those provided by the government or enterprises authorized by the government at a rental or selling price lower than the market price to households who have difficulties in meeting their basic accommodation needs. Our residential properties do not fall under the scope of “affordable housing”. Our PRC legal advisors further advised that, according to the respective local regulations of Nanjing, Yangzhou and Zhuzhou, “small to medium-sized ordinary commodity houses” refers to residential properties with a GFA of not more than 144 sq.m. As of 30 September 2012, approximately 29,347 sq.m., or 81%, of the total saleable GFA of our residential properties (completed and under development) are categorized as small to medium-sized ordinary commodity houses under the relevant PRC laws and regulations, which will remain as our focus for residential property development.

Pre-sale of Commodity Houses

State Level

According to the Measures for Administration of Pre-sale of Commodity Buildings in Urban Area (《城市商品房預售管理辦法》) promulgated by the Ministry of Construction in November 1994, as amended in August 2001 and July 2004, a commodity building may be sold before completion only if all of the following requirements are satisfied: (i) the land use right grant consideration has been paid in full and a land use right ownership certificate has been obtained; (ii) both the construction planning permit and the construction permit have been obtained; (iii) funds invested in the development of the commodity buildings for pre-sale represent 25% or more of the total investment in the project and the construction progress as well as the completion and delivery dates have been ascertained; and (iv) the pre-sale permit has been obtained.

According to the Measures for Administration of Pre-sale of Commodity Buildings in Urban Area (《城市商品房預售管理辦法》) and the Notice on Further Enhancing the Supervision of the Real Estate Market and Perfecting the Pre-sale System of Commodity Houses (《關於進一步加強房地產市場監管完善商品房預售制度有關問題的通知》) promulgated by the MOHURD in April 2010, without the pre-sale approval, the commodity properties are not permitted to be pre-sold, the real estate developer are not allowed to charge the buyer any deposit, pre-payment or other payments, and the real estate developer shall not participate in any exhibition or sales activities.

The Notice on Further Enhancing the Supervision of the Real Estate Market and Perfecting the Pre-sale System of Commodity Houses (《關於進一步加強房地產市場監管完善商品房預售制度有關問題的通知》) requires a developer to make public the information of all

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houses permitted for sale and prices within 10 days, clearly mark the prices, and sell the houses in strict accordance with the published prices. According to the Measures for Administration of Pre-sale of Commodity Buildings in Urban Area (《城市商品房預售管理辦法》), the pre-sale incomes must only be used to the relevant project.

According to the Opinions on Stabilizing Housing Prices (《關於做好穩定住房價格工作的意見》) jointly promulgated by the Ministry of Construction, NDRC, the Ministry of Finance, the Ministry of Land and Resources, PBOC, the State Administration of Taxation and the China Banking Regulatory Commission (“CBRC”) in April 2005, the transfer of uncompleted commodity properties by any pre-sale purchaser is forbidden. In addition, purchasers are required to buy properties in their real names. Any pre-sale contract must also be filed electronically online immediately after its execution.

Local Level

According to the Several Opinions of Zhuzhou Municipal People’s Government on Promoting the Steady and Healthy Development of the Real Estate Market (《株洲市人民政府關於促進房地產市場穩定健康發展的若干意見》) promulgated by Zhuzhou Municipal People’s Government in March 2009, the additional requirements for a project to pre-sale in Zhuzhou are: (i) the outward project progress of a multi-storey building shall not be less than 1/3; (ii) the outward project progress of a high-rise building shall not be less than 1/5.

The places where our Group’s other construction projects are located, such as Nanjing and Yangzhou, currently have not promulgated local implementation rules for the regulation of commercial housing pre-sale funds. As advised by our PRC legal advisors, Jun He Law Offices, even though there have not been any recent material changes to PRC laws and regulations governing the pre-sale activities of property developers either at state level or in Nanjing, Yangzhou and Zhuzhou, the local authorities have adopted a more prudent and stringent approach when reviewing the applications and granting permits for pre-sale activities in the recent two years.

Sale of Commodity Houses

According to the Measures for Administration of Sale of Commodity Houses (《商品房銷售管理辦法》) promulgated by the Ministry of Construction in April 2001, the conditions for a post-completion sale are that: (i) the developer has obtained its own business license and the real estate development qualification certificate; (ii) the developer has obtained the land use right ownership certificate or other documents evidencing the legal grant of land use right; (iii) the developer has obtained the construction works planning permit and construction permit; (iv) the commodity properties have passed the final examination and acceptance of completion; (v) the relocation of the original residents (if any) has been completed; (vi) the ancillary infrastructure facilities for supplying water, electricity, heating, gas, communication, etc. and other public facilities have been arranged and are ready for use and hand over; and (vii) the property management proposal has been concluded.

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According to the Regulation on Clear Pricing of Commercial Property (《商品房銷售明碼標價規定》) promulgated by NDRC in March 2011 and effective in May 2011, the real estate developers shall clearly mark the sales prices of houses.

Civil Defense Property

According to the PRC Law on National Defense (《中華人民共和國國防法》) promulgated by the NPC in March 1997, as amended in August 2009, national defense assets are owned by the state. According to the PRC Law on Civil Air Defense (《中華人民共和國人民防空法》, the “Civil Defense Law”) promulgated by the NPC in October 1996, as amended in August 2009, civil defense is an integral part of national defense. The Civil Defense Law encourages the public to invest in the construction of civil defense property. Investors in civil defense are permitted to use (including lease), manage the civil defense property in time of peace and profit therefrom.

Transfer of Real Property

According to the PRC laws and the Provisions on Administration of Transfer of Urban Real Estate (《城市房地產轉讓管理規定》) promulgated by the Ministry of Construction in August 1995, as amended in August 2001, a real estate owner may sell, gift or otherwise legally transfer the property to another individual or legal entity. When transferring a building, the titles to the building and the underlying land use right are transferred together. The parties to a transfer must enter into a written real property transfer contract and register the transfer with the relevant real estate authority within 90 days upon the execution.

The real property may only be transferred the granted land use right on the condition that: (i) the land grant consideration has been paid in full and a land use right ownership certificate has been properly obtained; and (ii) in the case of a project under development, development representing more than 25% of the total investment has been completed; or (iii) in case of a whole land lot development project, construction works have been carried out as planned, the civil infrastructure and public facilities have been made available, and the land has been leveled and is ready for industrial or other construction purposes.

Lease of Buildings

According to the Measures for the Administration of Commodity House Leasing (《商品房租賃管理辦法》) promulgated by MOHURD in December 2010 and effective in February 2011, the parties to a leasehold arrangement of a property must enter into a written lease contract. When a lease contract is signed, amended or terminated, the parties must register the details with the construction (real estate) administrative department of the people’s government of the municipality directly under the Central Government, city or county at the place where the leased house is located within 30 days after the execution for the purpose of protecting the tenant’s interest, failing which the parties will be ordered to rectify and subject to fine.

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Mortgage of Real Properties

According to the Procedures for Property Registration (《房屋登記辦法》) promulgated by the Ministry of Construction in February 2008 and effective in July 2008, a registered owner of housing property rights must also own the underlying land use right.

According to the PRC Urban Real Estate Administration Law, the PRC Security Law (《中華人民共和國擔保法》) promulgated by the NPC in June 1995, and the Measures for Administration of Mortgages of Urban Real Estate (《城市房地產抵押管理辦法》) promulgated by the Ministry of Construction in May 1997, as amended in August 2001, when a mortgage is created over a building, it must be simultaneously created over the underlying land use right. The mortgage contract must be in writing. After the contract has been signed, the parties must register the mortgage with the relevant real estate authority. A mortgage contract will become effective on its date of registration.

Commercial Bank Loans

On 5 June 2003, the PBOC promulgated the Circular on Further Strengthening the Management of Loans for Property Business (《關於進一步加強房地產信貸業務管理的通知》). According to this notice, commercial banks shall focus their business on supporting real estate projects targeted at mid-to lower-income households and appropriately restrict the granting of real estate loans to projects for the construction of luxury apartments and houses. The notice provides that when applying for bank loans, a real estate development company must contribute at least 30% of the total investment of the project from its own funds, and prohibits banks from advancing funds to real estate developers as working capital or for payment of land premiums.

On 12 August 2003, the State Council published the Notice by the State Council on Facilitating Sustained and Healthy Development of the Real Estate Market (《國務院關於促進房地產市場持續健康發展的通知》), which provides a series of measures to control the real estate market, including but not limited to enhancing the gathering and granting of public housing fund (住房公積金), perfecting the security of the residential loan and strengthening the supervision of real estate loans. The purpose of the notice is to create a positive influence on the long-term development of the real estate market in China.

On 30 August 2004, the CBRC issued a Guideline for Commercial Banks on Risks of Real Estate Loans (《商業銀行房地產貸款風險管理指引》). According to the guideline, no loans shall be granted in relation to projects which have not obtained requisite land use rights certificates, construction land planning permits, construction works planning permits and construction work commencement permits. The guideline also stipulated that not less than 35% of the investment in a property development project must be funded by the real estate developer's own capital for the project in order for banks to extend loans to the real estate developer. In addition, the guideline noted that commercial banks should set up strict approval systems on granting loans.

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On 16 March 2005, the PBOC promulgated a Notice on Adjusting the Housing Loan Policy and Deposit Rate of Excess Reserves for Commercial Banks (《關於調整商業銀行住房信貸政策和超額準備金存款利率的通知》) which cancelled the preferential mortgage lending interest rate for individuals and restricted on the minimum mortgage loan rate to 0.9 times the benchmark rate. The PBOC also increased the public housing fund loan rate (住房公積金貸款利率) by 0.18% and permitted commercial banks to decrease the mortgage loan rate from 80% to 70% of the value of the property if it is located in a city where property prices are increasing too rapidly.

On 27 April 2006, the PBOC promulgated a Notice on Adjusted the RMB Loan Interest Rates of Financial Institutions (《關於調整金融機構人民幣貸款利率的通知》). The notice provides that, from 28 April 2006, the benchmark loan interest rates of financial institutions will be increased. The benchmark one year bank lending rate was increased from 5.58% to 5.85%.

On 31 May 2006, the PBOC promulgated a Notice about Relevant Matters on Adjusted Housing Credit Policies (《關於調整住房信貸政策有關事宜的通知》). The notice provides that, from 1 June 2006, the first instalment payment for an individual house bought through a mortgage loan must not be lower than 30% of the purchase price. However, for houses purchased for self-residential purposes and with a gross floor area of less than 90 sq.m., the 20% first instalment payment regulation still applies.

On 25 May 2009, the State Council issued the Notice on Adjusting the Proportion of Capital in Fixed Asset Investment Projects (《國務院關於調整固定資產投資項目資本金比例的通知》). The Notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments are 20%, and the minimum capital requirement for other real estate development projects is 30%. These regulations apply to both domestic and foreign investment projects.

On 27 September 2007, PBOC and CBRC promulgated the Circular on Strengthening the Management of Commercial Real-estate Credit Loans (《關於加強商業性房地產信貸管理的通知》), which increases the down payment requirement applicable to a purchaser acquiring his second residential property to at least 40% and the interests payable on these loans must not be less than 110% of the benchmark interest rate of the same kind and same term by PBOC. Under this circular, the PRC authority has tightened control over commercial banks' loans to property developers in order to prevent these banks from excessive credit granting. The circular emphasises that commercial banks must not offer loans to property developers who have been found by state land and resource and construction authorities as hoarding land and buildings. Commercial banks are also prohibited from accepting commercial properties that have been vacant for more than three years as guaranties for loans. Under the complementary notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的補充通知》), if a member of a family (including the purchaser, his/her spouse and their children under 18) has borrowed loans from banks to buy a house, any member of the family that buys another house will be regarded as a second-time home buyer.

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On 29 July 2008, PBOC and CBRC issued the Notice on Financially Promoting the Saving and Intensification of Use of Land (《關於金融促進節約集約用地的通知》), which among other things,

- restrict PRC commercial banks from granting loans to property developers for the purpose of paying land premiums;
- regulate the secured loans for land reserve in various respects including to obtain land use certificate, to secure up to 70% value of security's appraised valuation, and to limit the length of maturity in no more than two years;
- prudently grant or extend loans to the property developer who (i) delay the commencement of development date specified in the land transfer agreement more than one year, (ii) has not finished one-third of the intended project, or (iii) has not invested the quarter of the intended total project investment;
- restrict granting loans to the property developer, the land of which is idle for two years; and
- restrict taking idle land as a security for loans.

On 7 January 2010, the General Office of the State Council issued the Circular on Facilitating the Stable and Healthy Development of Property Market (《關於促進房地產市場平穩健康發展的通知》). The Notice, among other things, provides that:

- To the families (including the debtors, their spouses and their juvenile children) who have bought a residential house by the loans and are applying for loans to buy a second residential house or more residential houses, the down payments of the loans should not be lower than 40%, the loan rates should be strictly commensurate with the credit risks.
- Banks are restricted from offering loans to a property development project or property developer which is not in compliance with credit loan regulations or policies.

On 31 December 2009, the China Banking Association issued the Self-regulation Consensus on the Regulation of Real Estate Mortgage Loan Business for Individuals and Maintain Market Order (《關於規範做好個人房地產按揭貸款業務維護市場秩序的自律共識》), pursuant to which, (1) all members of the China Banking Association are required to strengthen their business operations with respect to real estate mortgage loans for individuals, and (2) commencing from 1 January 2010, all members of the China Banking Association are prohibited from paying commissions to real estate brokers or other intermediaries for pure business solicitation and introduction purposes that are not in proportion to the services rendered by such persons.

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The PBOC raised the Renminbi deposit reserve ratio for large-scale financial institutions by 0.5% as of 18 January 2010 to 16%. The adjustment of the deposit reserve ratio is intended to slow the growth of money supply, which may adversely affect demand for property in China.

The PBOC decided to raise the Renminbi deposit reserve ratio of the deposit financial institutions (存款類金融機構) by 0.5% as of 25 February 2010 to 16.5%. The deposit reserve ratio of the small-scale financial institutions such as the rural credit cooperatives will temporarily remained.

The PBOC decided to raise the Renminbi deposit reserve ratio of the deposit financial institutions (存款類金融機構) by 0.5% as of 10 May 2010 to 17.0%. The deposit reserve ratio of the small-scale financial institutions such as the rural credit cooperatives will temporarily remained.

On 17 April 2010, the State Council issued the Notice on Firmly Preventing Property Price from Increasing too Fast in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), according to which a stricter differential housing credit policy shall be enforced. It provides that, among other things, (1) for first-time family buyer (including the borrower, his/her spouse and his/her underage children, similarly hereinafter) of the apartment larger than 90 sq.m., a minimum 30% down payment must be paid; (2) the down payment requirement on second-home mortgages was raised to at least 50% from 40% and also reiterated that an extra 10% should be adopted on interest rates for such buyers; and (3) for those who buy three or more houses, even higher requirements on both down payments and interest rates shall be levied. In addition, the banks can suspend housing loans to third or more home buyers in places where house prices rise too rapidly and too high and home supply is insufficient.

On 7 October 2010, Shanghai Municipal Government approved the Several Opinions on Further Strengthening the Control of Real Estate Market and Speeding up Housing-Security Programs of Shanghai (《關於進一步加強本市房地產市場調控加快推進住房保障工作的若干意見》), according to which:

- On the basis of the Notice on Firmly Preventing Property Price from Increasing too Fast in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》), it further prohibited all commercial banks from making loans to the family buyers who buy three or more apartments in Shanghai.
- For the family who buy its first property with a GFA larger than 90 sq.m. and apply for housing fund loans, a minimum 30% of down payment is required, and the ceilings of the housing fund loan shall be RMB600,000; for the family who buy its second property for improving its living condition, a minimum 50% of down payment is required and the ceilings of the housing fund loan is RMB400,000; all the Housing Fund Management Centers shall suspend making loans to the family who apply for its second property, which could not be defined as a living-condition-improving property; the family who buy its three or more properties, the making of housing fund loans is prohibited.

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- Since the date that this Opinion being issued, any family (including both the husband and wife, and their underaged children) of Shanghai or other provinces can buy only one property in Shanghai.
- Land appreciation tax shall be levied according to the ratio of the average price of house sold (A) by the company to the average price of all newly built house (B) in the whole area of last year: when A is lower than B, the land value appreciation tax shall be levied at the rate of 2%; when A does not exceed 2B, the tax rate shall be 3.5%; when A exceeds 2B, the tax rate shall be 5%.
- As to any real estate project which has obtained its Construction Licence after 1 July 2010, the requirements for it to apply for Pre-sale Permits shall be adjusted. The real estate project aforesaid can only apply for their pre-sale permits after its completion of capping main structure and passing the inspection.
- Relevant authorities are required to strengthen their managements on approval of planning, construction and pre-sale. Separately applying for limits of planning, construction and pre-sale are restricted. The scale of construction and pre-sale of a real estate project shall be no less than 30,000 sq.m. GFA. Real estate project with less than 30,000 sq.m. GFA is required to get Construction Planning Permit, Construction Licence and Pre-sale Permit at a single time.
- Real Estate Enterprises should strictly price its products according to the price it declared to relevant authorities. Whenever the actual price is higher than the declared one, it is required to file the new price to relevant authorities in timely fashion.

On 29 September 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》), which (i) raised the minimum down payment to 30% for all first home purchases with mortgage loans; (ii) required commercial banks in China to suspend mortgage loans to: (1) customers for their third or more residential property purchase, and (2) to non-local residents who cannot provide documentation certifying payment of local tax or social security for longer than a one-year period; and (iii) restricted the grant of new project bank loans or extension of credit facilities for all property companies with non-compliance records regarding, among other things, holding idle land, changing the land use to that outside the scope of the designated purpose, postponing construction commencement or completion, or hoarding properties.

Property Management

According to the Regulation on Property Management (《物業管理條例》) promulgated by the State Council in June 2003 and effective in September 2003, and as amended in August 2007, the government implements a qualification scheme system in monitoring the property service providers.

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According to the Measures for the Administration of Qualifications of Property Service Enterprises (《物業管理企業資質管理辦法》) promulgated by the Ministry of Construction in March 2004, as amended in November 2007, a property service provider must apply for an assessment of its qualification by the relevant qualification approval authority. A service provider that passes such a qualification assessment will typically be issued a qualification certificate. No enterprise may engage in the provision of property management services without the qualification certificate.

According to the Regulation on Property Management, “property management” includes security, property maintenance, cleaning and so forth. The marketing and operations management of the shopping malls carried out by our Group focused on the overall management of the operation of shopping malls, including identifying the target customers and creating the image of the shopping malls, organizing the marketing campaigns and overseeing the overall operation. As such, the operational management carried out by our Group does not fall under the scope of the “property management” as defined under the Regulation on Property Management and we are not required to obtain any qualification certificate for our operational management business.

According to the MOFCOM Catalog, foreign investors are allowed to incorporate property management enterprises in the nature of equity joint ventures, contractual joint ventures or wholly foreign owned enterprises. Before the registration with the relevant SAIC, the foreign-invested property management enterprises must obtain a certificate of approval issued by relevant branches of MOFCOM.

Insurance

There is no mandatory provision under the PRC laws, regulations and government rules which require a property developer to take out insurance policies for its real property developments. According to the common practice of the property industry in China, construction companies are usually required to submit insurance proposals in the course of tendering and bidding for construction projects. Construction companies must pay for the insurance premium at their own costs and take out insurance to cover their liabilities, such as third-party’s liability risk, employer’s liability risk, risk of non-performance of contract in the course of construction and other kinds of risks associated with the construction and installation works throughout the construction period. The insurance coverage for all these risks typically ceases immediately after the completion and acceptance of construction.

Impact of the PRC Governmental Austerity Measures

Land supply

The Opinions on Housing Supply Structure and Stabilization of Property Prices (《關於調整住房供應結構穩定住房價格的意見》) jointly promulgated by the Ministry of Construction, NDRC, PBOC and other relevant PRC government authorities in May 2006, the Notice on Implementation of the State Council’s Certain Opinions on Resolving Difficulties of Urban Low-income Families in Housing and Further Strengthening Macro-control of Land Supply (《關

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於認真貫徹國務院〈關於解決城市低收入家庭住房困難的若干意見〉進一步加強土地供應調控的通知》) promulgated by the Ministry of Land and Resource in September 2007 reiterate existing measures and introduced additional measures to further curb rapid increases in property prices in large cities and to promote healthy development of the PRC property market. These measures include:

- requires that at least 70% of the land supply approved by a local government for residential property development for any given year must be used for developing low-to-medium-cost and small-to-medium-size units and low-cost rental properties;
- requires that at least 70% of residential projects approved or constructed on or after 1 June 2006 must consist of units with a GFA of less than 90 sq.m. per unit.

The Urgent Notice on Further Tightening Management on Use of Land for Real Estate and Stabilizing the achievements of Macro-control on Real Estate Market (《關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知》) requires to further increase the land supply for common commodity housing.

Purchase limitations and financing policies of residential properties

The Circular on Facilitating the Stable and Healthy Development of Property Market (《關於促進房地產市場平穩健康發展的通知》) promulgated by the General Office of the State Council in January 2010, the Notice on Firmly Preventing Property Price from Increasing too Fast in Certain Cities (《關於堅決遏制部分城市房價過快上漲的通知》) promulgated by the State Council in April 2010, the Notice on the Relevant Issues regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》) jointly promulgated by the PBOC and the CBRC in September 2010, the Notice on Promoting Housing Financial Services and Strengthening Risk Management (《關於做好住房金融服務加強風險管理的通知》) promulgated by the CBRC in March 2011, the Notice on Further Strengthening the Market Control of Real Estate (《關於進一步做好房地產市場調控工作的通知》) promulgated by the General Office of Nanjing Municipal People's Government in February 2011 and the Notice on Reducing Benchmark Interest Rates of RMB Deposits and Loans of Financial Institutions and Adjusting the Floating Range for Interest Rates of Deposits and Loans (《關於下調金融機構人民幣存貸款基準利率和調整存貸款利率浮動區間的通知》) promulgated by PBOC in June 2012 adopt a series of measures to strengthen and improve the regulation of the property market, stabilize market expectation and facilitate the stable and healthy development of the property market. These include measures to increase the supply of affordable housing and ordinary commodity housing, provide reasonable guidance for the purchase of property, restrain speculation of properties, and strengthen risk prevention and market supervision as follows:

- for the first-time home buyer, a down payment of at least 30% of the purchase price for an ordinary housing with a GFA above 90 sq.m. and the interest rate shall not be lower than 70% of the relevant PBOC benchmark rate;

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- for the second-time home buyer, a down payment of at least 60% of the purchase price and the interest rate shall not be lower than 110% of the relevant PBOC benchmark rate.

According to the Circular on Regulating the Criteria for Identifying the Second Housing Unit in Connection with Commercial Mortgage Loans (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》) jointly promulgated by the MOHURD, the PBOC and the CBRC in May 2010, in identifying the second housing unit owned by an individual purchaser who is applying for a mortgage loan, the number of household housing units shall be determined by taking into account all housing units owned by the family members of such purchaser (including the purchaser and such purchaser's spouse and children under the age of 18).

The Notice on the Relevant Issues regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》) jointly promulgated by the PBOC and the CBRC in September 2010 requires commercial banks to suspend the grant of loans to individuals for their purchase of third or more residential properties. The notice further requires that all commercial banks to suspend the grant of loans for the purchase of residential properties by non-residents who cannot provide evidence of payment of local taxes or contribution to social insurance funds for more than one year.

On 11 March 2011, the people's governments of 34 cities, including Beijing, Shanghai, Guangzhou, Tianjin, Nanjing, Chengdu, Wuxi, Qingdao, Hangzhou, Xi'an, Changzhou, Shenyang and Dalian, have promulgated local measures for restriction of housing purchases to implement the Notice on Further Strengthening the Market Control of Real Estate.

Taxes on sale of residential properties

According to the Notice on the Adjustment of Policy of Business Tax on Re-sale of Personal Residential Properties (《財政部、國家稅務總局關於調整個人住房轉讓營業稅政策的通知》) promulgated by the Ministry of Finance and the State Administration of Taxation jointly in January 2011, the business tax is charged at a higher rate on residential properties which are sold within five years from the purchase date while a lower rate is charged on residential properties which are sold after five years from the purchase date (including the fifth year). The notice requires that the transfer of residential properties by individuals within five years of purchase is subject to business tax based on the sales income. The business tax levied on the transfer of non-ordinary residential properties by individuals after five years of purchase (including the fifth year) is based on the difference between the sales income and the purchase price. In the case of an ordinary residence, the business tax is exempted if the transfer occurs after five years from the purchase date (including the fifth year).

According to Notice of Deed Tax on the Adjustment of Real Estate Transactions and Personal Income Tax Preferential Policies (《關於調整房地產交易環節契稅個人所得稅優惠政策的通知》), promulgated by the Ministry of Finance, the State Administration of Taxation and the MOHURD jointly in September 2010, the deed tax rate is reduced to 1.0% for individuals who purchase ordinary residential properties with a GFA not more than 90 sq.m. as the family's sole property.

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Purchase limitations of foreign investors

According to the Opinion on Standardizing the Access and Administration of Foreign Investment in the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》, the “Opinion 171”) jointly promulgated by the Ministry of Construction, MOFCOM, NDRC, PBOC, State Administration for Industry and Commerce (國家工商總局, the “SAIC”) and State Administration of Foreign Exchange (國家外匯管理局, the “SAFE”) in July 2006 and the Notice in Respect of Foreign Exchange Issues in the Real Estate Market (《關於規範房地產市場外匯管理有關問題的通知》) (“Notice 47”) promulgated by SAFE and the Ministry of Construction in September 2006, an overseas entity or individual investing in real properties in China which are not for its own use must apply for the establishment of a foreign-invested real properties enterprise (the “FIREE”) and may only conduct operations within the authorized business scope. The Opinion 171 attempts to impose additional restrictions on the establishment and operation of FIREE by regulating the amount of registered capital as a certain percentage of total investment, limiting the tenure of approval certificates and business licenses to one year period, restricting the transfer of equity interests in a FIREE or its projects and prohibiting the borrowing of money from domestic and foreign lenders where its registered capital is not paid up or the land use right ownership certificate has not been obtained.

Impact of the PRC Governmental Austerity Measures

The austerity measures imposed by the PRC government on the PRC property market to stabilize the property price as described above, based on their nature, can be categorized as follows:

Restrictions on speculation activities of real estate developers

These policies mainly include the Notice on Financially Promoting the Saving and Intensification of Use of Land (《關於金融促進節約集約用地的通知》) promulgated by the PBOC and the CBRC in July 2008, the Circular on Facilitating the Stable and Healthy Development of Property Market (《關於促進房地產市場平穩健康發展的通知》) promulgated by the General Office of the State Council in January 2010, the Notice on Further Strengthening Control and Regulation of Land and Construction of Property Development (《關於進一步加強房地產用地和建設管理調控的通知》) promulgated by the Ministry of Land and Resources and the MOHURD in September 2010, the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》) promulgated by the PBOC and the CBRC in September 2010 and the Notice on Further Regulating the Real Estate Market (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》) promulgated by the General Office of State Council in January 2011.

According to the *Several Opinions on Further Expanding Domestic Demand and Stimulating Consumption* (《南京市人民政府關於進一步擴大內需拉動消費的若干意見》) promulgated by the Nanjing Municipal Government in July 2012, the market supply of residential properties shall be increased and housing prices shall be effectively stabilized in Nanjing.

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According to the news report released by Xinhua News Agency, the PRC official press agency, during the period from late July to mid-August in 2012, the State Council has dispatched eight inspection teams to investigate the implementation of the austerity measures of 16 provinces including Jiangsu and Hunan provinces. The inspection teams were satisfied with the practices of Jiangsu and Hunan provinces, and Nanjing, the capital of Jiangsu province, was singled out for compliment.

As advised by our PRC legal advisors, Jun He Law Offices, these policies aim to control the speculation activities of the real estate developers by limiting their access to bank facilities, participation in land bidding, as well as forfeiting their idle land.

During the Track Record Period and up to the Latest Practicable Date, we had not been deemed by authorities as holding any idle land and we have fully paid the land grant consideration in a timely manner according to the land use right grant contracts. Based on the above, our Directors are of the view that we are not subject to the restrictive measures set out under such policies.

Limitations on financing land grant consideration payment

These policies mainly include the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (《關於進一步加強土地出讓收支管理的通知》) promulgated by the Ministry of Finance, the Ministry of Land and Resources, the PBOC, the PRC Ministry of Supervision and the PRC National Audit Office in November 2009 and the Notice on Issues Related to Strengthening Real Estate Supply and Supervision (《關於加強房地產用地供應和監管有關問題的通知》) promulgated by the Ministry of Land and Resources in March 2010.

As advised by our PRC legal advisors, Jun He Law Offices, these policies require real estate developers to fulfill their obligations within a shorter period of time, which, in turn, impose a heavier financial burden on them for the payments of land grant consideration to finance their existing projects or future land acquisition.

During the Track Record Period and up to the Latest Practicable Date, we had not been deemed by authorities as delaying in the payment of land grant consideration. Furthermore, apart from banking facilities, we have various other sources of funding for our development projects include pre-sale/sale proceeds from our projects and other internal funds. Based on the above, the Directors are of the view that, despite the unforeseeable circumstance and based on the current development plan, we can obtain sufficient working capital to support our existing projects and future land acquisition.

Restrictions on speculation activities of residential properties buyers

These policies mainly include the Notice on Adjusting the Policy of Business Tax on Re-sale of Personal Residential Properties (《關於調整個人住房轉讓營業稅政策的通知》) promulgated by the Ministry of Finance and State Administration of Taxation in December 2009, The Circular on Facilitating the Stable and Healthy Development of Property Market

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(《關於促進房地產市場平穩健康發展的通知》) promulgated by the General Office of the State Council in January 2010, the Notice of Firmly Curbing Housing Price in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》) promulgated by the State Council in April 2010, the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》) promulgated by the PBOC and the CBRC in September 2010 and the Notice on Adjustment of Policy of Business Tax on Re-sale of Personal Residential Properties (《財政部、國家稅務局關於調整個人住房轉讓營業稅政策的通告》) promulgated by the Ministry of Finance and State Administration of Taxation in January 2011.

Furthermore, according to the Implementation Opinion of Further Promoting the Adjustment and Control of Real Estate Market (《關於進一步做好房地產市場調控工作的通知》) promulgated by the General Office of the Nanjing Municipal Government in February 2011, each family, who already has one property, with its registered permanent resident status in Nanjing is only allowed to purchase one more property. However, there is no policy in restricting the number of properties which each family can purchase in Yangzhou and Zhuzhou during the Track Record Period and up to the Latest Practicable Date.

According to the Implementation Opinion of Further Promoting the Adjustment and Control of Real Estate Market (《關於進一步做好房地產市場調控工作的通知》), the “Notice 17” promulgated by the General Office of the Nanjing Municipal Government in February 2011, a developer shall: (i) file the selling price for each residential property in the project when applying for the pre-sale permit for the project; (ii) pre-sell the residential properties in strict accordance with the filed prices without any increase in the selling prices within 3 months from the commencement of the pre-sale (but there is no restriction on any price reduction); and (iii) re-file the selling prices when increasing the filed prices after 3 months from the commencement of the pre-sale.

To further implement Notice 17, the General Office of Nanjing Municipal People’s Government promulgated the Notice on the Announcement of Nanjing 2011 Annual New Housing Price Control Target (《關於公佈本市2011年度新建住房價格控制目標的通知》), the “Notice Y2011”) in March 2011, setting out the principles of price control target for Nanjing in 2011 as follows: the increase in selling price shall be significantly lower than the increase in the per capita disposable income in 2011, and shall be lower than the increase in the selling prices of new properties in 2010. To be specific, in any case, such increase in 2011 shall be lower than 10.4%.

Our PRC legal advisors, Jun He Law Offices, have consulted with the relevant local authorities (namely, Nanjing Commodity Prices Bureau (南京市物價局) and Nanjing Municipal Commission of Housing and Urban-Rural Development (南京市住房和城鄉建設委員會)) on a no-name basis and understood that: (i) the local government has not promulgated a new notice similar to Notice Y2011 in 2012; (ii) the principles of Notice Y2011 shall be followed in 2012; (iii) the specific price control target in 2012 has not been released by the local government and the relevant local authorities will not refer to the target for 2011 when reviewing the pre-sale applications; and (iv) if the selling price for each residential property in the project set by the developer for filing is considered to be too high by the relevant authorities, such selling price

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will not be properly filed and then the pre-sale permit for the project will not be granted. To determine whether the selling price set by the developer is too high, the relevant authorities will compare such price with the average selling price of: (a) the residential properties already sold or pre-sold (if the project is sold or pre-sold in phases); (b) the projects in the surrounding area; and (c) the comparable projects.

As advised by our PRC legal advisors, Jun He Law Offices, these policies intend to curb the rapidly increasing property price in the PRC by limiting the number of properties which each family can hold, restricting the banking facilities available to the purchasers for speculation purpose and charging higher tax rate on property transactions. Our PRC legal advisors, Jun He Law Offices, advised that such policy would only have impact on our residential projects.

We believe that the majority of our target customers are purchasers for necessity purpose. As such, we do not expect these policies to have any material impacts on our major potential customers. In addition, the purchasers have access to other sources of funding, including housing provident fund loan. As a result, we do not expect that our business and financial performance will be materially and adversely affected by these policies. Our Directors further confirm that we did not encounter any material decrease in the selling prices of our properties due to the implementation of these policies during the Track Record Period.

Furthermore, according to our market consultant, Savills, Nanjing, Yangzhou and Zhuzhou are developing cities with further urbanization. Our Directors believe that these property markets are not saturated yet and there is growth potential for us in the property markets in these cities.

Encouragement of the PRC Government in the purchase of small size units and construction of affordable housing

These policies mainly include the Notice of Deed Tax on the Adjustment of Real Estate Transactions and Personal Income Tax Preferential Policies (《關於調整房地產交易環節契稅個人所得稅優惠政策的通知》) promulgated by the Ministry of Finance, the State Administration of Taxation and the MOHURD in September 2010.

As advised by our PRC legal advisors, Jun He Law Offices, these policies intend to encourage buyers to purchase real properties of smaller size. On the other hand, in order to ensure the living standard of the Chinese people, the PRC government plans to construct more residential properties affordable by families with low income, which would lead to an increase in the supply of such properties.

In view of such policies, we have designated and will designate a portion of our residential property development projects for the development of residential properties with a unit floor area less than 90 sq.m.

The average contract prices for the pre-sale of our residential properties at Golden Wheel Star City during the year ended 31 December 2011 and the six months ended 30 June 2012

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remained relatively stable as compared to the average selling prices of Golden Wheel Star City during the same periods. The average contract prices for the pre-sale of our commercial properties at Golden Wheel Time Square during the year ended 31 December 2011 and the six months ended 30 June 2012 were higher as compared to the average selling prices of Golden Wheel Time Square during the same periods. In addition, we had not encountered any difficulty in obtaining bank loans during the year ended 31 December 2011 and the six months ended 30 June 2012. For our residential property development, we will continue to focus on small to medium-sized ordinary commodity houses, which tends to be encouraged by the PRC government. On these basis, our Directors are of the view that these policies did not and would not have any material adverse impact on our business operations. However, it is difficult to ascertain the full extent of the impact of these measures on the performance of our Group or to accurately estimate the sales volume and turnover of our Group have been as if such measures had not been introduced. Our Directors confirm that we had not experienced any material cancellation of sales during the Track Record Period and up to the Latest Practicable Date.

Environmental Protection

The laws and regulations governing environmental protection with respect to real property development in China include the PRC Environmental Protection Law (《中華人民共和國環境保護法》), the PRC Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》), the PRC Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》) and the PRC Administrative Regulations on Environmental Protection for Development Projects (《中華人民共和國建設項目環境保護管理條例》). According to these laws and regulations, depending on the impact of the project on the environment, an environmental impact report, an environmental impact analysis table or an environmental impact registration form must be submitted by a developer before the relevant authorities grant approval for the commencement of construction. In addition, upon completion of the property development, the relevant environmental authorities will typically also inspect the property to ensure compliance with the applicable environmental protection standards and regulations before the property can be delivered to the purchasers.

PRC Taxation

As we are not incorporated in the PRC, your investment in our shares is largely exempt from PRC tax laws. However, because we carry out our PRC business operations through operating subsidiaries and joint ventures organized under the PRC law, our PRC operations and our operating subsidiaries and joint ventures in mainland China are subject to PRC tax laws and regulations, which indirectly affect your investment in our shares.

Dividends from Our PRC Operations

According to the PRC tax laws effective prior to 1 January 2008, dividends paid by our PRC subsidiaries or joint ventures to us were exempt from PRC income tax. However,

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according to the PRC Enterprise Income Tax Law and its implementation rules that became effective on 1 January 2008, dividends payable by foreign invested enterprises, such as subsidiaries and joint ventures in the PRC, to their foreign investors are subject to a withholding tax at a rate of 10% unless any lower treaty rate is applicable.

According to the new tax law and its implementation rules, enterprises established under the laws of foreign jurisdictions but whose “de facto management body” is located in the PRC are treated as “resident enterprises” for PRC tax purposes, and will be subject to PRC income tax on their worldwide income. For such PRC tax purposes, dividends from PRC subsidiaries to their foreign shareholders are excluded from such taxable worldwide income. According to the implementation rules of the new Enterprise Income Law, “de facto management bodies” is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. Because this tax law is new and its implementation rules are newly promulgated, there is uncertainty as to how this new law and its implementation rules will be interpreted or implemented by relevant tax bureaus.

Our Operations in the PRC

Our subsidiaries through which we conduct our business operations in the PRC are subject to PRC tax laws and regulations.

Deed Tax

According to the PRC Interim Regulation on Deed Tax (《中華人民共和國契稅暫行條例》), a deed tax is chargeable to transferees of land use right and/or ownership in real properties within the PRC. These taxable transfers include: (i) grant of land use right; (ii) sale, gift and exchange of land use right, other than transfer of right to manage “rural collective land (i.e. the land located in rural area and collectively owned by farmers)”; (iii) sale, gift and exchange of real properties.

The deed tax rate is between 3% and 5% and is subject to determination by local governments at the provincial level in light of local conditions.

Corporate Income Tax

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》, the “EIT Law”) effective in January 2008, a unified enterprise income tax rate is set at 25% for both domestic enterprises and foreign-invested enterprises.

In addition, According to the EIT Law, enterprises established under the laws of jurisdictions outside China with their “de facto management bodies” located within mainland China may be considered PRC resident enterprises and therefore subject to PRC enterprises income tax at the rate of 25% on their worldwide income. The EIT Law and its implementation rules provide that “de facto management body” of an enterprise is the organization that exercises substantial and overall management and control over the production, employees, books of accounts and properties of the enterprise.

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According to the Notice of the State Administration of Taxation on the Prepayment of Enterprise Income Tax of the Real Estate Development Enterprises (《關於房地產開發企業所得稅預繳問題的通知》) promulgated by the State Administration of Taxation in April 2008 and effective on 1 January 2008, where a real property development enterprise prepays the corporate income tax by quarter (or month) according to the current actual profit, for the incomes generated from the advance sale prior to the completion of such development projects as the dwelling houses, commodity houses and other buildings, fixtures, supporting establishments etc., which are developed and built by the real property development enterprise, the tax prepayment thereof shall be estimated profit and shall be adjusted according to the actual profit after the development projects are completed and the tax costs are settled.

The Notice on the Measure Dealing with Income Tax of Enterprise Engaged in Real Estate Development (《房地產開發經營業務企業所得稅處理辦法》) promulgated by the State Administration of Taxation promulgated in March 2009 and retroactively effective in January 2008 specifically stipulates the rules regarding tax treatment of income, cost deduction, verification of tax cost and certain item with respect to the real property development enterprise according to the EIT Law and its implementation rules.

According to the Notice Regarding the Publishing of the Administrative Measures for Non-residents to Enjoy the Treatment Under Taxation Treaties (Trial) (《關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》) promulgated by the State Administration of Taxation in August 2009 and effective in October 2009, and its supplemental regulation promulgated and effective in June 2010, prior approvals from the relevant tax authorities are required before a non-resident taxpayer may enjoy benefits under the relevant taxation treaties.

According to the Notice on the Confirmation of Completion Conditions for Development of Products by Property Development Enterprises (《關於房地產開發企業開發產品完工條件確認問題的通知》) promulgated by State Administration of Taxation in May 2010, a property will be deemed as completed where its delivery procedure (including move-in procedures) have commenced or when the property is in fact put into use. Property developers must conduct the settlement of cost in time and calculate the amount of corporate income tax for the current year.

Business Tax

According to the PRC Interim Regulation on Business Tax (《中華人民共和國營業稅暫行條例》) of 1994, as amended in November 2008 and effective on 1 January 2009 and the Detailed Rules for the Implementation of the Interim Regulation of the People's Republic of China on Business Tax (《中華人民共和國營業稅暫行條例實施細則》) promulgated by the Ministry of Finance and the State Administration of Taxation in December 2008 and effective in January 2009, services in the PRC are subject to business tax. Taxable services include the sale of real property in the PRC. The business tax rate is between 3% and 20%, depending on the type of services provided. Generally, the sale of real properties and other improvements on the land is subject to a business tax at the rate of 5% of the turnover of the selling enterprise payable to the relevant tax authorities.

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Land Appreciation Tax ("LAT")

According to the PRC Interim Regulation on LAT (《中華人民共和國土地增值稅暫行條例》) implemented in January 1994 and its implementation rules of 1995, the LAT applies to both domestic and foreign investors in real properties in the PRC. The tax is payable by a taxpayer on the capital gains from the transfer of land use right, buildings or other facilities on such land, after deducting "deductible items" that include the following:

- payments made to acquire land use right;
- costs and charges incurred in connection with land development;
- construction costs and charges in the case of newly constructed buildings and facilities;
- assessed value in the case of old buildings and facilities;
- taxes paid or payable in connection with the transfer of the land use right, buildings or other facilities on such land; and
- other items allowed by the Ministry of Finance.

Where the taxpayer is developing a project, the applicable tax is payable at the end of the project when either the whole project is sold or when all the land use right is sold.

The tax rate is progressive and ranges from 30% to 60% of the gain, as follows:

Appreciation Value	Tax Rate
Portion not exceeding 50% of deductible items	30%
Portion over 50% but not more than 100% of deductible items	40%
Portion over 100% but not more than 200% of deductible items	50%
Portion over 200% of deductible items	60%

An exemption from LAT is available in the following cases:

- Taxpayers constructing ordinary residential properties for sale (i.e. the residences built in accordance with the local standard for residential properties used by the general population, excluding deluxe apartments, villas, resorts and other high-end premises), where the appreciation amount does not exceed 20% of the sum of deductible items;
- Real properties taken over and repossessed according to laws due to the construction requirements of the state; and

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- Due to redeployment of work or improvement of living standards, transfers by individuals of residential properties for their own use, with a residency period for their own use of five years or longer and with tax authorities' approval.

According to a notice promulgated by the Ministry of Finance in January 1995, the LAT regulation does not apply to the following transfers of land use right:

- real properties transfer contracts executed before 1 January 1994; and
- first time transfers of land use right and/or premises and buildings during the five years commencing on 1 January 1994 if the land grant contracts were executed or the development projects were approved before 1 January 1994 and the capital has been injected for the development in compliance with the relevant regulations.

After the enactment of the LAT regulations and the implementation rules in 1994 and 1995 respectively, due to the long period typically required for real properties construction and transfers, many jurisdictions, while implementing these regulations and rules, did not require real property development enterprises to declare and pay the LAT. Therefore, in order to assist the local tax authorities in the collection of LAT, the Ministry of Finance, State Administration of Taxation, Ministry of Construction and State Land Administration Bureau issued several notices to reiterate that, after the assignments are signed, taxpayers must declare the tax to the relevant local tax authorities and pay the LAT as calculated by these authorities and within the prescribed time period required. The real properties administration authority will not process title change procedures and will not issue the property ownership certificates to parties unable to provide evidence of paying LAT or an exemption from LAT.

According to the Notice regarding the Serious Handling of Administration Work in relation to the Collection of Land Value-added Tax (《關於認真做好土地增值稅徵收管理工作的通知》) promulgated by the State Administration of Taxation in July 2002, the preferential policy of LAT exemption has expired and, accordingly, such tax will be levied on the initial transfer of properties under property development contracts signed before 1 January 1994, or project proposals that have been approved where capital was injected for development.

The Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題通知》) promulgated by the State Administration of Taxation in December 2006 and effective in February 2007 requires settlement of LAT liabilities by real estate developers. Provincial tax authorities are authorized to formulate their implementation rules according to the notice and their local circumstances.

To further strengthen LAT collection, based on the Rules on the Administration of the Settlement of Land Appreciation Tax (《土地增值稅清算管理規程》) promulgated by the State Administration of Taxation in May 2009 and effective in June 2009, the State Administration of Taxation issued the Notice on Issues Regarding Land Appreciation Tax Settlement (《關於土地增值稅清算有關問題的通知》) in May 2010 to provide further clarifications and guidelines on LAT settlement, revenue recognition, deductible expenses, timing of assessment and other related issues.

REGULATION

According to the Notice on Strengthening the Collection Land Appreciation Tax (《關於加強土地增值稅徵管工作的通知》) promulgated by the State Administration of Taxation in May 2010, it provides for a minimum LAT prepayment rate at 2% for provinces in eastern China region, 1.5% for provinces in the central and northeastern China regions, and 1% for provinces in the western China regions.

Urban Land Use Tax

According to the PRC Interim Regulations on Land Use Tax in respect of Urban Land (《中華人民共和國城鎮土地使用稅暫行條例》) promulgated by the State Council in September 1988, the land use tax in respect of urban land is levied according to the area of relevant land. The annual tax on urban land was between RMB0.2 and RMB10 per sq.m. An amendment by the State Council in December 2006 changed the annual tax rate to between RMB0.6 and RMB30 per square meter of urban land.

Buildings Tax

According to the PRC Interim Regulations on Buildings Tax (《中華人民共和國房產稅暫行條例》) promulgated by the State Council in September 1986, a building tax applicable to domestic enterprises at a rate of 1.2% if it is calculated on the basis of the residual value of a building and 12% on the basis of the rent. The following categories of buildings are exempt from the building tax:

- buildings owned by governmental agencies, people's organizations and the armed forces for their own use;
- buildings of institutions funded by State finance departments, for an institution's own use;
- religious temples, shrines' parks and places of historic and scenic beauty;
- buildings owned by individuals for non-business use; and
- other buildings allowed by the Ministry of Finance.

According to the Notice on Issues Relating to Assessment of Buildings Tax against Foreign-invested Enterprises and Foreign Individuals (《關於對外資企業及外籍個人徵收房產稅有關問題的通知》) promulgated by the Ministry of Finance and the State Administration of Taxation in January 2009, the building tax on foreign-invested enterprises, foreign enterprises and foreign individuals at the same rate as for domestic enterprise.

Stamp Duty

According to the PRC Interim Regulations on Stamp Duty (《中華人民共和國印花稅暫行條例》) promulgated by the State Council in August 1988, property transfer instruments, including those in respect of property ownership transfers, are subject to stamp duty at a rate of 0.05% of the amount stated therein.

REGULATION

Municipal Maintenance Tax

According to the PRC Interim Regulations on Municipal Maintenance Tax (《中華人民共和國城市維護建設稅暫行條例》) promulgated by the State Council in 1985, a taxpayer of product tax, value-added tax or business tax is required to pay a municipal maintenance tax calculated on the basis of product tax, value-added tax and business tax. The tax rate is 7% for a taxpayer in an urban area, 5% in a county or a town, and 1% for a taxpayer not in any urban area or county or town.

According to the Notice on Relevant Issues of Imposition of Municipal Maintenance and Education Surcharge on Foreign-invested Enterprises promulgated by the Ministry of Finance and the State Administration of Taxation (《財政部、國家稅務總局關於對外資企業徵收城市維護建設稅和教育費附加有關問題的通知》) in November 2010, foreign-invested enterprises must pay municipal maintenance tax on any value-added tax, consumption tax and business tax incurred on or after 1 December 2010. However, foreign-invested enterprises will be exempted from municipal maintenance tax on any value-added tax, consumption tax and business tax incurred before 1 December 2010.

Education Surcharge

According to the Interim Provisions on Imposition of Education Surcharge (《徵收教育費附加的暫行稅規定》) promulgated by the State Council in April 1986 and amended in 1990 and in August 2005, any taxpayer of value-added tax, business tax or consumption tax is liable for an education surcharge, unless such taxpayer is required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas (《國務院關於籌措農村學校辦學經費的通知》). The Education Surcharge rate is 3% calculated on the basis of consumption tax, value-added tax and business tax. According to the Supplementary Circular Concerning Imposition of Education Surcharge promulgated by the State Council (《國務院關於教育費附加徵收問題的補充通知》) in October 1994, the education surcharge is currently not applicable to foreign-invested enterprises.

According to the Notice on Relevant Issues of Imposition of Municipal Maintenance and Education Surcharge on Foreign-invested Enterprises (《關於對外資企業徵收城市維護建設稅和教育費附加有關問題的通知》), foreign-invested enterprises must pay an education surcharge on any value-added tax, consumption tax and business tax incurred on or after 1 December 2010. However, foreign-invested enterprises are exempted from paying an education surcharge on any value-added tax, consumption tax or business tax incurred before 1 December 2010.

Surplus reserve

Our PRC subsidiaries are subject to different requirements regarding the allocation of funds to surplus reserve in accordance with the Company Law (《公司法》), the Law of the People's Republic of China on Equity Joint Ventures Using Chinese and Foreign Investment (《中華人民共和國中外合資經營企業法》) and its implementing regulations, the Law of the

REGULATION

People's Republic of China on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》) and its implementing regulations, and their respective articles of association of our PRC subsidiaries. Such requirements vary in accordance with the form of establishment of such subsidiaries.

1. Sino-foreign joint venture

Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate which are established as sino-foreign joint ventures, may, at the discretion of their respective board of directors, allocate a portion of their profit after taxation reported in their statutory financial statements (prepared under the applicable PRC accounting standards) to their surplus reserve.

For the year ended 31 December 2011, the board of directors of Nanjing Jade Golden Wheel resolved to allocate approximately RMB10.5 million of profit after taxation reported in its statutory financial statements (prepared under the applicable PRC accounting standards) to its surplus reserve. For the six months beginning from 1 January 2012 and ended 30 June 2012, the board of directors of Nanjing Jade Golden Wheel resolved to allocate approximately RMB6.19 million of profit after taxation reported in its financial statements (prepared under the applicable PRC accounting standards) to its surplus reserve.

For the six months beginning from 1 January 2012 and ended 30 June 2012, the board of directors of Yangzhou Golden Wheel Real Estate resolved to allocate approximately RMB15.30 million of profit after taxation reported in its financial statements (prepared under the applicable PRC accounting standards) to its surplus reserve.

2. Wholly foreign-invested enterprise

Nanjing Golden Wheel Real Estate and Zhuzhou Golden Wheel Real Estate which are established as wholly foreign-invested enterprises are required to allocate at least 10% of their profit after taxation reported in their statutory financial statements (prepared under the applicable PRC accounting standards) to their surplus reserve.

For the six months beginning from 1 January 2012 and ended 30 June 2012, Nanjing Golden Wheel Real Estate did not allocate any amount to its surplus reserve.

Zhuzhou Golden Wheel Real Estate did not record any profit after taxation for each of the years ended 31 December 2009, 2010, 2011, as well as the six months beginning from 1 January 2012 and ended 30 June 2012, and accordingly, it is not required to allocate any amount to its surplus reserve.

REGULATION

3. Domestic limited liability company

Zhuzhou Golden Wheel Business Management which is established as a domestic limited liability company, is required to transfer 10% of its profit after taxation reported in its statutory financial statements (prepared under the applicable PRC accounting standards) to its surplus reserve.

Zhuzhou Golden Wheel Business Management did not record any profit after taxation since the date of its establishment to 31 December 2010. For the year ended 31 December 2011, Zhuzhou Golden Wheel Business Management allocated approximately RMB0.4 million, namely, 10% of profit after taxation for the same period to its surplus reserve. For the six months beginning from 1 January 2012 and ended 30 June 2012, Zhuzhou Golden Wheel Business Management allocated approximately RMB0.61 million, namely, 15% of profit after taxation for the same period to its surplus reserve.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

GENERAL

Our Company was incorporated on 26 April 2012 in the Cayman Islands and, as part of the Reorganization, became the holding company of our Group with our business being conducted through our subsidiaries.

HISTORY

We established Nanjing Golden Wheel Real Estate and commenced our real property development business in Nanjing, Jiangsu province, the PRC in April 1994. The properties that we have developed range from residential properties to integrated commercial properties. The following chart sets forth major events and milestones in the development of our business since 2001:

Year	Event/Milestone
2001	We commenced the construction of Golden Wheel Building (金輪大廈) in Nanjing in May.
2002	We established Nanjing Jade Golden Wheel in June.
2003	We completed the construction of Golden Wheel Building (金輪大廈) in Nanjing in February.
2004	<ul style="list-style-type: none">We commenced the construction of Golden Wheel International Plaza (金輪國際廣場) in July.We further expanded our business to Zhuzhou, Hunan province, the PRC, and established Zhuzhou Golden Wheel Real Estate in July.
2006	We further expanded our business to Yangzhou, Jiangsu province, the PRC, and established Yangzhou Golden Wheel Real Estate in December.
2008	<ul style="list-style-type: none">We commenced the construction of Golden Wheel Waltz (金輪華爾茲) in Nanjing in January.We were engaged by Nanjing Metro to operate and manage Xinjiekou Metro Mall in July.We commenced the construction of Phase I of Golden Wheel Star City (金輪星城) in Yangzhou in August.
2009	<ul style="list-style-type: none">We completed the construction of Golden Wheel International Plaza (金輪國際廣場) in Nanjing in January.We commenced the construction of Golden Wheel Time Square (金輪時代廣場) in Zhuzhou in May.We commenced the construction of Phase II of Golden Wheel Star City (金輪星城) in Yangzhou in October.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

Year	Event/Milestone
2010	We completed the construction of Golden Wheel Waltz (金輪華爾茲) in Nanjing in February.
2011	<ul style="list-style-type: none">We commenced the construction of Nanjing Jade Garden (南京翡翠名園) in Nanjing in January.We commenced the construction of Golden Wheel New Metro (金輪新都匯) in Nanjing in August.We commenced the construction of Golden Wheel Star Plaza (金輪星光名座) in Nanjing in November.
2012	<ul style="list-style-type: none">We completed the construction of Phase I of Golden Wheel Star City (金輪星城) in Yangzhou in March.We completed the construction of Golden Wheel Time Square (金輪時代廣場) in Zhuzhou in April.We were awarded “Capital The Best Developer Awards 2012 (資本最佳發展商大獎 2012)” by Capital magazine (資本雜誌).

OUR SUBSIDIARIES

Our subsidiaries include (i) intermediary holding companies incorporated in the BVI and Hong Kong, namely, Golden Wheel Jade, Golden Wheel Pearl, Golden Wheel Diamond, Golden Wheel International Corporation, Golden Wheel International Investment and Golden Wheel Creation; and (ii) operating subsidiaries incorporated in the PRC, namely, Nanjing Golden Wheel Real Estate, Nanjing Jade Golden Wheel, Yangzhou Golden Wheel Real Estate, Zhuzhou Golden Wheel Real Estate and Zhuzhou Golden Wheel Business Management.

Our BVI Subsidiaries

For details of the history and development of our BVI subsidiaries, please refer to “— Reorganization — Incorporation of BVI holding companies” in this section.

Our Hong Kong Subsidiaries

Golden Wheel International Corporation

Golden Wheel International Corporation was incorporated as a limited liability company under the laws of Hong Kong on 7 July 2010 and is an investment holding company. Upon its incorporation, 48,000,000 shares were issued to Golden Wheel Group, which was wholly owned by the Wong Family, at par of HK\$1.00 each.

On 18 June 2012, Golden Wheel Pearl acquired all the equity interest in Golden Wheel International Corporation from Wong Family and Golden Wheel International Corporation became our wholly owned subsidiary. For details, please refer to “— Reorganization — Acquisition of Golden Wheel International Corporation” in this section.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

Golden Wheel International Investment

Golden Wheel International Investment was incorporated as a limited liability company under the laws of Hong Kong on 17 May 2002 and is an investment holding company. Upon its incorporation, five shares were subscribed by Mr. Wong Yam Yin, Mr. Hafandi Lijaya, Mr. Tjie Tjin Fung, Mr. Sjaifudin Aman and Mr. Janata Suwita at par of HK\$1.00 each. On 26 November 2002, an aggregate of 99,999,995 shares were allotted to Kiky Gunawan, Janata Suwita, Tjie Tjin Fung, Jamin Haryanto, Hadi Gunaman, Hafandi Lijaya, Atjen Tanuwidjaja, Bambang Trisna, Julia Oscar, Sjaifudin Aman, Khoe Hioeng Hauw, Lili Somantry and Golden Wheel Properties Investment, which was wholly owned by the Wong Family. On 5 March 2012, Khoe Hioeng Hauw transferred all of his shares in Golden Wheel International Investment to Kiky Gunawan, Janata Suwita, Tjie Tjin Fung, Jamin Haryanto, Hadi Gunaman, Hafandi Lijaya, Atjen Tanuwidjaja, Bambang Trisna, Julia Oscar, Sjaifudin Aman and Lili Somantry and Golden Wheel Properties Investment. Upon completion of the equity transfer, Golden Wheel International Investment was owned approximately 5.92% by Hafandi Lijaya, approximately 6.96% by Tjie Tjin Fung, approximately 3.83% by Sjaifudin Aman, approximately 6.96% by Janata Suwita, approximately 6.96% Kiky Gunawan, approximately 6.96% by Jamin Haryanto, approximately 6.96% by Hadi Gunaman, approximately 5.57% by Atjen Tanuwidjaja, approximately 5.57% by Bambang Trisna, approximately 4.18% by Julia Oscar, approximately 6.96% by Lili Somantry and approximately 33.17% by Golden Wheel Properties Investment.

On 18 June 2012, Golden Wheel Jade acquired 33.17% equity interest in Golden Wheel International Investment from the Wong Family. On 18 June 2012, Golden Wheel Jade acquired from Sjaifudin Aman, Tjie Tjin Fung, Hafandi Lijaya, Lili Somantry, Jamin Haryanto, Kiky Gunawan, Janata Suwita, Hadi Gunaman, Atjen Tanuwidjaja, Bambang Trisna and Julia Oscar a total of 66.83% equity interest in Golden Wheel International Investment held by them. For details, please refer to “— Reorganization — Acquisition of Golden Wheel International Investment” in this section.

History and Development of Our PRC Subsidiaries

Nanjing Golden Wheel Real Estate

Nanjing Golden Wheel Real Estate was established on 21 April 1994 in Nanjing, Jiangsu province, the PRC, as a limited liability company with a registered capital of US\$2,000,000. Nanjing Golden Wheel Real Estate was initially wholly owned by Golden Wheel Group, which was wholly owned by the Wong Family. Nanjing Golden Wheel Real Estate has engaged mainly in property development business.

Upon completion of a series of registered capital increase, Nanjing Golden Wheel Real Estate increased its registered capital to US\$6,130,000 on 13 September 2004.

Pursuant to an equity transfer agreement dated 12 August 2010, Golden Wheel International Corporation acquired the entire equity interest in Nanjing Golden Wheel Real Estate at a consideration of US\$6,130,000, determined with reference to the registered capital of Nanjing Golden Wheel Real Estate. The equity transfer was completed and Nanjing Golden Wheel Real Estate is now wholly owned by Golden Wheel International Corporation.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

Nanjing Jade Golden Wheel

Nanjing Jade Golden Wheel was established on 21 June 2002 in Nanjing, Jiangsu province, the PRC, as a limited liability company with a registered capital of US\$3,000,000 and was owned as to 7.5% by Nanjing Golden Wheel Real Estate and 92.5% by Golden Wheel International Investment. Nanjing Jade Golden Wheel has been mainly engaged in property development.

Upon completion of a series of registered capital increase, Nanjing Jade Golden Wheel increased its registered capital to US\$14,950,000 on 12 March 2008.

Yangzhou Golden Wheel Real Estate

Yangzhou Golden Wheel Real Estate was established on 15 December 2006 in Yangzhou, Jiangsu province, the PRC, as a limited liability company with a registered capital of US\$5,000,000 and was owned as to 7.5% by Nanjing Golden Wheel Real Estate and 92.5% by Golden Wheel International Investment. Yangzhou Golden Wheel Real Estate has been mainly engaged in property development.

Pursuant to a board resolution of Yangzhou Golden Wheel Real Estate dated 20 May 2007, Yangzhou Golden wheel Real Estate increased its registered capital to US\$13,000,000 with contribution of US\$6,500,000 from Nanjing Jade Golden Wheel and additional contribution of US\$1,387,500 from Golden Wheel International Investment and US\$112,500 from Nanjing Golden Wheel Real Estate, respectively. Upon completion of a series of approval procedures for such capital increase, Yangzhou Golden Wheel is owned as to 50% by Nanjing Jade Golden Wheel, 46.25% by Golden Wheel International Investment and 3.75% by Nanjing Golden Wheel Real Estate.

Zhuzhou Golden Wheel Real Estate

Zhuzhou Golden Wheel Real Estate was established on 30 July 2004 in Zhuzhou, Hunan province, the PRC, as a limited liability company with a registered capital of US\$8,000,000 and was wholly owned by Golden Wheel International Investment. Zhuzhou Golden Wheel Real Estate has been mainly engaged in property development.

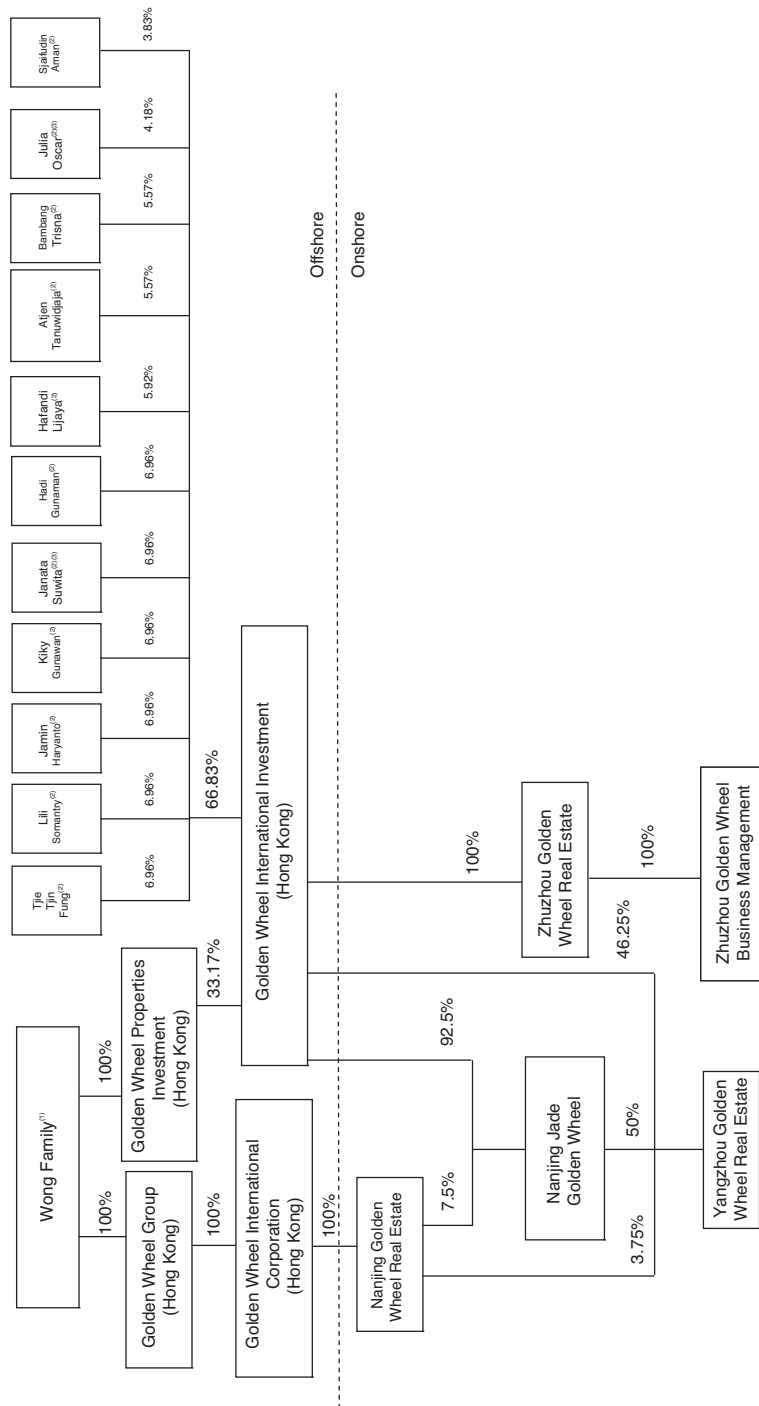
Zhuzhou Golden Wheel Real Estate increased its registered capital to US\$13,200,000 on 20 March 2007.

Zhuzhou Golden Wheel Business Management

Zhuzhou Golden Wheel Business Management was established on 1 February 2010 in Zhuzhou, Hunan province, the PRC, as a limited liability company with a registered capital of RMB500,000 and was wholly owned by Zhuzhou Golden Wheel Real Estate. Zhuzhou Golden Wheel Business Management has been mainly engaged in operational management.

REORGANIZATION

The following chart sets forth the Group's corporate and shareholding structure immediately prior to the Reorganization:



Notes:

- (1) Wong Family includes Mr. Wong Yam Yin (王欽賢), his wife Ms. Hung So Ling (洪素玲) and their sons Mr. Wong Kam Fai (王錦輝) and Mr. Wong Kam Keung, Barry (王錦堯).
- (2) They are parties acting in concert with the Wong Family pursuant to an acting in concert deed dated 16 January 2012 which affirmed certain voting arrangements in relation to the management of our Group.
- (3) Ms. Julia Oscar and Mr. Janata Suwita are related to Wong Family. Ms. Julia Oscar is the younger sister of Mr. Wong Yam Yin (王欽賢) and Mr. Janata Suwita is the husband of Ms. Julia Oscar.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

In preparation for the Global Offering, we carried out a series of restructuring steps beginning in January 2012 for the purpose of preparing our corporate structure for the Listing and to facilitate our growth and expansion strategy. The principal steps involved in the Reorganization are summarized as below.

A. Incorporation of BVI holding companies

Our Ultimate Controlling Shareholders incorporated a number of holding companies in the BVI, details of which are as follows:

Golden Wheel Realty was incorporated on 12 November 2009, the entire issued share capital of which is owned by Wong Family.

Fire Spark was incorporated on 10 January 2012, the entire issued share capital of which is owned by Mr. Kiky Gunawan.

Keita International was incorporated on 12 January 2012, the entire issued share capital of which is owned by Mr. Jamin Haryanto.

Fa Xing was incorporated on 13 February 2012, the entire issued share capital of which is owned by Mr. Hadi Gunaman.

Propitious Winds was incorporated on 8 February 2012, the entire issued share capital of which is owned by Mr. Bambang Trisna.

Aman Atlantic was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Sjaifudin Aman.

Chun Hung was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Tjie Tjin Fung.

Kang Fu Ming was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Hafandi Lijaya.

Green Paragon was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Lili Somantry.

Tien Shan Di Hai was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Atjen Tanuwidjaja.

Golden Era Forever was incorporated on 15 March 2012, the entire issued share capital of which is owned by Mr. Janata Suwita.

Golden Joy Forever was incorporated on 15 March 2012, the entire issued share capital of which is owned by Ms. Julia Oscar.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

B. Incorporation of our Company

On 26 April 2012, our Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorized share capital of US\$50,000 divided into 5,000,000 shares with a par value of US\$0.01 each. As of the date of incorporation, one subscriber Share was allotted and issued to and was fully paid up by the initial subscriber. On the same date, the said one Share was transferred to Golden Wheel Realty. At the same time, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever were allotted 429,975 shares, 32,658 shares, 59,377 shares, 50,471 shares, 59,377 shares, 59,377 shares, 59,377 shares, 59,377 shares, 59,377 shares, 47,503 shares, 47,503 shares and 35,627 shares, respectively. As a result, our Company was owned as to 43.00% by Golden Wheel Realty, approximately 3.26% by Aman Atlantic, approximately 5.94% by Chun Hung, approximately 5.05% by Kang Fu Ming, approximately 5.94% by Green Paragon, approximately 5.94% by Keita International, approximately 5.94% by Fire Spark, approximately 5.94% by Golden Era Forever, approximately 5.94% by Fa Xing, approximately 4.75% by Tien Shan Di Hai, approximately 4.75% by Propitious Winds and approximately 3.55% by Golden Joy Forever, respectively.

C. Incorporation of BVI and Hong Kong companies

Golden Wheel Jade was incorporated by our Company as a wholly-owned subsidiary on 8 May 2012 in the BVI. Golden Wheel Jade is an investment holding company.

Golden Wheel Pearl was incorporated by our Company as a wholly-owned subsidiary on 8 May 2012 in the BVI. Golden Wheel Pearl is an investment holding company.

Golden Wheel Diamond was incorporated by our Company as a wholly-owned subsidiary on 26 June 2012 in the BVI. Golden Wheel Diamond is an investment holding company.

Golden Wheel Creation was incorporated by Golden Wheel Diamond as a wholly-owned subsidiary on 21 August 2012 in Hong Kong. Golden Wheel Creation is an investment holding company.

D. Acquisition of Golden Wheel International Corporation

On 18 June 2012, in order to consolidate the equity interest held by Wong Family in our Group through Golden Wheel International Corporation which, in turn, held Nanjing Golden Wheel Real Estate, Golden Wheel Pearl acquired all the issued share capital in Golden Wheel International Corporation from Wong Family, in consideration of which, our Company allotted and issued 100 shares with a par value of US\$0.01 each to Golden Wheel Realty, a company wholly-owned by the Wong Family. The consideration for such acquisition was determined with reference to Wong Family's investment in Golden Wheel International Corporation and its subsidiaries and their contribution to the management and operation of our Group. For the

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

three years ended 31 December 2011, Golden Wheel International Corporation was not engaged in any other business and operation, apart from the development of Golden Wheel Building and Golden Wheel Green Garden through its wholly-owned subsidiary, namely Nanjing Golden Wheel Real Estate. Upon completion of the acquisition, Golden Wheel International Corporation became a wholly-owned subsidiary of our Company. Nanjing Golden Wheel Real Estate, a wholly-owned subsidiary of Golden Wheel International Corporation, has developed Golden Wheel Building and Golden Wheel Green Garden and is currently developing Golden Wheel New Metro. Our Directors consider that, by acquiring Golden Wheel International Corporation (and Nanjing Golden Wheel Real Estate and these three projects as a result thereof), we can increase our total GFA held for investment so as to further increase our rental income in the future. For details of these three projects, please refer to the section headed “Business — Our Property Projects” in this prospectus.

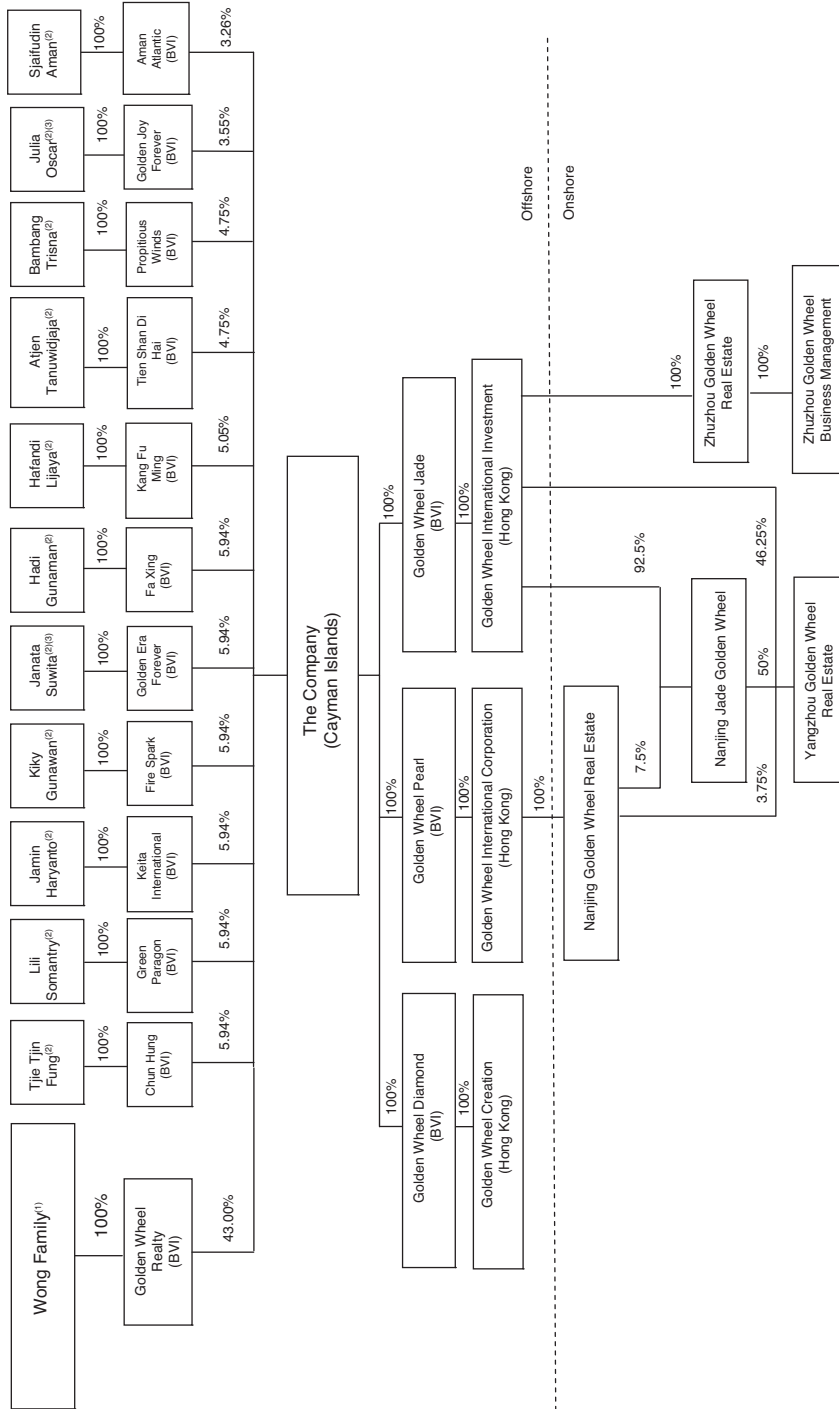
E. Acquisition of Golden Wheel International Investment

On 18 June 2012, in order to complete our Reorganization, Golden Wheel Jade acquired the equity interests held by our Controlling Shareholders in our Group through Golden Wheel International Investment which, in turn, held Nanjing Jade Golden Wheel. Such acquisition includes (a) Golden Wheel Jade acquired from Wong Family the entire 33.17% equity interest in Golden Wheel International Investment held by them. As consideration for such acquisition, our Company allotted and issued 429,976 Shares with a par value of US\$0.01 each to Golden Wheel Realty. The consideration for such acquisition was determined with reference to Wong Family’s investment in Golden Wheel International Investment and its subsidiaries and their contribution to the management and operation of our Group; and (b) Golden Wheel Jade acquired from Sjaifudin Aman, Tjie Tjin Fung, Hafandi Lijaya, Lili Somantry, Jamin Haryanto, Kiky Gunawan, Janata Suwita, Hadi Gunaman, Atjen Tanuwidjaja, Bambang Trisna and Julia Oscar the total of 66.83% equity interest in Golden Wheel International Investment held by them. As consideration for such acquisition, our Company allotted and issued 32,658 Shares to Aman Atlantic, 59,377 Shares to Chun Hung, 50,471 Shares to Kang Fu Ming, 59,377 Shares to Green Paragon, 59,377 Shares to Keita International, 59,377 Shares to Fire Spark, 59,377 Shares to Golden Era Forever, 59,377 Shares to Fa Xing, 47,503 Shares to Tien Shan Di Hai, 47,503 Shares to Propitious Winds and 35,627 Shares to Golden Joy Forever, respectively. Upon completion of the acquisitions, Golden Wheel International Investment became a wholly-owned subsidiary of our Company.

Upon completion of the Reorganization, the issued share capital of our Company was US\$20,000 divided into 2,000,000 shares with a par value of US\$ 0.01 each and was owned as to approximately 43.00% by Golden Wheel Realty, approximately 5.94% by Chun Hung, approximately 5.05% by Kang Fu Ming, approximately 5.94% by Green Paragon, approximately 5.94% by Keita International, approximately 5.94% by Fire Spark, approximately 5.94% by Golden Era Forever, approximately 5.94% by Fa Xing, approximately 4.75% by Tien Shan Di Hai, approximately 4.75% by Propitious Winds, approximately 3.55% by Golden Joy Forever and approximately 3.26% by Aman Atlantic, respectively.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

Upon completion of the above steps in the Reorganization, the corporate and shareholding structure of our Group is as follows:

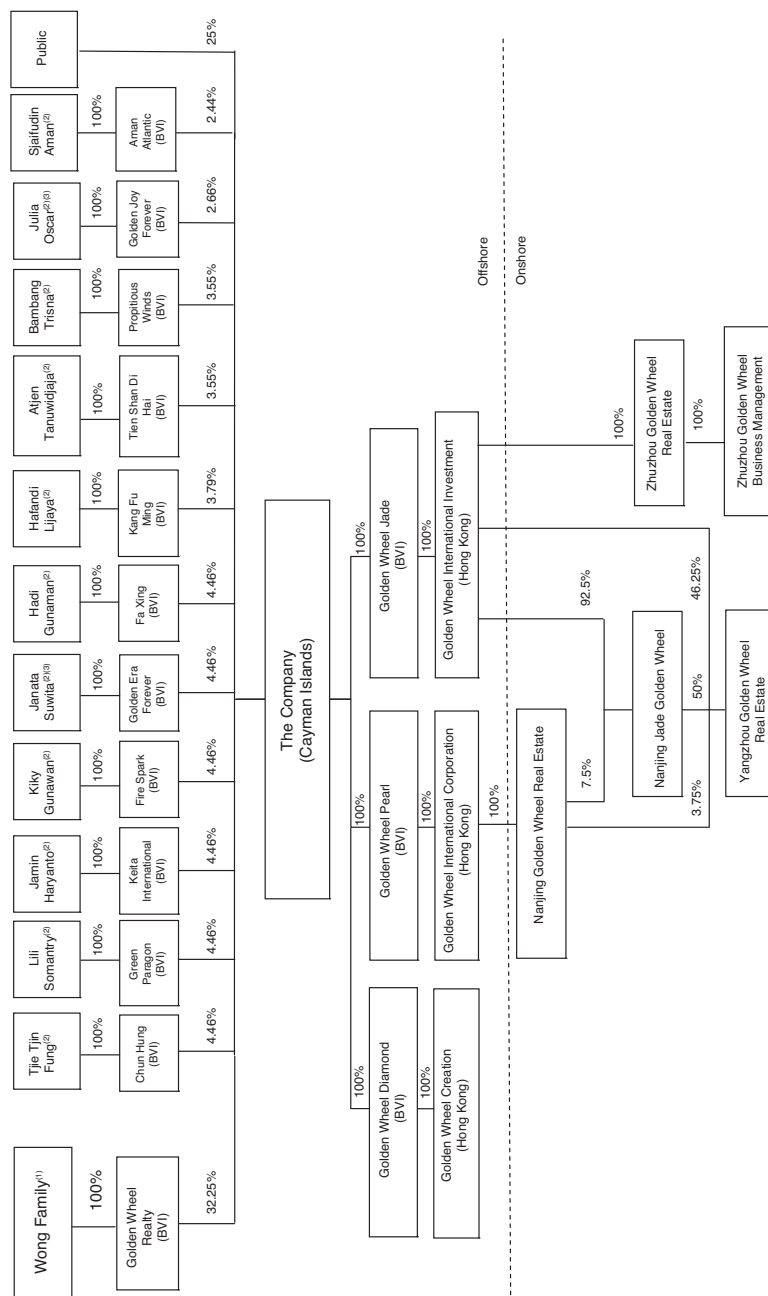


Notes:

- (1) Wong Family includes Mr. Wong Yam Yin (王欽賢), his wife Ms. Hung So Ling (洪素玲) and their sons Mr. Wong Kam Fai (王錦輝) and Mr. Wong Kam Keung, Barry (王錦堯).
- (2) They are parties acting in concert with the Wong Family pursuant to an acting in concert deed dated 16 January 2012 which affirmed certain voting arrangements in relation to the management of our Group.
- (3) Ms. Julia Oscar and Mr. Janata Suwita are related to Wong Family. Ms. Julia Oscar is the younger sister of Mr. Wong Yam Yin (王欽賢) and Mr. Janata Suwita is the husband of Ms. Julia Oscar.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

The following chart sets forth the corporate and shareholding structure of our Group upon completion of the Global Offering and the Capitalization Issue (but assuming that the Over-allotment Option is not exercised):



Notes:

- (1) Wong Family includes Mr. Wong Yam Yin (王欽賢), his wife Ms. Hung So Ling (洪素玲) and their sons Mr. Wong Kam Fai (王錦輝) and Mr. Wong Kam Keung, Barry (王錦堯).
- (2) They are parties acting in concert with the Wong Family pursuant to an acting in concert deed dated 16 January 2012 which affirmed certain voting arrangements in relation to the management of our Group.
- (3) Ms. Julia Oscar and Mr. Janata Suwita are related to Wong Family. Ms. Julia Oscar is the younger sister of Mr. Wong Yam Yin (王欽賢) and Mr. Janata Suwita is the husband of Ms. Julia Oscar.

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

PRC GOVERNMENT APPROVALS

M&A Rules

On 8 August 2006, six PRC regulatory authorities, including MOFCOM, CSRC and SAFE, jointly promulgated the Rules on the Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “**M&A Rules**”) to regulate the mergers and acquisitions of domestic enterprises by foreign investors, which came into effect on 8 September 2006 and were later amended by MOFCOM on 22 June 2009. Under the M&A Rules, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity interests of a domestic enterprise or subscribes for the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; or (ii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets or purchases the assets of a domestic enterprise and invests such assets to establish a foreign invested enterprise (the “**Regulated Activities**”). In addition, the M&A Rules purports to require that an offshore special purpose vehicle (“**SPV**”) formed for listing purposes shall obtain approval from CSRC. SPV is an offshore company controlled directly or indirectly by PRC individuals or PRC domestic enterprises for the purpose of overseas listing of a domestic company which the SPV has equity interests in and is actually owned by such PRC individual or PRC domestic enterprises.

As confirmed by our Directors, (i) none of the overseas companies within our Group, namely our Company, Golden Wheel Pearl, Golden Wheel Jade, Golden Wheel, Golden Wheel International Corporation or Golden Wheel International Investment is controlled by a PRC individual or enterprise; (ii) Nanjing Golden Wheel Real Estate was established as a wholly foreign-owned enterprise prior to the effective date of the M&A Rules; and (iii) the Reorganization did not involve any Regulated Activities. Therefore, our PRC legal advisors, Jun He Law Offices, advised that the M&A Rules are not applicable to the Reorganization.

SAFE Regulations

Pursuant to the Notice on Relevant Issues concerning Foreign Exchange Administration for Domestic Individuals to Engage in Financing and in Return Investment via Overseas Special Purpose Companies (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) promulgated by SAFE on 21 October 2005 and becoming effective on 1 November 2005, and the Operating Rules concerning Foreign Exchange Administration for Domestic Individuals to Engage in Financing and in Return Investment through Overseas Special Purpose Companies (《國家外匯管理局綜合司關於印發<境內居民通過境外特殊目的公司融資及返程投資外匯管理操作規程>的通知》) promulgated by SAFE on 20 May 2011 and becoming effective on 1 July 2011 (collectively, “**SAFE Regulations**”), a PRC domestic resident engaging in financing by way of equity issue or convertible bond outside the PRC with the assets or interests within the PRC through overseas special purpose vehicle shall apply to

OUR HISTORY, REORGANIZATION AND GROUP STRUCTURE

register with the local branch of foreign exchange administration for foreign exchange registration of overseas investments. PRC domestic resident refers to a resident with PRC passport or PRC identification card or an individual who does not have a legal status in the PRC but “habitually” resides in the PRC for economic reasons.

Since none of our Ultimate Controlling Shareholders is a PRC domestic resident, our PRC legal advisors, Jun He Law Offices, advised that the SAFE Regulations are not applicable to us.

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OVERVIEW

We are an integrated commercial and residential property developer, owner and operator with a proven track record in China. We focus on developing projects in Jiangsu and Hunan provinces that are physically connected or in close proximity to metro stations or other transportation hubs. Examples of such projects are our Golden Wheel International Plaza, Golden Wheel Time Square, Golden Wheel New Metro and Golden Wheel Star Plaza, which, together, accounted for approximately 55.1% of the total GFA of all of our completed properties and properties under development as of 30 September 2012.

We were founded in 1994 by our chairman, Mr. Wong Yam Yin, a prominent overseas Chinese with over 30 years of business experience in Asia including China, and we have a well-established operating history in China under the leadership of our chief executive officer, Mr. Wong Kam Fai, since the inception of the business. Mr. Wong Kam Fai graduated in 1993 from the University of New South Wales in Australia and holds senior membership positions in various real estate and business associations in China and Hong Kong.

We believe that our prudent strategy is instrumental to our long-term business growth, which is attributable to our focus on a business model comprising property development and leasing and operational management, in-house expertise in operation and management of centrally located commercial developments, and a disciplined financial management strategy.

Our business model comprises (i) the sale of our commercial and residential properties and (ii) the leasing and operational management of commercial properties owned by us or third-parties. We strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of offices, residential properties and hotel-style apartments for capital growth. In terms of the total GFA of our completed properties and properties under development as of 30 June 2012, our property development business and property leasing and operational management business accounted for 55.2% and 44.8%, respectively. In terms of our total revenue for the six months ended 30 June 2012, our property development business and property leasing and operational management business accounted for 92.8% and 7.2%, respectively.

Our flagship project, Golden Wheel International Plaza, situated on top of the Xinjiekou metro station on Hanzhong Road in Nanjing with a total GFA of 98,031 sq.m., has become a well-recognized commercial development of shopping malls and office in Nanjing. During the Track Record Period, we sold the office premises and we also leased the shopping mall units to international and domestic brands such as H&M, Sephora and Dou Lao Fang (豆撈坊) as major tenants. We also sold and leased two other shopping malls and integrated commercial and residential developments, namely Golden Wheel Waltz in Nanjing and Golden Wheel Time Square in Zhuzhou.

The residential units within our integrated commercial projects are positioned for mass market home buyers in Jiangsu and Hunan provinces. As of 30 September 2012, approximately 29,347 sq.m., or 81%, of the total GFA available for sale of our residential properties (completed and under development) are categorized as small to medium-sized

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ordinary commodity houses under the relevant PRC laws and regulations, which will remain as our focus for residential property development. We believe this particular residential market segment has more stable and consistent demand, higher affordability attributable to a lower purchase price in our target markets as compared to luxury residential developments which target higher income households and property investors in these markets. We believe that our focus on commercial developments and this particular residential segment will limit our exposure to the austerity measures introduced by the PRC government in the property sector.

In addition to leasing our own properties, we are also engaged in the leasing and operational management of shopping malls owned by third parties. We have successfully leveraged our experience and engaged in the leasing and operational management of the Xinjiekou Metro Mall owned by Nanjing Metro, which we then sub-lease, operate and manage on a project basis. According to Savills, we are a first mover in Nanjing in the niche market of leasing metro mall space from Nanjing Metro for sub-leasing, operation and management. There are currently 12 cities in China with metro systems and we expect that there will be more cities in China with metro systems in the near future. As a result, we believe that the continuing development of metro systems in second-and third-tier cities will create significant opportunities for developing and operating metro-linked malls in these cities. We will, through a joint venture company, lease and manage another commercial complex close to transportation hub and owned by Nanjing Qin Huai River Construction and Development Company Limited (南京秦淮河建設開發有限公司), which is expected to be completed in 2014. We will continue to engage in such leasing and operational management business with respect to shopping malls owned by third parties.

Our land bank includes property projects which are (i) completed but unsold, (ii) completed and held for investment, (iii) under developments for sale, and (iv) under development to be held for investment. As of 30 September 2012, we had a land bank with a total GFA of approximately 284,064 sq.m. with a total appraised value of approximately RMB5,183.2 million, comprising (i) completed but unsold properties of a total GFA of 66,717 sq.m. with a total appraised value of approximately RMB702.3 million, (ii) completed investment properties of a total GFA of 63,942 sq.m. with a total appraised value of approximately RMB2,977.9 million, (iii) unsold properties under developments of 134,968 sq.m. with a total appraised value of approximately RMB1,243.0 million, and (iv) properties under development to be held for investment of a total GFA of 18,437 sq.m. with a total appraised value of approximately RMB260.0 million. In addition to our existing property development projects, we are actively exploring opportunities to increase our land bank for additional property development projects in China. We had entered into letters of intent with certain local governmental authorities or third parties in relation to several potential projects in Nanjing and Zhuzhou. Subject to the formal agreements, which we cannot assure with any level of certainty, these projects are expected to have a total planned GFA of approximately 616,709 sq.m.

We had maintained a profitable operation during the Track Record Period. In 2011, our net profit was RMB513.2 million, representing an increase of 74.9% from RMB293.4 million in 2010. We also had a prudent net debt to equity ratio of 15.0% as of 30 June 2012 as a result of our strict financial discipline over all aspects of our operations from land acquisition to

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construction. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our revenue and profit were primarily derived from sales of residential and/or commercial property units at Golden Wheel International Plaza, Golden Wheel Star City, Golden Wheel Waltz and Golden Wheel Time Square.

OUR COMPETITIVE STRENGTHS

We have a proven track record and reputation of developing and operating integrated commercial projects, with a focus on life-style shopping malls which are situated in prime locations

We have a proven track record of developing and operating shopping malls and integrated commercial projects in Jiangsu and Hunan provinces, both of which have strong historical economic development and potential for future growth. We commenced our operations in 1994 and the majority of our completed projects are located in well-established business and residential areas. Our integrated commercial developments are usually connected or in close proximity to local metro stations or other transportation hubs, which provide high pedestrian walk-through traffic flow. Our integrated commercial projects normally incorporate features such as walkways with shops on both sides to facilitate high traffic flow, which create a more convenient and comfortable shopping environment. We believe that our projects have become well-recognized developments in their respective city due to their prime commercial locations, easy accesses to well-developed local transportation networks and distinctive project design.

In particular, our flagship project, Golden Wheel International Plaza, situated above the Nanjing Xinjiekou metro station on Hanzhong Road, has received various real estate awards in recognition of its aesthetic appeal and commercial value. The shopping mall in this project has achieved an occupancy rate of over 95% as of 31 December 2009, 2010 and 2011 and 30 June 2012. We take an active asset management approach by optimizing our tenant mix from time to time and improving our operation efficiency. Our major tenants located in Golden Wheel International Plaza include major international and domestic brands such as H&M, Sephora and Dou Lao Fang (豆撈坊).

We are currently engaged in the development of our second metro-linked shopping mall in Nanjing, Golden Wheel New Metro, which will be connected to the Hedingqiao (河定橋) metro station and is expected to be completed in 2013. In May 2012, we entered into a letter of intent with Nanjing Metro in connection with the proposed development of a commercial and residential project above the China Pharmaceutical University metro station. We have a proven track record and have been recognized by Nanjing Metro as a long-term partner in its commercial property projects due to our strong commercial property operational capabilities with a dedicated operational team.

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We have a business model where we strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of office and residential properties for capital growth

Our business model is designed to balance short-term capital need and long-term financial strength. We retain a majority of our shopping malls for recurring income and long-term financial strength while we sell a mix of our offices, residential properties and hotel-style apartments for capital growth.

The fair value of our investment properties had increased substantially during the Track Record Period, which was primarily due to the addition of new investment properties and the overall value appreciation of commercial properties in Jiangsu and Hunan provinces. We believe that this has substantially enhanced our financial position.

We have a strong balance sheet as a result of our strict financial discipline

We exercise strict financial discipline over all aspects of our operations from land acquisition to construction. As a result, we had a prudent net debt to equity ratio of 13.1%, 9.6%, 12.4% and 15.0% as of 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, respectively. Moreover, we believe that we have recorded strong pre-sales attributable to the strong demand of our quality developments in prime locations, which provide us with substantial cash flow and liquidity. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our return on equity was 20.6%, 17.9%, 24.7% and 7.8%, respectively.

We believe that our strong balance sheet also enables us to access financing for potential acquisition opportunities notwithstanding market volatility.

We have a proven land acquisition track record based on quality and we have maintained a land bank of efficient size

We believe that a quality land bank acquired at competitive costs is crucial to our long term success. In view of our long-term growth strategy, we focus on building a land bank based on quality. Due to the substantial amount of capital expenditure involved and the volatility of the PRC real estate market, we prudently acquired one piece of land per year since 2007 to ensure efficient capital deployment and enhance investment return. During the Track Record Period, our GFA sold was 28,152 sq.m., 67,305 sq.m., 62,561 sq.m. and 73,456 sq.m. in 2009, 2010, 2011 and the six months ended 30 June 2012, respectively, and our GFA leased was 27,095 sq.m., 29,530 sq.m., 51,887 sq.m. and 59,706 sq.m. in the respective period. We have maintained a mix of developments for sale and developments for investment purposes. To retain sufficient land bank for future development, we will continue to acquire land as and when appropriate and may acquire more than one piece of land in a year taking into account our then financial resources including the proceeds from the Global Offering. Taking into account the potential development projects under the letters of intent, we expect to acquire three pieces of land in 2013 and two pieces of land in 2014. We do not believe in acquiring and retaining a substantial land bank without a specific development plan due to the high capital expenditure

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involved and the volatility of the PRC property market. We have a proven track record in demonstrating our ability to build a quality land bank at competitive costs. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our average land acquisition costs as a percentage of average selling price remained relatively stable at 14.5%, 18.0%, 14.6% and 14.1%, respectively. We also leverage our established brand name and reputation in developing and managing integrated commercial and residential projects to identify and secure land in government tenders.

OUR BUSINESS STRATEGY

We intend to become a leading integrated commercial property developer with a focus on metro-linked life-style shopping malls. To achieve this, we intend to focus on the following strategies:

We will continue to develop, operate and lease life-style shopping malls and integrated commercial developments which are directly linked or close to transportation hubs in China

By leveraging our proven track record, strong local knowledge and brand recognition, we intend to further penetrate into Jiangsu and Hunan provinces which we believe will continue to be fast growing provinces in terms of economic development. We intend to continue to focus primarily on the development and operation of life-style shopping malls and commercial projects in these provinces. We also plan to leverage our experience in Jiangsu and Hunan provinces in the short term to expand our business operations to other provinces.

We also intend to further expand our property leasing and operational management business of third party owners by leveraging our first mover advantage and successful project development experience. We will work closely with other metro authorities to lease their commercial developments that are connected to metro stations and transportation hubs for our operations and property managements.

We will continue to optimize tenant mix and increase recurring rental income for completed investment properties

As we grow our portfolio of investment properties, we intend to continue to optimize our tenant mix in order to increase our recurring rental income and reduce our operating risks. We aim to take a flexible and proactive leasing strategy with existing and potential major tenants, who we believe will add value to our shopping malls and commercial development. We plan to continue to work with our major tenants, such as H&M, Sephora and Dou Lao Fang (豆捞坊), to expand their presence across our other shopping malls and commercial projects by offering preferential leasing terms and providing value-added supporting services.

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We believe that securing high quality major tenants will increase the stability of our tenant base, improve the profile and reputation of our shopping malls and commercial developments, as well as increase pedestrian traffic flow within these developments, therefore enhancing the status of our projects and enabling us to improve rental rates and sales prices for our projects.

We will maintain a mix of developments for sale and developments for investment purposes

We intend to maintain a mix of commercial properties to generate recurring income and enhance our long-term financial strength, as well as income from property sales. We intend to strategically balance the amount of GFA for sale and for investment in our existing projects in order to strengthen our financial position and to finance the growth of our business. We strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of offices, residential properties and hotel-style apartments for capital growth.

We will continue to maintain a disciplined financial strategy

We will continue to maintain a disciplined financial strategy in our business operations. We have maintained a strong balance sheet in terms of a prudent net gearing ratio and our strong pre-sales have provided steady operational cash flow and liquidity. We intend to continue to maintain such strong balance sheet in order to achieve sustainable growth in the middle to long term. We intend to continue to actively manage our project construction process to ensure sufficient internal cash for our ongoing capital needs. We will also exercise prudent financial management in our capital commitment and deploy our capital resources effectively to maximize return for shareholders and to ensure our continued growth.

OUR PROPERTY PROJECTS

We classify our property projects into three categories according to the stage of development:

- completed properties, comprising property projects that we have completed, with a certificate of completion issued by the relevant governmental authorities;
- properties under development, comprising property projects with a land use right certificate issued by the relevant governmental authorities and the construction having commenced but a certificate of completion of which has not been obtained; and

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- properties planned for future development, representing^(Note) (i) properties for which we have received a land use right certificate but have not yet commenced construction; and/or (ii) properties for which we have entered into master, cooperation or investment agreements with the relevant governmental authorities regarding future development and we are in the process of carrying out the necessary PRC regulatory procedures to obtain the relevant land use right certificate.

Note: We currently do not hold any property for future development.

Property Classification. Our classification of properties reflects the basis on which we operate our business and may differ from classifications employed by other developers. Each property project may require multiple land use right certificates, construction land planning permits, construction works planning permits, construction permits, pre-sale permits and other permits and certificates which are issued at different stages throughout the development process. Our classification of properties is not directly comparable with the classification of properties in the Property Valuation Report contained in Appendix IV to this prospectus and the Accountants' Report contained in Appendix I to this prospectus. These classifications, however, share similarities in the treatment of properties for which we have obtained a land use right certificate. While we categorize properties with land use right certificates as properties under development, the Property Valuation Report contained in Appendix IV to this prospectus assigns a fair market value to such properties and the Accountants' Report contained in Appendix I to this prospectus includes them on our balance sheet as our assets.

The table below sets forth our classification of properties, and the corresponding classification of properties in the Property Valuation Report and the Accountants' Report:

This prospectus	Property Valuation Report	Accountants' Report
<ul style="list-style-type: none"> • Completed properties, comprising properties with a certificate of completion (including completed properties that have been sold) 	<ul style="list-style-type: none"> • Group I — Property interests held by the Group for Investment • Group II — Property interests held by the Group for sale and occupation (excluding completed properties whose titles have been transferred) 	<ul style="list-style-type: none"> • Completed properties held for sale (excluding completed properties that have been sold) • Completed investment properties

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<u>This prospectus</u>	<u>Property Valuation Report</u>	<u>Accountants' Report</u>
<ul style="list-style-type: none"> • Properties under development, comprising properties for which we have obtained a land use right certificate but not yet a certificate of completion 	<ul style="list-style-type: none"> • Group III — Property interests held by the Group for development 	<ul style="list-style-type: none"> • Properties under development for sale • Investment properties under development
<ul style="list-style-type: none"> • Properties planned for future development, representing (i) properties for which we have received the land use right certificate but have not yet commenced construction; or (ii) properties for which we have entered into master, cooperation or investment agreements with the relevant governmental authorities and we are in the process of carrying out the necessary PRC regulatory procedures to obtain the land use right certificate 	N/A	<ul style="list-style-type: none"> • Leasehold land held for development for sale

Our business primarily comprises property development and property leasing and operational management. The land bank information refers to the aggregate of GFA pre-sold, GFA available for sale and GFA held for investment of all of our property projects as of 30 September 2012.

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The following table sets forth an overview of our property projects as of 30 September 2012:

Project	City	Site area sq.m.	Actual/estimated construction commencement date ⁽¹⁾ monthly/year	Actual/estimate pre-sale commencement date monthly/year	Actual/estimated construction completion date ⁽²⁾ monthly/year	Percentage of completion ⁽³⁾	Total GFA/Total planned GFA ⁽⁴⁾ sq.m.	GFA with construction permits sq.m.	GFA held for Company's own use sq.m.	Non-Saleable GFA ⁽⁵⁾ sq.m.
Completed properties										
Golden Wheel International Plaza	Nanjing	11,341	Jul-04	Dec-06	Jan-09	100%	98,031	98,031	1,716	20,656
Golden Wheel Waltz	Nanjing	2,046	Jan-08	Oct-09	Feb-10	100%	7,995	7,995	56	—
Golden Wheel Building	Nanjing	4,918	May-01	Jan-02	Feb-03	100%	27,000	27,000	—	2,509
Golden Wheel Green Garden	Nanjing	10,334	Aug-01	Oct-01	Sep-02	100%	24,147	24,147	—	—
Golden Wheel Star City (Phase I)	Yangzhou	42,803	Aug-08	Oct-08	Mar-12 ⁽⁷⁾	100%	88,933	88,933	—	5,455
Golden Wheel Star City (Phase II Building No. 11, 12, 13, 15, 16 and 17)	Yangzhou	27,423	Oct-09	Oct-09	Aug-12	100%	84,288	84,288	—	4,272
Golden Wheel Time Square	Zhuzhou	13,501	May-09	Oct-09	Apr-12	100%	134,096	134,096	—	1,925
Subtotal/Average		112,366				100%⁽⁸⁾	464,490	464,490	1,772	34,817
Properties under development										
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Jul-12	Jun-13	96%	29,976	29,976	—	7,240
Golden Wheel Star Plaza	Nanjing	29,540	Nov-11	Jan-13	Sep-13	60%	70,396	70,396	—	14,644
Golden Wheel New Metro	Nanjing	9,218	Aug-11	Nov-12	Jun-13	69%	59,912	59,912	—	12,416
Golden Wheel Star City (Phase II Building No. 10 and 18)	Yangzhou	11,389	Jun-10	Nov-12	Dec-13	57%	33,084	33,084	—	5,663
Subtotal/Average		57,359				69%⁽⁸⁾	193,368	193,368	—	39,963
Total		169,725					657,858	657,858	1,772	74,780
Attributable GFA (sq.m.)		169,725					657,858	657,858	1,772	74,780

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Saleable GFA																		
Project	GFA sold ⁽⁶⁾					GFA pre-sold ⁽⁶⁾					GFA held for investment ⁽⁶⁾			Development costs incurred ⁽⁶⁾ RMB millions	Future development costs to be incurred ⁽⁶⁾ RMB millions	Interest to the Group	Reference to Property Valuation Report	
	Hotel-style		Office		Total	Hotel-style		Office		Total	Retail	Carpark	Total					
	Residential	Retail	sq.m.	sq.m.		Residential	Retail	sq.m.	sq.m.									Residential
Completed properties																		
Golden Wheel International Plaza	—	—	28,956	10,288	367	39,621	—	—	4,435	—	3,547	7,982	28,056	28,056	678.9	—	100%	1,6.7
Golden Wheel Waltz	—	—	—	5,495	—	5,495	—	—	—	—	—	—	2,444	2,444	113.9	—	100%	2.8
Golden Wheel Building	14,308	6,849	1,420	—	460	23,037	—	—	—	—	238	238	1,216	1,216	120.0	—	100%	3
Golden Wheel Green Garden	23,126	—	—	—	—	23,126	—	—	—	—	—	—	1,021	1,021	49.0	—	100%	5
Golden Wheel Star City (Phase I)	72,128	—	—	—	2,649	74,777	—	694	299	—	1,403	6,305	8,701	—	281.6	—	100%	9
Golden Wheel Star City (Phase II Buildings No. 11, 12, 13, 15, 16 and 17)	57,835	—	—	—	—	57,835	1,155	21,026	—	—	—	21,026 ⁽¹¹⁾	—	—	300.2	—	100%	9
Golden Wheel Time Square	59,333	14,018	—	—	—	73,351	4,252	8,760	1,937	—	12,666	23,363	31,205	31,205	525.0	—	100%	4,10
Subtotal	226,730	20,867	30,376	15,793	3,476	297,242	5,407	30,480	2,236	4,435	1,403	22,756⁽¹¹⁾	61,310	63,942	2,068.6	—	—	—
Properties under development																		
Nanjing Jade Garden	—	—	—	—	—	—	10,314	5,775	4,968	—	—	1,679	12,422	—	176.2	8.0	100%	11
Golden Wheel Star Plaza	—	—	—	—	—	—	—	—	13,135	21,435	18,600	2,582	55,752	—	233.1	154.1	100%	13
Golden Wheel New Metro	—	—	—	—	—	—	—	—	—	11,719	15,139	2,201	29,059	18,437	270.9	119.4	100%	12
Golden Wheel Star City (Phase II Buildings No. 10 and 18)	—	—	—	—	—	—	—	—	4,972	—	22,449	—	27,421	—	75.0	57.3	100%	14
Subtotal	—	—	—	—	—	—	10,314	5,775	23,075	33,154	56,188	6,462	124,654	18,437	755.2	338.8	—	—
Total	226,730	20,867	30,376	15,793	3,476	297,242	15,721	36,255	25,311	37,589	57,591	29,218	185,964	82,379	2,823.8	338.8	—	—
Attributable GFA (sq.m.)	226,730	20,867	30,376	15,793	3,476	297,242	15,721	36,255	25,311	37,589	57,591	29,218	185,964	82,379	2,823.8	338.8	—	—

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Notes:

- (1) The actual construction commencement date refers to the date on which construction commenced on the first building of the project.
- (2) The actual construction completion date refers to the date of the proof of examination and acceptance of completion for each property or each phase of a multi-phase project. For properties under development, the estimated construction completion date of a property or phase reflects our best estimate based on our current development plan.
- (3) Calculated based on incurred development costs and the total estimated development costs.
- (4) "Total GFA" of completed properties represents the GFA provided in surveying reports or the proof of examination and acceptance of completion by the relevant governmental authorities; "Total GFA" of properties under development is based on land surveyor's estimates and/or planning permits.
- (5) "Non-saleable GFA" of properties includes the GFA of certain underground civil defense area used as car parking spaces and other ancillary facilities.
- (6) The following information is based on our internal records: (a) GFA sold, (b) GFA pre-sold, (c) GFA available for sale, (d) GFA held for investment.
- (7) Phase I of the Golden Wheel Star City comprises a total of nine buildings, of which Buildings No. 4, 5, 7 and 8 were completed in May 2010. We have started to deliver the completed properties of these four buildings to the purchasers since June 2010. The construction of the entire Phase I of the Golden Wheel Star City (including the remaining five buildings) was completed in March 2012.
- (8) Represents incurred development costs of completed properties and properties under development divided by the total estimated development costs of completed properties and properties under development (subject to finalization).
- (9) The information is based on our internal records or estimates: (a) development costs (including both land acquisition costs and the construction costs) incurred and (b) estimated future development costs (including both land acquisition costs and the construction costs).
- (10) Such unsold carparks were offered for sale together with the other carparks in early 2011. However, we did not actively promote the sales of the carparks as our Directors believe that these carparks are all at good locations and we plan to sell these carparks at better prices in anticipation of rising prices at a later stage. As of 31 December 2011, the total carrying value of the unsold carparks was approximately RMB87.3 million. The unsold carparks are made available as short-stay carparks for fees charged on an hourly basis. For the year ended 31 December 2011, rental income from the lease of such carparks amounted to approximately RMB1.5 million.
- (11) We have obtained the pre-sale permits for Buildings No. 16 and 17 of Phase II of Golden Wheel Star City comprising a total GFA of approximately 36,328 sq.m. in December 2010. The sales of a total GFA of approximately 17,444 sq.m. recorded for the Golden Wheel Star City as of 30 September 2012 were attributable to the sales of Buildings No. 16 and 17 of Phase II of Golden Wheel Star City. As of 30 September 2012, a total GFA of 17,174 sq.m. of Buildings No. 16 and 17 of Phase II of Golden Wheel Star City remained unsold. Such units were offered for sale together with the other units of Buildings No. 16 and 17 after we obtained the pre-sale permit in December 2010. However, in view of subsequent substantial increase and in anticipation of further increase in the selling price, we reserved such units for sale together with Buildings No. 10 and 18. We obtained the pre-sale permit for Building No. 18 comprising a total GFA of approximately 29,133 sq.m. in July 2012. As of 30 September 2012, we had yet to obtain the pre-sale permit for Building No. 10 which will comprise a total GFA of approximately 920 sq.m.

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The following table sets forth an overview of our completed investment properties:

Project	Total GFA held for investment	Leasable area as of 30 June 2012	Effective leased area as of 30 June 2012	Occupancy rate as of 30 June 2012 ⁽¹⁾	Land certificate expiry date	Completion date	Attributable independent valuation as of 30 September 2012	Weighted average lease expiry term as of 30 September 2012	Total rental income for the six months ended 30 June 2012 ⁽²⁾	Effective average rental price for the six months ended 30 June 2012 ⁽³⁾	Operating lease commitment as of 30 June 2012 ⁽⁴⁾		
											Within one year	In the second to the fifth year (inclusive)	After the fifth year
	sq.m.	sq.m.	sq.m.	%	month/year	month/year	RMB million	years	RMB million	RMB/sq.m. per month	RMB million		
Golden Wheel International Plaza	28,056	18,308	18,128	99%	Oct-2044	Jan-2009	1,740.0	4.3	24.0	221	43.8	89.3	31.4
Golden Wheel Waltz	2,444	2,203	2,203	100%	Feb-2046	Feb-2010	156.0	2.8	3.7	279	5.3	9.2	0.4
Golden Wheel Building ⁽⁵⁾	1,216	1,216	1,216	100%	Dec-2040	Feb-2003	18.9	8.3	0.2	28 ⁽⁶⁾	0.3	1.3	1.2
Golden Wheel Green Garden ⁽⁵⁾	1,021	1,021	1,021	100%	Apr-2041	Sep-2002	34.0	1.5	0.4	68 ⁽⁷⁾	0.6	0.5	—
Golden Wheel Time Square	31,205	18,858	15,877	84%	Feb-2048	Apr-2012	1,029.0	4.0	15.6	164	12.1	47.8	1.0
Total	63,942	41,606	38,445				2,977.9		43.9		62.1	148.1	34.0

Notes:

- (1) Occupancy rate is calculated by dividing the effective leased area (which is the leasable area of a project subject to the relevant lease agreements) by the total leasable area (which is determined by us to be leasable and does not include the public or service areas used in common as a whole or those areas used for ancillary purposes) of the project.
- (2) Xinjiekou Metro Mall was not included in the table above as it is not owned by our Group. We generated property leasing and operational management-related revenue of RMB4.56 million from Xinjiekou Metro Mall for the six months ended 30 June 2012.
- (3) Effective average rental price is calculated by dividing the rental income of a project by its effective leased area.
- (4) Xinjiekou Metro Mall is not included in the table above as it is not owned by our Group. The operating lease commitment of the Xinjiekou Metro Mall as of 30 June 2012 was approximately RMB8.9 million (within one year) and RMB7.8 million (in the second to fifth year (inclusive)), respectively.
- (5) The results of operations of Golden Wheel Building and Golden Wheel Green Garden were not included in our financial statements during the Track Record Period.
- (6) The effective average rental of Golden Wheel Building was relatively lower due to the reason that this project was completed in 2003 and all the leasable area of this project has been leased by one tenant with a term of ten years.
- (7) The effective average rental of Golden Wheel Green Garden was relatively lower due to the reason that this project was completed in 2002 and it is located in less popular area as compared to our other projects.

BUSINESS

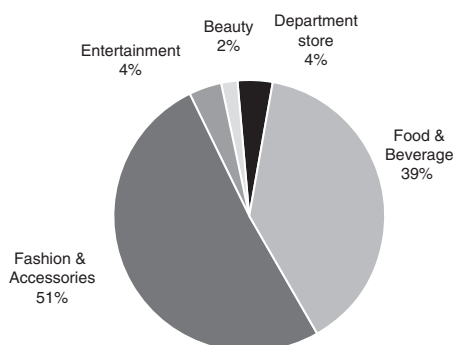
The following table sets forth an overview of our investment properties under development as of 30 September 2012:

Project	Total planned GFA held for investment	Land certificate expiry date	Construction commencement date	Expected completion date	Estimated ⁽¹⁾ total development costs	Total ⁽²⁾ development costs incurred	Land costs incurred	Other construction costs incurred	Estimated future development costs	Attributable Independent Valuation
	sq.m.	month/year	month/year	month/year	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Golden Wheel New Metro	18,437	Jul-2049	Aug 2011	Jun 2013	156.1	98.6	62.4	36.2	57.5	260.0

Notes:

- (1) "Estimated total development costs" represents the sum of "total development costs incurred" and "estimated future development costs".
- (2) "Total development costs incurred" represents the sum of "land costs incurred" and "other construction costs incurred".

The following chart shows the percentage of the effective leased area of Golden Wheel International Plaza, Golden Wheel Waltz, Golden Wheel Building, Golden Wheel Green Garden and Golden Wheel Time Square in total as of 30 June 2012 in each of the business sub-sectors based on our classification:



The following table sets forth the respective subsidiary holding our property projects as of the Latest Practicable Date:

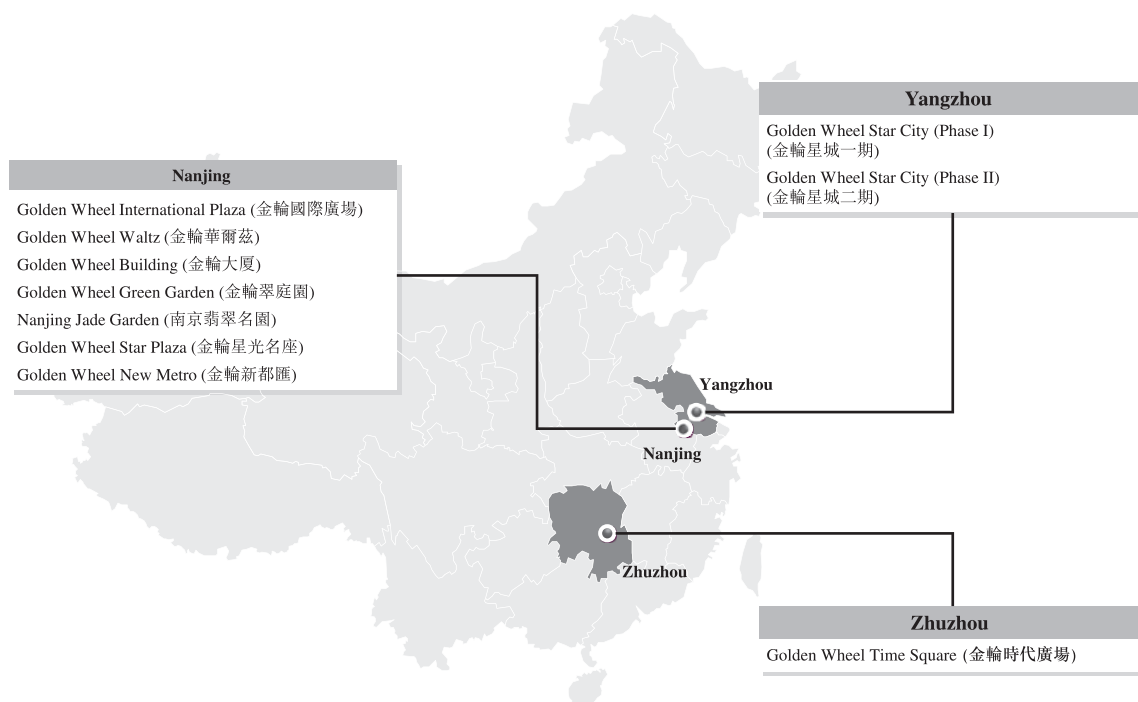
Name of Subsidiary	Property Project(s)
Nanjing Jade Golden Wheel	Golden Wheel International Plaza; Golden Wheel Waltz; Golden Wheel Star Plaza; and Nanjing Jade Garden
Nanjing Golden Wheel Real Estate	Golden Wheel Building; Golden Wheel Green Garden; and Golden Wheel New Metro

BUSINESS

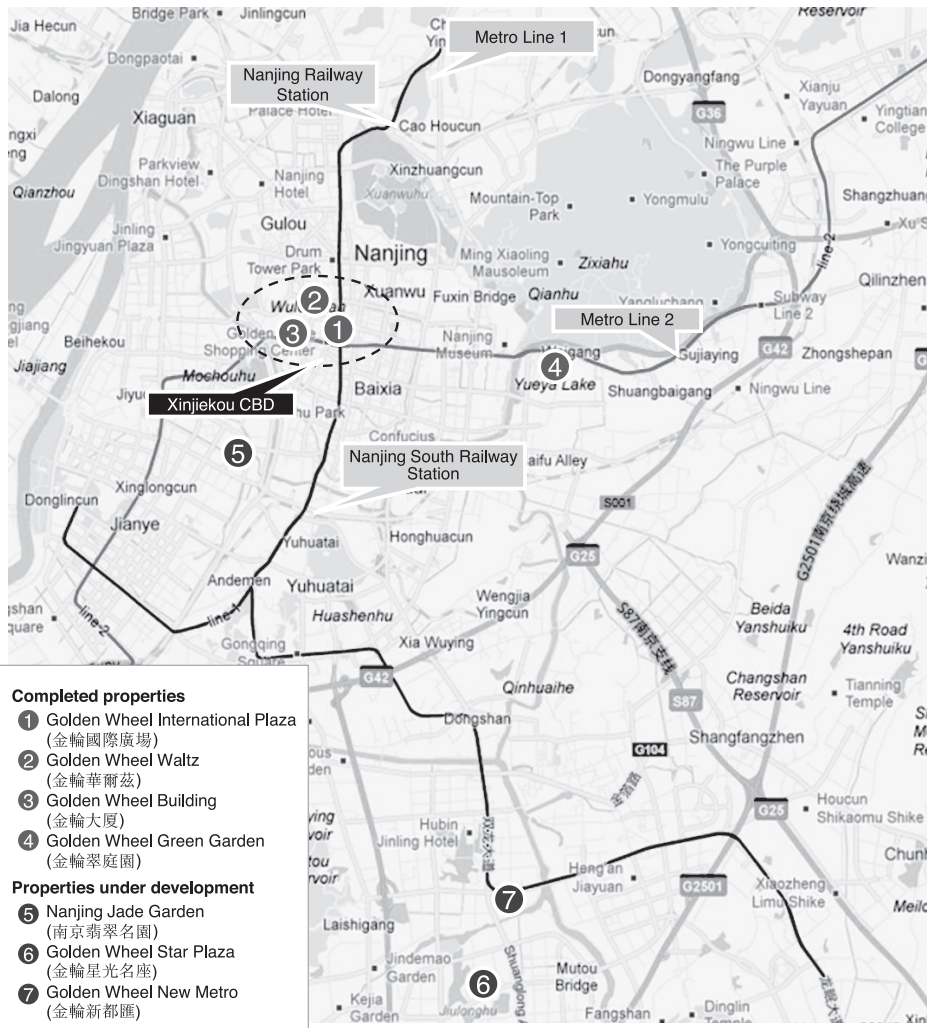
Name of Subsidiary	Property Project(s)
Yangzhou Golden Wheel Real Estate	Golden Wheel Star City (Phase I and II)
Zhuzhou Golden Wheel Real Estate	Golden Wheel Time Square

The following are detailed descriptions of each of our projects. The commencement date relating to each project or each phase of a project refers to the date on which construction commenced in respect of the first building of the project or phase. The completion date set out in the descriptions of our completed projects or phases refers to the date on which the construction completion examination report was obtained for each project or each phase of a multi-phase project. For projects or phases under development or for future development, the completion date of a project or phase reflects our best estimate based on our current development plans.

The following map indicates the locations of our nine projects in China as of the Latest Practicable Date:

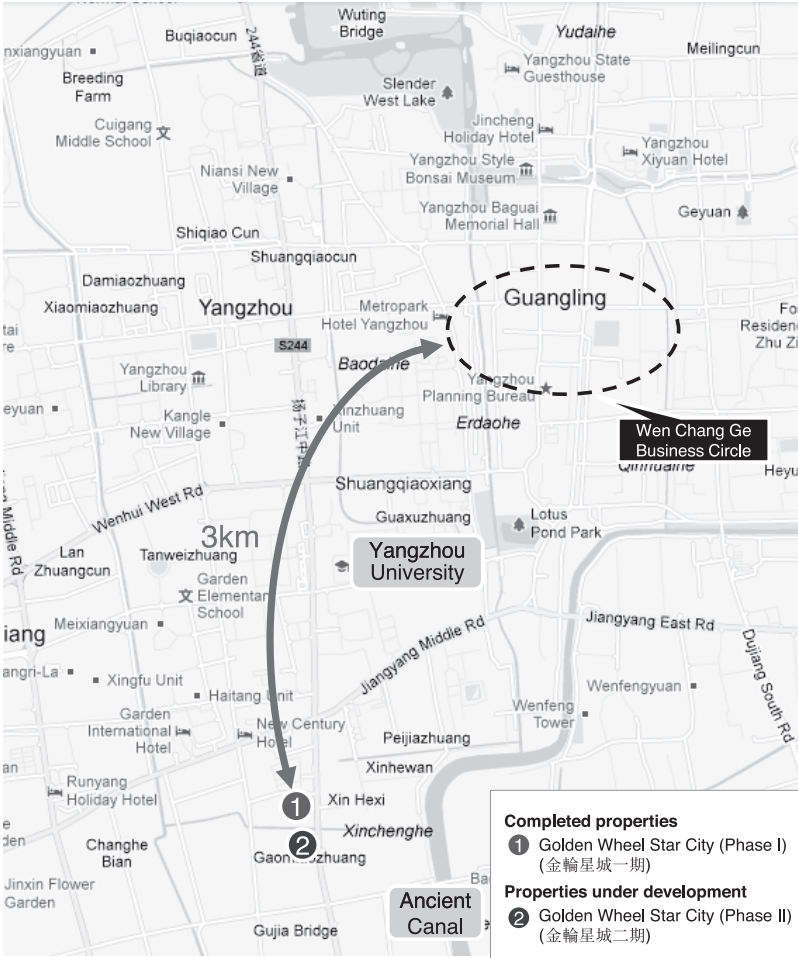


Our Property Projects in Nanjing



BUSINESS

Our Property Projects in Yangzhou



BUSINESS

Our Property Project in Zhuzhou



Details of our property projects as of 30 September 2012 are set out below.

Completed Projects

Golden Wheel International Plaza (金輪國際廣場)

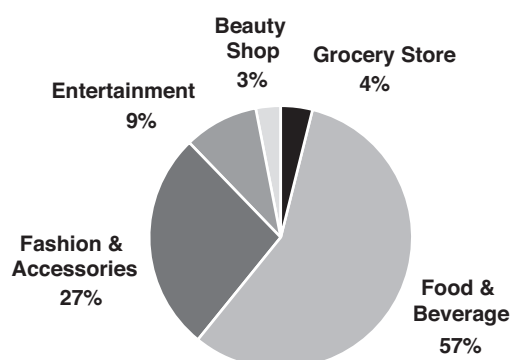


BUSINESS

Golden Wheel International Plaza is located at Xinjiekou (新街口) in Nanjing, Jiangsu province. This project benefits from the high pedestrian traffic flow attributed to our prime location on Hanzhong Road in Xinjiekou, which is the main commercial center and a major tourist destination of Nanjing with convenient access to the public transportation system, particularly the local metro network.

Golden Wheel International Plaza is a large-scale, integrated commercial and office complex with a site area of approximately 11,341 sq.m. and a total GFA of approximately 98,031 sq.m. The project is comprised of a 30-storey main building and a 5-storey podium building with a direct physical connection to the metro station through an underground walkway. The main building consists of prime office space and hotel-style apartments, and our Golden Wheel Xintiandi Mall is located in the podium building. We incorporate features such as walkways with shops on both sides to facilitate high traffic flow, which create a more convenient and comfortable shopping environment. The construction of the project commenced in July 2004 and was completed in January 2009. We had sold most of the office space and retained only a small portion for our own use, and we had sold all of the hotel-style apartments. We have retained all of its commercial space for investment. Major tenants of the mall include international and domestic well-known retailers such as H&M, Sephora and Dou Lao Fang (豆捞坊).

As of 30 June 2012, our top five tenants of Golden Wheel Xintiandi Mall in aggregate occupied an effective leased area of approximately 7,944 sq.m., representing approximately 44% of the total leasable area of this property. The following chart shows the percentage of the effective leased area of this property as of 30 June 2012 in each of the business sub-sectors based on our classification:



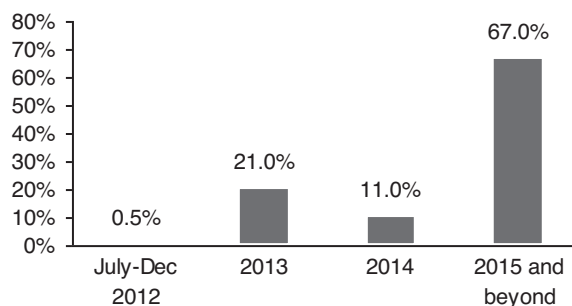
BUSINESS

The table below sets forth the revenue and the effective average annual rental in connection with property investment of this project for the periods indicated:

	Year ended 31 December			Six months ended 30 June	Nine months ended 30 September
	2009	2010	2011	2012	
Revenue from property investment (RMB'000)	35,223	37,336	45,488	24,014	37,308
Effective average annual rental price (RMB/sq.m.)	2,178	2,202	2,532	2,649	2,717

The business of property investment had maintained a high occupancy rate over 95% as of 31 December 2009, 2010 and 2011 and 30 June 2012. As of 30 September 2012, the weighted average lease term was approximately 4.3 years. The chart below sets forth the percentage of the effective leased area occupied as of 30 June 2012 expiring in the periods indicated:

Lease expiry (by effective leased area)



BUSINESS

The table below sets forth the revenue, average selling price, cost of sales, average cost of sale and the gross profit margin in connection with the property sales of this project for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2009	2010	2011	2012
	Revenue from sales (RMB'000)	458,577	114,400	84,952
Average selling price (RMB/sq.m.)	16,289	18,002	25,366	29,280
Cost of sales (RMB'000)	284,047	59,324	33,744	23,683
- Land cost	66,579	13,905	7,909	5,551
- Construction cost	193,913	40,499	23,036	16,168
- others	23,555	4,920	2,799	1,964
Average cost of sales (RMB/sq.m.)	10,090	9,335	10,076	9,466
Gross profit margin (%)	38	48	60	68

The project was awarded the title of “2007 Most Valuable Office Building (2007最具財富價值寫字樓)” by Jinling Evening News (金陵晚報) in 2008, “2009 Nanjing Model for High-end — Most Valuable Investment Building (2009南京高端代言 — 最具投資價值樓盤)” by Modern Express Newspaper (現代快報) in 2010, “2009 Best Office Building” (2009最佳寫字樓), “2010 Best Office Building” (2010最佳寫字樓) by Yangtze Evening News (揚子晚報), and the “Yangtze Cup Superior Quality Project Award” (“揚子杯”優質工程獎) by the Housing and Construction Bureau of Jiangsu province (江蘇省住房和城鄉建設廳) in 2011.

Details of Golden Wheel International Plaza with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	Retail	Office	Hotel-style apartments	Carpark
Total saleable GFA (sq.m.)	—	33,391	10,298	3,914
GFA sold (sq.m.)	—	28,956	10,298	367
GFA available for sale (sq.m.)	—	4,435	—	3,547
GFA held for investment (sq.m.)	28,056	—	—	—
GFA held for company's own use (sq.m.)	—	1,716	—	—

During the Track Record Period, we sold approximately 83.2% of the total saleable GFA of this project. We expect to sell out most of the remaining GFA available for sale of this project by the end of December 2013.

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Golden Wheel Building (金輪大廈)



Golden Wheel Building is a 25-storey residential and commercial building located at Xinjiekou (新街口) in Nanjing, Jiangsu province. The result of operations of this project were not included in our financial statements during the years ended 31 December 2009, 2010 and 2011 because Nanjing Golden Wheel Real Estate, which developed this project, was not our subsidiary during the same periods until it became our subsidiary in June 2012 as a result of the Reorganization. This project has easy access to the public transportation system and is in close proximity to shopping areas, restaurants and entertainment areas. The project has a site area of approximately 4,918 sq.m. and a total GFA of approximately 27,000 sq.m. The construction of the project commenced in May 2001 and was completed in February 2003. We have retained a GFA of approximately 1,216 sq.m. of commercial space for investment. Golden Wheel Building was awarded the “Yangtze Superior Quality Project Award” (“揚子杯”優質工程獎) by the Housing and Construction Bureau of Jiangsu province (江蘇省住房和城鄉建設廳) in 2005.

Details of Golden Wheel Building with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	<u>Residential</u>	<u>Retail</u>	<u>Office</u>	<u>Carpark</u>
Total saleable GFA (sq.m.)	14,308	6,849	1,420	698
GFA sold (sq.m.)	14,308	6,849	1,420	460
GFA available for sale (sq.m.)	—	—	—	238
GFA held for investment (sq.m.)	—	1,216	—	—

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Substantial part of the GFA available for sale of Golden Wheel Building was sold out before it became our subsidiary in 2012.

As of 30 September 2012, the weighted average lease term was approximately 8.3 years. No lease agreement with our tenants of Golden Wheel Building will expire until after the year of 2015.

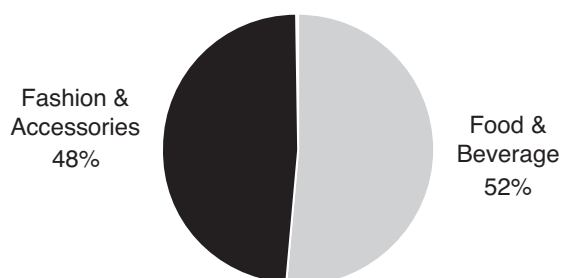
Golden Wheel Waltz (金輪華爾茲)



Golden Wheel Waltz is a 8-storey integrated building located at Xinjiekou (新街口) in Nanjing, Jiangsu province. This property is located opposite to Golden Wheel International Plaza. Golden Wheel Waltz comprises retail shops, restaurants and hotel-style apartments. The property has a site area of approximately 2,046 sq.m. and a total GFA of approximately 7,995 sq.m. The construction of this project commenced in January 2008 and was completed in February 2010. We have sold most of the hotel-style apartments of this project, and retained all of the retail space in this project for investment purposes.

As of 30 June 2012, our top five tenants of Golden Wheel Waltz in aggregate occupied an effective leased area of approximately 1,780 sq.m., representing approximately 81% of the total leasable area of this project.

The following chart shows the percentage of the effective leased area of this property as of 30 June 2012 in each of the business sub-sectors based on our classification:



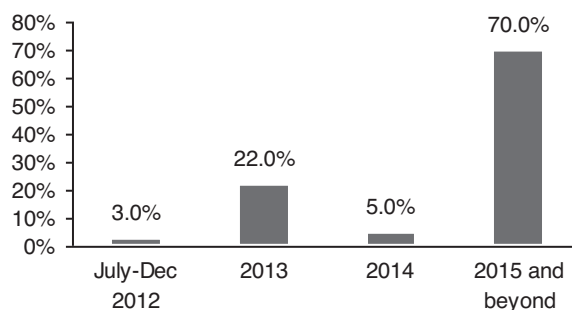
BUSINESS

The table below sets forth the revenue and the effective average annual rental price in connection with the investment properties of this project for the periods indicated:

	Year ended 31 December		Six months ended 30 June	Nine months ended 30 September
	2010	2011	2012	
Revenue from investment properties (RMB'000)	4,920	7,245	3,682	5,113
Effective average annual rental price (RMB/sq.m.)	2,342	3,289	3,343	3,095

The effective average annual rentals per sq.m. of this project for the two years ended 31 December 2010 and 2011 and the six months ended 30 September 2012 were approximately RMB2,342, RMB3,289 and RMB3,095, respectively. The investment properties maintained a high occupancy rate over 95% as of 31 December 2010 and 2011 and 30 June 2012. As of 30 September 2012, the weighted average lease term was approximately 2.8 years. The chart below sets forth the percentage of the effective leased area occupied as of 30 June 2012 by our tenants expiring in the periods indicated:

Lease expiry (by effective leased area)



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The table below sets forth the revenue, average selling price, cost of sales, average cost of sale and the gross profit margin in connection with the property sales of this project for the years indicated:

	Year ended 31 December	
	2010	2011
Revenue from sales (RMB'000)	88,134	7,041
Average selling price (RMB/sq.m.)	17,227	18,627
Cost of sales (RMB'000)	77,452	5,690
- Land cost	18,154	1,334
- Construction cost	52,875	3,884
- others	6,423	472
Average cost of sales (RMB/sq.m.)	15,139	15,053
Gross profit margin (%)	12	19

Save as an apartment held for our own use, we had sold out all of the hotel-style apartments by 31 December 2011. As a result, we did not record any sale for the six months ended 30 June 2012.

Details of Golden Wheel Waltz with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	Retail	Hotel-style apartments
Total saleable GFA (sq.m.)	—	5,495
GFA sold (sq.m.)	—	5,495
GFA held for investment (sq.m.)	2,444	—
GFA held for our own use (sq.m.)	—	56

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Golden Wheel Green Garden (金輪翠庭園)



Golden Wheel Green Garden is located in the central area of Xuanwu District, Nanjing, Jiangsu province. The results of operations of this project were not included in our financial statements during the years ended 31 December 2009, 2010 and 2011 because Nanjing Golden Wheel Real Estate, which developed this project, was not our subsidiary during the same periods until it became our subsidiary in June 2012 as a result of the Reorganization.

Golden Wheel Green Garden is an integrated commercial and residential complex providing retail and catering facilities with a site area of approximately 10,334 sq.m. and a total GFA of approximately 24,147 sq.m. Commenced in August 2001, the construction of this project was completed in September 2002. This project is located in a well-established residential area, within walking distance to the metro station and with convenient access to other transportation networks, and is in close proximity to the Nanjing Agriculture University.

Details of Golden Wheel Green Garden as of 30 September 2012 are as follows:

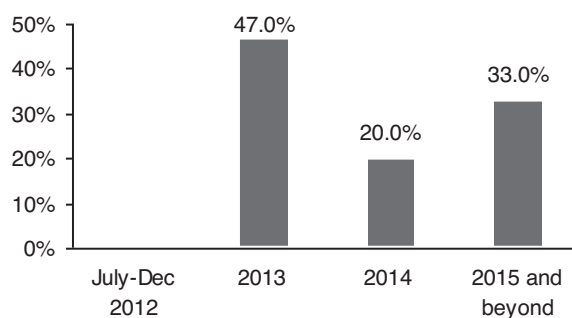
	<u>Residential</u>	<u>Retail</u>
Total saleable GFA (sq.m.)	23,126	—
GFA sold (sq.m.)	23,126	—
GFA held for investment (sq.m.)	—	1,021

All of the GFA available for sale of Golden Wheel Green Garden was sold out before it became our subsidiary in 2012.

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As of 30 September 2012, the weighted average lease term was approximately 1.5 years. The chart below sets forth the percentage of the effective leased area occupied as of 30 June 2012 by our tenants expiring in the periods indicated:

Lease expiry (by effective leased area)



Golden Wheel Time Square (金輪時代廣場)



Golden Wheel Time Square is located at Chezhan Road, Zhuzhou, Hunan province. Zhuzhou is the second largest city in Hunan province in terms of GDP per capita. Golden Wheel Time Square is situated in close proximity to Zhuzhou Railway Station and has convenient access to the public transportation network.

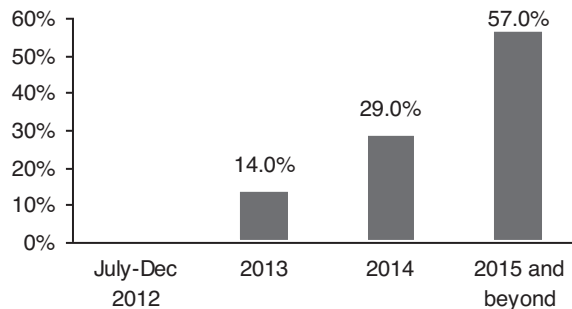
Golden Wheel Time Square is a large-scale, integrated commercial and residential complex which comprises two 24-storey main buildings and one 5-storey podium building. This project occupies a site area of approximately 13,501 sq.m. and a GFA of approximately 134,096 sq.m. Commenced in May 2009, the construction of this project was completed in April 2012. We delivered the properties in Golden Wheel Time Square to our customers in April

BUSINESS

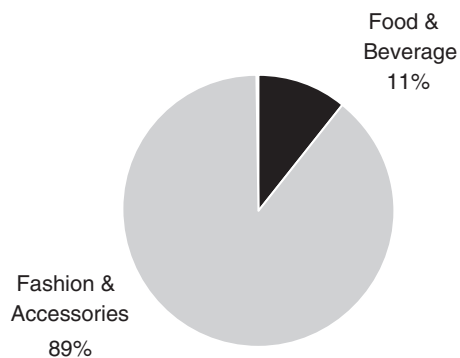
2011 before it passed the construction completion examination in December 2011 (the “**Delivery**”). As advised by Jun He Law Offices, our PRC legal advisors, according to the applicable PRC laws and regulations, we are not permitted to deliver the properties of a construction project before it passes the construction completion examination. As required by the relevant local authorities, we paid a fine of RMB100,000 on 23 September 2011 as a result of the Delivery. For details, please refer to the sub-section headed “— Regulatory Compliance — Delivery of Certain Property Units in Golden Wheel Time Square to our Purchasers before Passing the Construction Completion Examination” in this section. We have sold most of the residential units and approximately one third of the retail space and retained the remaining retail space for investment.

As of 30 June 2012, the top five tenants of the mall at Golden Wheel Time Square in aggregate occupied an effective leased area of approximately 2,385 sq.m., which represented 15% of the total leasable area of this project. The properties for rent maintained a high occupancy rate of approximately 85% as of 31 December 2011 and 30 June 2012. As of 30 September 2012, the weighted average lease expiry was approximately 4.0 years. The chart below sets forth the percentage of the effective leased area occupied as of 30 June 2012 expiring in the periods indicated:

Lease expiry (by effective leased area)



The following chart shows the percentage of the effective leased area of this property as of 30 June 2012 in each of the business sub-sectors based on our classification:



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The table below sets forth the revenue and the effective average annual rental price in connection with the investment properties of this project for the year ended 31 December 2011, the six months ended 30 June 2012 and the nine months ended 30 September 2012:

	<u>Year ended</u> <u>31 December</u>	<u>Six months</u> <u>ended</u> <u>30 June</u>	<u>Nine months</u> <u>ended</u> <u>30 September</u>
	<u>2011</u>	<u>2012</u>	
Revenue from investment properties (RMB'000)	22,191	15,606	24,481
Effective average annual rental price (RMB/sq.m.)	2,023	1,966	2,040

The table below sets forth the revenue, average selling price, cost of sales, average cost of sale and the gross profit margin in connection with the property sales of this project for the six months ended 30 June 2012:

	<u>Six months</u> <u>ended 30 June</u>
	<u>2012</u>
Revenue from sales (RMB'000)	526,294
Average selling price (RMB/sq.m.)	7,632
Cost of sales (RMB'000)	301,721
— Land cost	79,301
— Construction cost	211,699
— Others	10,721
Average cost of sale (RMB/sq.m.)	4,375
Gross profit margin (%)	43

Details of Golden Wheel Time Square with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	<u>Residential</u>	<u>Retail</u>	<u>Carpark</u>
Total saleable GFA (sq.m.)	72,345	15,955	12,666
GFA sold (sq.m.)	59,333	14,018	—
GFA pre-sold (sq.m.)	4,252	—	—
GFA available for sale (sq.m.)	8,760	1,937	12,666
GFA held for investment (sq.m.)	—	31,205	—

During the Track Record Period, we sold approximately 72.6% of the total saleable GFA of this project. We expect to sell out most of the remaining GFA available for sale of this project by the end of June 2013.

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Projects under Development

Golden Wheel New Metro (金輪新都匯)

Golden Wheel New Metro is located in the central area of Jiangning District, Nanjing, Jiangsu province.

Golden Wheel New Metro is designed to be a large-scale retail and office complex with a site area of approximately 9,218 sq.m. and a planned total GFA of approximately 59,912 sq.m. It is connected to the Hedingqiao (河定橋) metro station and has easy access to other forms of public transportation. According to the relevant land use right contract and construction permit, the construction of this project should have commenced by January 2012 and be completed by September 2013. We commenced the construction of this project in August 2011 and we expect that it will be completed in June 2013. We expect to start the pre-sale of this project in November 2012. We expect to sell out most of the GFA available for sale of this project by the end of June 2014.

Details of Golden Wheel New Metro as of 30 September 2012 are as follows:

	Retail	Office	Hotel-style apartments	Carpark
Total saleable GFA (sq.m.)	—	11,719	15,139	2,201
GFA available for sale (sq.m.)	—	11,719	15,139	2,201
GFA held for investment (sq.m.)	18,437	—	—	—

The total consideration for the land use right for this project was approximately RMB156.0 million, of which we had paid approximately RMB120.3 million as of 30 September 2012. The balance of RMB35.7 million will be settled by our delivery of properties of this project with equal value to the transferor of the land use right upon completion. According to the valuation conducted by Nanjing Tianhong Assets and Real Estate Assessment Co., Ltd. (南京天宏資產評估房地產估價有限公司), the then market value of such land use right was approximately RMB61.2 million. The total consideration for the land use right was further adjusted to RMB156.0 million due to increase in plot ratio from 2 to 4.84 as approved by the relevant authorities. Our PRC legal advisors, Jun He Law Offices, advised that the Nanjing Metro had the obligation to arrange for a valuation report for the increase in consideration. Our Directors confirmed that, as advised by Nanjing Metro, there was a valuation report prepared for such increase in consideration. We obtained the land use right for this project in 2011.

As of 30 September 2012, we had incurred approximately RMB270.9 million development cost for this project. We expect that the remaining development cost for this project will be approximately RMB119.4 million.

In 2011, we acquired the land use right (the “**Land**”) in relation to our Golden Wheel New Metro project from Nanjing Metro (the “**Transfer**”). Nanjing Metro invited us to bid for the Land as part of its open invitation to the public, but did not undergo a listing-for-sale process in connection with the Transfer as required by the relevant rules governing the transfers of

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state-owned assets. As a result, as advised by our PRC legal advisors, Jun He Law Offices, the Nanjing State-owned Assets Supervision and Administration Committee (“**SASAC**”) has the right to require Nanjing Metro to rectify such non-compliance or seek a court order to nullify the Transfer. If SASAC seeks to nullify the transfer, our ownership title to the Land may be subject to challenge and be considered invalid or can be revoked by SASAC or other relevant authorities.

Our PRC legal advisors conducted an interview with Nanjing Metro on 20 April 2012 with respect to the Transfer, who advised that (i) Nanjing Metro published a bidding invitation in connection with the transfer of the Land on its website; (ii) the consideration paid by us was not less than the appraised value of the Land at the time of the Transfer; (iii) the relevant procedures required for the Transfer were completed under the supervision of SASAC and that Nanjing Metro had completed all the necessary procedures then required by SASAC; and (iv) SASAC had not raised any objection to the Transfer. Our PRC legal advisors further conducted an interview with the SASAC on a named-basis on 21 May 2012 and understood from SASAC that: (i) Nanjing Metro is under the direct supervision of SASAC; (ii) assuming the bidding process for the transfer of the Land was conducted by Nanjing Metro in an open and public manner, the Transfer would have complied with SASAC’s then requirements with respect to the transfer of state-owned assets; (iii) SASAC had not raised any objection to the Transfer; and (iv) SASAC had not challenged the legality, validity and enforceability of our ownership title to the Land. Our property valuer, CBRE, also advised that the consideration paid by us for the Land was reasonable as compared to other similar property transactions around the time of the Transfer. Furthermore, our PRC legal advisors, Jun He Law Offices, also advised that, if the Transfer is nullified by SASAC, as a matter of PRC law, we can claim reasonable damages against Nanjing Metro by means of litigation on the ground of a contractual breach of the land use right transfer agreement by Nanjing Metro. The basis of reasonable damages will be agreed upon by the parties by way of settlement. If a settlement cannot be reached, we will submit such basis of damages to the court for its final adjudication. As Nanjing Metro is under the direct supervision of SASAC, we believe that it would not be in the interest of SASAC if Nanjing Metro is required to pay damages to us. Based on the above, our PRC legal advisors are of the view that the risk of SASAC seeking to nullify the Transfer is remote. Our PRC legal advisors also advised that, our ownership title to the Land is legal, valid and enforceable under the applicable PRC laws and regulations.

Our PRC legal advisors further advised that it is the obligation of the transferor, Nanjing Metro, a state-owned company, to comply with the listing-for-sale procedure for the Transfer as required by the relevant rules governing the transfers of state-owned assets, and that we, as the transferee, would not be held responsible for such non-compliance.

Please see the section headed “Risk Factors — Any failure of third-party transferors to comply with the applicable PRC laws and regulations for transfers of state-owned assets may affect our business”.

For future projects or acquisition of land involving state-owned entities, we have reinforced our internal control system and established review and approval procedures to ensure that the relevant regulatory requirements will be complied with by such counterparties. We will also seek advice from external PRC legal advisors when required.

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As of 30 June 2012, the book cost of Golden Wheel New Metro and the related land use right amounted to approximately RMB295.6 million. The total development costs of this project are expected to be approximately RMB390.3 million. As of 30 September 2012, the total planned GFA available for sale of Golden Wheel New Metro was approximately 29,059 sq.m., representing approximately 15.6% of our total GFA available for sale.

Golden Wheel Star Plaza (金輪星光名座)

Golden Wheel Star Plaza is located in Jiangning District, Nanjing, Jiangsu province, and is within walking distance to the Jiulong Lake area, which is a popular business and commercial area featuring lake and mountain views. Golden Wheel Star Plaza has easy access to the public transportation network, and it is also within walking distance to the metro station. Golden Wheel Star Plaza is also in close proximity to hospitals, schools, supermarkets, a public library and a park.

Golden Wheel Star Plaza is being developed as a commercial complex which will comprise hotel-style apartments, offices and retail shops. This project has a site area of approximately 29,540 sq.m. and a planned GFA of approximately 70,396 sq.m. We believe that this project will become one of the largest integrated commercial complexes in this area. According to the land use right contract, the construction of this project should have commenced by January 2011 and be completed by December 2012. We commenced the construction work of this project in November 2011, which is after January 2011, the date specified under the land use right contract. As advised by our PRC legal advisors, Jun He Law Offices, as we had commenced the construction work within one year after the specified date, we will not be subject to any penalty due to such delay and the land would not be deemed as an idle land. We expect that this project will be completed by September 2013, which will be later than the deadline specified in the land use right contract. For details, please refer to the section headed “— Regulatory Compliance — Late Completion of Nanjing Jade Garden and Golden Wheel Star Plaza” in this section. We expect to start the pre-sale of this project in January 2013 and we expect to sell out most of the GFA available for sale of this project by the end of September 2014. If the pre-sale of Golden Wheel Star Plaza does not commence in January 2013, we will make a voluntary announcement after the Listing to provide our investors with the then updated information.

Details of Golden Wheel Star Plaza with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	Retail	Office	Hotel-style apartments	Carpark
Total saleable GFA (sq.m.)	13,135	21,435	18,600	2,582
GFA available for sale (sq.m.)	13,135	21,435	18,600	2,582

As of 30 September 2012, we had incurred approximately RMB233.1 million development costs in connection with this project. We expect that the remaining development costs for this project will be approximately RMB154.1 million.

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Nanjing Jade Garden (南京翡翠名園)

Nanjing Jade Garden is located in the central area of Jianye District, Nanjing, Jiangsu province. Nanjing Jade Garden is designed to be a residential community comprising two apartment buildings for residential use and one low-rise building for commercial use. Upon completion, the low-rise building is expected to contain a supermarket, retail stores and other supporting facilities.

Nanjing Jade Garden occupies a site area of approximately 7,212 sq.m. with a total planned GFA of approximately 29,976 sq.m. According to the land use right contract and the approval extending the completion date, the construction of this project should have been commenced by October 2010 and completed by June 2012. We commenced the construction work of this project in January 2011, later than the date specified under the land use right contract. As advised by our PRC legal advisors, Jun He Law Offices, as we have commenced the construction work within one year after the specified date, we are not subject to any penalty due to such delay and the land would not be deemed as idle land. We expect that this project will be completed in June 2013, which will be later than the date specified in the land use right contract and the extension approval. For details, please refer to the sub-section headed “— Regulatory Compliance — Late Completion of Nanjing Jade Garden and Golden Wheel Star Plaza” in this section. We started the pre-sale of this project in July 2012. We expect to sell out most of the GFA available for sale of this project by the end of December 2013.

Details of Nanjing Jade Garden with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	<u>Residential</u>	<u>Commercial</u>	<u>Carpark</u>
Total saleable GFA (sq.m.)	16,089	4,968	1,679
GFA sold (sq.m.)	—	—	—
GFA presold (sq.m.)	10,314	—	—
GFA available for sale (sq.m.)	5,775	4,968	1,679

As of 30 September 2012, we incurred approximately RMB176.2 million development cost in connection with this project. We expect that the remaining development costs for this project will be approximately RMB8.0 million.

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Golden Wheel Star City (金輪星城) (Phase I & II)



Golden Wheel Star City is designed to be a residential project comprising 17 apartment buildings. This project is located at Yangtze River Middle Road, Yangzhou, Jiangsu province, within three kilometers from the historic downtown area of Yangzhou. This project provides all the benefits of a small township with easy access to public transportation, and is within walking distance to schools, supermarkets, a public park, and health-care facilities.

Golden Wheel Star City consists of two phases and has a total site area of approximately 81,616 sq.m. with a planned total GFA of approximately 206,305 sq.m. The project is defined by a river running through the community with several bridges spanning across the river, catering to the preferences of local residents to own water view apartments, which we believe will increase the sales value of this project.

Phase I of Golden Wheel Star City consists of nine apartment buildings with a site area of approximately 42,803 sq.m. and a GFA of approximately 88,933 sq.m. Commenced in August 2008, the construction of Phase I was completed in March 2012.

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Details of Phase I of Golden Wheel Star City with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	<u>Residential</u>	<u>Retail</u>	<u>Hotel-style apartments</u>	<u>Carpark</u>
Total saleable GFA (sq.m.)	72,822	299	1,403	8,954
GFA sold (sq.m.)	72,128	—	—	2,649
GFA available for sale (sq.m.)	694	299	1,403	6,305

During the Track Record Period, we sold approximately 89.6% of the total saleable GFA of Phase I. We expect to sell out most of the remaining GFA available for sale of Phase I by the end of June 2013.

Phase II of Golden Wheel Star City consists of eight apartment buildings with a site area of approximately 38,813 sq.m. and a total planned GFA of approximately 117,372 sq.m. Upon completion, Phase II will comprise residential units, retail shops and other ancillary facilities. According to the relevant land use right contract and construction permit, the construction of Phase II should have been commenced by June 2010, but the contract does not specify the deadline for its completion. We commenced the construction of Phase II in October 2009. As of 30 September 2012, the construction of six apartment buildings of Phase II had been completed. The construction of the remaining two apartment buildings is expected to be completed in December 2013.

Details of Phase II of Golden Wheel Star City with respect to total GFA sold and retained as of 30 September 2012 are as follows:

	<u>Residential</u>	<u>Retail</u>	<u>Hotel-style apartments</u>
Total saleable GFA (sq.m.)	80,016	4,972	22,449
GFA sold (sq.m.)	57,835	—	—
GFA pre-sold (sq.m.)	1,155	—	—
GFA available for sale (sq.m.)	21,026	4,972	22,449

During the Track Record Period, we sold approximately 53.8% of the total saleable GFA of Phase II. We expect to sell out most of the remaining GFA available for sale of the completed portion and the uncompleted portion of Phase II by the end of June 2013 and December 2014, respectively.

As of 30 September 2012, we incurred approximately RMB375.2 million development cost in connection with Phase II of Golden Wheel Star City. We expect that the remaining development costs for Phase II of Golden Wheel Star City will be approximately RMB57.3 million.

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The table below sets forth the revenue, average selling price, cost of sales, average cost of sale and the gross profit margin for this project for the periods indicated:

	Year ended 31 December		Six months ended 30 June
	2010	2011	2012
Revenue from sales (RMB'000)	238,734	352,959	14,728
Average selling price (RMB/sq.m.)	4,276	5,999	7,404
Cost of sales (RMB'000)	202,085	236,308	8,749
- Land cost	47,573	55,629	2,060
- Construction cost	148,766	173,959	6,441
- others	5,746	6,720	248
Average cost of sales (RMB/sq.m.)	3,619	4,017	4,399
Gross profit margin (%)	15	33	41

Potential Development Projects

In addition to our existing property development projects, we are actively exploring opportunities for additional property development projects in China. In accordance with our acquisition strategy, we have entered into several non-binding letters of intent (the “**Letters of Intent**”) with certain local governmental authorities or third parties to demonstrate our early commitment to develop these projects. We are required to go through the public tender, auction, or listing-for-sale procedures (as the case may be) under the relevant PRC rules and/or obtain relevant government approvals before we can obtain the land use right with respect to the land parcels under these Letters of Intent. As such, there is no assurance that these Letters of Intent will lead to our acquisition of any land use right. For more details, please see the section headed “Risk Factors — We do not hold any other property for future development other than our existing property development projects, and we may not be able to locate or acquire suitable sites for our future projects at reasonable costs, or at all” in this prospectus.

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The following table sets forth an overview of the potential property development projects under the Letters of Intent:

No.	Project	Counterparty to the letter of intent	Planned use	Site area	Planned GFA	Expected total investment	Payment made	Expected payment arrangement			Expected construction commencement date
								2012	2013 ⁽¹⁾	2014 ⁽⁵⁾	
				sq.m.	sq.m.	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
1	Shuanglong Road Project (雙龍大道項目) in Nanjing, Jiangsu province	Administration Committee of Jiangning Economic & Technological Development Zone (江寧經濟技術開發區管委會)	Commercial (shopping mall and hotel-style departments)	9,601	55,324	420,000	42,376	98,624	169,000	110,000	Third quarter of 2013
2	Shengtai Road Project (勝太路項目) in Nanjing, Jiangsu province	Administration Committee of Jiangning Economic & Technological Development Zone (江寧經濟技術開發區管委會)	Commercial (shopping mall) and residential	30,136	161,212	1,000,000	—	75,000	325,000 ⁽³⁾	250,000	Second quarter of 2014
3	China Pharmaceutical University Metro Station Project (中國藥科大學地鐵站項目) in Nanjing, Jiangsu province	Nanjing Metro	Commercial (shopping mall) and residential	46,228	128,173	600,000	—	140,000	170,000 ⁽⁴⁾	150,000	Second quarter of 2014
4	Nanjing Tuo Ban Qiao Project (南京拖板橋項目) in Nanjing, Jiangsu province	Nanjing Qinhuai Urban Development Company Limited (南京市秦淮城鎮建設綜合開發有限公司)	Residential	5,000	22,000	160,000	—	62,500	82,500	10,000	First quarter of 2014
5	Zhuzhou Yunlong Project (株洲雲龍項目) in Zhuzhou, Hunan province ⁽⁶⁾	Administration Committee of Zhuzhou Yunlong Shifan District (株洲雲龍示範區管委會)	Commercial (retail shops) and residential	100,000	250,000	850,000	60,000	60,000	250,000	250,000	First quarter of 2014
Total				190,993	616,709	3,030,000	102,376	436,124	996,500	770,000	

Notes:

- (1) Represents expected land acquisition costs only.
- (2) Represents expected construction costs only.
- (3) Represents the sum of expected land acquisition costs of RMB275 million and expected construction costs of RMB50 million.
- (4) Represents the sum of expected land acquisition costs of RMB140 million and expected construction costs of RMB30 million.
- (5) Save for the expected land acquisition cost mentioned in notes (3) and (4) above, all of the other payments represent expected construction costs.

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- (6) We made a deposit of RMB60.0 million for the potential land acquisition for this project. According to the letter of intent, we are entitled to a full refund of such deposit if we fail to obtain the land use right. We expect to pay the remaining RMB60.0 million land acquisition costs in 2013 and to incur construction costs of approximately RMB250.0 million in 2014 and RMB250.0 million in 2015 for this project.

When we select potential development projects, we focus on developing commercial complexes which are either connected or in close proximity to local metro stations or other transportation hubs to benefit from high pedestrian walk-through traffic flow. We will formulate investment plans and conceptualize development targets based on our overall growth strategy and development plan. Once we have a preliminary concept of the properties that we intend to develop, we conduct further feasibility studies on the potential development target with thorough risk management and investment return analysis, including macro-social economic trends in China, government policies, regulations and other reports in relation to the development of the PRC property industry, economic development in the regions, local property market conditions, disposable income, urban planning, infrastructure and supporting facilities. In addition, our current strategy is to acquire land with a total planned GFA of not more than 300,000 sq.m. and a total expected investment amount of not more than RMB1.0 billion. As our Shuanglong Road Project is in close proximity to Golden Wheel New Metro, it may be developed as a new phase of Golden Wheel New Metro.

All these potential projects, if implemented, are expected to be developed and wholly owned by us. We plan to fund these potential development projects with our operating cash flow (including pre-sale proceeds from our existing projects under development and these potential development projects), proceeds from the Global Offering and, if necessary, bank loans.

Based on the information contained in the Letters of Intent, our PRC legal advisors, Jun He Law Offices, advised that, subject to the public tender, auction or listing-for-sale procedures (as the case may be) and the definitive terms and conditions to be determined and confirmed through further negotiation on the formal agreements, our PRC subsidiaries are permitted to undertake these projects (if implemented) under their respective qualification certificates.

Shuanglong Road Project

We won the bid for the land acquisition of this project in late October 2012. We had not yet entered into the land use right grant contract as of the Latest Practicable Date, but we expect to enter into such land use right grant contract in the first quarter of 2013. We will make voluntary monthly announcements about the expected timing and progress of such land use right grant contract after the Listing. According to the relevant PRC laws and regulations, real property developers are generally required to execute a land use right grant contract within ten working days after winning the bid. However, according to the invitation for bidding and confirmation from the relevant land bureau, we are allowed to enter into the land use right grant contract in early May 2013 as our bidding entity for this project is our wholly-owned offshore subsidiary established in Hong Kong. As advised by our PRC legal advisors, after entering into the land use right grant contract, save for the payment for the land acquisition costs, there is no other condition that we are required to satisfy before we obtain the land use

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right certificate. We plan to commence the construction work for this project by the third quarter of 2013 and commence pre-sale by the second quarter of 2014. The expected total investment of RMB420 million for this project comprises land acquisition costs of RMB141 million and construction costs of RMB279 million. We currently expect to fund 50% of the total investment through our operating cash inflow (mainly pre-sale proceeds from our projects), 25% through our net proceeds from the Global Offering and the remaining 25% through bank loans. We had made a deposit of approximately RMB42.4 million for the land acquisition by 2012, and we expect to make a further payment of RMB28.1 million in the first quarter of 2013 before entering into the land use right grant contract (the deadline is early May 2013), and pay the remaining RMB70.5 million in accordance with the terms to be determined in the land use right grant contract and before our expected commencement of construction in the third quarter of 2013. We expect to finance the land acquisition costs by our operating cash inflow (mainly pre-sale proceeds from our projects). We expect to incur construction costs of approximately RMB169 million in 2014 and RMB110 million in 2015, which is expected to be financed by our operating cash inflow (mainly pre-sale proceeds from our projects), proceeds from the Global Offering and, if necessary, bank loans.

Upon completion, we plan to sell a portion of the hotel-style apartments with GFA of approximately 8,064 sq.m. and hold the remaining GFA for investment purposes. We expect to generate approximately RMB145 million from the sale of these hotel-style apartments, representing an average selling price of approximately RMB18,000 per sq.m. In order to cover the expected investment costs (after deducting the expected proceeds from the sale of part of the hotel-style apartments), we expect that, barring unforeseeable circumstances, the average annual rental price per sq.m. (based on expected GFA) for the retail shops and hotel-style apartments held for investment purposes will be approximately RMB1,440 per sq.m. and RMB200 per sq.m., respectively. The payback period for this project will be around six years taking into account the expected annual profitability.

PROPERTY DEVELOPMENT

We endeavor to deliver high-quality products and provide satisfactory services to our customers. Our process for project development includes, among other things, city and site selection, land acquisition, project planning and design, construction, quality control, sales and marketing, delivery and after-sales services.

City and Site Selection

We believe that city and site selection and evaluation process is one of the most critical stages in property development and is the key to the success of a property development project. Consequently, we devote significant management resources to this process. For our commercial property projects, we typically select sites which are or will be connected, or in close proximity, to local metro stations and other transportation hub.

We consider the following factors in our city selection process, including:

- geographical size, population, and overall economic development;

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- zoning regulations and policies on real estate development, future land availability and transportation network development;
- the supply and demand for commercial and residential properties in the local market; and
- the competition landscape, including the identity, size and development plans of existing and potential competitors, pricing and other indicators of competing projects, and the marketing strategies of competitors and competing projects; and the land availability in the foreseeable future.

With respect to the site selection in a chosen city, we consider the following factors:

- site area and the location of the site, in particular, its proximity and accessibility to city centers or business districts;
- the site's position and level of importance in the city's future development plans;
- whether the site is connected to a robust transportation and supporting facilities infrastructure currently existing or planned by the local government; and
- overall cost structure of the potential development, including, among other things, whether the site is ready for development and will not require substantial demolition of existing structures.

After we have identified a potential site, we will then decide if we will acquire the relevant site after reviewing the feasibility report prepared by consulting companies.

Land Acquisition

We acquire land use right primarily through direct acquisition from the PRC government by way of public tender, auction or listing-for-sale or in the secondary market through transfer agreements with the original grantees of the relevant land use right. Under PRC law, all land to be developed for commercial purposes, such as business, tourism, entertainment and commodity residential housing, must be granted by way of public tender, auction or listing-for-sale. Where land use right is granted by way of public tender, the relevant authorities will consider not only the tender price but also the credit history and qualifications of the developer and its tender proposal. Where land use right is granted by way of an auction, a public auction is held by the relevant local land bureau and the land use right is usually granted to the highest bidder. Where land use right is granted by way of listing-for-sale, the relevant local land bureau will announce the conditions for granting the land use right at designated land transaction centers and bids are then submitted by the interested parties. The land use right is usually granted to the bidder submitting the highest bid at the end of the listing-for-sale period. If two or more parties request a competitive bidding, an on-site competitive bidding will take place and the land use right will be granted to the highest bidder.

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Grantees of land use right may dispose of the land use right granted to them in private sales, subject to the terms and conditions of the land use right grant contracts and relevant regulations of the PRC. To the extent permitted by law, we may also choose to acquire land use right in the secondary market through negotiated transfers in addition to the public tender, auction or listing-for-sale process.

As a property developer focusing on development and operation of large-scale residential and commercial properties, we believe that acquiring land at competitive prices is critical to our overall success. Due to the substantial amount of capital expenditures involved and the volatility of the PRC real estate market, since 2007 and up to the Latest Practicable Date as part of our prudent measure, we strategically acquired one piece of land per year to ensure efficient capital deployment and enhance investment return. During the Track Record Period, our total GFA sold was 28,152 sq.m., 67,305 sq.m., 62,561 sq.m. and 73,456 sq.m. in 2009, 2010, 2011 and the six months ended 30 June 2012, respectively, and our total GFA leased was 27,095 sq.m., 29,530 sq.m., 51,887 sq.m. and 59,706 sq.m. in the respective period. We have maintained a mix of developments for sale and developments for investment purposes.

To retain sufficient land bank for future development, we will continue to acquire land as and when appropriate and we may acquire more than one piece of land in a year, taking into account our then available financial resources including proceeds from the Global Offering. Taking into account the potential development projects under the Letters of Intent and the on-going development of metro system in second and third-tier cities that creates opportunities for developing metro-linked shopping malls in such cities (details of which are set out in the section headed "Industry Overview" in this prospectus), we expect to acquire three pieces of land in 2013 (including the one for Shuanglong Road Project) and two pieces of land in 2014. Apart from the potential land acquisitions under the Letters of Intent, we will continue to explore other land acquisition opportunities, taking into account the macro-social economic trends and the development of metro systems in China, government policies and regulations relating to the development of the PRC property industry and our then available financial resources. We will maintain our strict financial discipline over all aspects of our operations including land acquisition. We had not experienced any difficulty in acquiring land during the Track Record Period and up to the Latest Practicable Date. As of 30 September 2012, we had a total GFA under development of approximately 193,368 sq.m.

The following table shows that we acquired one piece of land each year since 2007:

Date of land acquisition	Project	Total GFA/Total planned GFA as of 30 September 2012 (sq.m.)
February 2007	Golden Wheel Star City	206,305 sq.m.
February 2008	Golden Wheel Time Square	134,096 sq.m.
July 2009	Nanjing Jade Garden	29,976 sq.m.
April 2010	Golden Wheel Star Plaza	70,396 sq.m.
April 2011	Golden Wheel New Metro	59,912 sq.m.

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The table below sets forth a summary of our major sources of funding for our existing portfolio and potential development projects under the Letters of Intent:

	Existing portfolio ⁽¹⁾		Properties under development		Potential development projects	
	<i>RMB billion</i>	<i>% of total development costs incurred</i>	<i>RMB billion</i>	<i>% of total development costs to be incurred</i>	<i>RMB billion</i>	<i>% of total expected development costs</i>
Operating cash inflow (mainly pre-sale proceeds)	1.7	61%	0.13	38%	2.0	67%
Shareholders' capital ⁽²⁾	0.7	25%	N/A	N/A	N/A	N/A
Debt financing ⁽³⁾	0.4	14%	N/A	N/A	0.74	24%
IPO proceeds	N/A	N/A	0.21	62%	0.26 ⁽⁴⁾	9%
Total investment	2.8	100%	0.34	100%	3.0	100%

Note:

- (1) Our existing properties comprise completed properties and properties under development as of the Latest Practicable Date.
- (2) We will consider equity fund raising if our other sources of financing will not be sufficient to fund the potential development projects.
- (3) Our Group has entered into a letter of intent with a bank in relation to a potential banking facility of RMB500 million, among which a banking facility of US\$5 million for general corporate purposes had been granted to and utilized by us and another banking facility of RMB50 million had been granted to us for the development of Golden Wheel New Metro (of which we had utilized RMB30 million). We may borrow the remaining potential banking facility of approximately RMB420 million when needs arises and subject to the bank's then approval. Given by our low gearing ratio and potentially improved credit rating after the Listing, we may be able to obtain other bank loans and offshore banking facilities. Apart from bank loans, following the Listing, we are also open to other types of debt financing. We will adjust our overall development plan and schedule taking into account our then financial circumstances and the available sources of funding.
- (4) This amount represents 50% of our net proceeds from the Global Offering, which is HK\$319.85 million, or equivalent to approximately RMB260 million by using the exchange rate of RMB1=HK\$1.23.

During the Track Record Period, we had not obtained any financing through trust-loan arrangements or other similar arrangement due to their high interest rates. We currently do not have any intention to obtain financing through trust-loan arrangements or other similar arrangements. For risks relating to our financial resources, please refer to the section headed "Risk Factors — We require substantial capital resources to acquire land and develop our projects, which may not be available on commercially reasonable terms, or at all, and are subject to market demand and policy changes" in this prospectus.

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Project Planning and Design

We normally start to discuss our plans with the relevant local governmental authorities at an early stage of our property development process. To achieve our distinctive design and operating efficiency, we typically outsource the design work to third-party architectural and design firms, which are selected through a bidding process for each of our property projects. We normally take into account their proposed design concepts, reputation, their past cooperation experience with us and their fees before making a final decision.

Construction

All of our construction work is outsourced to third-party construction contractors, which are selected through a bidding process. We have established a set of selection procedures in selecting our construction contractors to ensure that they meet our quality and workmanship standards. We typically take into account their professional qualifications, reputation, track records and past performance on our projects. Our tender and bidding committee evaluates the suitability of each potential contractor and makes final decisions.

Our contractors are generally responsible for procuring construction materials. However, for key construction materials such as steel and cement, we may specify the brands and our preferred suppliers in order to ensure that such materials meet our requirements. For construction materials procured by our contractors, the risk of price fluctuations may be borne by them so long as the fluctuations are within a certain percentage of the contract prices (such as 5%). In the event that the price fluctuates more than the agreed percentage, we may reimburse the contractors for any shortfall. We typically procure certain large equipment such as elevators and air-conditioning systems from the relevant suppliers through a bidding process.

Quality Control

We emphasize on and enforce our quality control at each stage of our project development process from its initial planning and design to its final completion. In addition to our selection process in choosing our service providers and suppliers, we have formulated a series of internal quality assurance standards and procedures to regulate all major processes in our project development, including construction works, water and electricity systems, pipe networks, landscaping, fitting-out works, interior design and decoration, controls over construction materials and equipment supply.

In compliance with PRC laws and regulations, we also engage construction supervision companies to monitor certain aspects of our project construction as specified by the relevant laws and regulations. As of the Latest Practicable Date, we engaged three construction supervision companies to monitor our projects under development, respectively, and we had worked with each of these companies for more than one year. All three construction supervision companies have the relevant first class qualification for real property construction supervision with over ten years of operating history.

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According to our construction supervision contracts, these construction supervision companies are responsible for supervising the construction quality of our projects, and are required to report the progress and the quality conditions of the projects on a regular basis. If there is any quality problem with construction materials or workmanship, these supervision companies have the right to suspend the construction work with our consent. According to the construction supervision contracts, these supervision companies need to pay damages to us if there is any accident due to quality defects, delay in construction or unreasonable increase in construction costs due to their fault.

Our construction contracts generally provide for progressive payments based on milestones reached until an aggregate of approximately 80% of the total contract price has been paid. We will then settle an additional 15% after the project has passed the completion acceptance inspection and the certificate of completion has been issued. We normally withhold the remaining 5% of the total contract price as warranties for quality for a period of one to five years after the completion of construction. The unused portion of such warranties for quality will be returned to the contractors upon the expiration of the warranty period.

During the Track Record Period, we had not experienced any material quality defects in the quality of our property projects.

Sales and Marketing

Sales and Marketing

As of 30 June 2012, we maintained an internal sales and marketing team of 39 employees. We have a sales and marketing department based in our headquarters and local sales and marketing personnel based in respective project companies in Jiangsu and Hunan provinces. Our sales and marketing team conducts market research, formulates our marketing and pricing strategies, and determines advertising and sales plans for our projects. We prefer training and using our in-house sales team rather than relying on third party agents, as we believe our own team is better positioned to serve our customers.

Our target rental customers group include retail, hospitality, recreation and entertainment service providers and other business entities seeking to lease quality premises in prime locations. We also sell some of our commercial properties if we believe such sales will generate a better return. Our sale of residential properties focuses on quality housing products for mass market home buyers.

Our marketing efforts include advertising through newspapers, magazines, brochures, television, radio, internet, signage posters and outdoor billboards, to market our projects. In order to provide our customer more details of our projects, we also set up on-site reception centers to display model unit of our projects and other detailed information.

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To promote the sales of our property projects, we may offer our customers with a discount of 1% to 3% on the selling prices on the first day of the pre-sale. During the Track Record Period and up to the Latest Practicable Date, we had not engaged in any unusual price-cutting marketing and selling strategies or efforts in selling our properties.

Pre-sale

Consistent with market practice, we pre-sell some of our properties prior to the completion of their construction. Under the PRC laws and regulations, property developers must satisfy specific conditions before they may pre-sell their properties under construction, which, among others, include:

- the land premium must have been paid in full;
- the land use right certificate, the construction land planning permit, the construction works planning permit and the construction permit must have been obtained;
- at least 25% of the total project development investments must have been made;
- the progress and the expected completion and delivery date of the construction must be certain; and
- the pre-sale permit must have been obtained.

These mandatory conditions are predicated on substantial progress in project construction and in the capital expenditure plan. Generally, the local governments also require developers and property purchasers to use standard pre-sale contracts prepared in collaboration with the local governmental authorities. Developers must file all pre-sale contracts with the local land bureau and local real estate administrative authorities within 30 days of entering into such contracts. Local governments often prescribe additional conditions which must be satisfied before property developers are permitted to commence the pre-sale of properties. During the Track Record Period, we had complied with all the relevant pre-sale rules and regulations imposed by the governmental authorities.

As advised by our PRC legal advisors, Jun He Law Offices, even though there have not been any recent material changes to PRC laws and regulations governing the pre-sale activities of property developers either at state level or in Nanjing, Yangzhou and Zhuzhou, the local authorities have adopted a more prudent and stringent approach when reviewing the applications and granting permits for pre-sale activities in the recent two years. Our Directors have confirmed that our pre-sale activities and business operations have not been affected in any material aspect by such approach of the local authorities. Our PRC legal advisors also advised that during the Track Record Period, we commenced the pre-sale of our projects only

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after we had fulfilled all the requirements under the applicable laws and regulations. The following table sets forth the pre-sale progress of our three completed properties in the past and one property under development:

Project	Percentage of pre-sale Six months after the commencement of pre-sale in terms of revenue	Percentage of pre-sale One year after the commencement of pre-sale in terms of revenue
Golden Wheel International Plaza	70%	100%
Golden Wheel Waltz	70%	100%
Golden Wheel Star City	60%	100%
Nanjing Jade Garden (pre-sale commenced in July 2012)	60% (four months after the commencement of pre-sale)	N/A

Payment Arrangement

We normally require our customers to pay a non-refundable deposit (e.g. RMB30,000) before the formal sale and purchase agreements. If the customers later defaults on the sale and purchase agreement, such deposit will be forfeited by us. Many of our customers purchase our residential properties using mortgage loans. Consistent with market practice in the property industry in China, we provide guarantees to the mortgagee banks in respect of the mortgage loans provided to the purchasers of our residential properties until the construction has been completed and the property ownership certificates have been delivered to the mortgagee banks. In line with the industry practice, we do not conduct independent credit checks on our customers but rely on the credit checks conducted by the mortgagee banks. As of 31 December 2009, 2010 and 2011 and 30 June 2012, our outstanding guarantees on such mortgage loans amounted to RMB137.4 million, RMB176.8 million, RMB185.1 million and RMB210.3 million, respectively. During the Track Record Period, we did not encounter any mortgage loan default with respect to which we were required by the mortgagee bank to perform our guarantee obligation.

Delivery and After-sales Services

We endeavor to deliver property units to customers on a timely basis. We closely monitor the progress of construction of our property projects, and conduct pre-delivery inspections to ensure timely delivery. The time frame for delivery is typically set out in the sale and purchase agreements. Once a property project has passed the requisite inspections and a construction completion examination report has been jointly issued by the relevant parties including the project development company, the project design company, the construction company, the inspection company and the construction supervisory company, it is ready for delivery. Our sales and construction staff will inspect the properties prior to the delivery to ensure quality standards are met. Our customer service staff will then notify our customers to arrange for the delivery. When we deliver the completed properties to customers, we are also required to

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deliver the building quality guarantee certificate. After the delivery, we will assist our customers in obtaining their individual property ownership certificates by providing all requisite information to the local authorities for registration. The local authorities will then grant individual property ownership certificates for each property unit.

According to our accounting policies, revenue is recognized from the sale of our properties only after we have received the relevant proof of examination and acceptance of completion and the properties have been sold and delivered. The table below sets forth the dates when we received the relevant proof of examination and acceptance of completion for our projects:

Projects	Date of proof of examination and acceptance of completion
Golden Wheel International Plaza	January 2009
Golden Wheel Waltz	February 2010
Golden Wheel Building	February 2003
Golden Wheel Green Garden	September 2002
Golden Wheel Star City (Phase I)	
- Buildings No. 4, 5, 7 and 8	September 2010
- Buildings No. 1, 2, 3 and 6	March 2011
- Building No. 9	March 2012
Golden Wheel Star City (Phase II)	
- Buildings No. 11, 12, 13 and 15	December 2011
- Buildings No. 16 and 17	August 2012
Golden Wheel Time Square	April 2012

Our customer service department is responsible for managing our after-sales services. Our customers are able to provide their feedback or complaints about our products or services through telephone hotlines, on-site customer service centers or other means.

PROPERTY LEASING AND OPERATIONAL MANAGEMENT

Some of our developed properties are held as investment properties, and our property investment objective is to achieve recurring rental income and enhance our long-term financial strength. Our policy is to maintain a portfolio of properties developed for sale, consisting of residential properties, and properties held for lease, consisting of commercial properties. As of the Latest Practicable Date, all our investment properties were located in Nanjing and Zhuzhou. As of 30 September 2012, we held an aggregate GFA of approximately 63,942 sq.m. as investment properties. We also leased the Xinjiekou Metro Mall from Nanjing Metro, which we operate and sub-lease to third parties.

In selecting our tenants, we generally consider factors such as their businesses, the attractiveness of such businesses to the residents or tenants of our properties, competing businesses in the surrounding areas and their business reputation. Our major tenants include international and domestic brands, such as H&M, Sephora and Dou Lao Fang (豆撈坊), which

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were among our top five tenants in terms of rental income throughout the Track Record Period. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the percentages of rental income attributable to our top five tenants were approximately 26.8%, 14.6%, 9.0% and 17.2%, respectively.

We usually require our tenants to pay security deposits of two months' rent for the properties in Nanjing. We typically require our tenants in Golden Wheel Time Square to prepay their rents for a relatively long period which, as advised by Savills, is a practice adopted by certain property developers in Zhuzhou. We require most of our tenants at Golden Wheel Time Square to prepay their rent for one year. For tenants who lease properties at the underground level of Golden Wheel Time Square, we require them to make a prepayment of rent for ten years. Such prepayment arrangements were made based on market prices at the time of the relevant lease agreements. We also took into account the advantages of collecting prepayments of rent for a long period, including the long-term lease arrangements and the availability of a substantial amount of cash.

Rents are typically determined based on the prevailing market rates. The rents payable by our retail tenants are mostly fixed but occasionally include a turnover component calculated by reference to a pre-determined percentage of our tenant's annual sales turnover (the "**Turnover Rental**"), which is usually determined by our tenants and us based on, among others, their leased GFA and reputation. Rental payments for these leases consist of a monthly base rent and a turnover component calculated annually in accordance with the revenue of a particular tenant for that particular year. During the Track Record Period, only a few lease agreements of certain tenants of Golden Wheel International Plaza included the Turnover Rental. We did not record any Turnover Rental for the year ended 31 December 2009, and the Turnover Rental recorded for the two years ended 31 December 2010 and 2011 was insignificant as compared to our total rental income. According to the lease agreements, our tenants are responsible for utility charges. Our tenants have the right to renew their leases by giving us a three-month prior written notice, and they have the right of first refusal according to the lease agreements. If our tenants terminate the lease without cause prior to the expiry of the lease term, we are entitled to retain the security deposit they have paid.

We typically locate and engage third party property management service providers at our own expenses to provide services such as security, property maintenance, cleaning and other ancillary services to our tenants. We generally enter into service agreements with these service providers with a term of one to three years. We usually renew such service agreements upon their expiration and we have never encountered any difficulty in finding such service providers in the past. We believe that such service providers are readily available in the market as the property management services industry is competitive. We communicate with our retail tenants to understand their business needs and take account of their requests to support their business operations. We also prepare overall advertising plans at our own expenses for the commercial properties we operate based on the business nature of our tenants in order to attract more customers for them.

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Co-operation with Nanjing Metro

We entered into a lease agreement with Nanjing Metro on 23 July 2008 (the “**Lease Agreement**”) to lease from Nanjing Metro the Xinjiekou Metro Mall with a total GFA of approximately 2,047.5 sq.m., which connects Golden Wheel International Plaza to the Xinjiekou metro station. Nanjing Metro agreed to lease the Xinjiekou Metro Mall to us for a term of 15 years starting May 2011. According to the Lease Agreement, we may sub-lease the Xinjiekou Metro Mall in units, but we are not allowed to sub-lease the mall as a whole. To ensure maximum functionality and space usage, we collaborated with Nanjing Metro on the project design of the Xinjiekou Metro Mall.

According to the Lease Agreement, we agreed to pay a fixed annual rent to Nanjing Metro, which is payable semi-annually, and the annual rent shall increase by 10% every four years till the expiry of the lease. The rent was determined based on arm’s length negotiation with Nanjing Metro. According to the Lease Agreement, we are responsible for utility charges and the marketing and operational management of the Xinjiekou Metro Mall during the term of the Leasing Agreement. We were granted a five-month rent free period for interior decorations. We have the right to renew the lease with written notice six months prior to the expiry of the lease, and we have the right of first refusal according to the Leasing Agreement. Nanjing Metro also agreed to give us a three-month prior notice if it decides to transfer or mortgage the Xinjiekou Metro Mall to a third party. Nanjing Metro will ensure that the transferee or the mortgagee will accept all the obligations of Nanjing Metro under the Lease Agreement. Either party may terminate the Lease Agreement and claim for damages if the other party is in material breach of its obligations under the Lease Agreement. In addition, we are entitled to indemnification from Nanjing Metro if we are required pay damages to any third parties due to the fault of Nanjing Metro.

We commenced the operation of the Xinjiekou Metro Mall in May 2011. We generated property leasing and operational management-related revenue of RMB4.62 million and RMB4.56 million for the year ended 31 December 2011 and the six months ended 30 June 2012, respectively. For the year ended 31 December 2011, the total cost of sales was approximately RMB3.1 million, of which the rent paid to Nanjing Metro in accordance with the Lease Agreement was approximately RMB2.9 million, and other direct operational costs were approximately RMB0.2 million. For the six months ended 30 June 2012, the total cost of sales was approximately RMB2.9 million, mainly due to our payment of rent to Nanjing Metro. For each of the year ended 31 December 2011 and the six months ended 30 June 2012, the gross profit margin in connection with our sub-leasing and operation of the Xinjiekou Metro Mall was 32.9% and 36.4%, respectively. The Xinjiekou Metro Mall had an occupancy rate of 100% as of 30 June 2012. The effective average annual rental price of the mall for the year ended 31 December 2011 and the six months ended 30 June 2012 was approximately RMB6,637 per sq.m. and RMB7,650 per sq.m. respectively.

We have a proven track record and have been recognized by Nanjing Metro as a long-term partner in its commercial property projects due to our strong commercial property operational capabilities with a dedicated operational team. To the best knowledge of our Directors and based on the public information reviewed by Savills, Nanjing Metro also entered into similar cooperation arrangements with other property development companies.

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As advised by our PRC legal advisors, Jun He Law Offices, we are not required to obtain any licenses, certificates, approvals and/or permits from the relevant authorities for engaging in marketing related activities and the property sub-leasing business of metro-linked malls.

Nanjing Changhong Road Project

On 27 September 2012, we entered into a cooperation agreement with Nanjing Qin Huai River Construction and Development Company Limited (南京秦淮河建設開發有限公司) (“**Qinhuai River Development Company**”) relating to the development of a commercial complex on a parcel of land with a site area of approximately 22,000 sq.m. on Changhong Road in Jianye District, Nanjing. The cooperation agreement has a term of 30 years starting from 10 October 2012. The land use right relating to this project is owned by Qinhuai River Development Company. A project company (the “**Project Company**”) with a registered capital of RMB10 million will be established, which will be owned as to 60% by our Group and 40% by Qinhuai River Development Company, to develop and operate this whole project. According to the cooperation agreement, we will bear the development costs of this project, which are expected to be approximately RMB70 million. Upon completion of the construction, the property will be owned by Qinhuai River Development Company. The Project Company will enter into a lease agreement with Qinhuai River Development Company in relation to the project and a total of RMB30 million will be payable by the Project Company to Qinhuai River Development Company by installments in the first seven years of the cooperation term. Our Group is entitled to receive all future profits of the Project Company (save for the aforesaid RMB30 million payable by the Project Company to Qinhuai River Development Company) for the first 17 years. Thereafter, the parties will share such profits according to their respective shareholding in the Project Company. According to this agreement, Qinhuai River Development Company is not allowed to transfer or mortgage the land use right and/or the fixed properties (the “**Properties**”) of this project within the first 17 years. Thereafter, Qinhuai River Development Company must obtain our prior written consent before transferring the Properties to any third party and we will have the right of first refusal. In the event of a transfer of the Properties to a third party, Qinhuai River Development Company must ensure that our interests will not be affected during the remaining term of the cooperation agreement by such transfer. We expect that the construction work of this project will be completed in 2014. We expect that, barring unforeseeable circumstances, the average annual rent per sq.m. of this project will be approximately RMB1,800 and the occupancy rate will be over 95% after completion. Based on the expected annual rent and occupancy rate, we estimate that the payback period of this project will be approximately five years. Our Directors believe that this project, if completed, will broaden our existing business of property leasing and operational management.

SUPPLIERS AND CUSTOMERS

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the percentage of cost attributable to our largest supplier was 15.9%, 10.8%, 12.6% and 26.1%, respectively, and the percentage of cost attributable to our five largest suppliers was 34.3%, 33.0%, 27.0% and 36.6%, respectively. During the Track Record Period, the majority of our five largest suppliers were construction companies or design companies.

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For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, we had engaged approximately 150, 190, 100 and 110 suppliers, respectively, to provide design and construction services to our Group. To the best knowledge of our Directors, none of our Directors, their associates or any of our shareholders holding more than 5% of our issued capital, had any interests in any of our five largest suppliers during the Track Record Period. We did not rely on any single supplier in our design, construction or construction supervision services during the Track Record Period.

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the percentage of revenue attributable to our five largest customers was less than 30%. To the best knowledge of our Directors, none of our Directors, their associates or any of our shareholders who hold more than 5% of our issued capital, had any interests in any of our five largest customers during the Track Record Period. To the best knowledge of our Directors, none of our five largest customers during the Track Record Period had purchased or leased properties from us in bulk volume for immediate re-sale or sub-let.

PROPERTIES OWNED AND USED BY US

As of 30 September 2012, we owned and used properties with a total GFA of approximately 1,772 sq.m. as our office facilities.

COMPETITION

The PRC real estate industry is highly competitive. There are many property developers undertaking property development projects in Jiangsu and Hunan provinces. Our major competitors consist of national and regional property developers, including local property developers that focus on one or more cities in Jiangsu and Hunan provinces. We compete with other property developers on a broad range of factors, including location, facilities, pricing, service quality and brand recognition. We strive to further strengthen our leading position in these provinces. Our competitors, however, may have a better track record, greater financial, marketing and land resources, larger sales networks and stronger brand name. In addition, as advised by Savills, there appears to be an over-supply of real estate properties in Nanjing and Yangzhou, our principal markets, which may subject us to greater competition and potential price cuts.

We also face competition in the property leasing and operational management business from other real estate developers or operators. Compared with property development, the property leasing and operational management business requires smaller commitments of capital resources and has a relatively lower barrier of entry. As a result, we expect to see increasing competition in the property leasing and operational management business as city infrastructure continues to develop with an increasing number of properties being outsourced to third parties to operate and manage. Our competitors may have more experience and resources than us.

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For more information on competition, please also refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — The PRC real estate market is highly competitive, and the intense competition in our property development business and property leasing and operational management business may materially and adversely affect our business, financial condition and results of operations” in this prospectus.

INSURANCE

We maintain third-party liability insurance with respect to our commercial malls located in Jiangsu and Hunan provinces. We do not, however, maintain other insurance coverage against liability from tortious acts or other personal injuries on our project sites. Our Directors believe that this practice is consistent with the customary practice in the PRC real estate industry. Our third party construction companies are responsible for quality and safety control during the course of the construction, and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations.

To help ensure construction quality and safety, we engage supervisory companies to oversee the construction process. Under PRC law, construction companies bear the primary civil liability for personal injuries, accidents and death arising out of their construction work where such personal injuries, accidents and deaths are caused by the construction companies. Property owners may also bear civil liability for personal injuries, accidents and death if such personal injuries, accidents or death are due to the fault of such owner. As we have taken the above steps to prevent construction accidents and personal injuries, we believe that we will generally be able to demonstrate that we are not at fault as the property owner if a personal injury claim is brought against us. To date, we have not experienced any material destruction of or damage to our property developments nor has any personal injury-related claim been brought against us.

However, there are risks that we may not have sufficient insurance coverage for losses, damage and liabilities that may arise in our business operations. Please refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — We have limited insurance to cover all potential losses and claims” in this prospectus.

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we had (i) registered one trademark in Hong Kong and six trademarks in the PRC and (ii) applied for the registration of six trademarks in the PRC under various categories. We are also the owner of two domain names. For further details, please see the section headed “Appendix VI — Statutory and General Information — Our Intellectual Property Rights” in this prospectus. We have not registered trademarks containing our “金輪 (Golden Wheel)” brand name in the PRC. Our Directors consider that it is not critical for our business to register such brand name in China and that the absence of such registration would not have any material adverse impact on our operations. Our Directors believe that we have taken all possible actions to register or secure the intellectual property rights that are material to our operations. During the Track Record Period, there was no claim

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or proceeding brought by or against us in relation to infringement of any intellectual property rights. Please see the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — Any deterioration in our brand image could adversely affect our business” in this prospectus.

ENVIRONMENTAL MATTERS

We are subject to PRC environmental laws and regulations as well as environmental regulations promulgated by local governments. As required by PRC laws and regulations, each project developed by a property developer is required to undergo an environmental impact assessment, and an environmental impact assessment report is required to be submitted to the relevant governmental authorities for approval before commencement of construction. When there is a material change in respect of the construction site, scale or nature of a given project, a new environmental impact assessment report must be submitted for approval. As advised by our PRC legal advisors, Jun He Law Offices, we have secured the necessary environment assessment reports for all of our projects during the Track Record Period and up to the Latest Practicable Date in accordance with the relevant PRC laws and regulations. During the course of construction, property developers must take measures to prevent air pollution, noise emissions and water and waste discharge. In addition, as we outsource our construction work to independent third party contractors, pursuant to the terms of the construction contracts, contractors and subcontractors are required to comply with the environmental impact assessment and the conditions of the subsequent approval granted by the relevant governmental authority. For the years ended 31 December 2009, 2010 and 2011, we incurred approximately RMB141,013, RMB271,488 and RMB229,913, respectively, for compliance with applicable environmental laws and regulations, which was primarily related to environment impact assessment for construction of our properties and waste discharge. We expect that the costs to be incurred for compliance with applicable environmental laws and regulations will be approximately RMB250,000 and RMB250,000 for each of the years ending 31 December 2012 and 2013, respectively. Based on the confirmations from the competent governmental authorities, our PRC legal advisors, Jun He Law Offices, advised that we were in compliance with the relevant PRC environmental laws and regulations and no penalty had been imposed on us for any violation of environmental laws and regulations during the Track Record Period.

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REGULATORY COMPLIANCE

Qualifications

The table below sets forth the details of the Qualification Certificate for Real Property Development Enterprise (房地產開發企業資質證書) obtained by our PRC subsidiaries for property development:

<u>PRC subsidiary</u>	<u>Issuance date</u>	<u>Expiry date</u>	<u>Classification</u>	<u>Eligibility under applicable PRC rules</u>
Nanjing Golden Wheel Real Estate	26 July 2012	26 July 2013	Three	Development of projects within Nanjing Development of projects with GFA of no more than 150,000 sq.m. Development of projects of no more than 16 stories
Nanjing Jade Golden Wheel	24 August 2012	23 August 2013	Two	Development of projects within Jiangsu province Development of projects with GFA of no more than 250,000 sq.m.
Yangzhou Golden Wheel Real Estate	21 June 2012	15 May 2013	Two	Development of projects within Jiangsu province Development of projects with GFA of no more than 250,000 sq.m.
Zhuzhou Golden Wheel Real Estate	23 May 2012	23 May 2015	Three	Development of projects with GFA of no more than 150,000 sq.m.

As advised by our PRC legal advisors, Jun He Law Offices, the above certificates obtained by our PRC subsidiaries are the only qualification certificates required for our property development business, and are of the appropriate level of classification in respect of both our completed properties and properties under construction. As all of our construction work is outsourced to third-party construction companies, it is not necessary for us to obtain the Qualification Certificate of Enterprise in Construction Industry (建築業企業資質證書).

Save as disclosed below, we have obtained all permits, licenses, qualifications and other government authorizations necessary to conduct our business and to use properties in the manner described in this prospectus and we are in compliance with the applicable PRC laws and regulations relating to our business operations in all material respects. During the Track Record Period and up to the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance that would have a material adverse effect on our business, financial condition and results of operations.

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The table below sets forth the summary of our major non-compliance incidents during the Track Record Period:

<u>Non-compliance incident</u>	<u>Property project(s) involved</u>	<u>Subsidiary(ies) involved</u>
Late completion of property projects	Nanjing Jade Garden Golden Wheel Star Plaza	Nanjing Jade Golden Wheel
Delivery of certain property units of Golden Wheel Time Square before passing the construction completion examination	Golden Wheel Time Square	Zhuzhou Golden Wheel Real Estate
Failure to complete lease registration for certain leased properties	Golden Wheel Time Square	Zhuzhou Golden Wheel Real Estate
Failure to make housing fund contributions for certain employees	N/A	Nanjing Golden Wheel Real Estate; Nanjing Jade Golden Wheel; Yangzhou Golden Wheel Real Estate; Zhuzhou Golden Wheel Real Estate; and Zhuzhou Golden Wheel Business Management
Loans to Nanjing Golden Wheel Real Estate	N/A	Nanjing Golden Wheel Real Estate; Nanjing Jade Golden Wheel; and Zhuzhou Golden Wheel Real Estate

Our Controlling Shareholders have provided an indemnity in favor of our Group from and against, among other things, all actions, claims, losses, liabilities, charges, costs, fines, damages or expenses which we may incur or suffer as a result of or in connection with the non-compliance matters mentioned above.

Except those set out above, our Directors have confirmed that, and our PRC legal advisors, Jun He Law Offices, based on the compliance letters issued by the relevant governmental authorities and the confirmation of our Directors, have advised that, our Group had complied with all relevant laws, rules and regulations during the Track Record Period and up to the Latest Practicable Date. Our Directors have further confirmed that for the purposes of calculating the profits test under Rule 8.05 of the Listing Rules, even if our Group had to

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deduct (i) the maximum potential penalties for the non-compliance matters mentioned above (the possibility of which, according to our PRC legal advisors, is remote) and (ii) the rental income generated from the leased properties of Golden Wheel Time Square before passing the construction completion examination and receiving the property ownership certificate (which, according to our PRC legal advisors, will not be subject to confiscation or any other penalty), our Group would still be able to fulfill the profits test under Rule 8.05 of the Listing Rules.

Please see below for details of the above non-compliance incidents.

Late Completion of Nanjing Jade Garden and Golden Wheel Star Plaza

We did not complete the construction work of Nanjing Jade Garden, and expect that we will not be able to complete the construction work of Golden Wheel Star Plaza before the respective deadline of each project (the “**Late Completion**”) stipulated under the relevant land use right grant contracts and the extension approval for Nanjing Jade Garden (together, the “**Land Contracts**”). As advised by our Directors, the Late Completion was due to the following reasons: (i) we were only allowed to conduct a detailed on-site inspection of the geographical conditions of the land after the execution of the land use right contracts (in which the completion deadlines were agreed); (ii) during the on-site inspection, we needed more time to complete the preparation work before we could commence the foundation construction work due to unforeseeable complexity of the sites’ geographical conditions; (iii) after we commenced the foundation construction work for each of Nanjing Jade Garden and Golden Wheel Star Plaza, we discovered that the geographical conditions of these two projects were more complicated than the results of our previous on-site inspection; and (iv) the unexpected heavy rainfall and typhoon in Nanjing in 2011 and 2012 made it more difficult and time-consuming for us to deal with such complex geographical conditions. Our Directors confirmed that we had strictly followed the construction procedures and that such unexpected incidents were beyond our control.

Further, Nanjing Gongda Construction Supervision and Consultation Company (南京工大建設監理諮詢有限公司) (“**GCSC**”), the supervising company engaged by our Group to report on the construction progress of the Nanjing Jade Garden and Golden Wheel Star City projects, advised us that (i) they agreed with points (i) to (iv) in the above paragraph and are of the view that these unexpected incidents were beyond our Group’s control; (ii) the most difficult part of the construction projects, the foundation construction work, has been completed and approximately 60% and 30% of the whole construction work (based on the construction costs) of Nanjing Jade Garden and Golden Wheel Star Plaza, respectively, has been completed as of 30 September 2012; (iii) the current construction progress of these two projects is in accordance with our current development schedule and Nanjing Jade Garden and Golden Wheel Star Plaza are expected to be completed by June 2013 and September 2013, respectively; and (iv) in order to strengthen our internal control, we specifically request GCSC to expand their scope of work and have weekly meetings with us to report the construction progress.

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According to the Land Contracts, the construction work of Nanjing Jade Garden and Golden Wheel Star Plaza is required to be completed by June 2012 and December 2012, respectively. According to the Land Contracts, if we fail to complete the construction of these projects before the relevant deadlines, we will be required to pay to the Nanjing Land and Resource Bureau (南京市國土資源局) (the “**Land Bureau**”) a daily late fine of 0.05% of the proportionate consideration calculated based on the incomplete portion of the projects under the relevant land use right contracts. If the delay extends beyond one year, the relevant local land authorities are entitled to forfeit part of the land on which the construction has not been completed without making any payment to us. We have attempted to seek extension approvals from the relevant authorities for Nanjing Jade Garden and Golden Wheel Star Plaza with no success. According to the extension approval we obtained for Nanjing Jade Garden, the relevant authorities will not grant another extension approval for this project. Our PRC legal advisors, Jun He Law Offices, conducted an interview with the Land Bureau and understood that the relevant authorities declined to accept our application for extension to the completion deadline for Nanjing Jade Garden because we have already extended the construction deadline for this project once on 19 May 2010. We have made an application for the extension to the construction deadline of Golden Wheel Star Plaza, being 31 December 2012, in late November 2012 and are awaiting reply from the relevant authorities at the Latest Practicable Date. If we are not granted the extension for Golden Wheel Star Plaza by 31 December 2012, we cannot comply with the construction completion deadline as stipulated in the Land Control of this project, the potential consequences of which are disclosed above.

We plan to complete the construction work of Nanjing Jade Garden and Golden Wheel Star Plaza by June 2013 and September 2013, respectively, which will be within one year after the respective deadline of each project specified in the Land Contracts. The foundation construction work for these two projects has been completed. As advised by our PRC legal advisors, we have also obtained all necessary approvals required for these two projects at the current stage. We commenced pre-sale of Nanjing Jade Garden in July 2012 and expect to commence the pre-sale of Golden Wheel Star Plaza in January 2013. If the pre-sale of Golden Wheel Star Plaza does not commence in January 2013, we will make a voluntary announcement after the Listing to provide our investors with the then updated information. Given that (i) we do not expect to conduct any further site inspections or other preparation work which might cause a further delay in the completion of these two projects; (ii) we will have weekly meetings with GCSC and the construction companies to ensure that the construction progress is on schedule until these projects are completed; and (iii) we have implemented a policy that requires the project managers to oversee the construction progress on a daily basis and report the construction progress to the Supervisory Committee on a monthly basis, our Directors believe that Nanjing Jade Garden and Golden Wheel Star Plaza will be completed according to their respective schedules. If we cannot complete these two projects according to the current schedules, the Land Bureau may impose penalties on us due to late delivery of these two projects to purchasers, and the portion of the lands on which the construction work has not been completed by the respective deadline may be forfeited. According to the pre-sale contracts of Nanjing Jade Garden, we are required to pay a daily fine of 0.01% of the payment made by our purchasers if we fail to deliver the properties by the end of November 2013. Based on the pre-sale proceeds recorded for Nanjing Jade Garden as of the Latest Practicable Date, if we fail to deliver the properties in time, the daily fine we are required to pay to our purchasers

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will be approximately RMB16,000 and the amount of the total fine will depend on the period of the delay. Please also refer to the section headed “Risk Factors — We may not be able to meet our project development schedules and complete our projects on time, or at all” in this prospectus.

Based on our current construction plan, we estimate that the maximum fine that the Land Bureau would charge us for the Late Completion would be approximately RMB22.4 million. However, our PRC legal advisors, Jun He Law Offices, conducted an interview with the Land Bureau which is, according to Jun He Law Offices, the most relevant and a competent governmental authority overseeing the performance of the relevant land use contracts, with respect to the Late Completion and understand that (i) the Land Bureau is aware that delay in completion of construction is not uncommon in Nanjing; (ii) the Land Bureau generally would not strictly enforce the terms of the relevant land use right contracts in relation to fine or forfeiture of land and there has been no precedent cases in Nanjing for forfeiture of land by the Land Bureau due to late completion; and (iii) the Land Bureau would not impose any fine or forfeit the land due to the Late Completion taking into account the current status of Nanjing Jade Garden and Golden Wheel Star Plaza. Based on the above, Jun He Law Offices, our PRC legal advisors, advised us that the Land Bureau would not seek to forfeit the relevant land use right and the risk that the Land Bureau would impose a late fine is minimal. Based on the above, our Directors believe that it is not necessary to make any provision for the estimated maximum fine of RMB22.4 million.

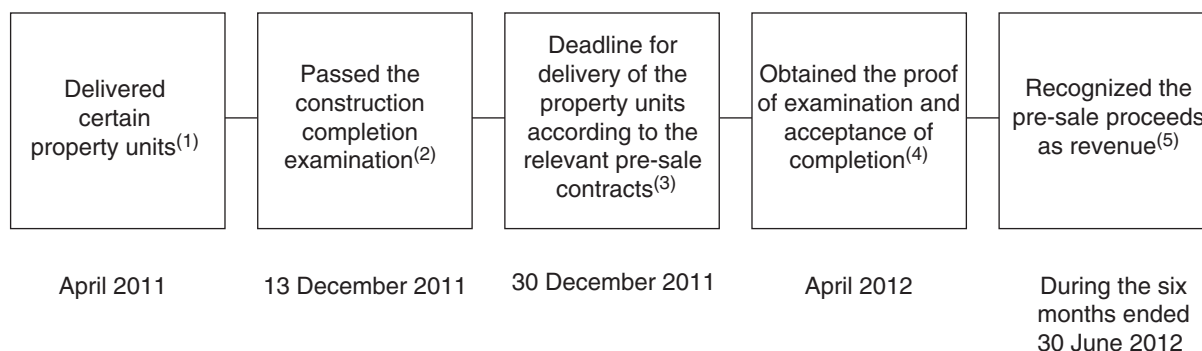
In addition, according to the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (《關於完善差別化住房信貸政策有關問題的通知》) (the “**Notice**”), property development companies with records of postponing the construction commencement or completion date are restricted from obtaining bank loans for new projects or extension of credit facilities. As advised by our PRC legal advisors, Jun He Law Offices, the Late Completion does not fall under the scope of “postponing the construction commencement or completion date” as stipulated in the Notice, given the fact that such delay was due to unforeseeable complexity of the local geographical conditions which caused us to spend longer time on-site inspections and other preparation work. As a result, we are not subject to the restrictions on obtaining bank loans for our new projects or extending our credit facilities.

As of the Latest Practicable Date, we had not recorded any revenue from Nanjing Jade Garden and Golden Wheel Star Plaza.

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Delivery of Certain Property Units in Golden Wheel Time Square to our Purchasers before Passing the Construction Completion Examination

We delivered certain property units in Golden Wheel Time Square to our customers in April 2011 before they passed the construction completion examination on 13 December 2011. The following flow chart illustrates the sequence of events from the stage of delivery of certain property units to the stage of revenue recognition:



Notes:

1. As advised by Jun He Law Offices, our PRC legal advisors, according to the Construction Law (建築法), the Real Estate Administration Law (城市房地產管理法) and the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例), a property developer is not permitted to deliver the properties of a construction project before it passes the construction completion examination, and a construction project is considered to have passed the construction completion examination only after the construction work has been completed and a construction completion examination report has been jointly issued by the relevant parties including the project development company, the project design company, the construction company, the inspection company and the construction supervisory company.
2. Golden Wheel Time Square passed the construction completion examination on 13 December 2011, which was jointly conducted by the relevant project development company, the project design company, the construction company, the inspection company and the construction supervisory company and as advised by Jun He Law Offices, is legally entitled under the applicable PRC laws and regulations to deliver the properties.
3. Our Directors confirmed that the delivery of the relevant property units in April 2011 was mainly due to misunderstanding our then project manager of Golden Wheel Time Square and not for the purpose of meeting the deadline for delivery as stipulated in the relevant pre-sale contracts.
4. We obtained the proof of examination and acceptance of completion issued by Zhuzhou Construction Quality and Safety Supervision and Administration Department (株洲市建設工程質量安全監督管理處) in April 2012.
5. According to our accounting policies, revenue from sale of properties in the ordinary course of business shall be recognized when the respective properties have been completed (as evidenced by obtaining the proof of examination and acceptance of completion from the relevant authorities) and delivered to the purchasers (as evidenced by delivering the keys of completed properties to the purchasers). As a result, the proceeds from the pre-sale of Golden Wheel Time Square were recognized as revenue during the six months ended 30 June 2012 after we obtained the proof of examination and acceptance of completion from the relevant authorities and delivered the properties to the purchasers in April 2012.

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In July 2011, we were notified by Zhuzhou Housing and City Construction Bureau (株洲市住房和城鄉建設局), a competent governmental authority overseeing the construction of the local real estate projects, that we are required to pay a fine of RMB1.2 million for violating the Construction Law and Regulation on the Quality Management of Construction Projects for this non-compliance incident. As advised by our PRC legal advisors, Jun He Law Offices, such notice was a pre-requisite procedure before the issuance of the formal penalty decision. On 20 September 2011, we received the formal penalty decision requiring us to pay a fine of RMB100,000 within 15 days and we paid such amount in full on 23 September 2011. Up to the Latest Practicable Date, we had not received any other formal penalty decision or any notice or order from the relevant local authorities in respect of the remaining fine of RMB1.1 million. Based on the above, our PRC legal advisors are of the view that the risk that we would be required to pay the remaining fine of RMB1.1 million in full is remote. As a result, our Directors believe that it is not necessary to make any provision for the remaining amount of RMB1.1 million.

As advised by our PRC legal advisors, Jun He Law Offices, given that as provided in the pre-sale contracts, (a) upon delivery of the property units of Golden Wheel Time Square in April 2011, the risk of loss had been transferred from our Group to our purchasers and (b) our purchasers were notified that property units might be delivered prior to passing the construction completion examination, it is very unlikely that our Group will be held to be liable for damages if the purchasers bring a claim against our Group for delivery of the units before passing the construction completion examination. Our Directors have also confirmed that we would not breach any of the pre-sale contracts if we had delivered the property units of Golden Wheel Time Square only after they passed the construction completion examination on 13 December 2011. Assuming that we failed to deliver the property units before 30 December 2011 as required under the relevant pre-sale contracts, we would be required to pay to our purchasers a daily fine of 0.05% of the amount paid by the purchasers.

This non-compliance incident was mainly due to the misunderstanding of our then project manager of Golden Wheel Time Square about the timing of delivery of the property units. Golden Wheel Time Square, which consists of two main buildings and one podium building, was our first project in Zhuzhou. We engaged an external construction supervising company to conduct inspections on its construction progress. In March 2011, the podium building passed the construction completion examination conducted by the construction supervising company. Our PRC legal advisors reviewed the pre-sale contracts in respect of the podium building and noted that the property units are ready for delivery “upon passing the construction completion examination”. The pre-sale contracts were based on standard template prescribed by the local authority which, as confirmed by our PRC legal advisors, Jun He Law Offices, such contracts did not provide a clear definition of “passing the construction completion examination” or specified document(s) that should be obtained. On 1 April 2011, the construction supervising company issued a confirmation letter to us certifying that the construction work of the podium building had been completed. The then project manager of

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this project, based on his understanding of the pre-sale contracts, misunderstood that the confirmation from an external construction supervising company would be a sufficient proof for “passing the construction completion examination”, and reported to our senior management that the podium building was ready for delivery. Although our Directors confirmed that our senior management was aware of the relevant PRC laws and regulations in relation to the delivery of construction property, they approved the delivery of the property units of the podium building due to their trust in the project manager’s experience in the property development business in Zhuzhou.

Our PRC legal advisors further advised that, under the applicable laws and regulations, a construction project can be delivered so long as it passes the construction completion examination and no other approvals or certificates, such as the property ownership certificate, are required at the time of delivery. Our PRC legal advisors have advised that due to different interpretations of pre-sale contracts and different local practices, it is not uncommon for property developers in certain cities (including Zhuzhou) to consider a confirmation letter issued by an external construction supervising company as a sufficient proof of “passing the construction completion examination”. However, such local practices are not in compliance with the laws and regulations at the state level.

Lease Registration

We did not register the leases in respect of certain leased properties of Golden Wheel Time Square with the relevant local authorities until 12 June 2012 (the “**Non-Registration**”). We were not able to complete such registration because we did not obtain the property ownership certificates for these properties before 12 June 2012. As advised by our PRC legal advisors, Jun He Law Offices, we are allowed to enter into lease agreements with our tenants before obtaining the property ownership certificates and would not be subject to any fine or penalty imposed by the relevant local authorities as a result. However, according to the applicable PRC laws and regulations, we are required to complete the relevant registration for these leases within 30 days after we entered into such lease agreements. Such non-compliance incident was mainly due to a lack of comprehensive internal control measures to require the responsible department to keep our senior management informed of the legal status of our property projects. For the year ended 31 December 2011, the rental income derived from these leased properties was approximately RMB22.2 million. As advised by our PRC legal advisors, Jun He Law Offices, the relevant lease agreements for such leased properties are valid and binding and were not affected by the Non-Registration. Our Directors confirm that, during the period of the Non-Registration, we had not received any penalty notice from the relevant authorities. Our PRC legal advisors further advised that, since we have completed the registration for all these leased properties, we will not be subject to any fine or penalty imposed by the relevant local authorities due to the Non-Registration. Our PRC legal advisors further advised that such rental income generated from Golden Wheel Time Square, prior to passing the construction completion examination and receiving the property ownership

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certificate, will not be subject to confiscation or any other penalty imposed by the relevant local authorities because: (i) there is no relevant penalty stipulated under the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) or any other applicable PRC law or regulation; and (ii) during the registration process, the relevant authorities did not confiscate any such rental income or impose any other penalty on our Group. We also obtained a confirmation letter dated 18 September 2012 issued by Zhuzhou Real Property Administrative Bureau (株洲市房產管理局), a competent authority, confirming that (i) we had completed the registration in respect of our leased properties of Golden Wheel Time Square on 12 June 2012; (ii) we will not be subject to any fine or penalty due to the Non-Registration; and (iii) rental income generated from Golden Wheel Time Square, prior to passing the construction completion examination and receiving the property ownership certificate, will not be subject to confiscation or any other penalty.

Housing Funds

Our PRC subsidiaries did not set up their respective housing fund accounts with the relevant local housing funds authorities until April 2012. As a result, we failed to make housing fund contributions for our employees before these accounts were set up. In addition, we understand that some of our employees were unwilling to participate in the housing fund contribution scheme. Pursuant to the relevant PRC laws and regulations, we have an obligation to make full contribution to the housing funds for our employees since the commencement date of their employment with us. As advised by Jun He Law Offices, our PRC legal advisors, we may be required by the relevant local authorities to pay in full for the housing fund contributions in full within a stipulated deadline, but there will be no other penalties to be imposed on us. As of the Latest Practicable Date, we had not received any notice from the relevant local authorities in this regard.

Pursuant to the relevant PRC laws and regulations, our Directors estimate that, as of the Latest Practicable Date, our total outstanding housing fund contributions for our employees amounted to approximately RMB2.5 million, for which we had made a full provision as of 30 June 2012. As advised by our PRC legal advisors, our employees would not be required to pay their own portion of the housing fund contribution before our relevant housing fund accounts were set up in April 2012. Since our relevant housing fund accounts were set up in April 2012 and up to Latest Practicable Date, we had fully and duly paid the housing fund contributions for all of our employees, and these employees had fully and duly paid their own portions as well.

Intra-Group Loans

During the Track Record Period, we obtained certain loans in our name and subsequently granted the same to Nanjing Golden Wheel Real Estate (an entity which was then wholly-owned by the Wong Family) for the land acquisition and development of Golden Wheel New Metro. Pursuant to the General Provisions of Loans (《貸款通則》) issued by PBOC in June 1996, we are not permitted to grant such loans to Nanjing Golden Wheel Real Estate. Such non-compliance was mainly due to a lack of understanding of our senior management on the restrictions on inter-company loans under the relevant laws and regulations. Any interest

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received by us from Nanjing Golden Wheel Real Estate may be forfeited by the relevant government authorities and we may be subject to a fine of not more than five times of such interests. As advised by our PRC legal advisors, Jun He Law Offices, the General Provisions of Loans apply to lending with or without written loan agreement. However, our PRC legal advisors are of the view that we will not be subject to any fine in connection with the interest recognized in connection with the loans as (i) Nanjing Golden Wheel Real Estate did not pay us any interest; (ii) the loan agreements between the parties did not include any clause as to interest payment and there is no supplemental agreement; and (iii) the loans were waived in June 2012 and the loan agreements were terminated.

Our Directors confirmed that our Group did not intentionally breach any of the applicable laws and regulations. As advised by our Directors: (i) the above non-compliance incidents were mainly due to the lack of comprehensive internal control measures and internal communication and PRC legal advisors were not readily accessible to us at that time; and (ii) the senior management were not informed of such non-compliance incidents in a timely manner when required. Our Directors also advised that they have taken appropriate remedial actions and preventive measures to avoid any non-compliance issue going forward as set out in the sub-section headed “— Internal Control” below.

Internal Control

We have set up a supervisory committee (“**Supervisory Committee**”) on 15 August 2012, which currently comprises two executive Directors, one independent non-executive Director, five senior management members from the finance department, construction management department and sales department, respectively, and two PRC legal consultants to meet every month to oversee, handle and liaise with various departments of our Group in relation to all regulatory and compliance related matters (including monitoring the construction progress of each project (including Nanjing Jade Garden and Golden Wheel Star Plaza and other projects under development)). The Supervisory Committee also reports to our Board on a quarterly basis. When necessary, we will also engage PRC legal advisors to obtain their legal advice to ensure that we are in compliance with all the applicable PRC laws and regulations.

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The table below sets forth the details of the members of our Supervisory Committee:

Name	Position in our Group	Responsible area
CHAN Wai Kin (<i>chairman of the Supervisory Committee</i>)	Executive Director, Chief Financial Officer and Company Secretary	General compliance and financial control
JANATA David	Executive Director	General Compliance
HUI Yan Moon	Independent non-executive Director	General Compliance
QIAN Housen	Standing General Manager	Financial control
CAI Lijun	Standing General Manager	Project management
SUN Yang	Assistant General Manager	Sales and marketing
GU Xiaofang	General Manager of Golden Wheel Time Square	Supervision of the operation of Golden Wheel Time Square
JIANG Jian	Standing Deputy General Manager of Golden Wheel Xintiandi Mall	Supervision of the operation of Golden Wheel Xintiandi Mall
MA Yu	External Legal Consultant	Legal and regulatory compliance
LUAN Yungen	External Legal Consultant	Legal and regulatory compliance

The chairman of the Supervisory Committee, Mr. Chan Wai Kin, being our executive Director, chief financial officer and company secretary, is a member of the Hong Kong Institute of Certified Public Accountants and is experienced in auditing and accounting. Mr. Chan advised that, during his tenure at the audit firms, he audited a number of listed companies in Hong Kong including reputable Hong Kong listed companies engaged in PRC real estate development and was involved in reviewing the internal control systems of those companies.

Another executive Director in the Supervisory Committee is Mr. David Janata who joined our Group in 2005. He is the nephew of Mr. Wong Yam Yin. He has been mainly responsible for managing the relationship of our investors, namely, the Indonesian Shareholders. Mr. Janata was not involved in the day-to-day management of our business and operations at the material times of the non-compliance incidents. Therefore, he was not aware of or involved in the non-compliance incidents at the material times. We believe that Mr. Janata's experience in property development and his solid academic background would enhance the effectiveness of the Supervisory Committee.

Another member of the Supervisory Committee, Mr. Hui Yan Moon, our independent non-executive Director, has held the position of chief executive officer of Swing Media Technology Group Ltd., a company listed on the Singapore Stock Exchange, since May 2003. Therefore, we believe that Mr. Hui's experience in managing a listed company and knowledge in corporate governance practices enhance the effectiveness of the Supervisory Committee. For detailed biographies of Mr. Chan Wai Kin, Mr. David Janata, Mr. Hui Yan Moon and other senior management members in the Supervisory Committee, please refer to the section headed "Directors, Senior Management and Employees" in this prospectus.

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We have engaged two external legal consultants, Mr. Ma Yu (馬育) and Mr. Luan Yungen (樂雲根) to join our Supervisory Committee. Both Mr. Ma and Mr. Luan are qualified PRC lawyers with experience and expertise in PRC real property law and regulations. As advised by Mr. Ma and Mr. Luan, they have advised a number of PRC property developers on contentious and non-contentious matters, internal control system for compliance with applicable law and regulations and legal risk management, and provided customized training sessions to their clients including our Group in different areas of the PRC law such as contract law, real property law and construction law. We have also decided to engage Nuo Fa Law Firm (諾法律師事務所) in Nanjing as a PRC law and regulations compliance advisor (the “**PRC Legal and Compliance Advisor**”) to advise on the relevant laws and regulations and our Group’s internal control systems and procedures from time to time in order to ensure that our Group complies with all the applicable PRC laws and regulations. In particular, our Group has instructed the PRC Legal and Compliance Advisor to assign a PRC lawyer as a secondee who will work for our Group on-site for at least 20 hours per week with a view to supervising, and providing advice on, our Group’s PRC legal and compliance matters more efficiently. We plan to continue to engage Nuo Fa Law Firm and arrange for its secondee to work for us for at least one year after the Listing. Thereafter, we will continue to retain a PRC legal and compliance advisor by either engaging an external law firm or employing an in-house legal counsel.

In addition, we will engage a professional internal control consultant for at least twelve months from the Listing. We are negotiating the terms of engagement with a professional, appropriately qualified internal control consultant and their appointment will take effect upon the Listing. The internal control consultant will advise on the internal control issues of our Group from time to time and provide its findings and reports to the Supervisory Committee and our independent non-executive Directors on a quarterly basis. A summary of its findings and reports will also be disclosed in our Company’s annual and interim reports post-listing.

Our audit committee which comprises three independent non-executive Directors will also review the internal control systems and procedures for compliance with the relevant accounting, financial and Listing Rules requirements regularly. The audit committee will, upon due and careful inquiries, disclose its major view regarding our Company’s compliance and internal control related matters in its annual report after the Listing.

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We have also adopted the following measures to prevent reoccurrence of non-compliance incidents in the future:

Non-compliance Incident	Major reason(s)	Potential maximum penalty and view of our PRC legal advisors, Jun He Law Offices	Remedies and preventive measures	Factors determined by the Sponsor to support that the incident does not raise concern on our Directors' competence, integrity and character
Late completion of Nanjing Jade Garden ^(Note) and Golden Wheel Star Plaza	Due to local geographical conditions which resulted in extended site inspections and other preparation work.	<ul style="list-style-type: none"> • Maximum fine of approximately RMB8.8 million for Nanjing Jade Garden based on our expected completion date, and the completion deadline which has already been passed as at the Latest Practicable Date. • Maximum fine of approximately RMB13.6 million for Golden Wheel Star Plaza based on our expected completion date, and the completion deadline which has not been passed as at the Latest Practicable Date. • The relevant authority would not seek to forfeit the relevant land use right and the risk that the relevant authority would impose a late fine is remote. 	<ul style="list-style-type: none"> • We made an application for an extension for Golden Wheel Star Plaza from the relevant authorities in late November 2012. • We have already stipulated a policy requiring project managers to oversee the construction progress (including the commencement and the expected completion date) of each project (including these two projects and other projects under development) on a daily basis and report construction progress to the Supervisory Committee on a monthly basis. • The Supervisory Committee will monitor the construction progress of each project (including these two projects and other projects under development) and in the case of an expected delay, will advise on any appropriate remedial action (such as increasing work force on-site to expedite the construction progress), determine if a formal written application should be made to extend the relevant completion deadline and will follow up with the relevant party to obtain the approval. • We will also disclose major developments regarding the construction progress of these two projects in our voluntary monthly announcements, interim and annual reports (as applicable) after the Listing. • To enhance our internal communication and keep track of the updated status of each project, we have set up an enhanced computer system ("Enhanced Computer System") which tracks the status of the various certificates, permits and other required approvals, and the construction progress of each property project. Our project managers and department heads are given access to the Enhanced Computer System. We have also stipulated a policy to require each project manager to log in to the Enhanced Computer System to monitor the status of the project on a daily basis and sign off in a logbook after their log-in to the system. 	<ul style="list-style-type: none"> • The breach was not conducted intentionally given that our Group had communicated with the relevant authorities about the then circumstances. • The non-compliance was caused by the previous lack of comprehensive internal control measures to require the responsible department to keep our senior management informed of the construction status of our property projects. • Our senior management did not have immediate access to updated information due to the lack of a centralized information system to keep track of the status of our property projects.

Note: We have already extended the construction deadline for Nanjing Jade Garden in May 2010 because of the local geographical conditions. According to the extension approval we obtained for Nanjing Jade Garden, the relevant authorities will not grant another extension to us for this project.

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Non-compliance Incident	Major reason(s)	Potential maximum penalty and view of our PRC legal advisors, Jun He Law Offices	Remedies and preventive measures	Factors determined by the Sponsor to support that the incident does not raise concern on our Directors' competence, integrity and character
<p>Delivery of certain property units of Golden Wheel Time Square before passing the construction completion examination</p>	<p>Our then project manager of Golden Wheel Time Square was under a misconception about the timing of delivery of properties and reported to our senior management that the podium building was ready for delivery. Based on their trust on the then project manager taking into account his experience, our senior management approved the delivery.</p>	<ul style="list-style-type: none"> • Fine of RMB100,000 which has been paid on 23 September 2011 and potential fine of up to RMB1.1 million • The risk that we would be required to pay the remaining fine of RMB1.1 million in full is remote. 	<ul style="list-style-type: none"> • We have already enhanced our policy requiring that our sales team should not commence any pre-sale or make any delivery of a project without having obtained an approval from the Supervisory Committee. • The Supervisory Committee will be responsible for ensuring that all required certificates, permits and other regulatory approvals have been obtained and all regulatory procedures have been completed before pre-sale and/or delivery of any of our project. • Implementation of the Enhanced Computer System. 	<ul style="list-style-type: none"> • The breach was not conducted intentionally given that our senior management made the decision to approve the delivery based on their trust on the then project manager. • The non-compliance was caused by the previous lack of comprehensive internal control measures to require the responsible department to keep our senior management informed of the legal status of our property projects. • Our senior management did not have immediate access to updated information due to the lack of a centralized information system to keep track of the status of our property projects.

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Non-compliance Incident	Major reason(s)	Potential maximum penalty and view of our PRC legal advisors, Jun He Law Offices	Remedies and preventive measures	Factors determined by the Sponsor to support that the incident does not raise concern on our Directors' competence, integrity and character
Failure to complete lease registration for the leased properties of Golden Wheel Time Square	Lack of comprehensive internal control measures to require the responsible department to keep our senior management informed of the legal status of our property projects.	<ul style="list-style-type: none"> • We were allowed to enter into the lease agreements with our tenants before obtaining the property ownership certificates and were not subject to any fine or penalty by the relevant local authorities as a result thereof. • We will not be subject to any fine or penalty by the relevant local authorities for our failure to complete lease registration. • Such rental income generated from Golden Wheel Time Square, prior to passing the construction completion examination and receiving the property ownership certificate, will not be subject to confiscation or any other penalty by the relevant local authorities. 	<ul style="list-style-type: none"> • All these leases have been registered. • We have already expanded the scope of the duties and responsibilities of the merchants department to the related registration of leases. • The merchants department shall also ensure that the relevant property ownership certificates have been obtained before entering into any lease agreement. • The merchants department will provide monthly report to the Supervisory Committee showing the number of leases entered into by our Group and the relevant registration status. • The Supervisory Committee will review, on a monthly basis, if the relevant leases have been properly registered in accordance with the applicable laws and regulations. • We have provided our merchants department with additional training on applicable laws and regulations in this regard. • Implementation of the Enhanced Computer System. 	<ul style="list-style-type: none"> • The breach was not conducted intentionally. • The non-compliance was caused by the previous lack of comprehensive internal control measures to require the responsible department to keep our senior management informed of the legal status of our property projects. • Our senior management did not have immediate access to updated information due to the lack of a centralized information system to keep track of the status of our property projects.

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Non-compliance Incident	Major reason(s)	Potential maximum penalty and view of our PRC legal advisors, Jun He Law Offices	Remedies and preventive measures	Factors determined by the Sponsor to support that the incident does not raise concern on our Directors' competence, integrity and character
Failure to make housing fund contributions for our employees	Our PRC subsidiaries failed to set up their respective housing fund accounts with the relevant local housing funds authorities until April 2012 and some of our employees were unwilling to participate in the housing fund.	<ul style="list-style-type: none"> • Full payment of the housing fund contributions of approximately RMB2.5 million within a stipulated deadline. • We may be required by the relevant local authorities to pay in full the housing fund contributions within a stipulated deadline, but there will be no other penalties to be imposed on us. 	<ul style="list-style-type: none"> • We have already set up the respective housing fund accounts. • We have made a full provision for the outstanding housing fund contributions of approximately RMB2.5 million. • Since our relevant housing fund accounts were set up in April 2012 up to the Latest Practicable Date, we had fully and duly paid the housing fund contributions for all of our employees. • To ensure full participation from all our employees, we have stipulated a policy requiring the human resources department to obtain a consent from a new employee to participate in the housing fund before he or she commences to work for the Group. Employment will not commence until the consent is signed by the new employee. • The human resources department will provide, on a monthly basis an updated list of employees to the Supervisory Committee. • The Supervisory Committee will review, on a monthly basis, if the housing fund accounts have been properly set up for all employees. 	<ul style="list-style-type: none"> • The breach was not conducted intentionally given that some employees were unwilling to participate in the housing fund. • The non-compliance was caused by the previous lack of comprehensive internal control measures to ensure compliance with the requirements on housing fund contribution.
Granting loans to Nanjing Golden Wheel Real Estate	Lack of understanding of the restriction on inter-company loans under the relevant laws and regulations by our senior management.	<ul style="list-style-type: none"> • We will not be subject to any fine or penalty by the relevant authorities. 	<ul style="list-style-type: none"> • We have not received any interest and the loans had been waived by June 2012. • We have prohibited inter-company loans (either among our subsidiaries or to other third party companies) to be made in the future. 	

We have prepared a checklist of all necessary regulatory procedures and approvals required for land acquisition and project development. Our Supervisory Committee will follow this checklist and closely monitor the whole progress of the transaction and ensure all such procedures are duly complied. For projects involving state-owned entities, we have also strengthened our internal control system and established review and approval procedures to ensure that the relevant regulatory requirements will be complied with by such counterparties. Our Supervisory Committee will also be responsible for safe keeping all the relevant applications, approvals and other documents.

In addition, we have provided and will continue to provide customized training sessions to our directors, senior management and staff members of our Group companies as and when appropriate, which will cover relevant PRC laws and regulations relating to the property industry, the Listing Rules, our internal control policies and procedures and general risk management skills, to raise their awareness of the importance of internal legal compliance and to strengthen their risk management skills.

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Our Directors believe that our internal control measures are adequate and effective as required by the Listing Rules.

Internal control consultant's review

We have engaged an internal control consultant to assess, based on the procedures discussed and agreed between the internal control consultant and us, the enhanced internal control policies and controls (the "**Enhanced Polices and Measures**") over the business processes which are related to our Group's historical non-compliance incidents and implemented by our Group since August 2012. The internal control consultant performed the following review work in relation to the Enhanced Policies and Measures:

- conducting interviews with the relevant management, staff members and key process owners, and inspecting the relevant documentation in order to understand the Enhanced Polices and Measures;
- performing walkthrough tests to confirm their understanding of the relevant processes and controls and to determine whether the controls have been implemented as described by our Group;
- performing sampling tests to assess whether the controls are operating as described by and in accordance with our Group's operating policies and procedures for the selected samples; and
- identifying findings based on the results of the walkthrough tests and sample tests performed in the steps mentioned above.

The sample size of the review work performed by the internal control consultant is as follows:

<u>Control frequency</u>	<u>Sample size as agreed with our Company (From June 2012 or the actual implementation date of the Enhanced Policies and Measures to October 2012)</u>
Daily or many times a day	5
Weekly, Monthly or Quarterly	2
Annually	1

Following their review work, the internal control consultant did not identify, based on the samples of transactions reviewed, any significant exceptions from the Enhanced Polices and Measures.

Sponsor's view

Having considered the above internal control measures (including the Enhanced Policies and Measures) of our Group, the Sponsor is of the view that our Group's internal control

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measures (including the Enhanced Policies and Measures) will be adequate and effective to ensure our Group's compliance with the applicable laws and regulations. During its due diligence process and having taking into account the following matters as confirmed by our Directors, the Sponsor has not identified any material matter which will raise its concern as to the competence, integrity and character of our Directors:

- our Directors did not intentionally cause our Group to breach any of the applicable laws and regulations as reflected in the reasons for the non-compliance incidents;
- the non-compliance incidents as summarized above, which were mainly caused by the previous lack of comprehensive and effective internal control system, did not involve any element of fraud or dishonesty;
- our Directors were not informed of the aforesaid historical non-compliance incidents in a timely manner at the material times due to the previous lack of comprehensive internal control measures;
- our Directors have shown their willingness and commitment to ensure our Group's compliance in the future by: (i) agreeing on and implementing the enhanced internal control policies measures; (ii) arranging various customized training sessions targeted for our Directors, senior management and different departments, attending the suitable training sessions and making plans for the continuous training; (iii) communicating internally about the non-compliance issues and the enhanced internal control policies and measures; (iv) engaging the internal control consultant to assess the Enhanced Policies and Measures; (v) setting up the Supervisory Committee, members of which have experience and expertise in property industry and corporate governance, and include professional PRC legal counsels who have expertise in PRC property law and regulations and have advised a number of PRC property developers on various matters; (vi) engaging external legal counsels who have assigned a secondees to our Group; and (vii) having independent non-executive Directors' commitment to review the internal control policies and measures of the Group in the future; and
- Mr. Wong Yam Yin (being the chairman of our Board and an executive Director) and Mr. Wong Kam Fai (being the chief executive officer of our Company and an executive Director) established our Group in 1994 and have been responsible for managing our Group for the past 18 years. Under their management and leadership and by virtue of their competence and efforts, our Group has established a proven track record in the property development sector. For instance, our Group has been recognized by Nanjing Metro as a long-term partner in its commercial property projects and having strong commercial property operational capabilities with a dedicated operational team. Moreover, the contribution of Mr. Wong Yam Yin, Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry (being an executive Director) to our Group has been acknowledged by All China Federation of Industry & Commerce Real Estate Commission, Jiangsu province (江蘇省工商聯房地產商會).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS ACTING IN CONCERT

Mr. Wong Yam Yin (王欽賢), his wife Ms. Hung So Ling (洪素玲) and his elder son Mr. Wong Kam Fai (王錦輝) established Nanjing Golden Wheel Real Estate in Nanjing, Jiangsu province, the PRC in April 1994 for the real property development business. Mr. Wong Kam Keung, Barry (王錦強), the younger son of Mr. Wong Yam Yin (王欽賢), joined Nanjing Golden Wheel Real Estate in 1996.

In 2002, Mr. Sjaifudin Aman, Mr. Tjie Tjin Fung, Mr. Hafandi Lijaya, Mr. Lili Somantry, Mr. Jamin Haryanto, Mr. Kiky Gunawan, Mr. Hadi Gunaman, Mr. Atjen Tanuwidjaja and Mr. Bambang Trisna, who (as advised by Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝) and Mr. Wong Kam Keung, Barry (王錦強)) have been acquainted with Wong Family for over 20 years, Ms. Julia Oscar, the younger sister of Mr. Wong Yam Yin (王欽賢), and Mr. Janata Suwita, Ms. Julia Oscar's husband (together, the **"Indonesian Shareholders"**), together with Wong Family, established Nanjing Jade Golden Wheel, our principal operating subsidiary in Nanjing, Jiangsu province, the PRC, in June 2002. Based on their long-term relationship with Wong Family, since the establishment of Nanjing Jade Golden Wheel, which was beneficially owned as to approximately 38.18% and 61.82% by Wong Family and the Indonesian Shareholders, respectively, as of 1 January 2009, the Indonesian Shareholders have supported Wong Family's decisions in relation to the operation and management of our Group. They have exercised their voting rights at the meetings of the shareholders and boards of the then member companies of our Group in accordance with the decision of Wong Family.

On 16 January 2012, the Wong Family and the Indonesian Shareholders (together, our **"Ultimate Controlling Shareholders"**) entered into a confirmation and undertaking of acting in concert to confirm the existence of such acting-in-concert arrangement described above during the Track Record Period. The Indonesian Shareholders have further undertaken that, during the period when they (by themselves or together with their associates) remain in control of our Group (the **"Controlling Period"**), they will continue to fully comply with such acting-in-concert agreement. The acting-in-concert arrangement has been in place since the establishment of Nanjing Jade Golden Wheel in 2002 and will continue to bind on the Indonesian Shareholders during the Controlling Period. We have been advised by our Hong Kong legal advisors that the relevant undertakings by the Indonesian Shareholders under such acting-in-concert agreement are legal, valid and enforceable under the applicable Hong Kong laws, subject to customary assumptions and reservations. We do not disclose the details of these customary assumptions and reservations in this prospectus after we have considered the advice from our Hong Kong legal advisors that (a) there are no abnormal assumptions or reservations; and (b) the normal assumptions and reservations are not material for detailed disclosure, or capable of being concisely summarised in this prospectus.

As such, our Ultimate Controlling Shareholders, through their respective holding companies (together, our **"Controlling Shareholders"**), as a group of shareholders entitled to exercise more than 30% of the voting rights at general meeting of our Company, are together

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

regarded as our Controlling Shareholders as defined under the Listing Rules. Upon completion of the Global Offering and the Capitalization Issue (and assuming the Over-allotment Option is not exercised), our Controlling Shareholders, will together own 75% of the total issued share capital of our Company.

RETAINED BUSINESS OF OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, some of our Controlling Shareholders and Directors have interests, individually or together, in certain companies that carry on businesses that do not form part of our Group (the “**Retained Businesses**”). Such businesses include other property development business the details of which are set out below.

Guangxi Jinyin Real Property Company Limited (廣西金印房地產有限公司)

Guangxi Jinyin Real Property Company Limited (廣西金印房地產有限公司) (“**Guangxi Jinyin**”) is a company established in the PRC in February 2005. Guangxi Jinyin has a registered capital of US\$5 million and is beneficially owned as to 10% by Mr. Lili Somantry, one of our Ultimate Controlling Shareholders, and 90% by his son who is over 18-year old. Mr. Lili Somantry is also a director and the general manager of Guangxi Jinyin who is mainly responsible for strategic decision of major development and management matters. According to the audited accounts of Guangxi Jinyin, its total assets as at 31 December 2011 amounted to RMB101.0 million, and its revenue and net profits for the year ended 31 December 2011 were RMB4.6 million and RMB2.8 million, respectively.

Guangxi Jinyin’s business is engaging in the development of residential and commercial properties in Guangxi province only, an area where we do not intend to expand our business in the foreseeable future. The Directors are of the view that there is competition between the businesses carried on by Guangxi Jinyin and us. However, our Directors believe that the extent of such competition is not severe for the following reasons:

- as confirmed by Mr. Lili Somantry, Guangxi Jinyin currently intends to develop its real property business in Guangxi province only, which does not directly compete with our geographical focus, namely, Jiangsu province, Hunan province and their surrounding provinces; and
- Given our focus on the development of integrated large-scale commercial projects (including life-style shopping malls and residential properties) which are directly linked or close to transportation hubs, our target customer group and business operation model are different from those of Guangxi Jinyin.

P.T. Golden Pancatunggal Karyagemilang

P.T. Golden Pancatunggal Karyagemilang (“**PT Golden**”) is a company established in Indonesia on 3 August 2009 and is owned as to 60% in total by Mr. Janata Suwita, one of our Ultimate Controlling Shareholders and a non-executive Director, his wife Ms. Julia Oscar, who is also one of our Ultimate Controlling Shareholders and his son, Mr. David Janata, an

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

executive Director, and as to 40% by two other sons of Mr. Janata Suwita. PT Golden is an investment company, holding the entire issued share capital of PT. Mitra Sukses Kelola Property (“**Mitra Property**”) as of the Latest Practicable Date. Mitra Property was incorporated in Indonesia in August 2009 and is engaged in property development business in Indonesia only and does not have any business in the PRC. Therefore, the Directors are of the view that there is a clear delineation between the businesses carried on by PT Golden and us in terms of the geographical focus.

Reasons for not including the Retained Businesses in our Group

The Retained Businesses are excluded from our Group because our Directors are of the view that there is a clear delineation between the Retained Businesses and our core business and that none of the Retained Businesses would compete, or is expected to compete, directly or indirectly, with our business. Our Directors are of the view that the Retained Businesses neither form part of our core business nor are in line with our overall strategy to maintain and further strengthen our market position as a developer of integrated, mixed use commercial complexes.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of conducting our business independently from our Controlling Shareholders for the following reasons:

Management Independence

Our management and operational decisions are made by our Board and senior management. Our Board comprises six executive Directors, two non-executive Directors and four independent non-executive Directors. We consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;
- (b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates (“**Conflicting Transaction**”), the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in forming quorum. The interested Director(s) shall not attend any independent board committee meetings comprising our independent non-executive Directors only. In the event that there is a Conflicting Transaction which shall be submitted to our independent non-executive Directors for their consideration and approval, they shall have extensive experience and knowledge to oversee such a Conflicting Transaction from different aspects; and

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- (c) all our senior management members are independent from our Controlling Shareholders. They have substantial experience in the industry we are engaged in and have served our Group for a significant length of time during which period they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders.

Operational Independence

We do not share operational facilities and capabilities with the Retained Business. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently from the Retained Business. Our Directors are of the view that there is no operational dependence by us on our Controlling Shareholders.

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. As of the Latest Practicable Date, (i) we did not have any outstanding loans or borrowings from any of our Controlling Shareholders or any of their respective associates; (ii) there was a total of approximately RMB363.1 million bank borrowings for which our Controlling Shareholders have provided guarantees. Such guarantees will be discharged upon Listing. Our Directors confirm that we will not rely on our Controlling Shareholders for financing after the Global Offering as we expect that our working capital will be funded by our operating income and bank borrowings.

NON-COMPETITION DEED

Our Controlling Shareholders (the “**Covenanters**”) have entered into a deed of non-competition (the “**Non-competition Deed**”) in favor of our Company, pursuant to which each of the Covenanters has undertaken to our Company that he/she/it would not, and that his/her or its associates (except any members of our Group) would not, during the restricted period set out below, directly or indirectly, either on his/her or its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business (the “**Restricted Business**”), save for the property development business carried out by Guangxi Jinyin in Guangxi province.

Such non-competition undertaking does not apply in relation to:

- (a) any opportunity to invest, participate, be engaged in and/or operate any Restricted Business which has first been offered or made available to our Company, and our Company, after review and approval by our Directors or shareholders as required under the relevant laws and regulations, has declined such opportunity to invest,

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

participate, be engaged in or operate the Restricted Business, provided that the principal terms by which any Covenanter (or his/her/its relevant associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favorable than those made available to our Company; or

- (b) any interests in the shares or equity interest of any member of the Group; or
- (c) interests in the shares of a company whose shares are listed on a recognized stock exchange, provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
 - (ii) the total number of the shares held by any of the Covenanters and/or their respective associates in aggregate does not exceed 5% of the issued shares of that class of the company in question and such Covenanters and/or their respective associates are not entitled to appoint a majority of the directors of that company.

The "restricted period" stated in the Non-competition Deed refers to the period during which (i) our Shares remain listed on the Hong Kong Stock Exchange; (ii) the relevant Covenanters and/or their respective associates, individually or jointly, are entitled to exercise or control the exercise of no less than 30% of the voting power at general meetings of our Company; and (iii) any Covenanter remains as a director of any member of our Group.

The Covenanters have further undertaken to procure that, during the restricted period, any business investment or other commercial opportunity in the PRC relating to the Restricted Business (the "**New Opportunity**") identified by or offered to any of them, is first referred to us in the following manner:

- (a) the Covenanters are required to refer, or to procure the referral of, the New Opportunity to us, and shall give written notice to us of any New Opportunity containing all information reasonably necessary for us to consider whether (i) such New Opportunity would constitute competition with our core business, and (ii) it is in the interest of our Company and our Shareholders as a whole to pursue such New Opportunity, including but not limited to the nature of the New Opportunity and the details of the investment or acquisition costs (the "**Offer Notice**"); and

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- (b) the Covenanters will be entitled to pursue the New Opportunity only if (i) they have received a notice from us declining the New Opportunity and confirming that such New Opportunity would not constitute competition with our core business, or (ii) they have not received such notice from us within fifteen (15) Business Days from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunity pursued by the Covenanters, they will refer the New Opportunity as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from our Board committee comprising independent non-executive Directors who do not have a material interest in the matter, as to whether (i) such New Opportunity would constitute competition with our core business, and (ii) it is in the interest of our Company and our Shareholders as a whole to pursue the New Opportunity.

Under the Non-competition Deed, in the event that, during the restricted period, any of the Covenanters or any of his/her/its associate (except any member of our Group) intends to dispose of any of the Retained Business or any interest in the Retained Business, the Covenanters shall first offer to us the right to acquire such business or interest at the same price and on other terms as offered by the intended buyer. The Covenanters or any of his/her/its associates (except any member of our Group) may only proceed with such disposal to any third party on terms not more favorable than those offered to us, following the rejection of such offer by us. We will also seek approval from our Board committee comprising independent non-executive Directors who do not have a material interest in the matter as to whether to pursue or decline such offer.

Our Directors consider that our independent non-executive Directors have sufficient experience in assessing whether or not to take up any New Opportunity or exercise the right of first refusal in respect of any Retained Business. Our Board committee comprising independent non-executive Directors will review, on an annual basis, the compliance with the Non-competition Deed by the Covenanters, including New Opportunity and the exercise the right of first refusal by our Controlling Shareholders on the existing or future competing businesses. In any event, the committee formed by our independent non-executive Directors may appoint financial advisors or professional experts to provide advice, at the cost of our Company, in connection with the exercise or non-exercise of the option or right of first refusal under the Non-competition Deed.

The Covenanters have further undertaken to:

- (a) procure all relevant information relating to the implementation of the Non-competition Deed in their possession and/or the possession of any of their associates to be provided to us;

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- (b) allow, subject to confidentiality restrictions imposed by any third party, our representatives and those of our auditors to have access to such of their respective financial and corporate records as may be necessary for us to determine whether the non-competition undertakings have been complied with by the Covenanters and their respective associate;
- (c) provide us, within twenty (20) Business Days from the receipt of our written request, with a written confirmation in respect of their compliance and that of their respective associates with the non-competition undertakings and consent to the inclusion of such confirmation in our annual report; and
- (d) provide all information necessary for the annual review by the Board committee comprising independent non-executive Directors and the enforcement of the Non-competition Deed.

The Covenanters (for themselves and on behalf of their respective associates (except for any member of our Group)) have also acknowledged that we may be required by the relevant laws, regulations, rules of the stock exchange(s) on which we may be listed and the regulatory bodies, to disclose, from time to time, information on the New Opportunity and the right of first refusal in respect of the Retained Business, including but not limited to disclosure in public announcements or our annual reports of decisions made by us to pursue or decline such New Opportunity or to exercise the right of first refusal and have agreed to such disclosure to the extent necessary to comply with any such requirement.

Our Directors have not engaged in any businesses which compete or are likely to compete, either directly or indirectly, with our business.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD OF DIRECTORS

Our Board is responsible and has general power for the management and conduct of our business, and consists of twelve Directors including six executive Directors, two non-executive Directors and four independent non-executive Directors. The following table sets forth certain information in respect of members of our Board:

Name	Age	Year joined	Position	Date appointed as Director
WONG Yam Yin (王欽賢)	70	1994	Chairman and Executive Director	26 April 2012
WONG Kam Fai (王錦輝)	42	1994	Vice Chairman, Chief Executive Officer and Executive Director	26 April 2012
WONG Kam Keung, Barry (王錦強)	38	1996	Vice President and Executive Director	26 April 2012
TJIE Tjin Fung	62	2002	Vice Chairman and Executive Director	26 April 2012
JANATA David	31	2005	Executive Director	26 April 2012
CHAN Wai Kin (陳偉健)	31	2011	Executive Director, Chief Financial Officer and Company Secretary	26 April 2012
SUWITA Janata	62	2002	Vice Chairman and Non-executive Director	26 April 2012
GUNAWAN Kiky	65	2002	Non-executive Director	26 April 2012
HUI Yan Moon (許仁滿)	41	2012	Independent non-executive Director	10 December 2012
WONG Ying Loi (黃英來)	68	2012	Independent non-executive Director	10 December 2012
HOWE Sau Man (何秀雯)	40	2012	Independent non-executive Director	10 December 2012
LIE Tak Sen (李達生)	64	2012	Independent non-executive Director	10 December 2012

Executive Directors

Mr. WONG Yam Yin (王欽賢), aged 70, is an executive Director, the chairman of our Board and nomination committee. Mr. Wong is a founder of our Group and one of our Ultimate Controlling Shareholders. He is responsible for our overall strategy, business and investment planning. Mr. Wong was appointed as a Director on 26 April 2012.

Mr. Wong has 30 years of experience in business management. He established Golden Wheel Trading Company Limited (金輪貿易有限公司) in 1983 in Hong Kong to engage in hardware trading business. He, together with his wife Ms. Hung So Ling and his elder son Mr. Wong Kam Fai, established our Group in 1994 to engage in real estate development business.

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Save as disclosed above, Mr. Wong does not have any other major work experience.

Besides his role in our Group, Mr. Wong is involved in various associations, including being:

- a member of the Chinese People's Political Consultative Committee of Jiangsu Province (中國人民政治協商會議江蘇省委員會委員);
- a standing committee member of All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會常委);
- a life-time honorary chairman and deputy chairman of the Hong Kong Federation of Overseas Chinese Association (香港僑界社團聯會永遠名譽會長兼副會長);
- a standing director of Hong Kong Federation of Fujian Associations (香港福建社團聯會常務會董);
- a standing director of Hong Kong Federation of Guangdong Community Organizations (香港廣東社團總會常務會董);
- the chairman of Electrical Machinery Committee of The Chinese Manufacturers' Association of Hong Kong (香港中華廠商聯合會機電業行業委員會主席); and
- the honorary principal of Zhuzhou Golden Wheel Qiaoxin School (株洲金輪僑心學校名譽校長).

Mr. Wong received various awards in recognition of his contribution to the society, including the "Chief Executive's Commendation for Community Service (行政長官社區服務獎狀)" by Hong Kong government in 2004, the "Prize for Outstanding Contribution to Beichuan Middle School (援建北川中學特殊貢獻獎)" by All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會), and the "Manufacturer with Honesty and Integrity of 2010 (2010誠信製造商)" by All-China Federation of Industry and Commerce, Hardware and Electromechanical Chamber (中華全國工商聯五金機電商會) in 2010.

Mr. Wong received his bachelor's degree in physics from Huaqiao University (華僑大學) in 1967.

Mr. Wong Yam Yin is the husband of Ms. Hung So Ling, the father of Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry, and the brother of Ms. Julia Oscar.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Wong which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. WONG Kam Fai (王錦輝), aged 42, is an executive Director, a vice chairman of our Board, the chief executive officer of our Group and a member of our remuneration committee. Mr. Wong is a founder of our Group and one of our Ultimate Controlling Shareholders. Mr.

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Wong held several positions within our Group immediately after completion of his bachelor's degree. He has been the general manager of Nanjing Golden Wheel Real Estate since 1 May 1994, Nanjing Jade Golden Wheel since 1 July 2002, respectively. Mr. Wong is responsible for our overall business operation and management. Mr. Wong was appointed as a Director on 26 April 2012. Mr. Wong has 18 years of experience in the real estate industry.

Save as disclosed above, Mr. Wong does not have any other major work experience.

Mr. Wong is involved in various associations, including being:

- a member of the Chinese People's Political Consultative Committee of Hunan Province (中國人民政治協商會議湖南省委員會委員);
- a member of All China Federation of Returned Overseas Chinese Association Youth Committee (中華全國歸國華僑聯合會青年委員會委員);
- a standing committee member of All China Federation of Industry & Commerce of Jiangsu Province (江蘇省工商業聯合會常委);
- a standing deputy chairman of the executive committee of All China Federation of Industry & Commerce Real Estate Commission, Jiangsu province (江蘇省工商聯房地產商會理事會常務副會長);
- a deputy chairman of Jiangsu Overseas Exchange Association (江蘇省海外交流協會副會長); and
- a deputy chairman of Nanjing Overseas Chinese Chamber of Commerce (南京市僑商投資企業協會副會長).

Mr. Wong was awarded as an "Outstanding Young Entrepreneur" (青春創業風雲人物) of Jiangsu province and a "Top Ten Outstanding Entrepreneur (十佳優秀企業家)" of Qinhuai, Nanjing, respectively.

Mr. Wong received his bachelor's degree in computer science from The University of New South Wales of Australia (澳洲新南威爾士大學) in June 1994.

Mr. Wong Kam Fai is the elder son of Mr. Wong Yam Yin and Ms. Hung So Ling, and the elder brother of Mr. Wong Kam Keung, Barry.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Wong which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. WONG Kam Keung, Barry (王錦強), aged 38, is an executive Director and the vice president of our Group. He is also one of our Ultimate Controlling Shareholders. He is responsible for administration, human resources management and projects development in

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Hunan province. Mr. Wong joined our Group in 1996. Mr. Wong has been the general manager of Zhuzhou Golden Wheel Real Estate since 1 August 2004 and Zhuzhou Golden Wheel Business Management since 1 February 2010, respectively. Mr. Wong was appointed as a Director on 26 April 2012. He has 16 years of experience in the real estate industry.

Save as disclosed above, Mr. Wong does not have any other major work experience.

Mr. Wong is involved in various associations, including being:

- a member of All China Federation of Returned Overseas Chinese Youth Committee (中華全國歸國華僑聯合會青年委員會);
- a standing committee member of the Overseas Chinese Association of Guangdong Province (廣東省歸國華僑聯合會常委);
- a deputy chairman of China Federation of Overseas Chinese Entrepreneurs of Hunan Province (湖南省僑商聯合會副會長);
- a director of Hong Kong Overseas Chinese Social Association (香港僑界社團聯合會董事); and
- a member of the Chinese People's Political Consultative Committee of Zhuzhou City (中國人民政治協商會議株洲市委員會委員).

Mr. Wong completed the Foundation Studies Certificate Course of Unisearch Limited (now known as NewSouth Innovations Pty Limited, an entity controlled by the University of New South Wales) in 1993.

Mr. Wong Kam Keung, Barry is the younger son of Mr. Wong Yam Yin and Ms. Hung So Ling, and the younger brother of Mr. Wong Kam Fai.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Wong which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. TJIE Tjin Fung, aged 62, is an executive Director and a vice chairman of our Board. He is also one of our Ultimate Controlling Shareholders. Mr. Tjie is responsible for overseeing our operation, and formulating our investment strategies. He joined our Group in 2002. Mr. Tjie was appointed as a Director on 26 April 2012.

Mr. Tjie is an Indonesian Chinese. Being an entrepreneur, he established his own manufacturing business in Indonesia in the 1970s.

Mr. Tjie is involved in various associations, including being:

- a member of Indonesia Kota Bandung Social Welfare Fund (印尼萬隆勃良福利基金會員);

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- a deputy chairman of Indonesia Bandung Hakka Chinese Association (印尼萬隆客屬聯誼會副主席);
- a member of Indonesia Bandung Lions Clubs International (印尼萬隆國際獨立獅子會會員);
- an honorary chairman of Guangdong Province Federation of Indonesian Social Institutes (印尼廣東社團聯合總會名譽主席);
- an honorary chairman of Indonesia Hakka Chinese Association (印尼客屬聯誼總會名譽主席); and
- an honorary chairman of Indonesia Mei Zhou Club (印尼梅州會館名譽主席).

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Tjie which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. JANATA David, aged 31, is an executive Director. He is responsible for managing our investors' relationship. He joined our Group in 2005. Mr. Janata was appointed as a Director on 26 April 2012.

Mr. Janata is an Indonesia Chinese. He also served as a general manager of The Royal Beach Seminyak Bali, a company running a resort hotel in Bali, Indonesia, from 2010 to 2011. He and his family members established PT Golden and Mitra Property in Indonesia in August 2009 to engage in property development business in Indonesia.

Mr. Janata received his bachelor's degree in business from Monash University in Australia in December 2002 and his master's degree in business systems from the same university in December 2004.

Mr. Janata is the son of Mr. Janata Suwita and Ms. Julia Oscar who is the sister of Mr. Wong Yam Yin. Therefore, Mr. Janata is also a nephew of Mr. Wong Yam Yin.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Janata which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. CHAN Wai Kin (陳偉健), aged 31, is an executive Director, the chief financial officer and company secretary of our Group. He joined our Group in 2011. Mr. Chan is responsible for overseeing our financial management and regulatory compliance. Mr. Chan was appointed as a Director on 26 April 2012. Mr. Chan has approximately eight years of experience in auditing and accounting. He worked with Deloitte Touche Tohmatsu as an auditor from December 2005 to August 2010. He worked with KPMG as an auditing manager from August 2010 to October 2011.

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Mr. Chan graduated from Indiana University at Bloomington in the United States (美國印第安納州盧明頓大學) with a degree of bachelor of science in business in May 2005. He is a member of Hong Kong Institute of Certified Public Accountants since July 2009.

Save as disclosed herein, there are no other matters in relation to Mr. Chan which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Non-executive Directors

Mr. SUWITA Janata, aged 62, is a non-executive Director and a vice chairman of our Board. He joined our Group in 2002. Mr. Suwita was appointed as a Director on 26 April 2012. He is also one of our Ultimate Controlling Shareholders.

Mr. Suwita is an Indonesian Chinese. He commenced his career as an entrepreneur by establishing his own trading company in the 1970s. Mr. Suwita and his family members established PT Golden and Mitra Property in Indonesia in August 2009 to engage in property development business in Indonesia.

Mr. Suwita has been involved in various associations, including being:

- the executive chairman of Chinese Committee of Indonesia Chamber of Commerce (West Java) (印尼工商會館中國委員會西爪哇分會執行主席);
- the head of the Indonesia Chamber of Commerce (West Java), Commerce Division (印尼西爪哇工商會館商業部主任); and
- an advisory council member of Indonesia Bandung Yayasan Dana Welfare Foundation (印尼萬隆渤良安福利基金會顧問).

Mr. Suwita is the father of Mr. David Janata and the husband of Ms. Julia Oscar. Ms. Julia Oscar is the sister of Mr. Wong Yam Yin.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Suwita which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. GUNAWAN Kiky, aged 65, is a non-executive Director. He is also one of our Ultimate Controlling Shareholders. He joined our Group in 2002. Mr. Gunawan was appointed as a Director on 26 April 2012.

Mr. Gunawan is an Indonesian Chinese. In the 1980s, he established his own trading business.

Mr. Gunawan joined Indonesia Bandung Lions Clubs International (印尼萬隆國際獨立獅子會) in 1989. In 2000, Mr. Gunawan founded Indonesia Bandung Hakka Chinese Association (印尼萬隆客屬聯誼會) and has been a financial supervisor of the association.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Gunawan which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Independent non-executive Directors

Mr. HUI Yan Moon (許仁滿), aged 41, is an independent non-executive Director appointed on 10 December 2012 and a member of our audit committee and the chairman of our remuneration committee. Mr. Hui has over 9 years of experience in finance and management. He has held the position of the chief executive officer of Swing Media Technology Group Ltd., a company listed on Singapore Stock Exchange, since May 2003.

Mr. Hui obtained his bachelor's degree in business administration from Baruch College, the City University of New York in the United States (美國紐約市立大學巴魯克學院) in June 1995 and his EMBA from Tsinghua University (清華大學) in Beijing, China in January 2007.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Hui which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. WONG Ying Loi (黃英來), aged 68, is an independent non-executive Director appointed on 10 December 2012 and a member of nomination committee. Mr. Wong has over 20 years of experience in business management. He has been operating his own trading and manufacturing business since the 1980s.

Mr. Wong is involved in various associations, including being:

- the chairman of Chiao Yao Association Limited (香港僑友社會長);
- a member of the Chinese People's Political Consultative Committee of, Hubei province (中國人民政治協商會議湖北省委員會); and
- a member of All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會會員).

Mr. Wong obtained a diploma in English from Huaqiao University (華僑大學) in July 1968.

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Wong which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Ms. HOWE Sau Man (何秀雯), aged 40, is an independent non-executive Director appointed on 10 December 2012 and the chairman of our audit committee and a member of nomination committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Howe obtained her bachelor's degree in commerce from University of Tasmania, Australia (澳洲塔斯曼尼亞大學) in December 1997. She is a practicing member of Hong Kong Institute of Certified Public Accountants since January 2012 and a Certified Practising Accountant of CPA of Australia since July 2003.

Ms. Howe has 10 years of experience in auditing, accounting and taxation. Ms. Howe worked with a number of Hong Kong CPA firms for over 10 years, including Ernst & Young from March 2000 to October 2001.

Save as disclosed herein, there are no other matters in relation to Ms. Howe which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. LIE Tak Sen (李達生), aged 64, is an independent non-executive Director appointed on 10 December 2012 and a member of audit committee and remuneration committee. Mr. Lie has over 20 years of experience in business management. He has been operating his own trading business since 1990.

Mr. Lie is involved in various associations, including being:

- a member of All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會會員); and
- a consultant of Beijing Returned Overseas Chinese Federation (北京市歸國華僑聯合會).

Save as disclosed in this prospectus, there are no other matters in relation to Mr. Lie which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Senior Management

Name	Age	Year joined	Position
QIAN Housen (錢厚森)	61	2002	Standing General Manager
CAI Lijun (蔡力軍)	58	2009	Standing General Manager
SUN Yang (孫揚)	31	2008	Assistant General Manager
GU Xiaofang (谷曉芳)	49	2010	General Manager of Golden Wheel Time Square
JIANG Jian (蔣健)	41	2006	Standing Deputy General Manager of Golden Wheel Xintiandi Mall

Mr. QIAN Housen (錢厚森), aged 61, is a standing deputy general manager of our Group. Mr. Qian is responsible for financial management, administration, and human resources management. Mr. Qian joined our Group in 2002 and has held various positions within our

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Group, including financial manager, financial controller and vice general manager. Prior to joining our Group, Mr. Qian has been worked at Zhenjiang City Water Supply General Company Limited (鎮江市自來水總公司) and Zhenjiang City Municipal Public Utility Bureau (鎮江市市政公用局).

Mr. Qian is a senior accountant recognized by Jiangsu Province Human Resources Bureau (江蘇省人事廳) since August 2001. He was one of the members of the third council of Jiangsu Province Zhenjiang Accounting Association (江蘇省鎮江市會計學會), and one of the members of the second council of Jiangsu General Accounting Association (江蘇省總會計師協會) and one of the members of the fifth council of Zhenjiang Architecture Accounting Association (鎮江市建築會計總會).

Mr. Qian completed the party and government cadres foundation course (黨政幹部基礎科) (a self-learning course) from Nanjing University (南京大學) in October 1986.

Mr. CAI Lijun (蔡力軍), aged 58, is a standing deputy general manager of our Group. Mr. Cai is responsible for overseeing our project management. Mr. Cai joined our Group in 2009 and has held various positions within our Group, including assistant general manager and vice general manager. Before joining our Group, Mr. Cai worked at various companies including being a manager in the engineering division of Hunan International Trust Investment Company (湖南省國際信托投資公司) and the deputy head of the construction division of Changsha Dangerous Chemicals Warehouse Relocation and Project Construction Management Department (長沙市化學危險倉庫搬遷及建設項目指揮部工程部).

Mr. Cai obtained his diploma in metallurgical machinery from Hunan province Lianyuan Steel Factory Staff University (湖南省漣源鋼鐵廠職工大學) in July 1982. Mr. Cai is a qualified engineer in metallurgical machinery.

Mr. SUN Yang (孫揚), aged 31, is an assistant general manager of our Group. Mr. Sun is responsible for overseeing our sales and marketing. Mr. Sun joined our Group in 2008. Before joining our Group, Mr. Sun worked in various companies including being the sales supervisor and vice president of Nanjing Haoliyi Real Property Consultancy Company Limited (南京好利意置業顧問有限公司).

Mr. Sun holds the Real Estate Sales Qualification (房地產銷售人員) by Training Center of National Real Estate Trade (全國房地產行業培訓中心).

Mr. Sun obtained his diploma in real estate operation and property management from Yangzhou Polytechnic College (揚州市職業大學) in June 2002.

Ms. GU Xiaofang (谷曉芳), aged 49, is the general manager of Golden Wheel Time Square. Ms. Gu is responsible for overseeing the operation of Golden Wheel Time Square. Ms. Gu joined our Group in 2010. Prior to joining our Group, Ms. Gu worked at various companies, including being the assistant to the general manager and marketing manager of Zhuzhou Dajiang Property Service Management Company Limited (株洲市大江物業管理有限責任公司) and a deputy general manager of Jindi Property Management Company (金帝物業管理公司).

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Gu is a member of Hunan Province Apparel Industry Association Ladies Apparel Committee (湖南省服裝行業協會女裝專業委員會).

Ms. Gu obtained her diploma degree in business management from Hubei Radio and TV University (湖北廣播電視大學) in July 1996.

Ms. JIANG Jian (蔣健), aged 41, is the standing deputy general manager of Golden Wheel Xintiandi Mall. Ms. Jiang is responsible for overseeing the operation of Golden Wheel Xintiandi Mall. Ms. Jiang joined our Group in 2006. She has over 15 years of experience in the management of large scale shopping mall. Before joining our Group, Ms. Jiang worked at various companies, including being the vice general manager of Nanjing Shangmao Shopping Center (南京商貿百貨) and the general supervisor of Zhongnan Holdings Group Company Limited (subsidiary commercial company) (中南控股集團有限公司(下屬商業公司)).

COMPANY SECRETARY

Mr. Chan Wai Kin is our Company Secretary in Hong Kong pursuant to Rule 8.17 of the Listing Rules. For details of Mr. Chan's biography, please refer to "— Board of Directors — Executive Directors" in this section.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration (including fees, salaries and other benefits, retirement benefit scheme contribution) paid to our Directors in aggregate for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012 were approximately RMB270,000, RMB274,000, RMB416,000 and RMB258,000, respectively.

The remuneration (including salaries and other benefits, retirement benefit scheme contribution) paid to our Group's five highest paid individuals in aggregate for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012 were approximately RMB1,606,000, RMB2,311,000, RMB2,802,000 and RMB949,000, respectively.

During the Track Record Period, no emoluments were paid by the Group to any Director of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the Track Record Period.

Except as disclosed above, no other payments have been made or are payable, in respect of the Track Record Period, by the Group to or on behalf of any of the Directors.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to note 11 in the accountants' report set out in Appendix I to this prospectus.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

AUDIT COMMITTEE

We have established an audit committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system and provide advice and comments to our Board.

The audit committee consists of three members, namely Ms. Howe Sau Man, Mr. Hui Yan Moon and Mr. Lie Tak Sen. The chairman of the audit committee is Ms. Howe Sau Man, an independent non-executive Director.

REMUNERATION COMMITTEE

We have established a remuneration committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to make recommendations to our Directors on our policy and structure for all remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

The remuneration committee consists of three members, namely, Mr. Hui Yan Moon, Mr. Lie Tak Sen and Mr. Wong Kam Fai. The chairman of the remuneration committee is Mr. Hui Yan Moon.

NOMINATION COMMITTEE

We have established a nomination committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes, identify, select or make recommendations to our Board on the selection of individuals nominated for directorships, assess the independence of our independent non-executive Directors and make recommendations to the Board on relevant matters relating to the appointment or reappointment of our Directors and succession planning for our Directors.

The nomination committee consists of three members, namely Mr. Wong Yam Yin, Mr. Wong Ying Loi and Ms. Howe Sau Man. The chairman of the nomination committee is Mr. Wong Yam Yin, an executive Director.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

EMPLOYEES

As of 30 June 2012, we had a total of 268 full-time employees. We enter into employment contracts with our employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of our employees includes basic salaries, allowances, bonus and other employee benefits. The following table sets forth a breakdown of our employees by functions as of such date:

	<u>Number of employees</u>
Management	14
Administration and human resources	29
Finance and auditing	28
Construction	79
Property operation and management	79
Sales and marketing	<u>39</u>
Total	<u>268</u>

COMPLIANCE ADVISOR

Our Company has appointed Celestial Capital Limited (“**Celestial Capital**”) as its compliance advisor pursuant to Rule 3A.19 of the Listing Rules.

The material terms of the compliance advisor’s agreement entered into between our Company and the compliance advisor are as follows:

- (1) The compliance advisor’s appointment shall be for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date of our Group.
- (2) The compliance advisor shall provide our Company with services including guidance and advice as to compliance with the requirement of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Hong Kong Stock Exchange.
- (3) During the period of appointment, pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:
 - (a) before the publication of any regulatory announcement, circular or financial report;
 - (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

- (c) where we propose to use the proceeds of the initial public offering in a manner different from that detailed in this prospectus or where our business activities, developments or results materially deviate from any forecast, estimate, or other information in this prospectus; and
 - (d) where the Hong Kong Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Company.
- (4) We agreed to indemnify and hold harmless Celestial Capital, its directors, officers, employees and/or agents from and against any and all costs, expenses, losses, claims, damages or liabilities incurred by Celestial Capital or its affiliates, its directors, officers, employees and/or agents (and against any and all costs and expenses incurred in investigating, preparing or defending any action, claim or proceeding, whether or not resulting in any judgment or admission of liability) relating to, or arising out of, or in connection with any matter contemplated in the compliance advisor's agreement.
- (5) Celestial Capital will have the right to terminate the compliance advisor's agreement and to resign as our compliance advisor if there arise any circumstances, including regulatory requirements, which in Celestial Capital's sole opinion make it inadvisable for Celestial Capital to act as the compliance advisor and/or to provide any services to our Company.

SHARE CAPITAL

Changes in the Share Capital of our Company

On the date of our incorporation on 26 April 2012, our authorized share capital was US\$50,000 divided into 5,000,000 shares of US\$0.01 each. The following is a description of the authorized and issued share capital of our Company in issue and to be issue as fully paid or credited as fully paid immediately prior to and following the completion of the Global Offering and the Capitalization Issue.

Total authorized and issued share capital immediately prior to the completion of the Global Offering and the Capitalization Issue:

	<i>US\$</i>
Authorized share capital:	
5,000,000 Shares	50,000
Issued share capital:	
2,000,000 Shares	20,000
Shares to be issued:	
1,348,000,000 Shares to be issued pursuant to the Capitalization Issue	13,480,000
450,000,000 Shares to be issued pursuant to the Global Offering	4,500,000

Total authorized and issued share capital on completion of the Global Offering and the Capitalization Issue:

Authorized share capital:	
3,000,000,000 Shares	30,000,000
Issued share capital:	
1,800,000,000 Shares	18,000,000

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. It takes no account of any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

As of the Latest Practicable Date, our Company had an authorized share capital of US\$50,000, divided into 5,000,000 Shares and an issued share capital of US\$20,000, divided into 2,000,000 Shares, all fully paid or credited as fully paid.

SHARE CAPITAL

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option is not exercised, the authorized share capital of our Company will be US\$30,000,000 divided into 3,000,000,000 Shares, of which 1,800,000,000 Shares will be issued fully paid or credited as fully paid.

Save as disclosed herein, there has been no alteration in the share capital of our Company since the date of its incorporation.

RANKING

The Offer Shares, including the Shares issuable pursuant to the Over-allotment Option, will rank pari passu in all respects with all other Shares in issue as mentioned in this prospectus, and in particular, will rank in full for all dividends and other distributions hereafter declared, paid or made on the Shares after the date of this prospectus.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme in which certain eligible participants may be granted options to acquire Shares. Our Directors believe that the Share Option Scheme will assist in our recruitment and retention of quality executives and employees. A summary of the principal terms of the Share Option Scheme is set out in the section headed “Appendix VI — Statutory and General Information — Share Option Scheme” in this prospectus.

ISSUING MANDATE

Our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue plus the aggregate nominal amount of our share capital repurchased by us under the repurchase mandate described below.

This mandate shall expire at the earliest of:

- (i) the conclusion of our next annual general meeting;
- (ii) the expiration of the period within which our next annual general meeting is required to be held by the Articles, the Cayman Islands Companies Law or any applicable laws of the Cayman Islands; and
- (iii) the day on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please see the section headed “Appendix VI — Statutory and General Information — Further Information about Our Company — Written Resolutions of Our Shareholders Passed on 10 December 2012” in this prospectus.

SHARE CAPITAL

REPURCHASE MANDATE

The Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase an aggregate nominal amount of Shares which shall not exceed 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue.

This mandate relates only to repurchases made on the Hong Kong Stock Exchange or any other stock exchange on which the Shares may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose, and which are made in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed “Appendix VI — Statutory and General Information — Repurchase of Our Company’s Own Shares” in this prospectus.

This mandate will expire at the earliest of:

- (i) the conclusion of our next annual general meeting;
- (ii) the date by which the next annual general meeting is required to be held by the Articles, the Company Law or any applicable laws of the Cayman Islands; or
- (iii) the day on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in a general meeting of our Company, whichever occurs first.

For further information about this repurchase mandate, please refer to the section headed “Appendix VI — Statutory and General Information — Further Information about Our Company — Written Resolutions of Our Shareholders Passed on 10 December 2012” in this prospectus.

SUBSTANTIAL SHAREHOLDERS

The Directors confirm, as of the Latest Practicable Date, the following persons, not being a Director or chief executive of our Company, had an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO immediately following the completion of the Global Offering and the Capitalization Issue (assuming the Over-allotment Option is not exercised) or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our subsidiaries:

Name	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company ⁽¹⁾
HUNG So Ling	Interest of a controlled corporation	1,350,000,000	75%
AMAN Sjaifudin	Interest of a controlled corporation	1,350,000,000	75%
LIJAYA Hafandi	Interest of a controlled corporation	1,350,000,000	75%
SOMANTRY Lili	Interest of a controlled corporation	1,350,000,000	75%
HARYANTO Jamin	Interest of a controlled corporation	1,350,000,000	75%
GUNAMAN Hadi	Interest of a controlled corporation	1,350,000,000	75%
TANUWIDJAJA Atjen	Interest of a controlled corporation	1,350,000,000	75%
OSCAR Julia	Interest of a controlled corporation	1,350,000,000	75%
TRISNA Bambang	Interest of a controlled corporation	1,350,000,000	75%
Golden Wheel Realty	Beneficial owner	1,350,000,000	75%
Aman Atlantic	Beneficial owner	1,350,000,000	75%
Chun Hung	Beneficial owner	1,350,000,000	75%
Kang Fu Ming	Beneficial owner	1,350,000,000	75%
Green Paragon	Beneficial owner	1,350,000,000	75%
Keita International	Beneficial owner	1,350,000,000	75%
Fire Spark	Beneficial owner	1,350,000,000	75%
Golden Era Forever	Beneficial owner	1,350,000,000	75%
Fa Xing	Beneficial owner	1,350,000,000	75%
Tien Shan Di Hai	Beneficial owner	1,350,000,000	75%
Propitious Winds	Beneficial owner	1,350,000,000	75%
Golden Joy Forever	Beneficial owner	1,350,000,000	75%

Notes:

- (1) On 16 January 2012, our Ultimate Controlling Shareholders entered into a deed of acting in concert and a deed of reorganization to, among other things, confirm their acting-in-concert agreement. As such, our Ultimate Controlling Shareholders together control the 75% interest in the share capital of our Company through Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden

SUBSTANTIAL SHAREHOLDERS

Joy Forever. Based on the foregoing, each of our Ultimate Shareholders and Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever are deemed to be interested in such 75% interest in the share capital of our Company.

- (2) Please refer to the chart regarding the shareholding structure of our Group upon completion of the Global Offering and the Capitalization Issue in the section headed “Our History, Reorganization and Group Structure” in this prospectus for details of the shareholding of each person mentioned above in our Company.

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following completion of the Global Offering and the Capitalization Issue (but without taking into account or the Shares that may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of our Group.

For details of the lock-up arrangements restricting some of our Shareholders from selling or otherwise disposing of our Shares, please refer to the section headed “Underwriting” in this prospectus.

FINANCIAL INFORMATION

You should read the following discussion of our results of operations and financial condition in conjunction with our consolidated financial information as of and for each of the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, including the notes thereto, included in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRS. The following discussion contains forward-looking statements that involve risks and uncertainties. Our future results could differ materially from those discussed in such forward-looking statements as a result of various factors, including those set forth under the section headed "Risk Factors" and elsewhere in this prospectus.

OVERVIEW

We are an integrated commercial and residential property developer, owner and operator with a proven track record in China. We focus on developing projects in Jiangsu and Hunan provinces that are physically connected or in close proximity to metro stations or other transportation hubs. Examples of such projects are our Golden Wheel International Plaza, Golden Wheel Time Square, Golden Wheel New Metro and Golden Wheel Star Plaza, which, together, accounted for approximately 55.1% of the total GFA of all of our completed properties and properties under development as of 30 September 2012.

Our business model comprises (i) the sale of our commercial and residential properties and (ii) the leasing and operational management of commercial properties owned by us or third-parties. We strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of offices, residential properties and hotel-style apartments for capital growth. In terms of the total GFA of our completed properties and properties under development as of 30 June 2012, our property development business and property leasing and operational management business accounted for 55.2% and 44.8%, respectively. In terms of our total revenue for the six months ended 30 June 2012, our property development business and property leasing and operational management business accounted for 92.8% and 7.2%, respectively.

We had maintained a profitable operation during the Track Record Period. In 2011, our net profit was RMB513.2 million, representing an increase of 74.9% from RMB293.4 million in 2010. We also had a prudent net debt to equity ratio of 15.0% as of 30 June 2012 as a result of our strict financial discipline over all aspects of our operations from land acquisition to construction.

BASIS OF PREPARATION OF OUR FINANCIAL INFORMATION

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2012. We are a holding company and our subsidiaries established in the PRC are primarily engaged in the property development, property leasing and operation management.

FINANCIAL INFORMATION

Pursuant to the Reorganization, as more fully explained in the section “Our History, Reorganization and Group Structure” of this prospectus, our Company became the holding company of the companies now comprising our Group on 18 June 2012. The companies now comprising our Group are substantially owned by the individual shareholders of our Company prior to and after the Reorganization.

Our Group comprising our Company and its subsidiaries resulting from the Reorganization is regarded as a continuing entity. Accordingly, our consolidated financial information has been prepared on the basis as if our Company has always been the holding company of the companies now comprising our Group throughout the Track Record Period. The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the companies now comprising our Group have been prepared as if the current group structure upon completion of the Reorganization had been in existence throughout the Track Record Period or since their respective date of incorporation to 30 June 2012, where this is a shorter period. Our consolidated statements of financial position as of 31 December 2009, 2010 and 2011 have been prepared to present the assets and liabilities of the companies now comprising our Group as if the current group structure upon completion of the Reorganization had been in existence as of those dates.

The Financial Information is presented in RMB, the currency of the primary economic environment in which the principal subsidiaries of the Company operate (same as the functional currency of the Company).

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Selling prices of our properties as affected by economic growth, urbanization and demand for properties in China, and in particular Jiangsu and Hunan provinces

Economic growth, increasing urbanization and rising standards of living have been the main driving forces behind the growth of market demand for commercial and residential properties in China. Starting from the second half of 2008, the global economic slowdown, including that of the PRC, resulted in declines in transaction volumes and a correction in selling prices in the PRC property market as seen in a number of cities and provinces during 2008 and early 2009. Overall economic conditions and demand for properties in China, and in particular Jiangsu and Hunan provinces, where we currently have all of our operations, have had, and will continue to have, a significant impact on our business, financial condition and results of operations. Because we primarily target fast-growing second-and third-tier cities, and more specifically businesses and individual property buyers and tenants in such cities, we believe that increasing urbanization and overall economic growth in China are especially important to our operations. Any economic downturn in China generally or, in particular, in the cities where we operate, could adversely affect our business, results of operations and financial condition.

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Our total GFA sold and delivered increased from 28,152 sq.m. for the year ended 31 December 2009 to 67,305 sq.m. for the year ended 31 December 2010. For the year ended 31 December 2011, our total GFA sold and delivered decreased slightly from 67,305 sq.m. for the year ended 31 December 2010 to 62,561 sq.m. for the year ended 31 December 2011. Our total GFA leased increased from 27,095 sq.m. for the year ended 31 December 2009 to 29,530 sq.m. for the year ended 31 December 2010, and further to 51,887 sq.m. for the year ended 31 December 2011. The average selling prices of Golden Wheel International Plaza (excluding car parking spaces) increased from RMB16,289 per sq.m. for the year ended 31 December 2009 to RMB18,002 for the year ended 31 December 2010 and further to RMB25,366 per sq.m. for the year ended 31 December 2011. The average selling prices of Golden Wheel Star City (excluding car parking spaces) in Yangzhou increased from RMB4,293 per sq.m. for the year ended 31 December 2010 to RMB6,120 per sq.m. for the year ended 31 December 2011. The effective average annual rental price for our Golden Wheel International Plaza increased from RMB2,178 per sq.m. for the year ended 31 December 2009 to RMB2,202 per sq.m. for the year ended 31 December 2010, and further to RMB2,532 per sq.m. for the year ended 31 December 2011. The effective average annual rental price for Golden Wheel Waltz increased from RMB2,342 per sq.m. for the year ended 31 December 2010 to RMB3,289 per sq.m. for the year ended 31 December 2011. The effective average annual rental price for Golden Wheel Time Square in Zhuzhou was RMB2,023 per sq.m. for the year ended 31 December 2011.

Regulatory measures in the real estate industry in China

PRC governmental policies and measures on property development and related industries have a direct impact on our business and results of operations. From time to time, the PRC government adjusts its macroeconomic control policies to encourage or restrict development in the private property sector through regulating, among others, land supply, foreign exchange, pre-sale of properties, land usage, plot ratio, bank financing, taxation, and foreign investment. Although in the second half of 2008, in order to combat impact of the global economic slowdown, the PRC government adopted measures to encourage consumption in the residential property market and support real estate development, since the second half of 2009, the PRC government has stepped up its regulation in the real estate industry in order to control excessive liquidity and speculation transactions. The regulatory policies affecting the real estate industry, including tax policies, land grant policies, pre-sale policies, interest rate policies, consumer credit and mortgage financing policies and other macro-economic policies will continue to have a significant impact on demand for our properties, and thus our business, financial condition and results of operations. You should refer to the section headed "Regulation" in this prospectus for more details on the relevant PRC regulations.

Property mix

We derive our revenue from sale of commercial and residential properties and from rental of commercial properties. Commercial properties generally command higher average selling prices per square meter, and have higher gross profit margin than residential properties. In addition, we have in the past retained, and will continue in the future to retain a portion of our commercial properties as investment properties upon completion for recurring rental income and long-term financial strength. A higher proportion of completed properties retained as

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investment properties may lower our revenues and cash inflows in the short term due to the loss of cash inflows and revenues generated during pre-sales and upon delivery. Accordingly, our business, financial condition, results of operations and cash flows generated from our operations may vary significantly from period to period depending on the type of properties we sell and the proportion of completed commercial properties we retain as investment properties, as investment properties generate steady recurring income while sale of properties produces relatively larger influx of revenue.

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our overall gross profit margin was 41.7%, 29.2%, 46.0% and 48.6%, respectively.

Project development schedules

The number and GFA of properties that we can develop or complete during any particular period is limited due to the substantial capital and management resources required for land acquisition and project development. Our cash flows and revenues are affected by project development schedules due to the time lag between commencement of a project, pre-sales and completion and delivery of the properties. Project development schedules depend on a number of factors, including the performance and efficiency of our independent contractors and our ability to finance construction with bank borrowings and pre-sales. Any delay in construction and obtaining relevant government licenses and approvals and other factors could materially and adversely affect our project development schedules. In addition, as market demand fluctuates, revenues in a particular period may also depend on our ability to gauge the expected market demand at the expected launch time for completion and delivery of a particular project. As a result of these factors, our business, financial condition and results of operations have fluctuated in the past and may continue to fluctuate in the future.

Land acquisition costs and availability of land suitable for development

Our growth depends on our ability to secure quality land at prices that can yield reasonable returns. With the maturing of the PRC property market, competition among developers to acquire land suitable for commercial and residential property development has intensified. Undeveloped land in China's major cities is becoming increasingly scarce. In addition, the statutory public tender, auction and listing-for-sale process in respect of the grant of state-owned land use right may further increase competition for land suitable for development. As a result, we expect that our land acquisition costs may continue to increase in the future. To retain sufficient land bank for future development, we will continue to acquire land and may acquire more than one piece of land in a year taking into account our then financial resources including the proceeds from the Global Offering. Taking into account the potential development projects under the letters of intent, we expect to acquire three pieces of land in 2013 and two pieces of land in 2014.

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Fair value adjustments of investment properties

The fair value of our investment properties amounted to RMB1,910 million, RMB2,259 million, RMB2,850 million and RMB3,209 million as of 31 December 2009, 2010 and 2011 and 30 June 2012, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, we had fair value gains on our investment properties of RMB250.2 million, RMB306.9 million, RMB539.9 million and RMB75.0 million, which accounted for 60.3%, 75.1%, 73.6% and 21.0% of our profit before tax for the same periods, respectively.

Our investment properties primarily include shopping mall units and related business properties held for rental income and long-term financial strength. Our investment properties are stated at their fair value on our consolidated statements of financial position as non-current assets as the end of each reporting period on the basis of valuations by an independent property valuer. Gains or losses arising from changes in the fair value of our investment properties are accounted for as gains or losses upon revaluation in our consolidated statements of comprehensive income, which may have a substantial effect on our profits. The property valuation involves the exercise of professional judgment and requires the use of certain bases and assumptions. The fair value of our investment properties, as so determined at a particular date, may have been higher or lower if the valuer used a different set of bases or assumptions or if the valuation was conducted by another qualified independent professional valuer using a different set of bases and assumptions. In addition, upward revaluation adjustments reflect unrealized capital gains on our investment properties as of the relevant balance sheet dates and do not generate any cash inflow available for our operations or potential dividend distribution to our shareholders. The amounts of fair value adjustments have been, and may continue to be, significantly affected by the prevailing property market conditions in China and may increase or decrease. We cannot assure you that similar levels of fair value gains can be sustained in the future.

Fluctuations in development costs

Our results of operations are affected by our project development costs, a significant part of which are comprised of our contractual payments to our construction contractors. Our payments to our contractors mainly consist of construction material costs and labor costs. Any rising construction material costs will impact our cost of sales and overall project development costs. In addition, as we pre-sell some of our properties prior to their completion, we will be unable to pass any increased costs with respect to such properties to our customers if construction costs increase subsequent to the time of such pre-sale. We expect our development costs will continue to be influenced by fluctuations in the cost of construction materials, and to a lesser extent by the recent rise in labor costs for our property developments.

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Access to and cost of financing

Bank borrowings have been an important source of funding for our property development. As of 31 December 2009, 2010 and 2011 and 30 June 2012, our bank borrowings amounted to RMB386.7 million, RMB545.4 million, RMB453.7 million and RMB489.1 million, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our interest expenses on bank borrowings, which included capitalized interest expenses, amounted to RMB16.0 million, RMB33.9 million, RMB35.3 million and RMB16.1 million, respectively. The interest rates of our bank borrowings are floating with reference to the benchmark interest rate set by the PBOC, and any increase in this rate will increase the finance costs of our project developments. If lenders approve loans to us for the construction of specific projects, the relevant proceeds cannot be applied to the construction of another project and generally may not be renewed. Our access to and cost of financing are also affected by restrictions imposed from time to time by the PRC government on bank lending for property development. To the extent the PRC government slows the development of the private property sector, either by restricting loans to the sector or increasing lending rates to the sector, our access to capital and cost of financing may be adversely affected, and our revenues and net profits will be significantly reduced. In addition, although we do not have bank borrowings in foreign currencies, any fluctuations in global credit markets, as were seen during the recent global economic downturn, could materially and adversely affect us insofar as they impact interest rates and the availability of credit in China.

Land appreciation tax

Upon recognition of revenues from properties sold, we recognize land appreciation tax as an expense. We make provisions for land appreciation tax based on the appreciation of land value, which is calculated based on the sales of properties less deductible expenditures, including capitalized borrowing costs and certain property development expenditures. Nonetheless, the implementation and settlement of the land appreciation tax varies amongst different tax jurisdictions in various cities of the PRC. As a result, we have estimated our land appreciation tax liabilities based on our understanding of the requirements under the relevant PRC tax laws and regulations. Our final land appreciation tax liabilities are to be determined by the relevant tax authorities after completion of our property development projects, and could be different from the amounts that we have initially estimated and recorded, which could impact the income tax expense and the related income tax provisions in the periods in which such tax is finalized with the relevant tax authorities.

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our land appreciation tax amounted to RMB34.0 million, RMB19.4 million, RMB43.9 million and RMB72.6 million, respectively.

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CRITICAL ACCOUNTING POLICIES AND JUDGMENT AND ESTIMATES

We have prepared our consolidated financial information in accordance with IFRS. The preparation of financial information in conformity with IFRS requires us to make judgments, estimates and assumptions that affect:

- the reported amounts of our assets and liabilities at the end of each reporting period;
- the disclosure of our contingent assets and liabilities at the end of each reporting period; and
- the reported amounts of revenue and expenses during each reporting period.

We continually evaluate these estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and our best assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations. Some of our accounting policies require a higher degree of judgment than others in their application.

When reviewing our financial information, you should consider:

- our selection of critical accounting policies;
- the judgment and other uncertainties affecting the application of such policies; and
- the sensitivity of reported results to changes in conditions and assumptions.

We believe the following accounting policies involve the most significant judgment and estimates used in the preparation of our consolidated financial information.

Fair value of investment properties

Our investment properties are stated at fair value as at the end of each reporting period based on the valuation performed by independent property valuers. For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalization of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development has been arrived at by reference to market transactions of comparable properties to determine the value of the properties under development as if they were completed as at the dates of valuation, and taking into account the construction and other related costs that would be expended to complete the development, the developer's profit and percentage of completion of the properties.

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In determining the fair value of investment properties, the property valuers have based on methods of valuation which involves, inter alia, certain estimates including current market transaction prices for comparable properties, appropriate discount rates and expected future market rents. Favorable or unfavorable changes to the assumptions would result in changes in the fair value of our investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statements of comprehensive income. In relying on the valuation carried out by the property valuers, our management has exercised their judgment and is satisfied that the methods of valuation are reflective of the current market condition.

Valuation of leasehold land and prepayment for leasehold land held for development for sale, properties under development for sale and completed properties for sale

Leasehold land and prepayment for leasehold land held for development for sale, properties under development for sale and completed properties for sale are stated at the lower of the cost and net realizable value. The net realizable value of leasehold land and prepayment for leasehold land held for development for sale is determined by reference to management estimates of the selling price based on prevailing market conditions, less estimated costs necessary to make the sale. The net realizable value of properties under development for sale is determined by reference to the estimated selling price less estimated selling expenses and estimated cost of completion, which are estimated based on our management's best available information. The net realizable value of completed properties for sale is determined by reference to our management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses.

Where there is any decrease in the estimated selling price arising from any changes to the property market conditions, the leasehold land and prepayment for leasehold land held for development for sale, properties under development for sale and completed properties for sale may be written down. The carrying amounts of leasehold land and prepayment for leasehold land held for development for sale, properties under development for sale and completed properties for sale are presented in the consolidated statements of financial position at the end of each reporting period. There is no write-down of leasehold land and prepayment for leasehold land held for development for sale, properties under development for sale or completed properties for sale during the Track Record Period.

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Land appreciation tax

We are subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and we have not finalized the land appreciation tax calculations and payments with local tax authorities for some of our projects. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. We recognized the land appreciation tax based on our management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax and deferred tax provisions in the periods in which such tax is finalized with local tax authorities.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, our management has reviewed our investment properties and concluded that our investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining our deferred taxation on investment properties, the directors have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, we recognize deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognized in the Financial Information should the investment properties are subsequently disposed by us rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, we may be liable to higher tax upon disposal considering the impact of enterprise income tax and land appreciation tax.

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RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of comprehensive income for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2011 and 2012:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Revenue	493,800	483,524	524,495	167,230	662,351
Cost of sales	<u>(287,646)</u>	<u>(342,532)</u>	<u>(283,434)</u>	<u>(97,162)</u>	<u>(340,570)</u>
Gross profit	206,154	140,992	241,061	70,068	321,781
Other income, expenses, gains and losses	6,012	11,403	18,599	10,921	(608)
Selling and marketing expenses	(21,791)	(14,080)	(14,817)	(10,138)	(3,911)
Administrative expenses	(25,895)	(33,968)	(44,244)	(21,128)	(30,851)
Finance costs	—	(2,804)	(6,871)	(3,132)	(4,024)
Share of loss in an associate	—	—	(407)	—	(764)
Changes in fair value of investment properties	<u>250,183</u>	<u>306,900</u>	<u>539,919</u>	<u>229,579</u>	<u>75,000</u>
Profit before tax	414,663	408,443	733,240	276,170	356,623
Taxation	<u>(136,227)</u>	<u>(115,067)</u>	<u>(220,047)</u>	<u>(80,144)</u>	<u>(149,940)</u>
Profit and total comprehensive income for the year/period	<u><u>278,436</u></u>	<u><u>293,376</u></u>	<u><u>513,193</u></u>	<u><u>196,026</u></u>	<u><u>206,683</u></u>
Profit and total comprehensive income attributable to:					
Owners of the Company	263,403	280,744	498,488	187,892	198,767
Non-controlling interests	<u>15,033</u>	<u>12,632</u>	<u>14,705</u>	<u>8,134</u>	<u>7,916</u>
	<u><u>278,436</u></u>	<u><u>293,376</u></u>	<u><u>513,193</u></u>	<u><u>196,026</u></u>	<u><u>206,683</u></u>

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Description of Certain Statements of Comprehensive Income Items

Revenue

Our revenue during the Track Record Period consisted of revenue derived from (i) sale of our developed properties, and (ii) property leasing and operational management. The following table sets forth a breakdown of our revenue and the percentage of total revenue for the periods indicated:

	Year ended 31 December						Six months ended 30 June	
	2009		2010		2011		2012	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development	458,577	92.9%	441,268	91.3%	444,952	84.8%	614,486	92.8%
Property leasing and operational management	35,223	7.1%	42,256	8.7%	79,543	15.2%	47,865	7.2%
Total	<u>493,800</u>	<u>100%</u>	<u>483,524</u>	<u>100%</u>	<u>524,495</u>	<u>100%</u>	<u>662,351</u>	<u>100%</u>

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, although the percentage of revenue from our property leasing and operational management business to our total revenue has been increasing, our revenue was primarily generated from sale of our developed properties, which amounted to approximately 92.9%, 91.3%, 84.8% and 92.8% of our revenue, respectively, as compared to 7.1%, 8.7%, 15.2% and 7.2% for revenue from our property leasing and operational management business. Our revenue from property leasing and operational management increased from RMB35.2 million in 2009 to RMB42.2 million in 2010, and further increased to RMB79.5 million in 2011. For the six months ended 30 June 2012, our revenue from property leasing and operational management was RMB47.9 million.

Property development

During the Track Record Period, we derived our revenue primarily from sale of commercial and residential properties. We recognize revenue from sale of properties after we have received the relevant proof of examination and acceptance of completion and the properties have been sold and delivered. The GFA of properties sold and delivered in any given period is driven primarily by property development schedules and market demand, including market demand of prior periods during which we pre-sold the properties. The average selling prices are generally affected by overall market conditions and our product mix for sale, and commercial properties generally command higher average selling prices than residential properties.

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The following table sets forth, for the periods indicated, total revenue derived from each of the projects we developed and completed, the aggregate GFA of properties sold and delivered, the average selling prices per square meter for these properties, as measured by dividing the revenue by the aggregate GFA sold, and the types of properties sold:

	Years ended 31 December										Six months ended 30 June													
	2009			2010			2011 ⁽¹⁾				2012													
	Total revenue RMB'000	Gross profit margin %	Avg. selling price RMB/sq.m.	Total revenue RMB'000	Gross profit margin %	Avg. selling price RMB/sq.m.	Total revenue RMB'000	Gross profit margin %	Avg. selling price RMB/sq.m.	Total revenue RMB'000	Gross profit margin %	Avg. selling price RMB/sq.m.	Total revenue RMB'000	Gross profit margin %	Avg. selling price RMB/sq.m.									
Golden Wheel International Plaza ⁽²⁾ (6)	458,577	38.1%	16,289	114,400	55,076	48.1%	6,355	18,002	84,952	51,208	60.3%	3,349	25,386	43,686	27,438	62.8%	1,801	24,245	73,464	49,781	67.8%	2,509	29,280	
Golden Wheel Waiz ⁽³⁾ (6)	—	—	—	88,134	10,882	12.1%	5,116	17,227	7,041	1,351	19.2%	378	18,627	4,985	482	9.7%	300	16,617	—	—	—	—	—	—
Golden Wheel Star City ⁽⁴⁾ (6)	—	—	—	238,734	36,649	15.4%	55,834	4,276	382,959	116,851	33.0%	58,834	5,989	84,627	10,194	12.0%	18,094	4,677	14,728	5,979	40.6%	1,989	7,404	
Golden Wheel Time Square ⁽⁵⁾ (6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	526,294	224,573	42.7%	68,958	7,832		
Total	458,577	38.1%	16,289	441,268	102,407	23.2%	67,305	6,556	444,952	169,210	38.0%	62,561	7,112	133,278	38,114	28.6%	20,195	6,600	614,486	280,333	45.6%	73,456	8,865	

(unaudited)

Notes:

(1) Although we delivered the property units in Golden Wheel Time Square to our customers in 2011, we did not recognize any revenue from the sale of properties of Golden Wheel Time Square for the year ended 31 December 2011 because we did not obtain the proof of examination and acceptance of completion until April 2012. According to our accounting policies, revenue from sale of properties in the ordinary course of business shall be recognized when the respective properties have been completed (as evidenced by obtaining the keys of completed properties to the purchasers). As a result, the proceeds from the pre-sale of Golden Wheel Time Square were recognized as revenue during the six months ended 30 June 2012 after we obtained the proof of examination and acceptance of completion from the relevant authorities and delivered the properties to the purchasers in April 2012.

(2) The gross profit margin of Golden Wheel International Plaza increased from 38.1% in 2009 to 48.1% in 2010, primarily due to an increase in the average selling price per sq.m. from RMB16,289 in 2009 to RMB18,002 in 2010 as a result of the prevailing market conditions and a decrease in the average cost of sales per sq.m. from RMB10,090 in 2009 to RMB9,335 in 2010. The average cost of sales per sq.m. was lower in 2010 as compared to 2009. This was primarily because a substantial portion of our revenue in 2010 were from sale of office space, which generally had less decoration expenses than hotel-style apartments that were our major property product sold in 2009. The gross profit margin of Golden Wheel International Plaza increased from 48.1% in 2010 to 60.3% in 2011, primarily due to an increase in the average selling price per sq.m. from RMB18,002 in 2010 to RMB25,386 as a result of the prevailing market conditions, partially offset by an increase in the average cost of sales per sq.m. from RMB9,335 in 2010 to RMB10,076 in 2011. The gross profit margin of Golden Wheel International

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Plaza increased from 62.8% for the six months ended 30 June 2011 to 67.8% for the same period in 2012, primarily due to an increase in the average selling price per sq.m. from RMB24,245 to RMB29,280 as a result of the prevailing market conditions. The average selling price and the gross profit margins of Golden Wheel International Plaza were relatively higher as compared to our other projects primarily because it is a commercial property project located in a prime location of Nanjing.

- (3) The gross profit margin of Golden Wheel Waltz increased from 12.1% in 2010 to 19.2% in 2011, primarily due to an increase in the average selling price per sq.m. from RMB17,227 in 2010 to RMB18,627 in 2011 as a result of the prevailing market conditions and a decrease in the average cost of sales per sq.m. from RMB15,139 in 2010 to RMB15,053 in 2011. For the years ended 31 December 2010 and 2011, the gross profit margins of Golden Wheel Waltz were relative lower as compared to our other projects, primarily because it is an eight-storey building and the average cost of sales per sq.m. for low-rise buildings is generally higher as compared to high-rise buildings.
- (4) The gross profit margin of Golden Wheel Star City increased from 15.4% in 2010 to 33.0% in 2011, primarily due to an increase in the average selling price per sq.m. from RMB4,276 in 2010 to RMB5,999 in 2011 as a result of the prevailing market conditions, partially offset by an increase in the average cost of sales per sq.m. from RMB3,619 in 2010 to RMB4,017 in 2011. The gross profit margin of Golden Wheel Star City increased from 12.0% for the six months ended 30 June 2011 to 40.6% for the same period in 2012, primarily due to an increase in the average selling price per sq.m. from RMB4,677 to RMB7,404 as a result of the prevailing market conditions. The average selling price and the gross profit margins of Golden Wheel Star City were relatively lower as compared to Golden Wheel International Plaza primarily because Golden Wheel Star City is a mainly a residential property project located in Yangzhou, which is a smaller city than Nanjing. However, the gross profit margin of Golden Wheel Star City was higher as compared to Golden Wheel Waltz, primarily because Golden Wheel Waltz is an eight-storey building and the average cost of sales per sq.m. for low-rise buildings is generally higher as compared to high-rise buildings.
- (5) The gross profit margin of Golden Wheel Time Square was similar to that of Golden Wheel Star City, but was relatively lower as compared to Golden Wheel International Plaza and its average selling price was lower as compared to Golden Wheel International Plaza. This was primarily because Golden Wheel Time Square is a commercial and residential complex located in Zhuzhou, which is a smaller city than Nanjing in terms of population size, while Golden Wheel International Plaza is a commercial and office complex at a prime location in Nanjing. As set out in the section headed "Industry Overview" in this prospectus, the general property price level of commodity houses in Nanjing was higher than that in Zhuzhou.
- (6) The gross profit margins of our various projects varied during the Track Record Period, primarily due to differences in their location, land acquisition costs, local labor costs and their usage, as well as the then prevailing market conditions.

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Consistent with industry practice, we typically enter into purchase contracts with customers while the properties are still under development but after satisfying the conditions for pre-sales in accordance with PRC laws and regulations. See “Business — Property Development — Sales and Marketing — Pre-sale.” In general, there is a time difference between the time we commence pre-sale of properties under development and the completion of such properties. We do not recognize any revenue from the pre-sale of our properties until such properties are completed (as evidenced by obtaining the proof of examination and acceptance of completion from the relevant authorities) and the possession of the properties has been delivered to the purchasers, even though we receive payments at various stages prior to delivery. Before the delivery of a pre-sold property, payments received from purchasers are recorded as “Deposits and prepayments received from pre-sale of properties” under “Current Liabilities” on our consolidated statements of financial position. As our revenue from sale of properties is recognized upon the delivery of properties, the timing of delivery may affect not only the amount and growth rate of our property development revenue but may also cause changes in other payables and accruals to fluctuate from period to period.

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The following table sets forth, for the quarters indicated, total revenue derived from each of the projects we developed and completed, the aggregate GFA of properties sold and delivered, the average selling price per sq.m. and the gross profit margin of each of our projects:

	Year ended 31 December																			
	2011						2012													
	Quarter One		Quarter Two		Quarter Three		Quarter Four		Quarter One		Quarter Two									
	Revenue	GFA sold	Average selling price	Gross profit margin	Revenue	GFA sold	Average selling price	Gross profit margin	Revenue	GFA sold	Average selling price	Gross profit margin								
	RMB/000	sq.m.	RMB/ sq.m.	%	RMB/000	sq.m.	RMB/ sq.m.	%	RMB/000	sq.m.	RMB/ sq.m.	%								
Golden Wheel International Plaza	17,133	765	22,396	61.4%	26,533	1,036	25,611	63.7%	15,463	631	24,506	56.4%	25,823	917	28,160	58.1%	73,464	2,509	29,280	67.8%
Golden Wheel Waltz	761	44	17,295	14.4%	4,224	256	16,504	8.8%	2,055	78	26,346	42.3%	—	—	—	—	—	—	—	—
Golden Wheel Star City	79,555	16,982	4,685	12.1%	5,072	1,112	4,561	11.6%	83,039	14,380	5,775	38.9%	185,283	26,360	7,029	40.0%	14,728	1,989	7,404	40.6%
Golden Wheel Time Square	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	526,294	68,958	7,632	42.7%

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The following table sets forth, for the quarters indicated, total pre-sale proceeds from each of the projects pre-sold, total pre-sale contract price the aggregate GFA of properties pre-sold and the average contract price per sq.m.:

	Year ended 31 December																							
	2011						2012																	
	Quarter One		Quarter Two		Quarter Three		Quarter Four		Quarter One		Quarter Two													
Pre-sale proceeds	GFA	Average contract price	Pre-sale proceeds	GFA	Average contract price	Total pre-sale contract price	Average contract price	Pre-sale proceeds	GFA	Average contract price	Total pre-sale contract price	Average contract price	Pre-sale proceeds	GFA	Average contract price	Total pre-sale contract price								
RMB'000	sq.m.	RMB/ sq.m.	RMB'000	RMB'000	RMB/ sq.m.	RMB'000	RMB'000	RMB'000	RMB'000	RMB/ sq.m.	RMB'000	RMB'000	RMB'000	RMB'000	RMB/ sq.m.	RMB'000								
Residential																								
Golden Wheel Star City ⁽¹⁾	71,167	8,941	8,433	75,399	10,772	1,436	8,497	12,202	8,763	1,604	8,627	13,842	3,839	969	8,564	8,300	5,294	1,320	8,543	11,281	12,984	1,508	8,501	12,817
Golden Wheel Time Square ⁽²⁾	13,266	2,461	5,796	14,263	10,139	1,569	6,940	10,891	15,250	2,788	7,207	20,092	13,141	1,648	7,197	11,863	5,703	1,391	7,062	9,852	7,205	1,634	8,584	14,024
Commercial																								
Golden Wheel Time Square ⁽³⁾	16,483	1,464	11,772	17,229	6,400	349	18,354	6,404	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Notes:

- (1) The pre-sale of Golden Wheel Star City commenced in January 2011. As a result, we recorded more pre-sale proceeds in the first quarter of 2011, as compared to the remaining three quarters of 2011 and the first two quarters of 2012.
- (2) The pre-sale proceeds from the residential properties of Golden Wheel Time Square remained relative stable in each quarter of 2011.
- (3) We did not record any pre-sale proceeds from the commercial properties of Golden Wheel Time Square during the last two quarters of 2011 and the first two quarters of 2012 as the remaining commercial properties were expected to be held as investment properties.

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Property leasing and operational management

Revenue derived from our property leasing and operational management business represents primarily revenue received and receivable from our investment properties, which has historically been generated primarily from the rental of retail space in our shopping malls, and recognized on a straight-line basis over the relevant lease period. In addition, we also derive revenue from leasing and operational management of the Xinjiekou Metro Mall that we lease from Nanjing Metro. In the future, we expect that our revenue from property leasing and operational management will increase as a result of rental price increase and the increase in the GFA of our investment properties as we develop additional properties, as well as an increase in properties we lease from third parties for our property leasing and operational management business. We believe the increase of such recurring revenue will help us.

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The table below sets forth, for the periods indicated, the revenue, the total effective leased area and the effective average annual rental price per square meter as of and for the years ended 31 December 2009, 2010 and 2011 and as of and for the six months ended 30 June 2011 and 2012 for these properties, as measured by dividing the revenue by the aggregate GFA leased:

	As of and for the year ended 31 December						As of and for the six months ended 30 June								
	2009		2010		2011		2011		2012		2012				
	Effective leased area	Effective average annual rental price	Revenue	Effective leased area	Effective average annual rental price	Revenue	Effective leased area	Effective average annual rental price ⁽⁶⁾	Revenue ⁽⁶⁾	Effective leased area	Effective average annual rental price ⁽⁶⁾	Revenue ⁽⁶⁾			
RMB'000	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.	RMB/sq.m.	RMB'000	sq.m.			
Golden Wheel International Plaza (Commercial) ⁽¹⁾	35,223	16,173	2,178	37,336	16,957	2,202	45,488	17,966	2,532	22,573	17,966	2,574	24,014	18,128	2,649
Golden Wheel Waltz (Commercial) ⁽²⁾	—	—	4,920	2,101	2,342	7,245	2,203	3,289	3,528	2,203	3,682	2,203	3,682	2,203	3,343
Golden Wheel Time Square (Commercial) ⁽³⁾	—	—	—	—	—	22,191	10,970	2,023	7,851	10,970	1,578	15,606	15,877	1,966	1,966
Xinjiekou Metro Mall (Commercial) ⁽⁴⁾	—	—	—	—	—	4,619	1,193	6,637	—	—	—	4,563	1,193	7,650	7,650
Total	35,223		42,256		79,543		33,952		47,865		47,865				

Notes:

- (1) This project had an occupancy rate of over 95% as of 31 December 2009, 2010 and 2011 and 30 June 2012.
- (2) This project had an occupancy rate of over 95% as of 31 December 2010 and 2011 and 30 June 2012.
- (3) This project had an occupancy rate of approximately 85% as of 31 December 2011 and 30 June 2012.
- (4) This project had an occupancy rate of approximately 100% as of 30 June 2012.
- (5) The effective average annual rental price for the six months ended 30 June 2011 and 2012 are annualized figures.
- (6) The rental income from Golden Wheel Building and Golden Wheel Green Garden amounted to approximately RMB43,000 for the period from 19 June 2012 to 30 June 2012 (subsequent to the acquisition of Golden Wheel International Corporation on 18 June 2012, for the details of the acquisition, please refer to the section headed "Financial Information — Description of Certain Statements of Comprehensive Income Items — Acquisition of subsidiaries" in this prospectus) was not included in our Group's results due to immaterial amounts.

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Cost of sales

Cost of sales comprises primarily costs incurred directly for our property development, including land acquisition costs, construction costs, capitalized finance costs and deed tax.

Land acquisition costs represent costs relating to the acquisition of the rights to occupy, use and develop land, including land premiums, deed taxes, government surcharges and, for certain urban redevelopment projects, demolition and resettlement costs. Our land acquisition costs are recognized as part of cost of sales upon completion and delivery of the relevant properties to purchasers.

Construction costs include all of the costs for the design and construction of a project, including payments to third-party contractors and designers and costs of construction materials. Historically, construction material costs, which are generally included in the payments to the construction contractors, particularly the cost of steel and cement, has been a major cause of fluctuations in our construction costs. Price movements of other supplies in relation to property development, including escalators, elevators, interior decoration materials and air conditioning systems, also impact our construction costs.

We capitalize a significant portion of our finance costs to the extent that such costs are directly attributable to the acquisition and construction of a project. In general, we capitalize finance costs incurred from the commencement of the planning and design of a project, which typically precedes the receipt of a construction works commencement permit, until the completion of construction. For any given project, the finance costs incurred after completion of the project are not capitalized, but accounted for as finance costs in the period in which they are incurred.

Our revenues from sale of properties are subject to a 5% business tax and other levies such as city development tax and education supplementary tax.

Our cost of sales for our property leasing and operational management primarily includes business tax on our rental income.

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The following table sets forth a breakdown of our cost of sales for the periods indicated:

	Year ended 31 December						Six months ended 30 June 2012	
	2009		2010		2011		2012	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development								
Land acquisition costs	66,579	23.1%	79,632	23.2%	64,872	22.9%	86,912	25.5%
Construction costs	193,913	67.4%	242,140	70.7%	200,880	70.9%	234,308	68.8%
Capitalized finance costs	20,946	7.3%	14,599	4.3%	8,186	2.9%	11,623	3.4%
Tax expenses	2,609	0.9%	2,490	0.7%	1,804	0.6%	1,310	0.4%
Subtotal	284,047	98.7%	338,861	98.9%	275,742	97.3%	344,153	98.1%
Property leasing and operational management	3,599	1.3%	3,671	1.1%	7,692 ⁽¹⁾	2.7%	6,417 ⁽¹⁾	1.9%
Total	287,646	100%	342,532	100%	283,434	100%	340,570	100%

Note:

- (1) RMB3.1 million and RMB2.9 million were attributable to the operation of the Xinjiekou Metro Mall for year ended 31 December 2011 and six months ended 30 June 2012, respectively. The remaining was primarily business tax on our rental income.

The following table sets forth our average land acquisition cost for each of our projects during the Track Record Period and up to the Latest Practicable Date:

Project	Date of land grant	Total land costs	Site area	Total GFA	Average land acquisition cost in terms of site area	Average land acquisition cost in terms of GFA
					<i>RMB'000</i>	<i>sq.m.</i>
Golden Wheel International Plaza	May 2002	139,734	11,341	98,031	12,321 ⁽¹⁾	1,425
Golden Wheel Waltz	October 2005	13,649	2,046	7,995	6,671 ⁽²⁾	1,707
Golden Wheel Star City (Phases I and II)	February 2007	100,738	81,616	206,305	1,234 ⁽³⁾	488
Golden Wheel Time Square	February 2008	130,615	13,501	134,096	9,674 ⁽⁴⁾	974
Golden Wheel New Metro	July 2011	98,475	9,218	59,912	10,683	1,644
Golden Wheel Star Plaza	July 2010	142,227	29,540	70,396	4,815	2,020
Nanjing Jade Garden	February 2010	80,417	7,212	29,976	11,150	2,683

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Notes:

1. The average land acquisition cost in terms of site area for this project was higher than the average land cost of commercial properties in Nanjing in 2002 (when we acquired this land) disclosed in the section headed "Industry Overview" in this prospectus, being RMB10,765/sq.m. As advised by Savills, it is primarily because Golden Wheel International Plaza is located at the prime location on Hanzhong Road in Xinjiekou, which is the main commercial center and a major tourist destination of Nanjing with convenient access to the public transportation system, particularly the local metro network.
2. The average land acquisition cost in terms of site area for this project was lower than the average land costs of residential and commercial properties in Nanjing in 2005 (when we acquired this land) disclosed in the section headed "Industry Overview" in this prospectus, being RMB6,730/sq.m. and RMB12,839/sq.m., respectively. As advised by Savills, the public transaction records showed that the average land costs of the comparable projects in the similar locality (i.e. Xinjiekou, Xuanwu District, Nanjing) in 2005 ranged from approximately RMB6,800/sq.m. to RMB8,400/sq.m. Therefore, our Group had acquired the land for Golden Wheel Waltz at a competitive price.
3. The average land acquisition cost in terms of site area for this project was lower than but, as advised by Savills, does not substantially deviate from the average land cost of residential properties in Yangzhou in 2007 (when we acquired this land) disclosed in the section headed "Industry Overview" in this prospectus, being RMB1,475/sq.m.
4. As advised by Savills, the land costs for properties located in different areas in Zhuzhou could vary significantly. Savills has referred to the public transaction records for the comparable properties in the similar locality (i.e. Lusong District, Zhuzhou) in 2009 (as there were no comparable transactions in 2008 when we acquired this land) and noted that the land costs ranged from RMB6,600/sq.m. to RMB7,500/sq.m. As advised by Savills, the higher land cost for Golden Wheel Time Square was primarily due to its prime location in Zhuzhou, which is very close to Zhuzhou Railway Station.

The following table sets forth our average land acquisition costs per sq.m. as a percentage of our average selling price per sq.m. for all of our property units sold and delivered for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
				<i>(unaudited)</i>	
Average land acquisition costs (RMB/sq.m.)	<u>2,365</u>	<u>1,183</u>	<u>1,037</u>	<u>1,108</u>	<u>1,183</u>
Average selling price (RMB/sq.m.)	<u>16,289</u>	<u>6,556</u>	<u>7,112</u>	<u>6,600</u>	<u>8,365</u>
Average land acquisitions costs/average selling price (%)	<u>14.5%</u>	<u>18.0%</u>	<u>14.6%</u>	<u>16.8%</u>	<u>14.1%</u>

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our average land acquisition costs/average selling price remained relatively stable at 14.5%, 18.0%, 14.6% and 14.1%, respectively.

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The following table sets forth a breakdown of our cost of sales by project for our property units sold and delivered during the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Golden Wheel					
International Plaza	284,047	59,324	33,744	16,228	23,683
Golden Wheel Waltz	—	77,452	5,690	4,503	—
Golden Wheel Star City	—	202,085	236,308	74,433	8,749
Golden Wheel Time Square	—	—	—	—	301,721
Total	<u>284,047</u>	<u>338,861</u>	<u>275,742</u>	<u>95,164</u>	<u>334,153</u>

Gross profit and gross profit margin

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our gross profit was RMB206.2 million, RMB141.0 million, RMB241.1 million and RMB321.8 million, respectively. Our gross profit margin was 41.7%, 29.2%, 46.0% and 48.6% for the same periods, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our gross profit from property development was RMB174.5 million, RMB102.4 million, RMB169.2 million and RMB280.3 million, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the gross profit margin for our property development business was 38.1%, 23.2%, 38.0% and 45.6%, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our gross profit from property leasing and operational management business was RMB31.7 million, RMB38.6 million, RMB71.9 million and RMB41.5 million, respectively. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, the gross profit margin for our property leasing and operational management business was 89.8%, 91.3%, 90.3% and 86.6%, respectively.

Other income, expenses, gains and losses

Other income, expenses, gains and losses primarily include gains on disposal of self-used property, plant and equipment, net foreign exchange gains and losses, interest income and listing expenses.

Changes in fair value of investment properties

Investment properties are properties held for rental income and are measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Property that is being constructed or developed for future use as investment property is classified as investment property.

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Our investment properties were valued at the beginning of relevant periods and revalued at the end of relevant periods on an open market value or existing use basis by an independent professional valuer, and any appreciation or depreciation in the fair value of our investment properties is recognized as fair value gains or losses on our consolidated statements of comprehensive income in the period in which they arise.

The following table sets forth the fair value of our completed investment properties and investment properties under development by project as of the dates indicated:

	As of 31 December						As of 30 June			
	2009		2010		2011		2011		2012	
	GFA	Fair value	GFA	Fair value	GFA	Fair value	GFA	Fair value	GFA	Fair value
	sq.m.	RMB'000	sq.m.	RMB'000	sq.m.	RMB'000	sq.m.	RMB'000	sq.m.	RMB'000
Golden Wheel International Plaza	28,056	1,389,000	28,056	1,526,000	28,056	1,692,000	28,056	1,642,000	28,056	1,740,000
Golden Wheel Waltz	—	131,000	2,444	142,000	2,444	152,000	2,444	148,000	2,444	156,000
Golden Wheel Time Square ^(1, 2)	—	390,000	—	591,000	31,205	1,006,000	31,205	750,000	31,205	1,029,000
Golden Wheel New Metro	—	—	—	—	—	—	—	—	18,437	238,000
Golden Wheel Building	—	—	—	—	—	—	—	—	1,216	11,600
Golden Wheel Green Garden	—	—	—	—	—	—	—	—	1,021	34,000
Total	28,056	1,910,000	30,500	2,259,000	61,705	2,850,000	61,705	2,540,000	82,379	3,208,600

(unaudited)

Notes:

- Golden Wheel Waltz was under development as of 31 December 2009, and Golden Wheel Time Square was under development as of 31 December 2009 and 2010. As advised by CBRE, our independent property valuer, the value of investment properties under development includes the land value, the actual construction costs incurred and a portion of the developer's profit relative to the construction progress. Land value is assessed based on the value of comparable land plots. Construction cost is determined based on an actual basis and the developer's profit represents the estimated profit attributable to the property taking into account the then market value after completion.
- CBRE has advised us that the valuation of Golden Wheel Time Square as at 31 December 2011 was not affected by the lack of property ownership certificate which was obtained in June 2012. CBRE recognized Golden Wheel Time Square as a completed property in 2011 as it passed the construction work acceptance on 13 December 2011.

CBRE, our independent property valuer, adopted two valuation methodologies, namely, the comparison approach and the income approach in valuing our completed investment properties. As advised by CBRE, the two approaches are collectively used and taken into account in valuing our completed investment properties. For the investment properties under development, the comparison approach is adopted.

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As advised by CBRE, set out below is a summary in relation to the valuation methodologies and assumptions as adopted by CBRE:

Completed Investment Properties

(i) Comparison approach

While adopting the comparison approach, the prices realized or current asking prices of comparable properties of similar size, character and location are selected, analyzed and weighed against the advantages and disadvantages of each property, in order to arrive at a fair value.

(ii) Income approach

For the income approach, there are two methods, namely discounted cash flow and term & reversion method. Discounted cash flow method is generally used in determining the appraisal value of the completed investment properties. The term & reversion method is appropriate to be used to measure the value of the completed investment properties with fixed rents over relatively lengthy lease terms.

While adopting the income approach - discounted cash flow method, assessment of the return to be derived from the property interests is made based on both rental and capital growth over a prescribed investment period. In undertaking this analysis, assumptions are made in respect of various key factors, including but not limited to the prevailing market rent, forecast period, rental growth rate, internal rate of return.

While adopting the income approach - term & reversion method, the value of a completed investment property amounts to the aggregation of the value of its remaining tenancy and its value upon expiration of the tenancy. The value of its remaining tenancy is assessed based on its current rent and the remaining valid lease term. The value upon expiration of the tenancy is determined based on the then market rent of the property with reference to comparable investment properties nearby and the market yield rate.

Investment Properties Under Construction

For the investment properties under construction, the comparison approach is applied. The value of investment properties under construction includes the land value, the actual construction cost incurred and a portion of the developer's profit relative to the construction progress. Land value is assessed based on the value of comparable land plots. Construction cost is determined based on an actual basis and the developer's profit represents the estimated profit attributable to the property taking into account the then market value after completion.

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As of 31 December 2011, we had three completed investment properties (Golden Wheel International Plaza, Golden Wheel Waltz and Golden Wheel Time Square) and one investment property under construction (Golden Wheel New Metro). We set out below the key assumptions with the valuation basis as adopted by CBRE in determining the value of completed investment properties and investment properties under construction as of 31 December 2011:

Completed Investment Properties

Key assumptions for the valuation of our completed investment properties by CBRE

Key assumptions	Golden Wheel		
	International Plaza	Golden Wheel Waltz	Golden Wheel Time Square
Prevailing market rent (RMB/sq.m. (based on effective leased area)/day) ⁽¹⁾	RMB 13.0/sq.m./day	RMB 10.9/sq.m./day	RMB 10.2/sq.m./day
Forecast period ⁽²⁾	10 years	10 years	N/A ⁽⁸⁾
Short to Long-term rental growth rate (%) ⁽³⁾	3% - 9.5%	3% - 6%	N/A ⁽⁹⁾
Internal rate of return (%) ⁽⁴⁾	6%	7.5%	N/A ⁽¹⁰⁾
Market yield rate (%) ⁽⁵⁾	N/A ⁽⁶⁾	N/A ⁽⁷⁾	4% - 5.5%

Note:

- The prevailing market rental is determined with reference to the rental charges set out in the existing leases and for comparable properties. The rentals realized or the current rentals of the comparable properties of similar size, character and location are selected, analyzed and weighed against the advantages and disadvantages of each property, in order to arrive at a prevailing market rent.
- The forecast period of 10 years is used on the assumption that the usage and ownership of the investment properties will remain unchanged during the period.
- Short to long term rental growth rate is determined with reference to the anticipated overall investment property market growth in the PRC and respective regions where the investment properties are located. A relatively higher growth rate is applied in the earlier years of the forecast period taking into account, among other things, the recent operating history, current demand, supply and occupancy rates of the investment properties.
- Internal rate of return is determined after considering the risk associated with the investment properties, taking into account general property market and economic outlook in the PRC and the regions where the investment properties are located, together with certain factors such as the location, traffic flow and tenant mix of the investment properties.
- Market yield rate is determined with reference to the achievable selling prices and rental prices of other properties located in the region.
- The income approach adopted for Golden Wheel International Plaza is discounted cash flow method, thus market yield rate is not applicable.
- The income approach adopted for Golden Wheel Waltz is discounted cash flow method, thus market yield rate is not applicable.
- The income approach adopted for Golden Wheel Time Square is term & reversion method, thus forecast period is not applicable.

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9. The income approach adopted for Golden Wheel Time Square is term & reversion method, thus short to long-term rental growth rate is not applicable.
10. The income approach adopted for Golden Wheel Time Square is term & reversion method, thus internal rate of return is not applicable.

Reasons for the variances between the actual rents of our completed investment properties and the market base rent estimates of CBRE

I. Golden Wheel International Plaza

As advised by CBRE, the actual rents of Golden Wheel International Plaza are lower than the current market levels because:

1. Golden Wheel International Plaza opened at the end of 2008. As a newly opened shopping mall, we offered and signed up tenants at rents which were lower than the then market rents, with a view to attracting tenants and achieving a higher occupancy rate in a shorter period of time.
2. According to the normal market practice, it usually takes three to five years for a newly opened shopping mall to mature. It is usually during this period of time that the rents are lower than the market levels of a more mature and fully operational mall of similar nature.
3. Nanjing metro line 2 commenced operation in May 2010 and basement level one of Golden Wheel International Plaza has been connected directly to Nanjing metro line 2 Xinjiekou station since the second half of 2011, which has substantially increased the pedestrian flow to Golden Wheel International Plaza. However, most of our Group's existing lease agreements were entered into before the commencement of the operation of Nanjing metro Line 2 and the direct connection between the basement level one of Golden Wheel International Plaza and Nanjing metro line 2 Xinjiekou station. As a result, CBRE believes that the current rents do not fully reflect the advantageous location of Golden Wheel International Plaza and the current market levels of a mature and fully operational mall of similar nature.
4. Xinjiekou is one of the busiest places in Nanjing with some of the highest pedestrian traffic flows in the city. To maximize the rental income generated from Golden Wheel International Plaza, CBRE believes that the tenant mix can be further adjusted as and when appropriate with higher proportion of retail shops.

II. Golden Wheel Waltz

As advised by CBRE, the main reason for the actual rents of Golden Wheel Waltz to be lower than the current market levels is that most of our Group's existing lease agreements were entered into in the first quarter of 2010 and are generally subject to a fixed rental rate for first two years of the lease term. As a result, the actual rents of Golden Wheel Waltz in 2011 were lower than the market levels of comparable properties in Nanjing in 2011.

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III. Golden Wheel Time Square

As advised by CBRE, the actual rents of Golden Wheel Time Square are lower than current market levels because:

1. Golden Wheel Time Square opened in mid 2011. As a newly opened shopping mall, we offered and signed up tenants at rents which were lower than the then market rents, with a view to attracting tenants and achieving a higher occupancy rate in a shorter period of time.
2. According to the normal market practice, it usually takes three to five years for a newly opened shopping mall to mature. It is usually during this period of time that the rents are lower than the market levels of a mature and fully operational mall of similar nature.
3. In many lease agreements of Golden Wheel Time Square, the tenants are required to provide a one-off payment of the total rent. Whilst structuring the rental arrangement in this way enables us to gain part of the investment returns sooner, it also results in lower rental levels for the property.

As further advised by CBRE, one of the fundamental valuation principles is that of the “Highest and Best Use”, which means that valuers consider the value of the property on the basis of a use that would produce the highest value for a property, regardless of its actual current use, as long as it is legally permissible, physically possible, financially feasible and maximally productive. CBRE has estimated the market rents based on such “Highest and Best Use” principle, which are the market rental estimates for new lease agreements to be entered into by our Group in the current market.

The average rent of the renewed or new leases of Golden Wheel International Plaza entered into by our Group in the year ended 31 December 2011 and six months ended 30 June 2012 is RMB10.5/sq.m./day (RMB3,830/sq.m./year)⁽¹⁾ and the range is from RMB4.6 to RMB28/sq.m./day. This average rent (renewed or new leases) of RMB10.5/sq.m./day is 52% higher than the average actual rent of RMB6.9/sq.m./day for the year ended 31 December 2011 and is 19% lower than the rent of RMB13.0/sq.m./day estimated by CBRE for 2011.

Note:

- (1) The average rent of the renewed or new leases does not take into account the lease of one of the tenants on level 5 because it occupies 3,709 sq.m. (over half of the area of the new leases in 2012) and has a long lease term of 10 years. Further, CBRE takes into account the following factors:
 - a. For retail properties, the landlord usually asks for a lower rent if the property is on a higher level of the building.
 - b. If a tenant leases a unit of larger floor area, the unit rent of the lease is usually lower.

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- c. The excluded tenant has spent more money on sunk cost such as fit out and decoration cost and its lease period is long (10 years). The landlord usually offers a discounted rent to this type of tenant.
- d. F&B usually has a lower rent in the trade mix compared to the retail.

Since the “excluded tenant” has all of these four features, CBRE is of the view that if the analysis includes this tenant on level 5, the result of the analysis will not be reasonably representative of the overall rents of the property.

There is no renewed or new leases of Golden Wheel Waltz entered into by our Group for the year ended 31 December 2011 and six months ended 30 June 2012. The average actual rent of RMB9.0/sq.m./day for the year ended 31 December 2011 is 17% lower than the rent of RMB10.9/sq.m./day estimated by CBRE for 2011.

As a newly opened mall in 2011, all the leases of Golden Wheel Time Square were entered into by our Group for the year ended 31 December 2011 and six months ended 30 June 2012. The average actual rent of RMB5.5/sq.m./day for the year ended 31 December 2011 is 46% lower than the rent of RMB10.2/sq.m./day estimated by CBRE for 2011.

Investment Properties Under Construction

The value of Golden Wheel New Metro is derived based on the comparison approach, which compares the land cost and the price of the comparable properties (upon completion) similar to Golden Wheel New Metro in terms of geographic location.

The value of property under construction is the aggregate of: (i) land value; (ii) estimated land acquisition costs; (iii) incurred construction cost; (iv) estimated incurred financial cost; (v) estimated incurred professional fee; (vi) estimated incurred contingency fee; and (vii) portion of the developer’s profit relative to the construction progress.

Set out below are the key assumptions for the valuation of Golden Wheel New Metro by CBRE:

Key assumptions	Golden Wheel New Metro
Expired development period since commencement	18 months
Expired construction period since commencement	12 months
Estimated land acquisition costs	4% on land value (deed tax: 3% + stamp duty: 0.05% + other cost)
Annual interest rate	6.31% (the 6-month to 1-year lending rate) 6.40% (the 1-year to 3-year lending rate)

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Key assumptions	Golden Wheel New Metro
Estimated incurred financial cost	The 1-year to 3-year lending rate on (land value + estimated land acquisition costs + estimated incurred professional fee) for expired development period since commencement (18 months period) the 6-month to 1-year lending rate on (incurred construction cost + estimated incurred contingency fee) for expired construction period since commencement (12 months period)
Estimated incurred professional fee	4% on total construction cost (this percentage is considered standard within the current market and includes professional services such as design fees, engineering fees, approval fees, etc.)
Estimated incurred contingency fee	3% on incurred construction cost
Portion of the developer's profit relative to the construction progress	10% on (land value+ estimated land acquisition costs + incurred construction cost + estimated incurred financial cost + estimated incurred professional fee + estimated incurred contingency fee)

The following table sets forth a breakdown of our fair value gains on investment properties by project for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Golden Wheel International Plaza	40,000	137,000	166,000	48,000
Golden Wheel Waltz	93,475	11,000	10,000	4,000
Golden Wheel Time Square	<u>116,708</u>	<u>158,900</u>	<u>363,919</u>	<u>23,000</u>
	<u>250,183</u>	<u>306,900</u>	<u>539,919</u>	<u>75,000</u>

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The following table sets forth the downward sensitivity analysis on the key assumptions adopted by CBRE in the valuation of our Group's investment properties at the respective dates:

	Downward adjustment			
	-5%	-10%	-15%	-20%
Impact on the following items as of/for the year ended 31 December 2009				
Valuation of investment properties	-1.2%	-2.4%	-3.6%	-4.2%
Total assets	-0.8%	-1.5%	-2.2%	-2.7%
Net assets	-1.3%	-2.5%	-3.8%	-4.5%
Net profit	-6.2%	-12.4%	-18.3%	-21.8%
Impact on the following items as of/for the year ended 31 December 2010				
Valuation of investment properties	-1.1%	-2.0%	-3.0%	-4.0%
Total assets	-0.6%	-1.2%	-1.8%	-2.4%
Net assets	-1.1%	-2.1%	-3.2%	-4.2%
Net profit	-6.1%	-11.8%	-17.6%	-23.3%
Impact on the following items as of/for the year ended 31 December 2011				
Valuation of investment properties	-2.0%	-3.3%	-4.9%	-6.9%
Total assets	-1.3%	-2.2%	-3.3%	-4.6%
Net assets	-2.1%	-3.4%	-5.1%	-7.1%
Net profit	-8.3%	-13.7%	-20.5%	-28.6%
Impact on the following items as of/for the six months ended 30 June 2012				
Valuation of investment properties	-1.5%	-2.9%	-4.4%	-6.2%
Total assets	-1.1%	-2.1%	-3.1%	-4.4%
Net assets	-1.3%	-2.7%	-4.0%	-5.6%
Net profit	-17.0%	-34.1%	-50.7%	-71.9%

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Selling and marketing expenses

Selling and marketing expenses primarily include advertising and promotional expenses and office expenses and others. Advertising and promotional expenses primarily relate to advertisements in newspapers and magazines and on billboards and certain other promotional events. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2009		2010		2011		2011		2012	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Advertising and promotional expenses	19,088	87.6%	12,529	89.0%	13,962	94.2%	9,903	97.7%	3,786	96.8%
Office expenses and others	2,703	12.4%	1,551	11.0%	855	5.8%	235	2.3%	125	3.2%
Total	21,791	100.0%	14,080	100.0%	14,817	100.0%	10,138	100.0%	3,911	100.0%

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Administrative expenses

Administrative expenses primarily include staff salaries and benefits, depreciation and amortization, office expenses, traveling expenses, professional fees, utilities and property tax, land use tax and stamp duty. The overall increase was primarily due to an increase in staff salaries and benefits as well as an increase in office expenses, which was in line with the continued growth of our property development business. Our professional fees primarily include legal, consulting and auditing expenses. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2009		2010		2011		2011		2012	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff salaries and benefits	9,675	37.4%	12,456	36.7%	15,686	35.5%	8,652	41.0%	12,120	39.3%
Depreciation and amortization	2,360	9.1%	2,719	8.0%	3,063	6.9%	1,561	7.4%	4,159	13.5%
Office expenses	3,085	11.9%	3,264	9.6%	3,200	7.2%	1,366	6.5%	1,699	5.5%
Traveling expenses	1,147	4.4%	1,270	3.7%	1,537	3.5%	667	3.2%	656	2.1%
Professional fees	637	2.3%	1,031	3.0%	685	1.6%	488	2.3%	1,346	4.4%
Utilities	1,921	7.4%	2,972	8.8%	3,278	7.4%	1,500	7.1%	2,172	7.0%
Property tax, land use tax and stamp duty	4,488	17.4%	4,939	14.5%	6,286	14.2%	3,220	15.2%	3,990	12.9%
Rent and cleaning expenses	256	1.0%	865	2.6%	1,569	3.6%	766	3.6%	955	3.1%
Repair costs	1,244	4.8%	1,496	4.4%	3,686	8.3%	1,063	5.0%	1,891	6.1%
Conference and business entertainment expenses	596	2.3%	935	2.8%	3,159	7.1%	1,033	4.9%	1,047	3.4%
Labor protection fee	173	0.7%	162	0.5%	358	0.8%	232	1.1%	67	0.2%
Bad debts	—	—	1,095	3.2%	—	—	—	—	—	—
Others	313	1.3%	764	2.2%	1,737	3.9%	580	2.7%	749	2.5%
Total	25,895	100.0%	33,968	100.0%	44,244	100.0%	21,128	100.0%	30,851	100.0%

Finance costs

Finance costs consist primarily of interest expenses on borrowings net of capitalized finance costs. Not all of our interest expenses can be capitalized because the interest expenses on the loans that we obtained in our name and subsequently granted to Nanjing Golden Wheel Real Estate, the entire equity interest of which was then wholly-owned by the Wong Family, were not related to our then property development and as a result cannot be capitalized. On 16 January 2012, we entered into an agreement with the Wong Family to acquire from the Wong Family all the equity interest in Nanjing Golden Wheel Real Estate, which was completed in June 2012 as a part of the Reorganization. Upon the completion of the Reorganization, Nanjing Golden Wheel Real Estate has become one of our wholly-owned subsidiaries and there will not be any such finance costs associated with Nanjing Golden Wheel Real Estate. We did not receive any interest and such loans have been waived by 30

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June 2012. The amount due from Nanjing Golden Wheel Real Estate is unsecured and non-trade in nature, and is stated at amortized cost with effective interest rates of 8.10% and 8.78% per annum for the years ended 31 December 2010 and 2011, respectively. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest on bank loans wholly repayable within five years	15,968	33,942	35,317	20,893	16,126
Less: amount capitalized to inventories and investment properties under development	(15,968)	(31,138)	(28,446)	(17,761)	(12,102)
Total	<u>—</u>	<u>2,804</u>	<u>6,871</u>	<u>3,132</u>	<u>4,024</u>

We had no finance costs in 2009 because all of the interest expenses were capitalized. Our finance costs amounted to RMB2.8 million, RMB6.9 million and RMB4.0 million for the years ended 31 December 2010 and 2011 and the six months ended 30 June 2012, respectively.

Share of loss in an associate

Share of loss in an associate represented our share of loss in Nanjing Pocui Jiudian Guanli Co., Ltd., which is engaged in the operation of a restaurant. In 2011, we invested RMB3.0 million and, together with an independent third party, established Nanjing Pocui Jiudian Guanli Co., Ltd., in which we held 30% equity interest, to run a restaurant. It was our intention to maximize our return by leasing the fifth floor of the shopping mall at our Golden Wheel International Plaza, which is situated in downtown Nanjing with high pedestrian traffic flow, on the condition that we could share a portion of the profit. We currently do not plan to further expand the restaurant business.

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Income tax expenses

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax includes PRC enterprise income tax and LAT payable by our PRC subsidiaries. The following table sets forth the components of income taxes for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:					
- PRC enterprise income tax	31,776	15,644	45,043	10,005	66,517
- Land appreciation tax	34,002	19,429	43,898	13,708	72,648
- Withholding tax on distribution of earnings from a PRC subsidiaries	—	—	2,752	—	3,628
	<u>65,778</u>	<u>35,073</u>	<u>91,693</u>	<u>23,713</u>	<u>142,793</u>
Deferred tax:	<u>70,449</u>	<u>79,994</u>	<u>128,354</u>	<u>56,431</u>	<u>7,147</u>
	<u><u>136,227</u></u>	<u><u>115,067</u></u>	<u><u>220,047</u></u>	<u><u>80,144</u></u>	<u><u>149,940</u></u>

Pursuant to the PRC enterprise income tax law, the PRC income tax rate for our PRC subsidiaries is 25% effective from 1 January 2008. We did not provide for any Hong Kong profits tax as we had no business operations subject to Hong Kong profits tax during the Track Record Period. Currently, we are not subject to any Cayman Islands income tax pursuant to an undertaking obtained from the Governor-in-Cabinet. You should refer to the section headed “Appendix V — Summary of the Constitution of the Company and Cayman Islands Companies Law — Cayman Islands Companies Law — Taxation” in this prospectus for more details.

All appreciation arising from the sale or transfer of land use right, and buildings and their attached facilities in the PRC is subject to land appreciation tax at progressive rates ranging from 30% to 60% of the appreciation value as determined in accordance with relevant tax laws. Certain exemptions are available for the sale of ordinary residential properties if the appreciation value does not exceed 20% of the total deductible items, but this exemption does not extend to sales of commercial properties. Under PRC tax laws and regulations, our properties in the PRC are subject to land appreciation tax on the appraised value of the land and the improvements on the land upon the sale of such properties. We are required to pay 1% to 3% of our sales and pre-sales proceeds as prepaid land appreciation tax.

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Our Directors confirm that, during the Track Record Period, we had fully provided for the land appreciation tax for our properties in accordance with the relevant laws and regulations and the accounting policies. Our Directors also confirm that, during the Track Record Period, there had not been any material delay in our payment of the land appreciation tax for our properties. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our land appreciation tax amounted to RMB34.0 million, RMB19.4 million, RMB43.9 million and RMB72.6 million, respectively.

The following table sets forth a breakdown of our tax losses recorded by our subsidiaries as of 1 January 2009 and 31 December 2009:

	As of 1 January 2009	As of 31 December 2009
	<i>RMB'000</i>	<i>RMB'000</i>
Nanjing Jade Golden Wheel	54,632	—
Yangzhou Golden Wheel Real Estate	<u>6,352</u>	<u>6,352</u>
Total	<u>60,984</u>	<u>6,352</u>

The above tax losses mainly arose from operating losses, which are mainly attributable to administrative expenses, marketing expenses and other operating expenses incurred by Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate, respectively, prior to 1 January 2009. Nanjing Jade Golden Wheel started to pre-sell its property units prior to 1 January 2009, and the revenue started to be recognized after 1 January 2009. Yangzhou Golden Wheel Real Estate was in the process of developing its project prior to 1 January 2009. The above tax losses were calculated by our management according to the EIT Law. The corporate tax filings of Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate were submitted to the local tax authorities and, as confirmed by our Directors, we had not received any objection from the local tax authorities as of the Latest Practicable Date.

For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, our effective tax rate was 32.9%, 28.2%, 30.0% and 42.0%, respectively.

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Non-controlling interests

Non-controlling interests represent our profit or loss after taxation shared by Nanjing Golden Wheel Real Estate, the entire equity interest of which was then wholly owned by the Wong Family and held 7.5% equity interest of Nanjing Jade Golden Wheel which had developed Golden Wheel International Plaza and 3.75% equity interest of Yangzhou Golden Wheel Real Estate which had developed Golden Wheel Star City. On 16 January 2012, we entered into an agreement with the Wong Family to acquire from the Wong Family all the equity interest in Nanjing Golden Wheel Real Estate, which was completed in June 2012 as a part of the Reorganization. Upon the completion of the Reorganization, Nanjing Golden Wheel Real Estate has become one of our wholly-owned subsidiaries and there will not be any non-controlling interests associated with Nanjing Golden Wheel Real Estate. For the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, total comprehensive income attributable to non-controlling interests was RMB15.0 million, RMB12.6 million, RMB14.7 million and RMB7.9 million, respectively.

Acquisition of subsidiaries

On 18 June 2012, in order to consolidate the equity interest held by the Wong Family in our Group, we acquired the assets and assumed the liabilities of a property project through the acquisition of 100% equity interest in Golden Wheel International Corporation, which holds 100% equity interest in Nanjing Golden Wheel Real Estate from the Wong Family. As Nanjing Golden Wheel Real Estate holds non-controlling equity interests in two of our subsidiaries, through this acquisition, we acquired the remaining non-controlling interests in these two subsidiaries, namely, Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate. In addition, Nanjing Golden Wheel Real Estate has developed Golden Wheel Building and Golden Wheel Green Garden and is currently developing Golden Wheel New Metro. Our Directors consider that, by acquiring Golden Wheel International Corporation (and Nanjing Golden Wheel Real Estate and these three projects as a result thereof), we can increase our total GFA held for investment so as to further increase our rental income in the future. For details of these three projects, please refer to the section headed “Business — Our Property Projects” in this prospectus. This transaction had been accounted for as purchase of assets and assumption of liabilities. The total consideration is by way of issuance of 100 new ordinary shares of US\$0.01 each in our Company to the Wong Family. Our Directors confirmed that the consideration for such acquisition was determined with reference to the Wong Family’s investment in Golden Wheel International Corporation and its subsidiaries and their contribution to the management and operation of our Group.

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Details of net assets acquired in respect of this transaction are summarized below:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	21,791
Investment properties	283,600
Held for trading investments	8,518
Amount due from our Group	3,252
Properties under development for sale	192,437
Trade and other receivables	862
Bank balances and cash	15,211
Trade and other payables	(44,881)
Amounts due to our Group	(132,800)
Tax liabilities	(15,900)
Deferred tax liabilities	<u>(47,948)</u>
Subtotal of net assets acquired before non-controlling equity interest in our subsidiaries	284,142
Fair value of non-controlling equity interest of subsidiaries held by the acquiree ^(note)	<u>209,737</u>
Total net assets acquired	<u>493,879</u>

Note: The amount represents the fair value of 7.50% equity interest in Nanjing Jade Golden Wheel and 3.75% equity interest in Yangzhou Golden Wheel Real Estate held by Nanjing Golden Wheel Real Estate as at 18 June 2012, which were acquired by our Group through acquisition of Golden Wheel International Corporation. The properties under development for sale that we acquired from Golden Wheel International Corporation represented the fair value of Golden Wheel New Metro. The gross profit margin of Golden Wheel New Metro is expected to be approximately 45.0%, and our Directors believe that this will not have any material impact on our overall gross profit margin and profitability.

The following table sets forth the results of operations of Golden Wheel International Corporation for the periods indicated:

	Year ended 31 December			Six months ended 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3,371	1,828	2,496	648
Gross profit	2,696	1,507	2,170	283
Net profit	4,597	3,217	73,392	35,208
Fair value gains on investment properties	1,435	3,400	109,106	37,868

Note: The results of Golden Wheel International Corporation indicated above were not included in our results during the Track Record Period.

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The following table sets forth, for the periods indicated, the revenue, the total effective leased area, the effective average annual rental price per sq.m. as of and for the years ended 31 December 2009, 2010 and 2011 and as of and for the six months ended 30 June 2012 for the properties held by Golden Wheel International Corporation:

	As of and for the year ended 31 December										As of and for the six months ended 30 June							
	2009					2010					2011					2012		
	Revenue	Effective leased area	Occupancy rate	Effective average annual rental price	Revenue	Effective leased area	Occupancy rate	Effective average annual rental price	Revenue	Effective leased area	Occupancy rate	Effective average annual rental price	Revenue	Effective leased area	Occupancy rate	Effective average annual rental price		
	RMB'000	sq.m.	%	RMB/sq.m.	RMB'000	sq.m.	%	RMB/sq.m.	RMB'000	sq.m.	%	RMB/sq.m.	RMB'000	sq.m.	%	RMB/sq.m.		
Golden Wheel Green Garden	1,571	1,640	100%	958	1,522	1,640	100%	928	984	1,021	100%	964	417	1,021	100%	817		
Golden Wheel Building	—	—	—	—	—	—	—	—	418	1,216	100%	344	203	1,216	100%	334		

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LISTING EXPENSES

The total amount of listing expenses, commissions together with brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee in connection with the Global Offering is estimated to be approximately HK\$57.8 million, of which HK\$35.5 million is expected to be capitalized after the Listing. The remaining HK\$22.3 million was or is expected to be charged to our profit and loss accounts, of which approximately HK\$1.8 million and HK\$9.2 million were charged in the year ended 31 December 2011 and the six months ended 30 June 2012, respectively, and HK\$7.6 million and HK\$3.7 million are expected to be charged in the six months ending 31 December 2012 and in the year of 2013, respectively.

Six months ended 30 June 2012 compared to six months ended 30 June 2011

Revenue

Our revenue increased 296.1% from RMB167.2 million for the six months ended 30 June 2011 to RMB662.4 million for the same period in 2012, primarily due to an increase in revenue derived from our property development business.

Property development. Revenue derived from property development increased from RMB133.3 million for the six months ended 30 June 2011 to RMB614.5 million for the same period in 2012. This increase was primarily due to our recognition of revenue from the sale of property units at Golden Wheel Time Square during the six month ended 30 June 2012. We did not recognize any revenue from the sale of properties units at Golden Wheel Time Square during the six months ended 30 June 2011 because we did not obtain the proof of examination and acceptance of completion until April 2012. For details, please refer to the section headed “Business — Regulatory Compliance — Delivery of Certain Property Units in Golden Wheel Time Square to our Purchasers before Passing the Construction Completion Examination” in this prospectus.

Property leasing and operational management. Revenue derived from our property leasing and operational management business increased from RMB33.9 million for the six months ended 30 June 2011 to RMB47.9 million for the same period in 2012. This increase was primarily due to an increase in the rental income from Golden Wheel Time Square as a result of increased effective leased area and a rental income of RMB4.6 million from the Xinjiekou Metro Mall.

Cost of sales

Our cost of sales increased from RMB97.2 million for the six months ended 30 June 2011 to RMB340.6 million for the same period in 2012. This increase was primarily due to an increase in total GFA sold during the six months ended 30 June 2012, as compared to the same period in 2011.

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Gross profit and gross profit margin

Our gross profit increased from RMB70.1 million for the six months ended 30 June 2011 to RMB321.8 million for the same period in 2012. Our gross profit margin increased from 41.9% for the six months ended 30 June 2011 to 48.6% for the same period in 2012. This increase was primarily due to an increase in the average selling prices of our properties.

Other income, expenses, gains and losses

We had a net loss of RMB0.6 million for our other income, expenses, gains and losses for the six months ended 30 June 2012, while we had a net gain of RMB10.9 million for the same period in 2011. This was primarily due to our listing expenses of RMB7.5 million, as well as net foreign exchange losses of RMB0.3 million due to USD appreciation in connection with our USD borrowings from shareholders during the six months ended 30 June 2012.

Changes in fair value of investment properties

Our gains on fair value changes of investment properties decreased from RMB229.6 million for the six months ended 30 June 2011 to RMB75.0 million for the same period in 2012. The decrease was primarily due to the decrease in market prices of investment properties as a result of the economic slowdown, as well as the completion of our Golden Wheel Time Square in December 2011. Golden Wheel Time Square was still under development during the six months ended 30 June 2011 and had contributed substantially to our fair value gains through increased actual construction costs as the value of investment properties under development also includes the actual construction costs incurred.

Selling and marketing expenses

Our selling and marketing expenses decreased from RMB10.1 million for the six months ended 30 June 2011 to RMB3.9 million for the same period in 2012. This decrease was primarily due to a decrease in advertising and promotional expenses.

Administrative expenses

Our administrative expenses increased from RMB21.1 million for the six months ended 30 June 2011 to RMB30.9 million for the same period in 2012. This increase was due primarily to an increase in staff salaries and benefits in connection with the continued growth of our property development business and depreciation recognized.

Finance costs

Our finance costs increased from RMB3.1 million for the six months ended 30 June 2011 to RMB4.0 million for the same period in 2012 because the interest expenses on the loans that we obtained in our name and subsequently granted to Nanjing Golden Wheel Real Estate, which was then wholly-owned by the Wong Family, were not related to our then property development and as a result cannot be capitalized.

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Share of loss of an associate

We had share of loss in an associate of RMB0.8 million for the six months ended 30 June 2012. Share of loss in an associate represented our share of loss in Nanjing Pocui Jiudian Guanli Co., Ltd., in which we acquired a 30% equity interest in 2011.

Taxation

Our tax expense increased from RMB80.1 million for the six months ended 30 June 2011 to RMB149.9 million for the same period in 2012. This increase was due primarily to an increase in PRC enterprise income tax from RMB10.0 million for the six months ended 30 June 2011 to RMB66.5 million for the same period in 2012 as well as an increase in land appreciation tax from RMB13.7 million for the six months ended 30 June 2011 to RMB72.6 million for the same period in 2012. We incurred a larger amount of land appreciation tax for the six months ended 30 June 2012 primarily due to an increase in our revenue from RMB167.2 million for the six-months ended 30 June 2011 to RMB662.4 million for the same period in 2012. For the six months ended 30 June 2011 and 2012, our effective tax rate was 29.0% and 42.0%, respectively.

Profit for the year attributable to owners of the Company

For the foregoing reasons, our profit attributable to owners of the Company increased from RMB187.9 million for the six months ended 30 June 2011 to RMB198.8 million for the same period in 2012.

Profit for the year attributable to non-controlling interests

Our profit attributable to non-controlling interests remained relatively stable at RMB8.1 million and RMB7.9 million for the six months ended 30 June 2011 and 2012, respectively. Non-controlling interests represent our profit or loss after taxation shared by Nanjing Golden Wheel Real Estate, which was then wholly owned by the Wong Family and held 7.5% equity interest of Nanjing Jade Golden Wheel and 3.75% equity interest of Yangzhou Golden Wheel Real Estate. On 18 June 2012, we acquired from the Wong Family all the equity interest in Nanjing Golden Wheel Real Estate, which then became one of our wholly-owned subsidiaries.

Year ended 31 December 2011 compared to year ended 31 December 2010

Revenue

Our revenue increased 8.5% from RMB483.5 million in 2010 to RMB524.5 million in 2011, primarily due to an increase in revenue derived from our property leasing and operational management business,

Property development. A majority of the property units we sold in 2011 was from Gold Wheel Star City in Yangzhou. Revenue derived from property development increased from

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RMB441.3 million in 2010 to RMB445.0 million in 2011. This increase was primarily due to an increase in the average selling price of Golden Wheel Star City from RMB4,276 per sq.m. in 2010 to RMB5,999 per sq.m. in 2011, partially offset by a decrease in total GFA of all of our properties sold from 67,305 sq.m. in 2010 to 62,561 sq.m. in 2011.

Property leasing and operational management. Revenue derived from our property leasing and operational management business increased from RMB42.2 million in 2010 to RMB79.5 million in 2011. This increase was primarily due to the opening of Golden Wheel Time Square in Zhuzhou in May 2011, an increase in the effective average annual rental price of Golden Wheel International Plaza from RMB2,202 per sq.m. in 2010 to RMB2,532 per sq.m. in 2011, an increase in the effective average annual rental price of Golden Wheel Waltz from RMB2,342 per sq.m. in 2010 to RMB3,289 per sq.m. in 2011, and a rental income of RMB4.6 million from the Xinjiekou Metro Mall, which commenced operation in 2011.

Cost of sales

Our cost of sales decreased from RMB342.5 million in 2010 to RMB283.4 million in 2011. This decrease was primarily due to a decrease in total GFA sold from 67,305 sq.m. in 2010 to 62,561 sq.m. in 2011.

Gross profit and gross profit margin

Our gross profit increased from RMB141.0 million in 2010 to RMB241.1 million in 2011. Our gross profit margin increased from 29.2% in 2010 to 46.0% in 2011. This increase was primarily due to an increase in the average selling prices of our properties and an increase in the effective average annual rental prices of our investment properties in 2011. The gross profit margin for our property development business increased from 23.2% for the year ended 31 December 2010 to 38.0% for the year ended 31 December 2011, primarily due to an increase in the average selling prices of our properties in 2011. The average selling price of Golden Wheel Star City, the sales of which accounted for 79.3% of our revenue from property development in 2011, increased from RMB4,276 per sq.m. in 2010 to RMB5,999 per sq.m. in 2011.

Other income, expenses, gains and losses

Our other income, expenses, gains and losses increased from RMB11.4 million in 2010 to RMB18.6 million in 2011. This increase was primarily due to an increase in interest income (including interest income and imputed interest income on amount due from a related company) from RMB6.2 million in 2010 to RMB14.1 million in 2011 as a result of the increase in our average bank balances and the increase in interest due from Nanjing Golden Wheel Real Estate, and a slight increase in net foreign exchange gains from RMB4.8 million in 2010 to RMB5.6 million in 2011 due to RMB appreciation in connection with our USD borrowings from shareholders, partially offset by listing expenses of RMB1.5 million. Nanjing Golden Wheel Real Estate had not paid us any interest during the Track Record Period, and such loans had been waived by 30 June 2012 following our acquisition of Nanjing Golden Wheel Real Estate in June 2012.

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Changes in fair value of investment properties

We had gains on fair value changes of investment properties in 2010 and 2011. Our gains on fair value changes of investment properties increased from RMB306.9 million in 2010 to RMB539.9 million in 2011. Our gains on fair value changes of investment properties were primarily due to an increase of RMB363.9 million in the fair value of Golden Wheel Time Square and an increase of RMB166.0 million in the fair value of Golden Wheel International Plaza.

Selling and marketing expenses

Our selling and marketing expenses increased slightly from RMB14.1 million in 2010 to RMB14.8 million in 2011. This increase was primarily due to an increase in advertising and promotional expenses.

Administrative expenses

Our administrative expenses increased from RMB34.0 million in 2010 to RMB44.2 million in 2011. This increase was primarily due to an increase in staff salaries and benefits and an increase in office expense, which was in line with our business expansion.

Finance costs

Our finance costs increased from RMB2.8 million in 2010 to RMB6.9 million in 2011 because the interest expenses on the loans that we obtained in our name and subsequently granted to Nanjing Golden Wheel Real Estate, which was then wholly-owned by the Wong Family, were not related to our then property development and as a result cannot be capitalized. The amount due from Nanjing Golden Wheel Real Estate is unsecured and non-trade in nature, and is stated at amortized cost with effective interest rates of 8.10% and 8.78% per annum for the years ended 31 December 2010 and 2011, respectively.

Share of loss in an associate

We had share of loss in an associate of RMB0.4 million in 2011. Share of loss in an associate represented our share of loss in Nanjing Pocu Jiudian Guanli Co., Ltd., which engages in the restaurant business and in which we acquired 30% equity interest in 2011.

Taxation

Our tax expense increased from RMB115.1 million in 2010 to RMB220.0 million in 2011. This increase was primarily due to an increase in PRC enterprise income tax from RMB15.6 million in 2010 to RMB45.0 million in 2011 as well as an increase in land appreciation tax from RMB19.4 million in 2010 to RMB43.9 million in 2011. We incurred more land appreciation tax in 2011 primarily due to the an increase in the average selling prices of Golden Wheel Star City

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from RMB4,276 per sq.m. in 2010 to RMB5,999 per sq.m. in 2011 and Golden Wheel International Plaza from RMB18,002 per sq.m. in 2010 to RMB25,366 per sq.m. in 2011 as compared to 2010. For the years ended 31 December 2010 and 2011, our effective tax rate was 28.2% and 30.0%, respectively.

Profit for the year attributable to owners of the Company

For the foregoing reasons, our profit attributable to owners of the Company increased from RMB280.7 million in 2010 to RMB498.5 million in 2011.

Profit for the year attributable to non-controlling interests

Our profit attributable to non-controlling interests increased from RMB12.6 million in 2010 to RMB14.7 million in 2011. The increase in our profit attributable to non-controlling interest was due to an increase in the properties sold in 2011 at Golden Wheel Star City which was developed by Yangzhou Golden Wheel Real Estate.

Year ended 31 December 2010 compared to year ended 31 December 2009

Revenue

Our revenue decreased from RMB493.8 million in 2009 to RMB483.5 million in 2010, primarily due to a decrease in revenue from our property development business, partially offset by an increase in revenue from our property leasing and operational management business.

Property development. Revenue derived from property development decreased slightly from RMB458.6 million in 2009 to RMB441.3 million in 2010, primarily due to a decrease in total GFA of all of our properties sold from 28,152 sq.m. in 2009 to 6,355 sq.m. in 2010 at Golden Wheel International Plaza which had higher average selling price than our other properties, partially offset by the commencement of sale at Golden Wheel Star City in 2010 as well as an increase in the average selling prices of Golden Wheel International Plaza from RMB16,289 per sq.m. in 2009 to RMB18,002 per sq.m. in 2010.

Property leasing and operational management. Revenue derived from our property leasing and operational management business increased from RMB35.2 million in 2009 to RMB42.2 million in 2010. This increase was primarily due to the opening of Golden Wheel Waltz in 2010 as well as an increase in the effective average annual rental price for Golden Wheel International Plaza in 2010 from RMB2,178 per sq.m. in 2009 to RMB2,202 per sq.m. in 2010.

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Cost of sales

Our cost of sales increased from RMB287.6 million in 2009 to RMB342.5 million in 2010. This increase was primarily due to an increase in total GFA of all of our properties sold from 28,152 sq.m. in 2009 to 67,305 sq.m. in 2010 as a result of the commencement of sale at Golden Wheel Star City and Golden Wheel Waltz, partially offset by a decrease in total GFA sold at Golden Wheel International Plaza from 28,152 sq.m. in 2009 to 6,355 sq.m. in 2010.

Gross profit and gross profit margin

Our gross profit decreased from RMB206.2 million in 2009 to RMB141.0 million in 2010. Our gross margin decreased from 41.7% in 2009 to 29.2% in 2010. The gross profit margin for our property development business decreased from 38.1% in 2009 to 23.2% in 2010. These decreases were primarily because a substantial portion of our revenue in 2010 was derived from the sale of property units at our Golden Wheel Star City and Golden Wheel Waltz which have lower gross profit margins as compared to Golden Wheel International Plaza. These decreases were partially offset by an increase in the average selling prices of Golden Wheel International Plaza in 2010.

Other income, expenses, gains and losses

Our other income, expenses, gains and losses increased from RMB6.0 million in 2009 to RMB11.4 million in 2010. This increase was primarily due to an increase in interest income (including interest income and imputed interest income on amount due from a related company) from RMB0.9 million in 2009 to RMB6.2 million in 2010 as a result of the increase in our average bank balances and the imputed interest of RMB2.8 million from Nanjing Golden Wheel Real Estate, and a slight increase in net foreign exchange gains from RMB2.1 million in 2009 to RMB4.8 million in 2010 due to RMB appreciation in connection with our USD borrowings from shareholders.

Changes in fair value of investment properties

We had gains on fair value changes of investment properties in 2009 and 2010. Our gains on fair value changes of investment properties increased from RMB250.2 million in 2009 to RMB306.9 million in 2010. This increase was primarily due to an increase of RMB137.0 million in the fair value of Golden Wheel International Plaza.

Selling and marketing expenses

Our selling and marketing expenses decreased from RMB21.8 million in 2009 to RMB14.1 million in 2010. This decrease was primarily due to the fact that we started selling properties of Golden Wheel International Plaza in 2009 and incurred more advertising and promotional expenses in 2009 as compared to 2010.

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Administrative expenses

Our administrative expenses increased from RMB25.9 million in 2009 to RMB34.0 million in 2010. This increase was primarily due to an increase in staff salaries and benefits and an increase in utilities, which was in line with our business expansion.

Finance costs

We had no finance costs in 2009 because all of the interest expenses were capitalized. We incurred finance costs in the amount of RMB2.8 million in 2010 because the interest expenses on the loans that we obtained in our name and subsequently granted to Nanjing Golden Wheel Real Estate, the entire equity interest of which was then wholly-owned by the Wong Family, were not related to our then property development and as a result cannot be capitalized. The amount due from Nanjing Golden Wheel Real Estate is unsecured and non-trade in nature, and is stated at amortized cost with effective interest rate of 8.10% per annum for the year ended 31 December 2010.

Taxation

Our tax expense decreased from RMB136.2 million in 2009 to RMB115.1 million in 2010. This decrease was primarily due to a decrease in PRC enterprise income tax from RMB31.8 million in 2009 to RMB15.6 million 2010 as well as a decrease in land appreciation tax from RMB34.0 million in 2009 to RMB19.4 million in 2010. We incurred less land appreciation tax in 2010 primarily because in 2010 we commenced the sale of Golden Wheel Star City in Yangzhou which is a residential property and its average selling prices are lower as compared to commercial properties such as Golden Wheel International Plaza and Golden Wheel Waltz. For the years ended 31 December 2009 and 2010, our effective tax rate was 32.9% and 28.2%, respectively.

Profit for the year attributable to owners of the Company

For the foregoing reasons, our profit attributable to owners of the Company increased from RMB263.4 million in 2009 to RMB280.7 million in 2010.

Profit for the year attributable to non-controlling interests

Our profit attributable to non-controlling interests decreased from RMB15.0 million in 2009 to RMB12.6 million in 2010. The decrease in our profit attributable to non-controlling interest was due to a decrease in the properties sold in 2010 at Golden Wheel International Plaza which was developed by Nanjing Jade Golden Wheel.

LIQUIDITY AND CAPITAL RESOURCES

To date, we have financed our working capital, capital expenditures and other capital requirements primarily through capital contributions from shareholders, borrowings and proceeds from sales and pre-sales of our properties. Our financing methods vary from project

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to project and are subject to limitations imposed by PRC regulations and monetary policies. We expect to continue to fund our future development, working capital and other cash requirements from internal financial resources, bank borrowings and cash generated from operations, as well as from a portion of the net proceeds from the Global Offering. We may however, need to raise additional funds in the future through debt or equity offerings or sales or other dispositions of assets to finance all or a portion of our future development.

We expect to incur development costs of approximately RMB338.8 million to complete our current properties under development. We intend to use a portion of the net proceeds from the Global Offering to finance these projects under development, with the remainder to be financed by internal funds (including cash and the pre sale proceeds from projects under development) and external borrowings if required.

Cash Flows

The following table shows selected cash flow data from our consolidated cash flow statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Net cash from (used in) operating activities	26,684	261,480	134,012	118,520	(75,434)
Net cash (used in) from investing activities	(10,793)	(158,269)	(99,997)	(94,034)	16,586
Net cash from (used in) financing activities	158,503	75,693	(225,540)	(108,518)	(45,404)
Net increase (decrease) in cash and cash equivalents	174,394	178,904	(191,525)	(84,032)	(104,252)
Cash and cash equivalents at beginning of year/period	34,868	209,262	388,166	388,166	196,641
Cash and cash equivalents at end of year/period	<u>209,262</u>	<u>388,166</u>	<u>196,641</u>	<u>304,134</u>	<u>92,389</u>

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Net cash generated from operating activities

During the Track Record Period, our cash generated from operating activities resulted primarily from pre-sales and sales of our developed properties and from rental income from our investment properties while cash used in operating activities resulted from our cash costs for the development of properties, cash costs of land purchases and cash costs of operating our completed properties held for sale and other investment properties, interest paid on bank borrowings that was capitalized and taxes paid.

We had net cash outflow from operating activities of RMB75.4 million for the six months ended 30 June 2012, which was mainly attributable to a decrease in deposits and prepayments received from pre-sale of properties of RMB472.5 million due to reduced pre-sale activities during this period as the pre-sale of Nanjing Jade Garden started in July 2012 and the pre-sale of Golden Wheel Star Plaza is expected to start in January 2013, as well as an increase in prepayment for acquisition of leasehold land held for development for sale of RMB60.0 million in connection with our Zhuzhou Yunlong Project. During the six months ended 30 June 2012, we pre-sold 2,828 sq.m. residential properties of Golden Wheel Star City at an average contract price of RMB8,521 per sq.m., and 3,025 sq.m. residential properties of Golden Wheel Time Square at an average contract price of RMB7,893 per sq.m. During the six months ended 30 June 2011, we pre-sold 10,377 sq.m. residential properties of Golden Wheel Star City at an average contract price of RMB8,442 per sq.m., and 4,030 sq.m. residential properties of Golden Wheel Time Square at an average contract price of RMB6,241 per sq.m.

For the year ended 31 December 2011, our net cash inflow from operating activities was RMB134.0 million, representing a decrease of RMB127.5 million from RMB261.5 million for the year ended 31 December 2010, which was mainly attributable to an increase in properties under development for sale of RMB281.7 million primarily resulting from (i) an increase in properties under development of RMB110.8 million for Nanjing Jade Garden, (ii) an increase in properties under development for sale of RMB140.1 million for Golden Wheel Star Plaza; and (iii) an increase in properties under development for sale of RMB96.3 million for Golden Wheel Time Square, as well as a decrease in deposits and prepayments received from pre-sale of properties of RMB94.8 million resulting from reduced pre-sales.

For the year ended 31 December 2010, our net cash inflow from operating activities was RMB261.5 million, which was mainly attributable to an increase in deposits and prepayments received from pre-sale of properties of RMB251.8 million primarily resulting from an increase in deposits and prepayments of RMB371.3 million received from the pre-sale of our Golden Wheel Time Square, partially offset by an increase in leasehold land held for development for sale of RMB229.1 million in connection with our acquisition of land for Nanjing Jade Garden and Golden Wheel Star Plaza.

For the year ended 31 December 2009, our net cash inflow from operating activities was RMB26.7 million, which was mainly attributable to an increase in cash costs for the development of Golden Wheel International Plaza, as well as a decrease in deposits and prepayments received from pre-sale of properties of RMB19.0 million resulting from reduced pre-sales.

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Net cash from (used in) investing activities

Our net cash used in investing activities have been primarily driven by additions of property, plant and equipment, investment in investment properties under development, advances to related parties and investment in associated companies.

For the six months ended 30 June 2012, our net cash inflow from investing activities was RMB16.6 million, which was primarily attributable to our acquisition of Nanjing Golden Wheel Real Estate which led to cash inflow of RMB15.2 million, and repayments from Nanjing Golden Wheel Real Estate of RMB8.0 million, partially offset by advances to Nanjing Golden Wheel Real Estate of RMB5.0 million.

For the year ended 31 December 2011, our net cash used in investing activities was RMB99.9 million, which was primarily attributable to (i) advances to Nanjing Golden Wheel Real Estate of RMB144.0 million, and (ii) an increase in investment properties under development of RMB47.6 million for Golden Wheel Time Square, partially offset by (i) a decrease in restricted bank deposits of RMB48.7 million, and (ii) repayments from Nanjing Golden Wheel Real Estate of RMB61.0 million.

For the year ended 31 December 2010, our net cash used in investing activities was RMB158.3 million, which was primarily attributable to (i) advances to Nanjing Golden Wheel Real Estate of RMB72.8 million, (ii) an increase in restricted bank deposits of RMB 61.0 million, and (iii) an increase in investment properties under development of RMB38.3 million in connection with Golden Wheel Time Square, partially offset by repayments from Nanjing Golden Wheel Real Estate of RMB20.0 million.

For the year ended 31 December 2009, our net cash used in investing activities was RMB10.8 million, which was primarily attributable to proceeds from disposal of property, plant and equipment of RMB7.2 million, partially offset by an increase in investment properties under development of RMB4.1 million.

Net cash generated from (used in) financing activities

For the six months ended 30 June 2012, our net cash flow used in financing activities was RMB45.4 million, which was primarily attributable to (i) repayments to shareholders of RMB62.1 million, (ii) repayment of bank loans of RMB24.6 million, and (iii) interest payment of RMB16.1 million, partially offset by proceeds from new bank loans of RMB60.0 million.

We had net cash outflow from financing activities of RMB225.5 million for the year ended 31 December 2011, as compared to net cash inflow from financing activities of RMB75.7 million for the year ended 31 December 2010. This was primarily due to our repayment of bank loans of RMB146.8 million in an effort to save finance costs, repayment of borrowings from shareholders of RMB42.3 million and payment for interest and dividends of RMB89.4 million, as well as a significant decrease in our new bank loans to reduce our finance costs as compared to 2010, partially offset by proceeds from new bank loans of RMB55.0 million.

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For the year ended 31 December 2010, our net cash inflow from financing activities was RMB75.7 million, which was primarily attributable to proceeds from new bank loans of RMB335.0 million, partially offset by (i) repayment of bank loans of RMB175.8 million, (ii) repayments to Nanjing Golden Wheel Real Estate of RMB57.9 million, and (iii) interest payment of RMB33.9 million.

For the year ended 31 December 2009, our net cash inflow from financing activities was RMB158.5 million, which was primarily attributable to (i) proceeds from new bank loans of RMB330.0 million, and (ii) advances from Nanjing Golden Wheel Real Estate of RMB58 million, partially offset by (i) repayment of bank loans of RMB131.2 million, (ii) repayments to related companies of RMB62.8 million, (iii) repayments to shareholders of RMB21.3 million, and (iv) interest payment of RMB16.0 million.

Net current assets

Our current assets consist primarily of properties under development for sale, completed properties for sale, leasehold land held for development for sale and bank balances and cash. Apart from bank balances and cash, these items represent costs related to the development of our projects. Our current liabilities consist primarily of trade and other payables, deposits and prepayments received from pre-sale of properties, amounts due to shareholders, tax liabilities and bank borrowings. Trade and other payables represent costs related to our development activities, while income tax payable represents tax due related mainly to the sale of properties following such development activities. Deposits and prepayments received from pre-sale of properties are pre-sales proceeds received from customers of properties under development. Rental received in advance are prepayments received from customers of our property leasing and operation management business. Amounts due to related parties and borrowings represent financing used for our operations.

Our net current assets have been significantly affected by our rapid growth and our property development and delivery schedules during the Track Record Period. Land use right, properties under development for sale and completed properties for sale are recorded at cost while deposits and prepayments received from pre-sale of properties are recorded at the realized price of presold properties.

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We had net current assets of RMB83.3 million, RMB171.5 million and RMB368.7 million as of 31 December 2009, 2010 and 30 June 2012, respectively, and net liabilities of RMB3.0 million as of 31 December 2011. The following table shows our current assets and current liabilities as of the dates indicated:

	As of 31 December			As of 30 June	As of 31 October
	2009	2010	2011	2012	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current assets					
Leasehold land held for development for sale	—	229,074	—	—	—
Properties under development for sale	531,356	410,688	717,320	701,893	664,682
Completed properties for sale	136,366	206,267	153,759	187,737	225,739
Trade and other receivables	83,234	91,680	72,892	54,473	75,909
Prepayment for leasehold land held for development for sale	80,431	—	—	60,000	60,000
Amount due from an associate	—	—	1,060	—	—
Tax prepaid	14,411	31,071	18,305	4,149	—
Held for trading investments	—	—	—	8,518	6,490
Restricted bank deposits	3,383	64,432	15,718	16,097	71,208
Bank balances and cash	209,262	388,166	196,641	92,389	90,988
	1,058,443	1,421,378	1,175,695	1,125,256	1,195,016
Current liabilities					
Trade and other payables	149,980	141,339	177,366	228,431	265,834
Rental received in advance	2,474	8,075	19,525	22,830	22,524
Deposits and prepayments received from pre-sale of properties	486,293	738,061	643,230	170,697	142,872
Amounts due to shareholders	162,116	168,951	129,098	—	—
Amounts due to related companies	56,400	—	—	—	—
Tax liabilities	40,543	44,464	100,339	210,824	250,958
Bank borrowings - due within one year	77,347	149,020	109,104	123,800	166,808
	975,153	1,249,910	1,178,662	756,582	848,996
Net current assets (liabilities)	83,290	171,468	(2,967)	368,674	346,020

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The increase of net current assets from RMB83.3 million as of 31 December 2009 to RMB171.5 million as of 31 December 2010 was primarily due to an increase in current assets resulting primarily from (i) an increase in our leasehold land held for development for sale from nil as of 31 December 2009 to RMB229.1 million as of 31 December 2010, (ii) an increase in our bank balances and cash from RMB209.3 million as of 31 December 2009 to RMB388.2 million as of 31 December 2010, and (iii) an increase in completed properties for sale from RMB136.4 million as of 31 December 2009 to RMB206.3 million as of 31 December 2010, partially offset by an increase in current liabilities resulting primarily from (i) an increase in deposits and prepayments received from pre-sale of properties from RMB486.3 million as of 31 December 2009 to RMB738.1 million as of 31 December 2010, and (ii) an increase in short-term bank borrowings from RMB77.3 million as of 31 December 2009 to RMB149.0 million as of 31 December 2010.

We had net current liabilities of RMB3.0 million as of 31 December 2011 as compared to net current assets of RMB171.5 million as of 31 December 2010. This was primarily due to a decrease in current assets resulting primarily from (i) a decrease in our leasehold land held for development for sale from RMB229.1 million as of 31 December 2010 to nil as of 31 December 2011, (ii) a decrease in our bank balances and cash from RMB388.2 million as of 31 December 2010 to RMB196.6 million as of 31 December 2011, partially offset by a decrease in current liabilities resulting primarily from (i) a decrease in deposits and prepayments received from pre-sale of properties from RMB738.1 million as of 31 December 2010 to RMB643.2 million as of 31 December 2011, (ii) a decrease in short-term bank borrowings from RMB149.0 million as of 31 December 2010 to RMB109.1 million as of 31 December 2011, and (iii) a decrease in amounts due to shareholders from RMB169.0 million as of 31 December 2010 to RMB129.1 million as of 31 December 2011.

We had net current assets of RMB368.7 million as of 30 June 2012 as compared to net current liabilities of RMB3.0 million as of 31 December 2011. This was primarily due to a decrease in current liabilities resulting primarily from (i) deposits and prepayments received from pre-sale of properties from RMB643.2 million as of 31 December 2011 to RMB170.7 million as of 30 June 2012, and (ii) our settlement of RMB129.1 million due to shareholders, partially offset by a decrease in current assets from RMB1,175.7 million as of 31 December 2011 to RMB1,125.3 million as of 30 June 2012 resulting primarily from a decrease in our bank balances and cash from RMB196.6 million as of 31 December 2011 to RMB92.4 million as of 30 June 2012.

Held for trading investment

We held equity securities listed in the PRC of RMB8.5 million as of 30 June 2012, as a result of our acquisition of Nanjing Golden Wheel Real Estate. Subject to and in accordance with the investment objective and policies adopted by the Company from time to time, our Board shall have absolute discretion over the assets of our Company, including acquisition of disposal of the equity securities we hold. Our finance and accounting department is responsible for (i) reviewing and evaluating the investment in equity securities, (ii) rendering to our Board information as may reasonably be available to it to assist our Board in structuring disposals and making recommendations to our Board regarding potential divestments, (iii)

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obtaining for our Board regularly valuations of such investments or assets of our Company as our Board shall require, and (iv) keeping the records of such accounts, books and statements as may be required by any applicable PRC laws and regulations for the proper conduct of our Company. We plan to dispose of all of the above equity securities when the price either increases or decreases by 50% as compared to 30 June 2012. In other cases, our Board will have absolute discretion on when and at which price to sell such securities. We have no intention to make similar securities investment in the future.

Restricted bank deposits

A portion of our bank deposits are pledged to banks as security for certain banking facilities granted to us, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements, or as security for certain mortgage loans granted to our customers, in which case the restricted bank deposits will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as security for the mortgage loans granted. As of 31 December 2009, 2010 and 2011 and 30 June 2012, our restricted bank deposits were RMB3.4 million, RMB64.4 million, RMB15.7 million and RMB16.1 million, respectively. As of 30 June 2012, we had no unutilized banking facilities available for drawdown.

Working capital

As of the Latest Practicable Date, a banking facility of US\$5.0 million for general corporate purposes had been granted to and utilized by us, and another banking facility of RMB50.0 million had been granted to us for the development of Golden Wheel New Metro, of which we had utilized RMB30.0 million and had unutilized banking facilities of RMB20.0 million available for drawdown.

Taking into account the financial resources available to us, including expected net proceeds from the Global Offering, and our operating cash inflow (mainly pre-sale proceeds of our projects) and, if required, bank loans, and in the absence of unforeseen circumstances, our Directors are of the view that we have sufficient working capital for our present requirements for our operations for at least the next 12 months from the date of this prospectus.

DESCRIPTION OF CERTAIN ITEMS IN STATEMENTS OF FINANCIAL POSITION

Investment properties

As of 31 December 2009, 2010 and 2011 and 30 June 2012, we had investment properties of RMB1,910.0 million, RMB2,259.0 million, RMB2,850.0 million and RMB3,208.6 million respectively. Our investment properties increased from RMB1,910.0 million as of 31 December 2009 to RMB2,259.0 million as of 31 December 2010, due to (i) an increase in the fair value of our investment properties of RMB306.9 million in 2010 resulting primarily from an increase of RMB137.0 million in the fair value of Golden Wheel International Plaza, and (ii) additions of RMB42.1 million in construction costs for investment properties under development primarily in connection with Golden Wheel Time Square in Zhuzhou. Our investment properties

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increased from RMB2,259.0 million as of 31 December 2010 to RMB2,850.0 million as of 31 December 2011, due to (i) an increase in the fair value of our investment properties of RMB539.9 million in 2011 resulting primarily from an increase of RMB363.9 million in the fair value of Golden Wheel Time Square in Zhuzhou, and (ii) additions of RMB51.1 million in construction costs for investment properties under development primarily in connection with Golden Wheel Time Square in Zhuzhou. Our investment properties increased from RMB2,850.0 million as of 31 December 2011 to RMB3,208.6 million as of 30 June 2012, due to (i) our acquisition of Nanjing Golden Wheel Real Estate and as a result its investment properties, and (ii) an increase in the fair value of our investment properties of RMB75.0 million resulting primarily from an increase of RMB48.0 million in the fair value of Golden Wheel International Plaza and RMB23.0 million in the fair value of Golden Wheel Time Square. Our investment properties are held under medium-term leases in the PRC. As of 31 December 2009, 2010 and 2011 and 30 June 2012, our investment properties with a carrying amount of RMB1,910.0 million, RMB2,259.0 million, RMB1,844.0 million and RMB1,896.0 million were pledged to banks to secure certain banking facilities granted to us, respectively.

Completed properties for sale

Completed properties for sale consist of completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. We had completed properties for sale of RMB136.4 million, RMB206.3 million, RMB153.8 million and RMB187.7 million as of 31 December 2009, 2010 and 2011 and 30 June 2012, respectively. The increase from RMB136.4 million as of 31 December 2009 to RMB206.3 million as of 31 December 2010 was primarily due to the transfer from properties under development to completed properties for sale at Golden Wheel Star City in Yangzhou and a portion of Golden Wheel International Plaza, partially offset by sale of completed properties at Golden Wheel International Plaza. The decrease from RMB206.3 million as of 31 December 2010 to RMB153.8 million as of 31 December 2011 was primarily due to sale of completed properties at Golden Wheel Star City in Yangzhou. The increase from RMB153.8 million as of 31 December 2011 to RMB187.7 million as of 30 June 2012 was primarily due to the transfer from properties under development to completed properties for sale at Golden Wheel Time Square, partially offset by sale of completed properties at Golden Wheel Time Square, Golden Wheel International Plaza and Golden Wheel Star City.

FINANCIAL INFORMATION

The following table sets forth a breakdown of the carrying amount of our completed properties for sale by project as of the dates indicated:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commercial				
Golden Wheel International Plaza	136,366	97,591	87,626	66,831
Golden Wheel Waltz	—	6,701	793	—
Golden Wheel Time Square	—	—	—	10,144
Golden Wheel Star City	—	1,049	1,049	1,049
	<u>136,366</u>	<u>105,341</u>	<u>89,468</u>	<u>78,024</u>
Residential				
Golden Wheel Time Square	—	—	—	69,437
Golden Wheel Star City	—	100,926	64,291	40,276
	—	<u>100,926</u>	<u>64,291</u>	<u>109,713</u>
Total	<u>136,366</u>	<u>206,267</u>	<u>153,759</u>	<u>187,737</u>

Properties under development for sale

Properties under development for sale are properties in respect of which we have obtained the relevant land use right certificates as well as construction permits. We had properties under development for sale of RMB531.4 million, RMB410.7 million, RMB717.3 million and RMB701.9 million as of 31 December 2009, 2010 and 2011 and 30 June 2012, respectively. The changes in our properties under development for sale during the Track Record Period were primarily attributable to the timing of commencement of construction and project completion. Completed and undelivered properties are transferred from properties under development for sale to completed properties for sale. The decrease from RMB531.4 million as of 31 December 2009 to RMB410.7 million as of 31 December 2010 was primarily due to the completion of phase I of Golden Wheel Star City in Yangzhou. The increase from RMB410.7 million as of 31 December 2010 to RMB717.3 million as of 31 December 2011 was primarily due to the commencement of the construction of phase II of Golden Wheel Star City, Golden Wheel Time Square, Golden Wheel Star Plaza and Nanjing Jade Garden. The decrease from RMB717.3 million as of 31 December 2011 to RMB701.9 million as of 30 June 2012 was primarily due to the transfer from properties under development to completed properties for sale at Golden Wheel Time Square, partially offset by the commencement of the construction of Golden Wheel New Metro, Golden Wheel Star Plaza and Nanjing Jade Garden.

FINANCIAL INFORMATION

The following table sets forth a breakdown of the carrying amount of our properties under development for sale by project as of the dates indicated:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commercial				
Golden Wheel Star Plaza	—	—	93,355	119,533
Nanjing Jade Garden	—	—	32,403	42,079
Golden Wheel Waltz	93,313	—	—	—
Golden Wheel Time Square	26,844	42,030	83,558	—
Golden Wheel New Metro	—	—	—	126,207
Golden Wheel Star City	—	—	10,765	60,207
	<u>120,157</u>	<u>42,030</u>	<u>220,081</u>	<u>348,026</u>
Residential				
Golden Wheel Star Plaza	—	—	46,738	59,843
Nanjing Jade Garden	—	—	78,432	101,851
Golden Wheel Time Square	121,720	190,581	245,370	—
Golden Wheel New Metro	—	—	—	59,769
Golden Wheel Star City	289,479	178,077	126,699	132,404
	<u>411,199</u>	<u>368,658</u>	<u>497,239</u>	<u>353,867</u>
Total	<u>531,356</u>	<u>410,688</u>	<u>717,320</u>	<u>701,893</u>

Trade and other receivables

The following table sets forth a breakdown of our trade and other receivables as of the dates indicated below:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivable	7,819	4,335	5,091	5,464
Other receivables and prepaid expenses	5,122	7,621	8,728	12,808
Advances to contractors	47,964	44,609	21,559	25,533
Deposits	1,973	2,157	847	842
Other taxes prepaid	20,356	32,958	36,667	9,826
	<u>83,234</u>	<u>91,680</u>	<u>72,892</u>	<u>54,473</u>

FINANCIAL INFORMATION

Rental payment is usually required in accordance with the terms of the relevant lease agreements within 30 days before the commencement dates of leases.

Our trade receivable mainly comprises of rental receivable in respect of self-owned investment properties and sub-leased properties, and amounts receivable from credit and companies in respect of deposit made by customers through credit cards for sale of properties.

The following table sets forth our rental receivables as of the dates indicated:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental receivables	3,346	1,065	4,638	2,849

Our credit policy for our customers who purchase property from us is largely reflected in our sale and purchase agreements with our customers. Our customers who purchase properties from us generally pay non-refundable initial deposits (e.g. RMB30,000) at or prior to signing the sale and purchase agreements. If these customers need to apply for bank mortgage loans, they will generally pay further down payment when they sign the sale and purchase agreements and subsequently apply for mortgage loans for the remaining purchase prices.

Our trade and other receivables increased from RMB83.2 million as of 31 December 2009 to RMB91.7 million as of 31 December 2010. The increase was primarily due to an increase in other taxes prepaid mainly by Zhuzhou Golden Wheel Real Estate, partially offset by a decrease in advances to contractors and a decrease in trade receivables. During the Track Record Period, we had other taxes prepaid because we were required to prepay business taxes when we commence the pre-sale of properties under the PRC laws and regulations. Our trade and other receivables decreased from RMB91.7 million as of 31 December 2010 to RMB72.9 million as of 31 December 2011. The decrease was primarily due to a decrease in advances to contractors from RMB44.6 million as of 31 December 2010 to RMB21.6 million as of 31 December 2011. Our advances to contractors were primarily related to our prepayments to our construction contractors and sub-contractors. The overall decrease in our advances to contractors during the years ended 31 December 2009, 2010 and 2011 was primarily due to the recognition of the prepayments as inventory or investment properties after the commencement of property development. Our trade and other receivables decreased from RMB72.9 million as of 31 December 2011 to RMB54.5 million as of 30 June 2012, primarily due to a decrease in other taxes prepaid from RMB36.7 million as of 31 December 2011 to RMB9.8 million as of 30 June 2012. The decrease in other taxes prepaid was primarily due to the recognition of other taxes prepaid by Zhuzhou Golden Wheel Real Estate as business tax for the six months ended 30 June 2012 while the deposits and prepayments received from the pre-sale of property units at Golden Wheel Time Square were recognized as revenue for the same period.

FINANCIAL INFORMATION

The aging analysis of our trade receivables, net of allowance for doubtful debts, as at the dates indicated is as follows:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	7,819	3,862	2,987	4,536
31 to 60 days	—	—	818	—
61 to 180 days	—	—	740	651
180 to 365 days	—	380	453	—
Over one year	—	93	93	277
	7,819	4,335	5,091	5,464

Our average trade receivables turnover days were four days, five days, three days and one day for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, respectively, which were within the credit period granted by us. The average trade receivables turnover days are calculated by dividing the average of opening and ending balance of trade receivables for the year/period by the corresponding revenue in the year/period and then multiplying by the number of days in that year/period. The increase in our average trade receivables turnover days from four days for the year ended 31 December 2009 to five days for the year ended 31 December 2010 was primarily due to a decrease in revenue from RMB493.8 million in 2009 to RMB483.5 million in 2010. The decrease in our average trade receivables turnover days from five days for the year ended 31 December 2010 to three days for the year ended 31 December 2011 was primarily due to an increase in revenue from RMB483.5 million in 2010 to RMB524.5 million in 2011. The decrease in our average trade receivables turnover days from three days for the year ended 31 December 2011 to one day for the six months ended 30 June 2012 was primarily due to an increase in revenue from RMB524.5 million in 2011 to RMB662.4 million in the six months ended 30 June 2012.

In assessing the recoverability of trade receivable from property tenants for property leasing and operational management business, we consider any change in the credit quality of the property tenants. We recognize allowance for doubtful receivables based on estimated irrecoverable amounts determined by reference to past default experience of the property tenants and their current financial position.

Our impairment losses recognized on trade receivable of RMB1.1 million as of 31 December 2010 and 2011 and the six months ended 30 June 2012, were related to irrecoverable amounts relating to our property leasing and operational management business.

As of 31 October 2012, RMB4.5 million, or 82.3%, of our trade receivables as of 30 June 2012 had been settled.

FINANCIAL INFORMATION

Prepayment for leasehold land held for development for sale

Our prepayment for leasehold land use right was RMB80.4 million as of 31 December 2009, which was made to secure the land for our Nanjing Jade Garden project. We did not have prepayment for leasehold land held for development for sale as of 31 December 2010 and 2011. Our prepayment for leasehold land held for development for sale was RMB60.0 million, which was made to secure a parcel of land in Zhuzhou.

Trade and other payables

The following table sets forth a breakdown of our trade and other payables as of the dates indicated below:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	122,836	113,799	138,216	199,381
Deposits	7,597	11,007	20,568	15,729
Other taxes payable	4,272	2,463	4,832	2,053
Other payables and accrued expenses	15,275	14,070	13,750	11,268
	<u>149,980</u>	<u>141,339</u>	<u>177,366</u>	<u>228,431</u>

Our trade and other payable decreased from RMB150.0 million as of 31 December 2009 to RMB141.3 million as of 31 December 2010. The decrease was primarily due to a decrease in trade payables, partially offset by an increase in deposits received. Our trade and other payables increased from RMB141.3 million as of 31 December 2010 to RMB177.4 million as of 31 December 2011. The increase was primarily due to an increase in trade payables and deposits received. Our trade and other payables increased from RMB177.4 million as of 31 December 2011 to RMB228.4 million as of 30 June 2012, primarily due to an increase in trade payables, which was in line with the continued growth of our property development business. Among our trade payables of RMB199.4 million as of 30 June 2012, trade payable of RMB35.7 million to Nanjing Metro as a part of the total consideration will be settled through the delivery to Nanjing Metro of a portion of our completed property units at Golden Wheel New Metro, according to our agreed settlement terms in relation to the payment of consideration for the land for Golden Wheel New Metro that we acquired from Nanjing Metro. Our Directors believe that Nanjing Metro has accepted such arrangement for the potential benefit of property appreciation taking into account the land cost and economic growth trend in Nanjing.

FINANCIAL INFORMATION

The credit period of the majority of our trade payables is 60 days. The aging analysis of our trade payables as of the dates indicated is as follows:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 to 60 days	67,185	77,175	123,139	145,509
61 to 180 days	24,090	18,745	2,514	6,913
180 to 365 days	19,073	12,502	11,961	38,899
Over 1 year	12,488	5,377	602	8,060
	122,836	113,799	138,216	199,381

Our average trade payables turnover days were 205 days, 126 days, 162 days and 89 days for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012, respectively. The average trade payables turnover days are calculated by dividing the average of opening and ending balance of trade payables for the year/period by the corresponding cost of sales in the year/period and then multiplying by the number of days in that year/period. The decrease in our average trade payables turnover days from 205 days for the year ended 31 December 2009 to 126 days for the year ended 31 December 2010 was primarily due to an increase in our cost of sales. This increase was primarily due to an increase in total GFA of all of our properties sold from 28,152 sq.m. in 2009 to 67,305 sq.m. in 2010 as a result of the commencement of sale at Golden Wheel Star City and Golden Wheel Waltz, partially offset by a decrease in total GFA sold at Golden Wheel International Plaza from 28,152 sq.m. in 2009 to 6,355 sq.m. in 2010. The increase in our average trade payables turnover days from 126 days for the year ended 31 December 2010 to 162 days for the year ended 31 December 2011 was primarily due to a decrease in our cost of sales. This decrease was primarily due to a decrease in total GFA of all of our properties sold from 67,305 sq.m. in 2010 to 62,561 sq.m. in 2011. The decrease in our average trade payables turnover days from 162 days for the year ended 31 December 2011 to 89 days for the six months ended 30 June 2012 was primarily due to an increase in our cost of sales as a result of an increase in total GFA sold from 62,561 sq.m. in 2011 to 73,456 sq.m. in the six months ended 30 June 2012. During the Track Record Period, our average trade payables turnover days were generally longer than the typical credit term of 60 days granted to us by our contractors and suppliers. This was primarily because our trade payables generally include retention money ranging from 5% to 15% of the contract price as warranty, which will be paid to our contractors or suppliers upon the expiration of the relevant warranty periods.

FINANCIAL INFORMATION

Deposits and prepayments received from pre-sale of properties

We record our pre-sale proceeds as deposits and prepayments received from pre-sale of properties within current liabilities on our consolidated balance sheet. We do not recognize these proceeds from pre-sale as revenue until we have completed the construction of the relevant property (as evidenced by obtaining the proof of examination and acceptance of completion from the relevant authorities) and delivered the relevant property to the purchasers. Pursuant to relevant PRC regulations, the proceeds from pre-sale are deposited into a designated bank account. The bank in which the pre-sale proceeds are deposited monitors the use of the proceeds to ensure that they are used for the relevant project or otherwise in compliance with relevant regulations. Our deposits and prepayments received from pre-sale of properties of RMB486.3 million in 2009 were primarily attributable to Golden Wheel Star City. Our deposits received for pre-sale of properties of RMB738.1 million in 2010 were primarily attributable to Golden Wheel Time Square and Golden Wheel Star City. Our deposits received for pre-sale of properties of RMB643.2 million in 2011 were primarily attributable to Golden Wheel Time Square in Zhuzhou. The following table sets forth a breakdown of deposits and prepayments received from pre-sale by project as at the dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2009	2010	2011	2012	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commercial					
Golden Wheel					
International Plaza	49,246	13,354	868	9,295	—
Golden Wheel Waltz	69,790	—	—	—	—
Golden Wheel Time Square	—	158,020	215,434	—	—
	<u>119,036</u>	<u>171,374</u>	<u>216,302</u>	<u>9,295</u>	<u>—</u>
Residential					
Golden Wheel Star City	357,908	344,075	106,555	129,217	5,792
Golden Wheel Time Square	9,349	222,612	320,373	32,185	25,474
Nanjing Jade Garden	—	—	—	—	111,606
	<u>367,257</u>	<u>566,687</u>	<u>426,928</u>	<u>161,402</u>	<u>142,872</u>
Total	<u>486,293</u>	<u>738,061</u>	<u>643,230</u>	<u>170,697</u>	<u>142,872</u>

FINANCIAL INFORMATION

The following table sets forth the pre-sale information for the period from 1 July 2012 to 31 October 2012 of our properties under development for sale as of 30 June 2012:

	From 1 July 2012 to 31 October 2012	
	Total contract price	Total pre-sale proceeds
	<i>RMB'000</i>	<i>RMB'000</i>
Commercial		
Golden Wheel International Plaza	—	—
Golden Wheel Waltz	—	—
Golden Wheel Time Square	—	—
Golden Wheel Star City	—	—
	—	—
Residential		
Golden Wheel Time Square	25,909	16,189
Golden Wheel Star City	23,166	16,244
Nanjing Jade Garden	221,104	111,606
	270,179	144,039
Total	270,179	144,039

Amount due from a related company

During the Track Record Period, our amount due from a related company represented advances to Nanjing Golden Wheel Real Estate, which was then wholly owned by the Wong Family. On 16 January 2012, we entered into an agreement with the Wong Family to acquire from the Wong Family all the equity interest in Nanjing Golden Wheel Real Estate, which was completed in June 2012. Upon completion, Nanjing Golden Wheel Real Estate has become one of our wholly-owned subsidiaries and there will not be any such amount due from a related company associated with Nanjing Golden Wheel Real Estate. The amount due from Nanjing Golden Wheel Real Estate is unsecured and non-trade in nature. It was presented as non-current asset as at 31 December 2010 and 2011. At the end of the reporting period date, the amount is stated at amortized cost with effective interest rates of 8.1% and 8.78% per annum.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The table below sets forth certain of our key financial ratios for the periods indicated:

	Year ended 31 December			Six months ended 30 June 2012
	2009	2010	2011	
Return on equity ⁽¹⁾	20.6%	17.9%	24.7%	7.8%
Current ratio ⁽²⁾	1.09	1.14	1.00	1.49
Net debt to equity ratio ⁽³⁾	13.1%	9.6%	12.4%	15.0%
Gearing ratio ⁽⁴⁾	44.7%	43.7%	28.1%	18.5%

Notes:

- (1) Net profit/total equity x 100%. It is not applicable to calculate the return on equity based on the net profit for the six months ended 30 June 2012.
- (2) Current assets/current liabilities.
- (3) Net debt/total equity x 100%; net debt comprises short-term borrowings and long-term borrowings minus cash and cash equivalents.
- (4) Total debt/total equity x 100%; total debt comprises short-term borrowings, long-term borrowings, amounts due to shareholders and amounts due to related companies.

Return on equity fluctuated during the Track Record Period, primarily due to the level of our net profits during the relevant period which will in part depend on the mix and timing of our properties that are under development and for sale during the relevant period. Our return on equity was higher in 2011, primarily due to fair value gains on our investment properties as well as the increase in our revenue from our property development business as a result of higher average selling prices of our properties and an increase in total GFA sold. For the six months ended 30 June 2012, our return on equity was lower than that in 2009, 2010 and 2011, primarily due to an increase in our total equity as a result of our reorganization and a decrease in our fair value gains on investment properties.

Our current ratio increased from 1.09 in 2009 to 1.14 in 2010, primarily due to the increase in the number of properties for sale in 2010 and an increase in our bank balances and cash. Our current ratio decreased to 1.00 in 2011, primarily due to a decrease in our bank balances and cash.

Changes in our net debt to equity ratio were due to the changes in our net debt and an overall increase in our total equity during the Track Record Period.

FINANCIAL INFORMATION

INDEBTEDNESS

As of 31 December 2009, 2010 and 2011, 30 June 2012 and 31 October 2012, we had the following outstanding bank and other borrowings:

	As of 31 December			As of 30 June	As of 31 October
	2009	2010	2011	2012	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due to related companies					
Nanjing Golden Wheel Real Estate	39,900	—	—	—	—
Nanjing Xinbosi Wenhua Chuanbo Co., Ltd.	8,500	—	—	—	—
Nanjing Shiyijia Yingxiao Guanli Zixun Co., Ltd.	8,000	—	—	—	—
	<u>56,400</u>	—	—	—	—
Amounts due to shareholders	162,116	168,951	129,098	—	—
Secured bank borrowings					
Within one year	77,347	149,020	109,104	123,800	166,808
After one year but within two years	71,600	111,600	101,800	121,200	203,300
After two years but within five years	<u>237,800</u>	<u>284,800</u>	<u>242,800</u>	<u>244,060</u>	<u>116,600</u>
	<u>386,747</u>	<u>545,420</u>	<u>453,704</u>	<u>489,060</u>	<u>486,708</u>
Total	<u>605,263</u>	<u>714,371</u>	<u>582,802</u>	<u>489,060</u>	<u>486,708</u>
Bank borrowings are analyzed as follows:					
Guaranteed bank borrowings ⁽¹⁾	278,800	363,000	336,200	372,801	363,100
Unguaranteed bank borrowings	<u>107,947</u>	<u>182,420</u>	<u>117,504</u>	<u>116,259</u>	<u>123,608</u>
Total	<u>386,747</u>	<u>545,420</u>	<u>453,704</u>	<u>489,060</u>	<u>486,708</u>

Note:

- (1) At 31 October 2012, these bank borrowings are guaranteed by certain directors of the Company and certain companies wholly owned by Wong Family. Such guarantees will be released upon the Listing.

FINANCIAL INFORMATION

Our bank and other borrowings during the Track Record Period were denominated in Renminbi. As of 31 December 2009, 2010 and 2011 and 30 June 2012, our total outstanding bank and other borrowings amounted to RMB605.3 million, RMB714.4 million, RMB582.8 million and RMB489.1 million, respectively. The increase in our bank and other borrowings from 2009 to 2010 was primarily due to the expansion of our operations and the increasing needs to finance our property developments. The ranges of effective interest rates on our bank borrowings are as follows:

	As of 31 December			As of 30 June	As of 31 October
	2009	2010	2011	2012	2012
	%	%	%	%	%
Fixed-rate bank borrowings	—	5.36	5.36	5.36	2.08 and 5.36
Variable-rate bank borrowings	5.76-8.69	5.40-6.62	5.85-7.94	5.65-7.45	5.65-7.94

All of our outstanding bank borrowings were secured by our properties, including land and buildings, investment properties, properties under development for sale and completed properties held for sale.

The amounts due to related companies are unsecured, interest-free and repayable on demand. The amounts were non-trade in nature and arose as a result of advances from the related companies.

The amounts due to shareholders are denominated in USD. As of 31 December 2009, 2010 and 2011, the amounts due to shareholders were RMB162.1 million, RMB169.0 million and RMB129.1 million, respectively. The above amounts are unsecured, interest-free and repayable on demand. The non-trade amounts arose as a result of advances from shareholders during the Track Record Period. The above amounts are non-trade in nature and had been settled by 30 June 2012 by way of capitalization.

As of 31 October 2012, our outstanding guarantees for mortgage loans in connection with our pre-sold properties were RMB224.4 million, in addition, the Group is subject to maximum penalty and fines of RMB1.1 million in respect of non-compliance of relevant PRC rules and regulations in relation to early delivery of certain properties in Golden Wheel Time Square. Details for above contingent liabilities are described in “— Contingent Liabilities” below.

Except as described above, as of 31 October 2012, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments or guarantees.

FINANCIAL INFORMATION

As of the Latest Practicable Date, a banking facility of US\$5.0 million for general corporate purposes had been granted to and utilized by us, and another banking facility of RMB50.0 million had been granted to us for the development of Golden Wheel New Metro, of which we had utilized RMB30.0 million and had unutilized banking facilities of RMB20.0 million available for drawdown.

Our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, (i) we had not been in breach of any financial covenants or experienced any cross-default of loans; and (ii) other than a repayment of bank borrowings of RMB250.0 million on our own initiative to save finance costs, we had not repaid any other bank loans prior to their maturity dates.

RELATED PARTY TRANSACTIONS

Note 38 of the Accountants' Report contained in Appendix I to this prospectus discloses the significant transactions that we engaged in with related parties during the Track Record Period. All the related party transactions will discontinue after the Global Offering. Our Directors believe that we conducted these related party transactions on normal commercial terms and in the ordinary course of our business. During the Track Record Period, such related party transactions were charged in accordance with the terms of the underlying agreements.

OPERATING LEASE COMMITMENTS

The Group as lessee

The following table sets forth our commitments for future minimum lease payments under a non-cancellable operating lease as of the dates indicated:

	As of 31 December			As of 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	—	—	5,801	5,801
In the second to the fifth year (inclusive)	—	—	18,129	24,800
After the fifth year	—	—	68,791	59,220
	<u>—</u>	<u>—</u>	<u>92,721</u>	<u>89,821</u>

Our operating lease commitments as of 31 December 2011 and 30 June 2012 were all related to our lease of the Xinjiekou Metro Mall from Nanjing Metro.

FINANCIAL INFORMATION

The Group as lessor

At the end of respective reporting periods, we contracted with tenants for the following future minimum lease payments:

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	37,704	44,720	69,449	71,055
In the second to the fifth year inclusive	99,992	111,029	135,984	155,822
After the fifth year	35,414	25,871	35,614	33,973
	<u>173,110</u>	<u>181,620</u>	<u>241,047</u>	<u>260,850</u>

CAPITAL COMMITMENTS

The following table sets forth our contractual commitments as of the dates indicated:

	At 31 December			At 30 June	At 31 October
	2009	2010	2011	2012	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commitments contracted for but not provided in the Financial Information in respect of:					
- Construction of properties under development for sale	236,000	208,000	125,000	280,000	186,239
- Construction of investment properties under development	45,000	35,000	—	44,000	24,900
- Construction of properties for self-use	21,000	21,000	3,000	15,000	7,189
- Land held for development for sale					98,624
Commitments approved but not contracted in respect of:					
- Leasehold land held for development for sale	—	—	—	60,000	60,000
	<u>302,000</u>	<u>264,000</u>	<u>128,000</u>	<u>399,000</u>	<u>376,952</u>

Our contractual commitments represented our commitments to third party construction companies with respect to the construction of our projects.

FINANCIAL INFORMATION

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures were primarily related to the acquisition of land use right, the construction of our investment properties, and purchase of property, plant and equipment. The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	For the year ended 31 December			For the six months ended 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Acquisition of Land use right	80,431	229,074	—	—
Construction of investment properties	41,817	42,100	51,081	—
Purchase of property, (including transfer from completed properties held for sale) plant and equipment	<u>34,257</u>	<u>9,523</u>	<u>23,834</u>	<u>4,524</u>
Total	<u>156,505</u>	<u>280,697</u>	<u>74,915</u>	<u>4,524</u>

CONTINGENT LIABILITIES

For pre-sale of residential properties under development, we typically provide guarantees to the banks in connection with our customers' mortgage loans to finance their purchase of the residential properties. Our guarantees are released upon the banks receiving the building ownership certificate of the respective properties from the customers as pledges for security to the mortgage loan granted. If any such purchaser defaults on the mortgage payment during the terms of the respective guarantee, the bank may demand us to repay the outstanding amount of such defaulting purchaser's mortgage loan and any accrued interest thereon. As of 31 December 2009, 2010 and 2011, 30 June 2012 and 31 October 2012, our outstanding guarantees for mortgage loans in connection with our pre-sold properties were RMB137.4 million, RMB176.8 million, RMB185.1 million, RMB210.3 million and RMB224.4 million, respectively. During the Track Record Period, we did not encounter any material default on such mortgage loans.

In addition, we are subject to maximum penalty and fines of RMB1.1 million as at 31 December 2011, 30 June 2012 and 31 October 2012 in respect of non-compliance of relevant PRC rules and regulations in relation to early delivery of certain properties in Golden Wheel Time Square.

We confirm that, other than as disclosed in this prospectus, there has been no material change in our indebtedness or contingent liabilities since 31 October 2012.

FINANCIAL INFORMATION

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except as disclosed in this prospectus, we have not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development or other services with us.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to various types of market risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures on a regular basis to ensure appropriate measures are implemented on a timely and effective manner.

Foreign exchange risk

The primary economic environment which most of our principal subsidiaries operate is the PRC and their functional currency is RMB. However, certain of our cash and cash equivalents and amounts due to shareholders are denominated in US\$. The foreign exchange risk of HK\$ is not significant to us as only a small portion of our cash and cash equivalents and transactions are denominated in HK\$.

The carrying amount of our foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets				
US\$	<u>2,258</u>	<u>5,580</u>	<u>1,329</u>	<u>4,797</u>
Liabilities				
US\$	<u>162,116</u>	<u>168,951</u>	<u>129,098</u>	<u>—</u>

We currently do not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

FINANCIAL INFORMATION

Interest rate risk

Our cash flow interest rate risk relates primarily to its variable rate bank borrowings. Our fair value interest rate risk relates primarily to fixed rate bank borrowings. We currently do not have a specific policy to manage our interest rate risk, but will closely monitor the interest rate risk exposure in the future.

Credit risk

Our maximum exposure to credit risk which will cause a financial loss to us due to failure to discharge an obligation by the counterparties is arising from:

- (a) the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period; and
- (b) the amounts of contingent liabilities in relation to financial guarantee issued by the Group.

We have no significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers in the PRC.

We typically provide guarantees to banks in connection with our customers' mortgage loans to finance their purchase of the properties. If a purchaser defaults on the payment of its mortgage during the term of guarantee, the bank may demand us to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, we are able to forfeit the customer's deposit and re-sell the property to recover any amounts payable by us to the bank. In this regard, we consider that our credit risk is significantly reduced.

We have concentration of credit risk in respect of bank balances. At 31 December 2009, 2010 and 2011 and 30 June 2012, approximately 83%, 77%, 53% and 71% of our bank balances were deposited at 4, 3, 1 and 3 banks respectively, representing deposits at each bank with a balance exceeding 10% of total restricted bank deposits and bank balances. The credit risk of these liquid funds is limited because the counterparties are state-owned banks located in the PRC or banks with high credit ratings assigned by international credit-rating agencies.

We have concentration of credit risk in respect of amount due from Nanjing Golden Wheel Real Estate, which was then wholly-owned by the Wong Family. On 16 January 2012, we entered into an agreement with the Wong Family to acquire from the Wong Family all the equity interest in Nanjing Golden Wheel Real Estate, which was completed in June 2012 as a part of the Reorganization. Upon the completion of the Reorganization, Nanjing Golden Wheel Real Estate has become one of our wholly-owned subsidiaries. We believe that our credit risk in this regard is insignificant.

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Liquidity risk

We have built an appropriate liquidity risk management framework for short-term funding and liquidity management requirements. We manage liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows.

DIVIDEND POLICY

No dividends have been paid or declared by our Company since its date of incorporation.

Prior to the Reorganization, Golden Wheel International Investment had declared and paid dividend in an amount of RMB54.1 million to its then shareholders during the year ended 31 December 2011. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of this prospectus.

After completion of the Global Offering, our Shareholders will be entitled to receive dividends declared by us. The recommendation of the payment of dividend is subject to the discretion of the Board, and, after the Global Offering, any declaration of final dividend for the year will be subject to the approval of the Shareholders. Our Directors may recommend a payment of dividend in the future after taking into account our operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of the dividend will be subject to, among other things, our constitutional documents and the Cayman Islands Companies Law, including the approval of the Shareholders of our Company. Any future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Directors.

Future dividend payments will also depend upon the availability of dividends received from our subsidiary in the PRC. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiary may also be restricted if it incurs debt or losses or pursuant to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries and associated companies may enter into in the future.

Furthermore, subject to the limitations mentioned above, and in the absence of circumstances which might affect the amount of available distributable reserves, whether by losses or otherwise, our Board currently intends to distribute to our Shareholders as dividends no less than 30% of our distributable profit (excluding net fair value gains or losses on investment properties) for each of the years ending 31 December 2012 and 2013, respectively. Our Directors will declare dividends, if any, in Hong Kong dollars with respect to Shares on a per Share basis and we will pay such dividends in Hong Kong dollars.

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DISTRIBUTABLE RESERVES

As of 30 June 2012, the distributable reserves of our Company (representing our capital reserve of RMB698.2 million as of 30 June 2012) available for distribution amounted to RMB698.2 million.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2012

In accordance with the Group's accounting policy, investment properties are carried at fair value. As a result, included in the following forecast consolidated profit attributable to owners of the Company for the year ending 31 December 2012 was a fair value gain (net of deferred tax) on investment properties for the year ending 31 December 2012 of RMB 56.25 million which was estimated by our Directors. The actual fair value of the investment properties as of 31 December 2012 and consequently any fair value increase or decrease on investment properties for the year ending 31 December 2012 may differ materially from the present forecast as they depend on, among other things, market conditions as of 31 December 2012 and/or other future events that are beyond the Group's control. Should the increase or decrease in actual fair value of the investment properties differ from the amount presently estimated by our Directors, such difference would have the effect of increasing or decreasing the consolidated profit of the Group for the year ending 31 December 2012 attributable to equity holders of the Company.

Forecast consolidated net profit attributable to the owners of our Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012	Not less than RMB213.93 million
Add: fair value gain (net of deferred tax) on investment properties for the year ending 31 December 2012	RMB56.25 million
Forecast consolidated net profit attributable to the owners of our Company	Not less than RMB270.18 million
Unaudited pro forma forecast basic earnings per Share ⁽¹⁾	RMB0.15

Note:

- (1) The unaudited pro forma forecast basic earnings per Share is based on (i) the forecast consolidated net profit attributable to owners of our Company for the year ending 31 December 2012, the bases and assumptions of which are summarized in Section A of Appendix III to this prospectus, and (ii) the weighted average of 1,799,968,832 Shares in issue and outstanding during the year ending 31 December 2012.

The calculation of the weighted average number of 1,799,968,832 Shares has taken into account the Shares issued and outstanding for the period from 1 January 2012 up to the date of the prospectus, 450,000,000 Shares to be issued pursuant to the Global Offering and 1,348,000,000 Shares to be issued pursuant to the Capitalization Issue, assuming that the Global Offering, Capitalization Issue and

FINANCIAL INFORMATION

Reorganization had been completed on 1 January 2012, and does not take into account any Shares that may be issued pursuant to the Share Option Scheme or Issuing Mandate or the exercise of the Over-allotment Option, or any Shares which may be repurchased pursuant to the Repurchase Mandate.

The forecast consolidated net profit attributable to owners of our Company for the year ending 31 December 2012 has not taken into account any interest income that would have been earned if the proceeds from the Global Offering had been received by the Company on 1 January 2012.

- (2) In view of the uncertainty and uncountable possibilities of actual fair value change of the Group's investment properties, the following unaudited pro forma financial information has been prepared by excluding fair value change of the Group's investment properties during the year ending 31 December 2012. The basis and assumptions of the calculation are the same as those set out in note (1) above except that the numerator is now based on forecast consolidated net profit attributable to the owners of our Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012.

Forecast consolidated net profit attributable to the owners of our Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012	Not less than RMB213.93 million
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Unaudited pro forma forecast basic earnings before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012 per Share	RMB0.12
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SENSITIVITY ANALYSIS ON INVESTMENT PROPERTIES

The table below summarizes the sensitivity analysis of the impact of the change in fair values of investment properties on our forecast net profit:

Change in fair values of investment properties	-5%	-10%	+5%	+10%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Decrease) increase in fair value of investment properties	(161,530)	(323,060)	161,530	323,060
(Decrease) increase in net profit	(121,148)	(242,295)	121,148	242,295
% of (decrease) increase in net profit	(44.8%)	(89.7%)	44.8%	89.7%

Our Directors adopt a 5% and 10% range of increment/decrement to the base case in the sensitivity analysis above in respect of the change of fair value of our Group's investment properties (including Golden Wheel International Plaza, Golden Wheel Waltz and Golden Wheel Time Square) during the Track Record Period. In respect of Golden Wheel International Plaza and Golden Wheel Waltz, which were completed projects during the Track Record Period, we made reference to their CAGR of approximately 6.0% and 5.4%, respectively, from 2009 to 2011 and the growth rate of approximately 10.4% and 7.7%, respectively, between 30 June 2011 and 30 June 2012. For Golden Wheel Time Square, which was a project completed after 31 December 2011, we made reference to its growth rate of approximately 2.3% between 31 December 2011 and 30 June 2012. In addition, we take into account certain factors which

FINANCIAL INFORMATION

may impact the fair value of our investment properties including the change of historical rental and selling price of our projects, the historical real estate market growth in Nanjing and Zhuzhou, the prevailing market rental price of nearby comparable properties and the overall economic and regulatory environment in China.

Our Directors consider that it is not meaningful to present the sensitivity analysis of the changes in the average selling price and GFA to be sold as all properties to be delivered by 31 December 2012 have been pre-sold, and hence the selling prices and GFA to be sold have been fixed in the pre-sale contracts entered into between our Group and our customers.

UNAUDITED PRO FORMA NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of our Group attributed to owners of our Company prepared in accordance with Rule 4.29 of the Listing Rules is for illustration purpose only, and is set out here to illustrate the effect of the Global Offering on net tangible assets as at 30 June 2012 as if it had taken place on 30 June 2012.

The unaudited pro forma statement of adjusted net tangible assets of our Group attributed to owners of our Company has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group attributed to owners of our Company as at 30 June 2012 or any future date following the Global Offering. It is prepared based on the consolidated net assets of our Group attributed to owners of our Company as at 30 June 2012 as set out in the Accountants' Report contained in Appendix I to this prospectus and adjusted as described below. The unaudited pro forma statement of adjusted net tangible assets of our Group attributed to owners of our Company does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Audited consolidated net tangible assets of our Group attributable to owners of our Company as at 30 June 2012 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share ⁽³⁾	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$⁽⁴⁾</i>
Based on an Offer					
Price of HK\$1.38 per Offer Share	2,640,968	468,808	3,109,776	1.73	2.13
Based on an Offer					
Price of HK\$1.72 per Offer Share	2,640,968	587,816	3,228,784	1.79	2.20

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of our Company as at 30 June 2012 is extracted from the Accountants' Report set out in Appendix I to this prospectus.

FINANCIAL INFORMATION

- (2) The estimated net proceeds from the Global Offering are based on 450,000,000 Shares to be issued under the Global Offering and the Offer Price of HK\$1.38 per Offer Share and HK\$1.72 per Offer Share, being the lower end and higher end of the stated Offer Price range, after deduction of the underwriting fees and other related expenses (excluding approximately RMB9.0 million listing-related expense which has been accounted for prior to 30 June 2012) payable by our Company in connection with the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at the rate of HK\$1.00 to RMB 0.8120. No representation is made that the Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per Share is calculated based on 1,800,000,000 Shares expected to be in issue immediately following the completion of the Global Offering. It does not take into account of any Shares that may be issued pursuant to the Share Option Scheme or Issuing Mandate or the exercise of the Over-allotment Option, or any Shares which may be repurchased pursuant to the Repurchase Mandate.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB 0.8120. No representation is made that the Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
- (5) By comparing the valuation of our property interests as set out in Appendix IV to this prospectus the net valuation surplus is approximately RMB144.2 million as compared to the carrying amounts of our Group's property interests as at 30 September 2012, which has not been included in the above consolidated net tangible assets attributable to owners of our Company. The valuation surplus of our property interests will not be incorporated in our Group's consolidated financial statements in the future. If the valuation surplus were to be included in our consolidated financial statements, an additional annual depreciation charge of approximately RMB5,233,000 would be incurred.

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

The value of our property interests as of 30 September 2012 as valued by CBRE, an independent property valuer, was RMB5,180.0 million. There was a net revaluation surplus, representing the excess market value of the properties over their book value as of 30 June 2012 (after adjusting for properties acquired or sold during the period from 1 July 2012 to 30 September 2012). Further details of our property interests and the text of the letter and valuation certificates of these property interests prepared by CBRE are set out in Appendix IV to this prospectus.

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Disclosure of the reconciliation of the valuation of the interests in properties attributable to us as of 30 September 2012 and such property interests in our consolidated statements of financial position as of 30 June 2012 as required under Rule 5.07 of Listing Rules is set forth below:

	<u>RMB in millions</u>
Net book value as of 30 June 2012	
Buildings included in property, plant and equipment	102.0
Properties under development	701.9
Completed properties for sales	187.7
Investment properties	<u>3,208.6</u>
Movement for the period from 1 July 2012 to 30 September 2012 ⁽¹⁾	<u>3.5</u>
Net book values of 30 September 2012	4,203.7
Valuation surplus	<u>976.3</u>
Valuation as of 30 September 2012	<u><u>5,180.0</u></u>

Note:

- (1) Movement for the period from 1 July 2012 to 30 September 2012 mainly represented RMB85.6 million of costs incurred for construction of properties under development and investment properties, offset by sales of completed properties, depreciation and amortization.

NO MATERIAL ADVERSE CHANGE

We expect that our revenue and net profit for the six months ending 31 December 2012 will decrease by more than 50% from the six months ended 30 June 2012. Our Directors confirm that, up to the date of this prospectus, there has been no other material adverse change in our financial or trading position or prospects since 30 June 2012, being the date to which our latest audited financial statements were prepared.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there are no circumstances which would give rise to a disclosure required under Rule 13.13 to 13.19 of the Listing Rules upon the listing of our Shares on the Hong Kong Stock Exchange.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please see the section headed “Business — Our Business Strategy” in this prospectus for a detailed description of our future plans.

As of 30 September 2012, we had approximately 193,368 sq.m. in GFA under development. We estimate that we will incur approximately RMB338.8 million to complete the properties under development. We have also entered into non-binding letters of intent with certain local governmental authorities or third parties to develop several potential projects. For more details, please see the section headed “Business — Our Property Projects — Potential Development Projects”. We intend to use a portion of our net proceeds from this Global Offering to finance the projects under development and the potential development projects, with the remainder to be financed by our operating cash inflow (mainly pre-sale proceeds of our projects) and, if required, bank loans.

USE OF PROCEEDS

We estimate the net proceeds from the Global Offering accruing to us (after deduction of underwriting fees and commissions and estimated expenses together with brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable by us in relation to the Global Offering, assuming the Over-allotment Option is not exercised) to be approximately HK\$639.70 million, assuming an Offer Price of HK\$1.55 per Offer Share (being the mid-point of the indicative Offer Price range between HK\$1.38 per Share to HK\$1.72 per Offer Share) (or if the Over-allotment Option is exercised in full, approximately HK\$739.93 million, assuming an Offer Price of HK\$1.55 per Offer Share).

We plan to use our net proceeds of HK\$639.70 million from the Global Offering, assuming a mid-Offer Price of HK\$1.55 per Offer Share, as follows:

- 50%, representing approximately HK\$319.85 million, to finance new projects, including the land acquisition and preliminary construction costs of potential development projects for which we have entered into letter of intent. For more details of these potential development projects, see “Business — Our Property Projects — Potential Development Projects”.

If we cannot obtain the land use right of, or decides not to proceed with, any of these potential development projects, we will continue to explore other potential development projects and utilize the proceeds from the Global Offering to expand our operations;

- 40%, representing approximately HK\$255.88 million, to finance the development of our projects under development, including:
 - (a) HK\$108.93 million for the construction of Golden Wheel Star Plaza (金輪星光名座);

FUTURE PLANS AND USE OF PROCEEDS

- (b) HK\$73.53 million for the construction of Phase II of Golden Wheel Star City (金輪星城二期);
- (c) HK\$61.21 million for the construction of Golden Wheel New Metro (金輪新都匯);
- (d) HK\$12.21 million for the construction of Nanjing Jade Garden (南京翡翠名園);
and
- 10%, representing approximately HK\$63.97 million, for working capital and other general corporate purposes.

To the extent that the Offer Price is higher or lower than the mid-point of the indicative Offer Price range as described above, our Directors will adjust the above planned use of proceeds on a pro rata basis. If the Offer Price is determined at the high-end of the indicative Offer Price range, the amount of net proceeds will increase by HK\$73.281 million. If the Offer Price is determined at the low-end of the range, the amount of net proceeds will decrease by HK\$73.281 million.

The additional net proceeds we will receive if the Over-allotment Option is exercised in full will be approximately HK\$101.28 million, assuming an Offer Price of HK\$1.55 per Offer Share, being the mid-point of the indicative offer price range. Our Directors intend to apply the additional net proceeds to finance new projects.

To the extent that the net proceeds to us from the Global Offering are not immediately applied to the above purposes, we will invest the net proceeds in short-term demand deposits or money market instruments with reputable commercial banks in China or Hong Kong.

We plan to inject the proceeds from the Global Offering to our projects through capital increase in our PRC subsidiaries. We are required to obtain the relevant approvals from the relevant PRC authorities for such injection and we will apply for such approvals as soon as possible upon completion of the Global Offering. As advised by our PRC legal advisors, Jun He Law Offices, there is no legal impediment for us to obtain the relevant approvals subject to our compliance with the procedural requirements under the relevant PRC laws and regulations and the approval process will typically take one to two months.

UNDERWRITING

HONG KONG UNDERWRITERS

BNP Paribas Capital (Asia Pacific) Limited
BOCI Asia Limited
China Everbright Securities (HK) Limited

THE HONG KONG PUBLIC OFFERING

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is initially offering 45,000,000 Hong Kong Public Offer Shares for subscription under the Hong Kong Public Offering on the terms and subject to the conditions set out in this prospectus and the Application Forms.

Subject to (i) the Listing Committee granting listing of, and permission to deal in, the existing issued Shares, the Shares to be issued pursuant to the Capitalization Issue and the Global Offering and the Shares to be issued upon the exercise of any options which may be granted pursuant to the Share Option Scheme; and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Joint Bookrunners (on behalf of the Underwriters) and us agreeing on the Offer Price), the Hong Kong Underwriters have severally but not jointly agreed to subscribe or procure subscribers for their respective applicable proportions (set out in the Hong Kong Underwriting Agreement) of the Hong Kong Public Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering, on the terms and subject to the conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement becoming, and continuing to be, unconditional in accordance with its terms (other than any condition for the Hong Kong Underwriting Agreement to become unconditional) and not having been terminated in accordance with its terms or otherwise.

Grounds for termination of the Hong Kong Underwriting Agreement

The Joint Bookrunners, at their sole and absolute discretion, may, for themselves and on behalf of the Hong Kong Underwriters, upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if any of the following events occurs at or prior to 8:00 a.m. on the Listing Date:

- (a) there has come to the notice of the Joint Bookrunners:
 - (i) that any statement contained in any of this prospectus, the Application Forms, the formal notice and any announcement(s) or amendment(s) issued by or on

UNDERWRITING

behalf of our Company in connection with the Hong Kong Public Offering considered by the Joint Bookrunners (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering, was, when it was issued, or has become, untrue, inaccurate or incorrect in any material respect or misleading in any respect or that any forecast, expression of opinion, intention or expectation expressed in any of the aforesaid documents is not, in the sole and absolute opinion of the Joint Bookrunners, in all respects, fair and honest and based on reasonable assumptions, when taken as a whole; or

- (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission therefrom considered by the Joint Bookrunners (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering; or
- (iii) any breach, considered by the Joint Bookrunners (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering, of any of the obligations imposed upon any party (other than the Sole Global Coordinator, the Joint Bookrunners or any Hong Kong Underwriters) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than on the part of any of the Underwriters); or
- (iv) any event, act or omission which gives or is likely to give rise to any liability of any of the Company and the Warranting Shareholders under the Hong Kong Underwriting Agreement considered by the Joint Bookrunners in their sole and absolute opinion (for itself and on behalf of the other Hong Kong Underwriters) to be material in the context of the Global Offering; or
- (v) any change or development involving a prospective change in the conditions, assets, liabilities, business affairs, prospects, profits, losses or the financial or trading position or performance of any member of our Group considered by the Joint Bookrunners (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering; or
- (vi) any breach of, or any event rendering untrue, inaccurate or incorrect in any material respect or misleading in any respect, any of the Warranties considered by the Joint Bookrunners (for themselves and on behalf of the other Hong Kong Underwriters) in their sole and absolute opinion to be material in the context of the Global Offering; or

UNDERWRITING

- (vii) the approval by the Listing Committee of the listing of, and permission to deal in, the Shares is refused or not granted, other than subject to customary conditions, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (viii) our Company withdraws any of, among other things, this prospectus, the Application Forms, the offering circular for the International Offering (and any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or the Global Offering; or
 - (ix) any person (other than the Sole Global Coordinator, the Joint Bookrunners and any of the Hong Kong Underwriters) has withdrawn or sought to withdraw its consent to being named in any of, among other things, this prospectus, the Application Forms and the offering circular for the International Offering or to the issue of any of such documents; or
- (b) there shall develop, occur, exist or come into effect:
- (i) any event, or series of events, in the nature of force majeure beyond the reasonable control of the Underwriters (including, without limitation, acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, earthquake, nuclear leakage, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, Avian influenza (H5N1), swine flu (H1N1) or such related or mutated forms or interruption or delay in transportation) in or affecting any of Hong Kong, the PRC, the United States, the United Kingdom, Japan, the European Union (or any member thereof), the Cayman Islands, the British Virgin Islands or any other jurisdictions relevant to any member of our Group (together, the “**Specific Jurisdictions**”); or
 - (ii) any change or development involving a prospective change, or any event or series of events likely to result in any change or development involving a prospective change, in local, regional, national, international, financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions (including without limitation any moratorium, suspension or restriction on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Tokyo Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, or a material fluctuation in the exchange rate of the Hong Kong dollar against any foreign currency, or any interruption in monetary or trading or securities settlement or clearance services or procedures in or affecting Hong Kong or any of the Specific Jurisdictions); or

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- (iii) any new Law (as defined in the Hong Kong Underwriting Agreement) or change or development involving a prospective change in existing Laws or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any of the Specific Jurisdictions; or
- (iv) any general moratorium on commercial banking activities in Hong Kong, New York, Japan, the European Union (or any member thereof) or the PRC or a material disruption in commercial banking or securities settlement or clearance services in any of the Specific Jurisdictions; or
- (v) the imposition of economic sanctions, in whatever form, directly or indirectly, on or against or affecting any of the Specific Jurisdictions; or
- (vi) a change or development occurs involving a prospective change in taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment Laws in any of the Specific Jurisdictions or affecting an investment in the Shares; or
- (vii) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (viii) any litigation or claim of any third party being threatened or instigated against any member of our Group or any Warranting Shareholders; or
- (ix) a Director being charged with an indictable offence or prohibited by operation of Law or otherwise disqualified from taking part in the management of a company; or
- (x) the chairman or chief executive officer or chief financial officer of our Company or any Director vacating his/her office; or
- (xi) the commencement by any governmental, regulatory or political body or organisation of any public action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organisation that it intends to take any such action; or
- (xii) a contravention by any member of our Group of the Companies Ordinance or any of the Listing Rules or the applicable Laws; or
- (xiii) a governmental or regulatory or contractual or judicial prohibition on our Company for whatever reason from allotting the Offer Shares pursuant to the terms of the Global Offering; or

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- (xiv) non-compliance of this prospectus, the offering circular for the International Offering (or any other documents used in connection with the subscription and purchase of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (xv) other than with the prior consent of the Joint Bookrunners, the issue or requirement to issue by our Company of a supplementary prospectus (or any other documents used in connection with the subscription or sale of the Offer Shares) pursuant to the Companies Ordinance or the Listing Rules; or
- (xvi) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (xvii) any material loss or damage sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xviii) a petition or an order is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group,

which in each case or in aggregate in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Hong Kong Underwriters):

- (a) is or will or could be expected to have a material adverse effect on the general affairs, management, business, financial, trading or other condition or prospects or risks of our Company or any member of our Group taken as a whole; or
- (b) has or will have or could be expected to have a material adverse effect on the success of the Global Offering; or
- (c) makes it inadvisable, inexpedient or impracticable for the Global Offering to proceed; or
- (d) would have the effect of making any part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement and the agreement to be entered into for the purpose of determining the Offer Price (including underwriting) or the Global Offering incapable of being performed or implemented as envisaged.

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Undertakings to the Hong Kong Stock Exchange under the Listing Rules

(A) Undertaking by us

Under Rule 10.08 of the Listing Rules, we have undertaken to the Hong Kong Stock Exchange that we will not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the commencement of dealing), except under the Global Offering or pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme or for the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertaking by the Controlling Shareholders

In accordance with Rule 10.07(1)(a) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Hong Kong Stock Exchange and our Company that, save as disclosed in this prospectus and except pursuant to the Global Offering (including pursuant to the Stock Borrowing Agreement) or the Over-allotment Option, it/he/she will not, and will procure that none of its/his/her controlled companies or associates will (a) at any time during the period commencing from the date of this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interest or encumbrances in respect of, any of the Shares in respect of which it/he/she is shown by this prospectus to be the beneficial owners; and (b) at any time during the period of six months from the date on which the period referred to in paragraph (a) expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of its/his/her Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she will, directly or indirectly or together with other Controlling Shareholders cease to be controlling shareholder of our Company.

Note (2) of Rule 10.07 of the Listing Rules provides that the rule does not prevent a controlling shareholder from using the shares beneficially owned by it as securities (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan. Each of our Controlling Shareholders has further undertaken to the Hong Kong Stock Exchange and our Company that it/he/she will, from the date of this prospectus and ending on the date which is 12 months from the Listing Date, immediately inform us of:

- (a) any pledges or charges of any securities of our Company beneficially owned by it/him/her in favor of any authorized institution as permitted under the Listing Rules, and the number of such securities so pledged or charged; and
- (b) any indication received by it/him/her, whether verbal or written, from any pledgee or chargee that any of the pledged/charged securities will be disposed of.

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We will also inform the Hong Kong Stock Exchange as soon as we have been informed of the above matters (if any) by any of our Controlling Shareholders and disclose such matters by way of an announcement as soon as possible after being so informed by any of our Controlling Shareholders.

Undertakings under the Hong Kong Underwriting Agreement

(A) Undertaking by us

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken with each of the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, and the Warranting Shareholders have undertaken to procure that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option) and options which may be granted under a share option scheme or with the prior written consent of the Sole Global Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) our Company will not, and will procure that our subsidiaries will not, allot or issue, or agree to allot or issue, Shares or other equity securities of our Company or grant or agree to grant any options, warrants, or other rights to subscribe for or convertible or exchangeable into Shares or other equity securities of our Company or repurchase Shares or other equity securities of our Company or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequence of ownership of any Shares or other equity securities of the Company or offer to or agree to do any of the foregoing or announce any intention to do so from the date of the Hong Kong Underwriting Agreement up to the expiry of the six months immediately following the Listing Date (the “**First Six Months Period**”); and
- (b) our Company will ensure that if any of the transactions described in paragraph (a) are carried out during the period of six months immediately following the expiry of the First Six Months Period (the “**Second Six Months Period**”), we will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of our Company.

(B) Undertaking by the Warranting Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of the Warranting Shareholders has jointly and severally undertaken to each of our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the stock borrowing agreement to be entered into between the Sole Global Coordinator and Golden Wheel Realty:

- (a) during the First Six Months Period, it/he/she shall not, and shall procure that the relevant registered holder(s) and its/his/her associates and companies controlled by it/him/her and any nominee or trustee holding in trust for it/him/her shall not, without the prior written consent of the Sole Global Coordinator and unless in compliance

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with the requirements of the Listing Rules, (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of the Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities (together, the “**Relevant Securities**”); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities, in cash or otherwise; (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) or (ii) above; or (iv) announce any intention to enter into or effect any of the transactions referred to in paragraphs (i), (ii) or (iii) above;

- (b) it/he/she shall not, and shall procure that the relevant registered holder(s) and its/his/her associates or companies controlled by it/him/her and any nominee or trustee holding in trust for it/him shall not, during the Second Six Months Period, without the prior written consent of the Sole Global Coordinator and unless in compliance with the Listing Rules, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Relevant Securities held by it/him/her or any of its/his/her associates or companies controlled by it/him/her or any nominee or trustee holding in trust for it/him/her if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she would, directly or indirectly, cease to be a controlling shareholder (as defined in the Listing Rules) of our Company or together with the other Controlling Shareholders cease to be a controlling shareholder (as defined in the Listing Rules) of our Company;
- (c) in the event of a disposal of any Relevant Securities or securities of our Company or any interest therein within the Second Six Months Period, it/he/she shall consult with the Sole Global Coordinator in advance and take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for any Shares or other securities of our Company; and
- (d) it/he/she shall, and shall procure that its/his/her associates and companies controlled by and nominees or trustees holding in trust for it/him/her shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it/him/her or by the registered holder controlled by it/him/her of any Shares.

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Each of the Warranting Shareholders has further undertaken to each of our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, from the date of the Hong Kong Underwriting Agreement up to the expiry of the first 12 months from the Listing Date, it/he/she will:

- (a) when it/he/she pledges or charges any securities or interests in the Relevant Securities, immediately inform our Company and the Sole Global Coordinator in writing of such pledges or charges together with the number of securities and nature of interest so pledged or charged; and
- (b) when it/he/she receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged securities or interests in the securities of our Company will be sold, transferred or disposed of, immediately inform our Company and the Sole Global Coordinator in writing of such indications.

(C) Undertaking by the other Controlling Shareholders

Each of the Controlling Shareholders (other than the Warranting Shareholders) has also severally provided to each of our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters the similar undertaking as those provided by the Warranting Shareholders as set out in (B) above.

(D) Indemnity by the Company and the Warranting Shareholders

Each of the Company and the Warranting Shareholders has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer, including (among other things) losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of the Company and the Warranting Shareholders of the Hong Kong Underwriting Agreement.

Commission

The Hong Kong Underwriters will receive a commission of 3.2% of the aggregate Offer Price of all the Hong Kong Public Offer Shares less any unsubscribed Hong Kong Public Offer Shares reallocated to the International Offering and ignoring for this purpose any Hong Kong Public Offer Shares reallocated from the International Offering due to over-subscription, out of which the Hong Kong Underwriters will pay any sub-underwriting commission. The underwriting commission for such reallocated Shares in each case will be payable to the International Underwriters in accordance with the International Underwriting Agreement.

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THE INTERNATIONAL OFFERING

In connection with the International Offering, it is expected that our Company and our Warranting Shareholders will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, it is expected that the International Underwriters would, subject to certain conditions, severally and not jointly, agree to subscribe for or purchase, or to procure subscribers to subscribe for or purchasers to purchase, their respective applicable proportions (set out in the International Underwriting Agreement) of the International Offer Shares being offered pursuant to the International Offering.

Under the International Underwriting Agreement, our Company is expected to grant to the Joint Bookrunners the Over-allotment Option, exercisable by the Sole Global Coordinator (on behalf of the Joint Bookrunners and after notification to the Joint Bookrunners) at any time from the Listing Date until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to 67,500,000 additional Shares, representing 15% of the number of Offer Shares initially available under the Global Offering. These Shares will be sold at the Offer Price per Share (plus brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005% of the Offer Price) and will be for the purpose of, among other things, covering over-allocations, if any, in the International Offering. An announcement will be made in the event that the Over-allotment Option is exercised.

It is expected that the International Underwriting Agreement will be conditional on and subject to, among other things, the Hong Kong Underwriting Agreement having been executed, becoming unconditional and not having been terminated.

TOTAL COMMISSIONS AND EXPENSES

Assuming an Offer Price of HK\$1.55 per Share (being the mid-point of the indicative Offer Price range stated in this prospectus), the aggregate commissions and fees, together with the Hong Kong Stock Exchange listing fee, SFC transaction levy and Hong Kong Stock Exchange trading fee, legal and other professional fees, printing and other expenses payable by the Company relating to the Global Offering, are estimated in aggregate to be approximately HK\$57.80 million in total (assuming the Over-allotment Option is not exercised) or HK\$62.20 million (assuming the Over-allotment Option is exercised in full).

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the Underwriters has any shareholding interests in our Company or any of our subsidiaries or any right or options (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

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ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as “**Syndicate Members**”, may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them (except for the Sole Global Coordinator and its affiliates as the Stabilizing Manager) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases. All of these activities may occur both during and after the end of the stabilizing period described under the section headed “Structure of the Global Offering — Stabilization”. These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

STRUCTURE OF THE GLOBAL OFFERING

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$1.72 per Offer Share and is expected to be not less than HK\$1.38 per Offer Share, unless otherwise announced by no later than the morning of the last day for lodging applications under the Hong Kong Public Offering as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you must pay the maximum Offer Price of HK\$1.72 per Offer Share plus a 1.0% brokerage fee, 0.005% Hong Kong Stock Exchange trading fee and 0.003% SFC transaction levy. This means that, for one board lot of 2,000 Offer Shares, you should pay HK\$3,474.67 at the time of your application. If the Offer Price, as finally determined in the manner described below, is lower than HK\$1.72 per Offer Share, we will refund the respective difference, including the brokerage fee, Hong Kong Stock Exchange trading fee and SFC transaction levy attributable to the surplus application monies. We will not pay interest on any refunded amounts. You may find further details in the section headed “How to Apply for Hong Kong Public Offer Shares” in this prospectus.

DETERMINATION OF THE OFFER PRICE

We expect the Offer Price to be fixed by agreement among us and the Joint Bookrunners (on behalf of the Underwriters) on the Price Determination Date when market demand for the Offer Shares will be determined. We expect the Price Determination Date to be on or around 8 January 2013 and in any event, no later than 11 January 2013. The Offer Price will not be more than HK\$1.72 per Offer Share and is expected to be not less than HK\$1.38 per Offer Share. You should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Joint Bookrunners, on behalf of the Underwriters, may, where considered appropriate based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process reduce the number of Offer Shares and/or the indicative Offer Price range below that described in this prospectus prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will as soon as practicable following the decision to make such reduction and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering publish a notice in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) of the reduction in the number of Offer Shares and/or the indicative Offer Price range. Such notice will also be available at the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.gwtd.com.hk.

Upon issue of such a notice, the revised number of Offer Shares and/or offer price range will be final and conclusive and the Offer Price, if agreed upon among the Joint Bookrunners (on behalf of the Underwriters) and us will be fixed within such revised offer price range. In this notice, we will also confirm or revise, as appropriate, the working capital statement as currently disclosed in “Financial Information — Liquidity and capital resources — Working capital” in this prospectus, the offering statistics as currently disclosed in the section

STRUCTURE OF THE GLOBAL OFFERING

headed “Summary” in this prospectus, the use of proceeds in the section headed “Future Plans and Use of Proceeds” and any other financial information which may change as a result of such reduction. If you have already submitted an application for Hong Kong Public Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application, even if the number of Offer Shares and/or the offer price range is reduced. If we do not publish a notice in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) of a reduction in the number of Offer Shares and/or the indicative Offer Price range stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed upon by us, will be within the indicative Offer Price range as stated in this prospectus.

If we are unable to reach an agreement with the Joint Bookrunners (on behalf of the Underwriters) on the Offer Price by 11 January 2013, the Global Offering will not proceed and will lapse.

We expect to publish an announcement of the Offer Price, together with the level of interest in the International Offering and the level of applications and the basis of allocation of the Hong Kong Public Offer Shares, on Tuesday, 15 January 2013.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, among other things:

- the Listing Committee granting the listing of and permission to deal in our Shares in issue and to be issued as described in this prospectus, and such listing and permission not having been subsequently revoked prior to the commencement of dealings in our Shares on the Hong Kong Stock Exchange;
- the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and
- the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and such obligations not being terminated in accordance with the terms of the respective agreements,

in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date that is 30 days after the date of this prospectus.

The consummation of each of the International Offering and the Hong Kong Public Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

STRUCTURE OF THE GLOBAL OFFERING

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will not proceed and will lapse and the Hong Kong Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Global Offering in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the day after such lapse.

In the above situation, we will return all application monies to the applicants, without interest and on the terms described in the section headed “How to Apply for Hong Kong Public Offer Shares — Refund of application monies” in this prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving banks or other banks licensed under the Banking Ordinance.

We expect to dispatch share certificates for the Offer Shares on Tuesday, 15 January 2013. However, these share certificates will only become valid certificates of title at 8:00 a.m. on Wednesday, 16 January 2013 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting” in this prospectus has not been exercised.

The Global Offering

Our Global Offering consists of the Hong Kong Public Offering and the International Offering. We intend to initially make available up to 450,000,000 Offer Shares under the Global Offering, of which 405,000,000 Offer Shares will be conditionally placed at the Offer Price pursuant to the International Offering and the remaining 45,000,000 Offer Shares will be offered to the public in Hong Kong at the Offer Price under the Hong Kong Public Offering subject, in each case, to reallocation on the basis described under “The Hong Kong Public Offering” below. The 450,000,000 Offer Shares in the Global Offering will represent 25% of our enlarged share capital immediately after the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised).

You may apply for Offer Shares under the Hong Kong Public Offering or indicate an interest for Offer Shares under the International Offering, but you may not apply in both offerings for the Offer Shares.

In other words, you may only apply for and receive either Hong Kong Public Offer Shares under the Hong Kong Public Offering or International Offer Shares under the International Offering, but not under both offerings. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. The International Offering will involve private placements of the International Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves

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dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to the Price Determination Date.

Allocation

Allocation of the International Offer Shares to investors under the International Offering will be determined by the Joint Bookrunners and will be based on a number of factors including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not the relevant investor is likely to buy further, and/or hold or sell its International Offer Shares after the listing of our Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of an appropriate shareholder base to our benefit and the benefit of our shareholders as a whole.

Allocation of Hong Kong Public Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Public Offer Shares validly applied for by applicants. Although the allocation of Hong Kong Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offer Shares and that those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

Over-allotment

In connection with the Global Offering, our Company intends to grant the Over-allotment Option to the Joint Bookrunners. The Over-allotment Option gives the Joint Bookrunners the right, exercisable by the Global Coordinator (on behalf of the Joint Bookrunners and after notification to the Joint Bookrunners) at any time from the date of the International Underwriting Agreement, until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 67,500,000 additional Shares, representing in aggregate 15% of the initial size of the Global Offering at the Offer Price to cover, among other things, over-allocations in the International Offering, if any. In the event that the Over-allotment Option is exercised, we will make an announcement.

The Sole Global Coordinator may cover any over-allocations by using Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or through the stock borrowing arrangements mentioned below or by a combination of these means. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations in place in Hong Kong, including in relation to stabilization, the Securities and Futures (Price

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Stabilizing) Rules, as amended, made under the SFO. The number of Shares which can be over-allocated will not exceed the number of Shares which may be sold under the Over-allotment Option, namely 67,500,000 Shares, representing 15% of the Shares available under the Global Offering.

Stock Borrowing

In order to facilitate the settlement of over-allocations in connection with the International Offering, the Stabilizing Manager may choose to borrow Shares from Golden Wheel Realty under the Stock Borrowing Agreement, or acquire Shares from other sources.

If such stock borrowing arrangement is entered into, it will only be effected by the Stabilizing Manager, its affiliates or any person acting for it for settlement of over-allocations in the International Offering and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with. The same number of Shares so borrowed must be returned to Golden Wheel Realty or its nominees on or before the third Business Day following the earlier of (a) the last day on which the Over-allotment Option may be exercised, or (b) the day on which the Over-allotment Option is exercised in full and the relevant Offer Shares subject to the Over-allotment Option have been sold. The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Golden Wheel Realty by the Stabilizing Manager, its affiliates or any person acting for it in relation to such stock borrowing arrangement.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters and the International Offering is expected to be fully underwritten by the International Underwriters. The Hong Kong Public Offering and the International Offering are subject to the conditions described in the section headed “Underwriting” in this prospectus. In particular, we and the Joint Bookrunners (on behalf of the Underwriters), must agree on the Offer Price for the Global Offering. The Hong Kong Underwriting Agreement was entered into on 28 December 2012 and, is subject to an agreement on the Offer Price between the Joint Bookrunners (on behalf of the Underwriters) and us for purposes of the Hong Kong Public Offering. The International Underwriting Agreement (including the agreement on the Offer Price among us and the Joint Bookrunners (on behalf of the International Underwriters for purposes of the International Offering) is expected to be entered into on the Price Determination Date. The Hong Kong Underwriting Agreement and the International Underwriting Agreement are inter-conditional upon each other.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions provided in the Hong Kong Underwriting Agreement and described in “— Conditions of the Global Offering” above in this prospectus) for the subscription in Hong Kong of, initially, 45,000,000 Offer Shares at the Offer Price (representing 10% of the total number of the Offer Shares initially available under the Global Offering). Subject to the reallocation of Offer Shares between the International

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Offering and the Hong Kong Public Offering described below, the Hong Kong Public Offer Shares will represent 2.5% of our enlarged issued share capital immediately after completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised).

The total number of the Offer Shares available under the Hong Kong Public Offering is to be divided equally into two pools for allocation purposes:

- Pool A: The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with an aggregate subscription price of HK\$5,000,000 (excluding the brokerage, the Hong Kong Stock Exchange trading fee and the SFC transaction levy payable) or less; and
- Pool B: The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Public Offer Shares with an aggregate subscription price of more than HK\$5,000,000 (excluding the brokerage, the Hong Kong Stock Exchange trading fee and the SFC transaction levy payable) and up to the value of pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. For the purpose of this subsection only, the “subscription price” for the Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined).

Applicants can only receive an allocation of Hong Kong Public Offer Shares from either pool A or pool B but not from both pools. We will reject multiple applications between the two pools and reject multiple applications within pool A or pool B. In addition, any application for more than 50% of the 45,000,000 Offer Shares initially included in the Hong Kong Public Offering (that is, 22,500,000 Offer Shares) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Offer Shares under the International Offering, and such applicant’s application will be rejected if the said undertaking and/or confirmation is breached and/or untrue, as the case may be. We and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the Hong Kong Public Offering from investors who have indicated interest in or have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have applied for or have received Offer Shares in the Hong Kong Public Offering.

The allocation of our Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Currently, we have allocated 45,000,000 Shares to the Hong Kong Public Offering, representing 10% of our Shares initially available in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

If the number of Shares validly applied for under the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Offer Shares available for subscription under the Hong Kong Public Offering, then our Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of our Offer Shares available under the Hong Kong Public Offering will be increased to 135,000,000 Shares (in the case of (i)), 180,000,000 Shares (in the case of (ii)) and 225,000,000 Shares (in the case of (iii)), respectively, representing 30%, 40% and 50%, respectively, of the total number of Offer Shares available under the Global Offering (before any exercise of the Over-allotment Option). In addition, the Joint Bookrunners has the discretion to reallocate our Shares offered in the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Bookrunners may, in their discretion, reallocate to the International Offering all or any unsubscribed Shares offered in the Hong Kong Public Offering in such amount as they deem appropriate.

THE INTERNATIONAL OFFERING

The number of the Offer Shares to be initially offered for subscription and sale under the International Offering will be 405,000,000 Offer Shares, representing 90% of the Offer Shares initially available under the Global Offering and 22.5% of our enlarged issued share capital immediately after completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised).

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on our behalf by the International Underwriters or through selling agents appointed by them. International Offer Shares will be placed with certain professional and institutional investors and other investors anticipated to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering becoming unconditional.

The Joint Bookrunners (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor is excluded from any application of Hong Kong Public Offer Shares under the Hong Kong Public Offering.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public offer price of the securities. In Hong Kong and certain other jurisdictions, the stabilization price is not permitted to exceed the offer price.

STRUCTURE OF THE GLOBAL OFFERING

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate and/or effect any other transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period which begins on the Listing Date and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to expire on 7 February 2013. However, there is no obligation on the Stabilizing Manager, or its affiliates or any person acting for it to do this. Such stabilizing action, if taken, may be discontinued at any time, and must be brought to an end after a limited period. The number of Shares which can be over-allocated will not exceed the number of Shares which may be sold under the Over-allotment Option, namely 67,500,000 Shares, which is 15% of the Shares available under the Global Offering. For purposes of covering such over-allocations, the Stabilizing Manager may borrow from Golden Wheel Realty in the aggregate up to 67,500,000 Shares, which is equivalent to the maximum number of Shares to be allotted and issued upon exercise of the Over-allotment Option in full, pursuant to the Stock Borrowing Agreement.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules includes (a) primary stabilization, including purchasing, or agreeing to purchase, any of the Shares or offering or attempting to do so for the purpose of preventing or minimizing any reduction in the market price of the Shares, and (b) ancillary stabilization in connection with any primary stabilizing action, including: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price; (ii) selling or agreeing to sell Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price; (iii) purchasing or agreeing to purchase Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) selling or agreeing to sell Shares to liquidate a long position held as a result of those purchases or subscriptions; and (v) offering or attempting to do anything described in (ii), (iii) or (iv). The Stabilizing Manager may take any one or more of the stabilizing actions described above.

The Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Shares. There is no certainty regarding the extent to which and the time period for which the Stabilizing Manager will maintain any such position. In the event of any liquidation of any such long position, there may be an impact on the market price of the Shares. Investors should be aware that the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action. Stabilizing bids may be made or transactions effected in the course of stabilizing action at any price at or below the Offer Price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. Such transactions, if commenced, may be discontinued at any time.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

I. CHANNELS OF APPLICATION

There are three channels to make an application for the Hong Kong Public Offer Shares. You may apply for the Hong Kong Public Offer Shares by either (i) using a **WHITE** or **YELLOW** Application Form; or (ii) applying online through the designated website of the **White Form eIPO** Service Provider, referred herein as the “**White Form eIPO** service” or (iii) giving **electronic application instructions** to HKSCC to cause HKSCC Nominees to apply for Hong Kong Public Offer Shares on your behalf. Except where you are a nominee and provide the required information in your application, you or you and your joint applicant(s) may not make more than one application (whether individually or jointly) by applying on a **WHITE** or **YELLOW** Application Form or applying online through **White Form eIPO** service or by giving **electronic application instructions** to HKSCC.

II. WHO CAN APPLY FOR HONG KONG PUBLIC OFFER SHARES

You can apply for the Hong Kong Public Offer Shares available for subscription by the public on a **WHITE** or **YELLOW** Application Form if you or any person(s) for whose benefit you are applying, are an individual, and:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States; and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

If you wish to apply for Hong Kong Public Offer Shares online through the **White Form eIPO** service, in addition to the above you must also:

- have a valid Hong Kong identity card number, and
- be willing to provide a valid e-mail address and a contact telephone number.

You may only apply by means of the **White Form eIPO** service if you are an individual applicant. Corporations or joint applicants may not apply by means of **White Form eIPO** service. If the applicant is a firm, the application must be in the names of the individual members, not the firm’s name. If the applicant is a body corporate, the application form must be stamped with the company chop (bearing the company name) signed by a duly authorized officer, who must state his or her representative capacity.

If an application is made by a person duly authorized under a valid power of attorney, the Joint Bookrunners (or their respective agents or nominees) may accept the application at their discretion, and subject to any conditions they think fit, including production of evidence of the authority of the attorney.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

The number of joint applicants may not exceed four.

We, the Joint Bookrunners or the designated **White Form eIPO** Service Provider (where applicable) or our or their respective agents have full discretion to reject or accept any application, in full or in part, without assigning any reason.

The Hong Kong Public Offer Shares are not available to existing beneficial owners of shares, or directors or chief executives of our Company or any of our subsidiaries, or their respective associates or any other connected persons of our Company or a person who will become a connected person of the Company immediately upon completion of the Global Offering.

You may apply for Hong Kong Public Offer Shares under the Hong Kong Public Offering or indicate an interest for International Offer Shares under the International Offering, but may not do both.

III. APPLYING BY USING AN APPLICATION FORM

Which Application Form to use

Use a **WHITE** Application Form if you want the Hong Kong Public Offer Shares to be issued in your own name.

Use a **YELLOW** Application Form if you want the Hong Kong Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or your designated CCASS Participant's stock account.

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 31 December 2012 until 12:00 noon on Tuesday, 8 January 2013 from:

BNP Paribas Capital (Asia Pacific) Limited
59/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

China Everbright Securities (HK) Limited
36/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

or any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

	Branch name	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	Wanchai Southorn Branch	Shop C2 on G/F and 1/F to 2/F, Lee Wing Building, No. 156-162 Hennessy Road, Wanchai
Kowloon	Kwun Tong Hoi Yuen Road Branch	G/F, Fook Cheong Building, No. 63 Hoi Yuen Road, Kwun Tong, Kowloon
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
	Tsimshatsui Branch	G/F, 8A-10 Granville Road, Tsimshatsui
	Mei Foo Manhattan Branch	Shop Nos.07 & 09, Ground Floor, Mei Foo Plaza, Mei Foo Sun Chuen
New Territories	Tai Po Branch	G/F shop No. 2, 23 & 25 Kwong Fuk Road, Tai Po Market, Tai Po
	Tsuen Wan Branch	Shop C, G/F & 1/F, Jade Plaza, 298 Sha Tsui Road, Tsuen Wan
	New Town Plaza Branch	Shop 215, 222 & 223, Phase 1, New Town Plaza, Shatin

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

or any of the following branches of Bank of Communications Co., Ltd., Hong Kong Branch:

	Branch name	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	King's Road Sub-Branch	67-71 King's Road
	Chaiwan Sub-Branch	G/F., 121-121A Wan Tsui Road
	Wanchai Sub-Branch	G/F., 32-34 Johnston Road
Kowloon	Cheung Sha Wan Plaza Sub-Branch	Unit G04, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road
	Kowloon Sub-Branch	G/F., 563 Nathan Road
	Tsimshatsui Sub-Branch	Shop 1-3, G/F., 22-28 Mody Road
	Mongkok Sub-Branch	Shops A & B, G/F., Hua Chiao Commercial Centre, 678 Nathan Road
	Ngau Tau Kok Sub-Branch	Shop G1 & G2, G/F., Phase I, Amoy Plaza, 77 Ngau Tau Kok Road
New Territories	Sha Tsui Road Sub-Branch	122-124 Sha Tsui Road, Tsuen Wan
	Shatin Sub-Branch	Shop No.193, Level 3, Lucky Plaza
	Tseung Kwan O Sub-Branch	Shop 253-255, Metro City Shopping Arcade, Phase I

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 31 December 2012 until 12:00 noon on Tuesday, 8 January 2013 from:

- (i) the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong; or
- (ii) your stockbroker, who may have such Application Forms and this prospectus available.

How to complete the Application Form

There are detailed instructions on each Application Form. You should read these instructions carefully. If you do not follow the instructions your application may be rejected and returned by ordinary post together with the accompanying check or banker's cashier order to you (or the first-named applicant in the case of joint applicants) at your own risk at the address stated in the Application Form.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Effect of completing and submitting an application by using an Application Form

You should note that by completing and submitting the Application Form, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as agent or nominee and on behalf of each person for whom you act as agent or nominee, among other things:

- (i) **instruct and authorize** our Company, the Sole Sponsor, the Sole Global Coordinator and/or the Joint Bookrunners as agent of our Company (or their respective agents or nominees) to execute any transfer forms, contract notes or other documents on your behalf and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees, as the case may be, as required by the Articles of Association and otherwise to give effect to the arrangements described in the Prospectus and the Application Forms;
- (ii) **undertake** to sign all documents and to do all things necessary to enable you or HKSCC Nominees, as the case may be, to be registered as the holder of the Hong Kong Public Offer Shares allocated to you, and as required by the Articles of Association;
- (iii) **represent, warrant and undertake** that you and any person for whose account or benefit you are applying for the Hong Kong Public Offer Shares understand that the Offer Shares have not been and will not be registered under the U.S. Securities Act and are outside the United States when completing and submitting any Application Form or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (iv) **confirm** that you have received a copy of this prospectus and have only relied on the information and representations in this prospectus in making your application and will not rely on any other information and representations save as set out in any supplement to this prospectus;
- (v) **agree** that our Company and our Directors are liable only for the information and representations contained in this prospectus and any supplement thereto;
- (vi) **agree** (without prejudice to any other rights which you may have) that once your application has been accepted, you may not revoke or rescind it because of an innocent misrepresentation;
- (vii) (if the application is made for your own benefit) **warrant** that this is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to the **White Form eIPO** Service Provider via the **White Form eIPO** service;
- (viii) (if you are an agent for another person) **warrant** that reasonable enquiries have been made of the beneficial owner that this is the only application which will be made

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to the **White Form eIPO** Service Provider via the **White Form eIPO** service, and that you are duly authorized to sign this Application Form (where relevant) as that other person's agent;

- (ix) **agree** that once your application is accepted, your application will be evidenced by the results of the Hong Kong Public Offering made available by the Company;
- (x) **undertake and confirm** that you (if the application is made for your benefit) or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest in, or received or been placed or allocated (including conditionally and/or provisionally), and will not apply for, take up or indicate an interest in, any International Offer Shares under the International Offering;
- (xi) **agree** that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) **warrant** the truth and accuracy of the information contained in this application;
- (xiii) **agree** with our Company and each Shareholder, and our Company agrees with each Shareholder, to observe and comply with the Cayman Islands Companies Law, the Companies Ordinance, the Memorandum and Articles of Association and relevant laws and regulations;
- (xiv) **agree** with our Company and each Shareholder that the Shares are freely transferable by the holders thereof;
- (xv) **authorize** our Company to enter into a contract on your behalf with each Director and officer of our Company whereby such Directors and officers undertake to observe and comply with their obligations to Shareholders as stipulated in the Articles of Association;
- (xvi) **confirm** that you have read the terms and conditions and application procedures set out in this prospectus and the Application Form and agree to be bound by them;
- (xvii)(if the application is made by an agent on your behalf) **warrant** that you have validly and irrevocably conferred on your agent all necessary power and authority to make this application;
- (xviii) **agree** to disclose to our Company, the receiving banks, the Sole Sponsor, the Joint Bookrunners, the Hong Kong Share Registrar, the Underwriters and their respective advisors and agents any information about you or the person(s) for whose benefit you have made this application which they may require;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- (xix) **authorize** our Company to place your name(s) or the name of HKSCC Nominees, as the case may be, on the register of members of our Company as the holder(s) of any Hong Kong Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) (where applicable) and/or any refund check(s) (where applicable) to you or (in case of joint applicants) the first-named applicant in the Application Form by ordinary post at your own risk to the address stated on your Application Form (except that if you have applied for 1,000,000 Hong Kong Public Offer Shares or more and have indicated in your Application Form that you will collect your share certificate(s) and/or refund check(s) (where applicable) in person, you can collect your share certificate(s) and/or refund check(s) (where applicable) in person between 9:00 a.m. and 1:00 p.m. on Tuesday, 15 January 2013 from Computershare Hong Kong Investor Services Limited);
- (xx) **understand** that these declarations and representations will be relied upon by our Company, the Sole Sponsor, the Sole Global Coordinator and the Joint Bookrunners in deciding whether or not to allocate any Hong Kong Public Offer Shares in response to your application and that you may be prosecuted for making a false declaration;
- (xxi) **represent, warrant and undertake** that the allotment of or application for the Hong Kong Public Offer Shares to you or by you or to or by any person for whose benefit the application is made would not require our Company to comply with any requirements under any law or regulation (whether or not having the force of law) of any territory outside Hong Kong;
- (xxii) if the laws of any place outside Hong Kong are applicable to your application, **agree and warrant** that you have complied with all such laws and none of our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Hong Kong Underwriters, the other parties involved in the Global Offering nor any of their respective directors, employees, partners, agents, officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions contained in this prospectus; and
- (xxiii) **undertake and agree** to accept Hong Kong Public Offer Shares applied for, or any lesser number allocated to you under this application.

In order for the **YELLOW** Application Forms to be valid:

You, as the applicant(s), must complete the form as indicated below and sign on the first page of the Application Form. Only written signatures will be accepted.

- (i) **If the application is made through a designated CCASS Participant (other than a CCASS Investor Participant):**
- (a) the designated CCASS Participant must endorse the form with its company chop (bearing its company name) and insert its participant I.D. in the appropriate box.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

(ii) If the application is made by an individual CCASS Investor Participant:

- (a) the Application Form must contain the CCASS Investor Participant's name and Hong Kong Identity Card number; and
- (b) the CCASS Investor Participant must insert its participant I.D. in the appropriate box in the Application Form.

(iii) If the application is made by a joint individual CCASS Investor Participant:

- (a) the Application Form must contain all joint CCASS Investor Participants' names and the Hong Kong Identity Card numbers; and
- (b) the participant I.D. must be inserted in the appropriate box in the Application Form.

(iv) If the application is made by a corporate CCASS Investor Participant:

- (a) the Application Form must contain the CCASS Investor Participant's company name and Hong Kong Business Registration number; and
- (b) the participant I.D. and company chop (bearing its company name) must be inserted in the appropriate box in the Application Form.

Incorrect or incomplete details of the CCASS Participant or the omission or inadequacy of participant I.D. or other similar matters may render the application invalid.

Nominees who wish to submit separate applications in their names on behalf of different beneficial owners are requested to designate on each Application Form in the box marked "For nominees" account numbers or other identification codes for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner.

If your application is made through a duly authorized attorney, our Company and the Joint Bookrunners as our agent may accept it at their discretion, and subject to any conditions it thinks fit, including evidence of the authority of your attorney. Our Company and the Joint Bookrunners, in their capacity as our agent, will have full discretion to reject or accept any application, in full or in part, without assigning any reason.

IV. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

- (i) You may apply through **White Form eIPO** service by submitting an application through the designated website at www.eipo.com.hk if you satisfy the relevant eligibility criteria for this as set out in "II. Who can apply for Hong Kong Public Offer Shares" above and on the same website. If you apply through **White Form eIPO** service, the Shares will be issued in your own name.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- (ii) Detailed instructions for application through the **White Form eIPO** service are set out on the designated website at www.eipo.com.hk. You should read these instructions carefully. If you do not follow the instructions, your application may be rejected by the designated **White Form eIPO** Service Provider and may not be submitted to our Company.
- (iii) If you give electronic application instructions through the designated website at www.eipo.com.hk, you will have authorized the designated **White Form eIPO** Service Provider to apply on the terms and conditions set out in this prospectus, as supplemented and amended by the terms and conditions applicable to the **White Form eIPO** service.
- (iv) In addition to the terms and conditions set out in this prospectus, the designated **White Form eIPO** Service Provider may impose additional terms and conditions upon you for the use of the **White Form eIPO** service. Such terms and conditions are set out on the designated website at www.eipo.com.hk. You will be required to read, understand and agree to such terms and conditions in full before making any application.
- (v) By submitting an application to the designated **White Form eIPO** Service Provider through the **White Form eIPO** service, you are deemed to have authorized the designated **White Form eIPO** Service Provider to transfer the details of your application to our Company and the Hong Kong Share Registrar.
- (vi) You may submit an application through the **White Form eIPO** service in respect of a minimum of 2,000 Hong Kong Public Offer Shares. Each electronic application instruction in respect of more than 2,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Forms, or as otherwise specified on the designated website at www.eipo.com.hk.
- (vii) You should give electronic application instructions through **White Form eIPO** service at the times set out in the paragraph headed “VI. When may applications be made” below.
- (viii) You should make payment for your application made by **White Form eIPO** service in accordance with the methods and instructions set out in the designated website at www.eipo.com.hk. **If you do not make complete payment of the application monies (including any related fees) on or before 12:00 noon on Tuesday, 8 January 2013, or such later time as described under the paragraph headed “VI. When may applications be made — Effect of bad weather on the opening of the application lists” below, the designated White Form eIPO Service Provider will reject your application and your application monies will be returned to you in the manner described in the designated website at www.eipo.com.hk.**
- (ix) Once you have completed payment in respect of any electronic application instruction given by you or for your benefit to the designated **White Form eIPO** Service Provider to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular application reference number will not constitute an actual application.

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- (x) **Warning:** The application for Hong Kong Public Offer Shares through the **White Form eIPO** service is only a facility provided by the designated **White Form eIPO** Service Provider to public investors. **Our Company, our Directors, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners and the Underwriters take no responsibility for such applications, and provide no assurance that applications through the White Form eIPO service will be submitted to our Company or that you will be allotted any Hong Kong Public Offer Shares.**

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK\$2.0 for each “Golden Wheel Tiandi Holdings Company Limited” **White Form eIPO** application submitted via **www.eipo.com.hk** to support the funding of “Source of DongJiang — Hong Kong Forest” project initiated by Friends of the Earth (HK).

Please note that internet services may have capacity limitations and/or be subject to service interruptions from time to time. To ensure that you can submit your applications through the White Form eIPO service, you are advised not to wait until the last day for submitting applications in the Hong Kong Public Offering to submit your electronic application instructions. In the event that you have problems connecting to the designated website for the **White Form eIPO** service, you should submit a **WHITE** Application Form. However, once you have submitted **electronic application instructions** and completed payment in full using the application reference number provided to you on the designated website, you will be deemed to have made an actual application and should not submit a **WHITE** or **YELLOW** Application Form.

Conditions of the White Form eIPO service

In using the **White Form eIPO** service to apply for the Hong Kong Public Offer Shares, the applicant shall be deemed to have accepted, among other things, the following conditions:

That the applicant:

- **applies** for the desired number of Hong Kong Public Offer Shares on the terms and conditions of this prospectus and **White Form eIPO** service designated website at **www.eipo.com.hk** subject to the Articles of Association;
- **undertakes** and agrees to accept the Hong Kong Public Offer Shares applied for, or any lesser number allotted to the applicant on such application;
- **declares** that this is the only application made and the only application intended by the applicant to be made whether on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider under the **White Form eIPO** service, to benefit the applicant or the person for whose benefit the applicant is applying;

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- **undertakes and confirms** that the applicant and the person for whose benefit the applicant are applying have not applied for or taken up, or indicated an interest for, or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, nor otherwise participate in the International Offering;
- **understands** that these declarations and representations will be relied upon by our Company, the Sole Sponsor, the Sole Global Coordinator and the Joint Bookrunners in deciding whether or not to make any allocation of Hong Kong Public Offer Shares in response to such application and you may be prosecuted for making a false declaration;
- **authorizes** our Company to place the applicant's name on the register of members of our Company as the holder of any Hong Kong Public Offer Shares to be allotted to the applicant, and (subject to the terms and conditions set out in this prospectus) to send any share certificates and/or any refund check(s) by ordinary post at the applicant's own risk to the address specified in your application instructions to the White Form eIPO Service Provider;
- **requests** that any refund check(s) be made payable to the applicant; and (subject to the terms and conditions set out in this prospectus) to send any refund check(s) by ordinary post and at the applicant's own risk to the address specified in your application instructions to the White Form eIPO Service Provider;
- **has read** the terms and conditions and application procedures set out on in the **White Form eIPO** service designated website at **www.eipo.com.hk** and this prospectus and agrees to be bound by them;
- **represents, warrants and undertakes** that (a) the applicant and any person for whose account or benefit the applicant is applying for Hong Kong Public Offer Shares understand that the Offer Shares have not been and will not be registered under the U.S. Securities Act and are outside the United States when applying through the **White Form eIPO** service or are a person described in paragraph (h)(3) of Rule 902 of Regulation S and (b) the allocation of or application for the Hong Kong Public Offer Shares to the applicant or by the applicant or for whose benefit this application is made would not require our Company to comply with any requirements under any law or regulation (whether or not having the force of law) of any territory outside Hong Kong; and
- **agrees** that such application, any acceptance of it and the resulting contract, will be governed by and construed in accordance with the laws of Hong Kong.

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Supplemental information

If any supplement to this prospectus is issued, applicant(s) who have already submitted electronic application instructions through the **White Form eIPO** service may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. If applicant(s) have not been so notified, or if applicant(s) have been notified but have not withdrawn their applications in accordance with the procedure to be notified, all applications through the **White Form eIPO** service that have been submitted remain valid and may be accepted. Subject to the above and below, an application once made through the **White Form eIPO** service is irrevocable and applicants shall be deemed to have applied on the basis of this prospectus as supplemented.

Effect of completing and submitting an application through the White Form eIPO service

By completing and submitting an application through the **White Form eIPO** service, you for yourself or as agent or nominee and on behalf of any person for whom you act as agent or nominee shall be deemed to, among other things:

- **instruct and authorize** our Company, the Sole Sponsor, the Sole Global Coordinator and/or the Joint Bookrunners as agent for our Company (or their respective agents or nominees) to execute any transfer forms, contract notes or other documents on your behalf and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allotted to you in your name as required by the Articles of Association and otherwise to give effect to the arrangements described in this prospectus and the **White Form eIPO** service designated website at **www.eipo.com.hk**;
- **undertake** to sign all documents and to do all things necessary to enable you to be registered as the holder of the Hong Kong Public Offer Shares allocated to you, and as required by the Articles of Association;
- **confirm** that you have received a copy of this prospectus and have only relied on the information and representations in this prospectus in making your application and will not rely on any other information and representations save as set out in any supplement to this prospectus;
- **agree** that our Company and our Directors, are liable only for the information and representations contained in this prospectus and any supplement thereto;
- **agree** (without prejudice to any other rights which you may have) that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (if the application is made for your own benefit) **warrant** that this is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider via the **White Form eIPO** service;

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- (if you are an agent for another person) **warrant** that reasonable enquiries have been made of that other person that this is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider via the **White Form eIPO** service, and that you are duly authorized to submit the application as that other person's agent;
- **agree** that once your application is accepted, your application will be evidenced by the results of the Hong Kong Public Offering made available by the Company;
- **undertake and confirm** that you (if the application is made for your benefit) or the person(s) for whose benefit you have made this application have not applied for or taken up, or indicated an interest in, or received or been placed or allocated (including conditionally and/or provisionally), and will not apply for, take up or indicate an interest for, any International Offer Shares under the International Offering;
- **agree** that your application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- **warrant** the truth and accuracy of the information contained in this application;
- **agree** with our Company and each Shareholder, and our Company agrees with each Shareholders, to observe and comply with the Cayman Islands Companies Law, the Companies Ordinance, the Memorandum and Articles of Association and relevant laws and regulations;
- **agree** with our Company and each Shareholder that the Shares are freely transferable by the holders thereof;
- **authorize** our Company to enter into a contract on your behalf with each Director and officer of our Company whereby each such Directors or officers undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association;
- **confirm** that you have read the terms and conditions and application procedures set out in this prospectus, the **White Form eIPO** service designated website at **www.eipo.com.hk** and agree to be bound by them;
- (if the application is made by an agent on your behalf) **warrant** that you have validly and irrevocably conferred on your agent all necessary power and authority to make this application;
- **agree** to disclose to our Company, the receiving banks, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, Hong Kong Share Registrar, the Underwriters and their respective advisors and agents personal data and any information which they require about you or the person(s) for whose benefit you have made this application which they may require;

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- **represent, warrant and undertake** that the allotment of or application for the Hong Kong Public Offer Shares to you or by you or to or by any person for whose benefit the application is made would not require our Company to comply with any requirements under any law or regulation (whether or not having the force of law) of any territory outside Hong Kong;
- if the laws of any place outside Hong Kong are applicable to your application, **agree and warrant** that you have complied with all such laws and none of our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners and the Hong Kong Underwriters nor any of their respective directors, employees, partners, agents, officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of your offer to purchase, or any actions arising from your rights and obligations under the terms and conditions contained in this prospectus and the **White Form eIPO** service designated website at www.eipo.com.hk; and
- **undertake and agree** to accept the Hong Kong Public Offer Shares applied for, or any lesser number allocated to you under your application.

Our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Underwriters and their respective directors, officers, employees, partners, agents, advisors, and any other parties involved in the Global Offering are entitled to rely on any warranty, representation or declaration made by you in such application.

Power of attorney

If your application is made by a duly authorized attorney, our Company or the Joint Bookrunners, as our agent, may accept it at their discretion and subject to any conditions as it may think fit, including evidence of the authority of your attorney.

Additional information

For the purposes of allocating Hong Kong Public Offer Shares, each applicant giving **electronic application instructions** through **White Form eIPO** service to the **White Form eIPO** Service Provider through the designated website at www.eipo.com.hk will be treated as an applicant. If your payment of application monies is insufficient, or in excess of the required amount, having regard to the number of Hong Kong Public Offer Shares for which you have applied, or if your application is otherwise rejected by the designated **White Form eIPO** Service Provider, the designated **White Form eIPO** Service Provider may adopt alternative arrangements for the refund of monies to you. Please refer to the additional information provided by the designated **White Form eIPO** Service Provider on the designated website at www.eipo.com.hk.

Otherwise, any monies payable to you due to a refund for any of the reasons set out in the paragraph headed “X. Results of Allocations — Dispatch/collection of share certificates and refund checks/e-Refund payment instructions” below.

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V. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC

General

CCASS Participants may give **electronic application instructions** to HKSCC to apply for the Hong Kong Public Offer Shares and to arrange payment of the monies due on application and payment of refunds. This will be in accordance with their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

If you are a CCASS Investor Participant, you may give **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
2/F Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form. Prospectuses are available for collection from the above address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Public Offer Shares on your behalf.

You are deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application, whether submitted by you or through your broker or custodian, to our Company and the Hong Kong Share Registrar.

Giving electronic application instructions to HKSCC to apply for Hong Kong Public Offer Shares by HKSCC nominees on your behalf

Where a **WHITE** Application Form is signed by HKSCC Nominees on behalf of persons who have given **electronic application instructions** to apply for the Hong Kong Public Offer Shares:

- (i) HKSCC Nominees is only acting as a nominee for those persons and shall not be liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

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- (ii) HKSCC Nominees does, among other things, the following things on behalf of each such person:
- **agrees** that the Hong Kong Public Offer Shares to be allocated shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the stock account of the CCASS Participant who has inputted **electronic application instructions** on that person's behalf or that person's CCASS Investor Participant stock account;
 - **undertakes and agrees** to accept the Hong Kong Public Offer Shares in respect of which that person has given **electronic application instructions** or any lesser number;
 - **undertakes and confirms** that that person has not applied for or taken up any Offer Shares under the International Offering nor otherwise participated in the International Offering;
 - (if the **electronic application instructions** are given for that person's own benefit) declares that only one set of **electronic application instructions** has been given for that person's benefit;
 - (if that person is an agent for another person) **declares** that that person has only given one set of **electronic application instructions** for the benefit of that other person and that that person is duly authorized to give those instructions as that other person's agent;
 - **understands** that the above declaration will be relied upon by our Company, the Sole Sponsor, the Sole Global Coordinator and the Joint Bookrunners in deciding whether or not to make any allocation of Hong Kong Public Offer Shares in respect of the **electronic application instructions** given by that person and that that person may be prosecuted if he makes a false declaration;
 - **authorizes** our Company to place the name of HKSCC Nominees on the register of members of our Company as the holder of the Hong Kong Public Offer Shares allocated in respect of that person's **electronic application instructions** and to send share certificate(s) and/or refund monies in accordance with the arrangements separately agreed between our Company and HKSCC;
 - **confirms** that that person has read the terms and conditions and application procedures set out in this prospectus and agrees to be bound by them;
 - **confirms** that that person has only relied on the information and representations in this prospectus in giving that person's **electronic application instructions** or instructing that person's broker or custodian to give **electronic application instructions** on that person's behalf;
 - **agrees** that our Company and our Directors are liable only for the information and representations contained in this prospectus;

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- **agrees** to disclose that person's personal data to our Company, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners and/or their respective agents or any information about that person which they may require;
- **agrees** (without prejudice to any other rights which that person may have) that once the application of HKSCC Nominees has been accepted, the application cannot be rescinded for innocent misrepresentation;
- **agrees** that any application made by HKSCC Nominees on behalf of that person pursuant to the **electronic application instructions** given by that person is irrevocable before Wednesday, 30 January 2013, such agreement to take effect as a collateral contract with our Company and to become binding when that person gives the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Public Offer Shares to any person before Wednesday, 30 January 2013, except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before Wednesday, 30 January 2013, if a person responsible for this prospectus under section 40 of the Companies Ordinance (as applied by section 342E of the Companies Ordinance) gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus;
- **agrees** that once the application of HKSCC Nominees is accepted, neither that application nor that person's **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the announcement of the results of the Hong Kong Public Offering published by our Company;
- **agrees** to the arrangements, undertakings and warranties specified in the participant agreement between that person and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, in respect of the giving of **electronic application instructions** relating to Hong Kong Public Offer Shares;
- **agrees** with our Company, for itself and for the benefit of each of its shareholders (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for our Company and on behalf of each of its shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, the Memorandum of Association and the Articles of Association;
- **agrees** with our Company (for itself and for the benefit of each of its shareholders) that Shares are freely transferable by the holders thereof;
- **authorizes** our Company to enter into a contract on your behalf with each Directors and officers of our Company whereby each such Director or officer undertakes to observe and comply with their obligations to Shareholders stipulated in the Memorandum of Association and Articles of Association;

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- **agrees** that that person's application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- **instructed and authorized** HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for Hong Kong Public Offer Shares on your behalf;
- **instructed and authorized** HKSCC to arrange payment of the maximum offer price, brokerage, SFC transaction levy, and Hong Kong Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the offer price per Share initially paid on application, refund of the application monies, in each case including brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee by crediting your designated bank account; and
- **instructed and authorized** HKSCC to cause HKSCC Nominees to do on your behalf all the things which it is stated to do on your behalf in the **WHITE** Application Form.

Multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Public Offer Shares in respect of which you have given such instructions and/or in respect of which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purpose of considering whether multiple applications have been made.

Minimum subscription amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** in respect of a minimum of 2,000 Hong Kong Public Offer Shares. Such instructions in respect of more than 2,000 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Public Offer Shares will be considered and any such application is liable to be rejected.

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Allocation of Hong Kong Public Offer Shares

For the purposes of allocating Hong Kong Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit each such instructions is given will be treated as an applicant.

Section 40 of the Companies Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies Ordinance (as applied by section 342E of the Companies Ordinance).

Personal data

The section of the Application Form entitled “Personal Data” applies to any personal data held by our Company and the Hong Kong Share Registrar about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

Warning

The subscription for Hong Kong Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Our Company, our Directors, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners and the Underwriters take no responsibility for the application and provide no assurance that any CCASS Participant will be allocated any Hong Kong Public Offer Shares. To ensure that CCASS Investor Participants can give their **electronic application instructions** to HKSCC through the CCASS Phone System or the CCASS Internet System, CCASS Investor Participants are advised not to wait until the last minute to input their **electronic application instructions** to the systems. In the event that CCASS Investor Participants have problems connecting to the CCASS Phone System or the CCASS Internet System to submit their **electronic application instructions**, they should either: (i) submit a **WHITE** or **YELLOW** Application Form; or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Tuesday, 8 January 2013.

VI. WHEN MAY APPLICATIONS BE MADE

Applications on WHITE or YELLOW Application Forms

Completed **WHITE** or **YELLOW** Application Forms, together with payment attached, must be lodged by 12:00 noon on Tuesday, 8 January 2013, or, if the application lists are not open on that day, by the time and date stated in the paragraph headed “Effect of bad weather on the opening of the application lists” below. Check(s) or banker’s cashier order(s) should be crossed “Account Payee Only” and made payable to “Horsford Nominees Limited — Golden Wheel Tiandi Public Offer”.

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Your completed Application Form, together with payment attached, should be deposited in the special collection boxes provided at any of the branches of Bank of Communications Co., Ltd. Hong Kong Branch or Standard Chartered (Hong Kong) Limited listed under the paragraph headed “III. Applying by using an Application Form — Where to collect the Application Forms” above at the following times:

Monday, 31 December 2012 — 9:00 a.m. to 5:00 p.m.
Wednesday, 2 January 2013 — 9:00 a.m. to 5:00 p.m.
Thursday, 3 January 2013 — 9:00 a.m. to 5:00 p.m.
Friday, 4 January 2013 — 9:00 a.m. to 5:00 p.m.
Saturday, 5 January 2013 — 9:00 a.m. to 1:00 p.m.
Monday, 7 January 2013 — 9:00 a.m. to 5:00 p.m.
Tuesday, 8 January 2013 — 9:00 a.m. to 12:00 noon

The application lists will be open **from 11:45 a.m. to 12:00 noon on Tuesday, 8 January 2013.**

No proceedings will be taken on applications for the Shares and no allotment of any such Shares will be made until after the closing of the application lists. No allotment of any of the Shares will be made later than Wednesday, 30 January 2013.

White Form eIPO

You may submit your application to the designated **White Form eIPO** Service Provider through the designated website at **www.eipo.com.hk** from 9:00 a.m. on Monday, 31 December 2012 until 11:30 a.m. on Tuesday, 8 January 2013 or such later time as described under the paragraph headed “Effect of bad weather on the opening of the application lists” below (24 hours daily, except on the last application day). The latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Tuesday, 8 January 2013, the last application day, or, if the application lists are not open on that day, then by the time and date stated in the paragraph headed “Effect of bad weather on the opening of the application lists” below.

You will not be permitted to submit your application to the designated White Form eIPO Service Provider through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the website before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

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Time for inputting electronic application instructions to HKSCC via CCASS

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Monday, 31 December 2012 — 9:00 a.m. to 8:30 p.m.⁽¹⁾**
- Wednesday, 2 January 2013 — 8:00 a.m. to 8:30 p.m.⁽¹⁾**
- Thursday, 3 January 2013 — 8:00 a.m. to 8:30 p.m.⁽¹⁾**
- Friday, 4 January 2013 — 8:00 a.m. to 8:30 p.m.⁽¹⁾**
- Saturday, 5 January 2013 — 8:00 a.m. to 1:00 p.m.⁽¹⁾**
- Monday, 7 January 2013 — 8:00 a.m. to 8:30 p.m.⁽¹⁾**
- Tuesday, 8 January 2013 — 8:00 a.m.⁽¹⁾ to 12:00 noon**

⁽¹⁾ These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 31 December 2012 until 12:00 noon on Tuesday, 8 January 2013 (24 hours daily, except the last application day).

The latest time for inputting **electronic application instructions** via CCASS will be 12:00 noon on Tuesday, 8 January 2013, the last application day, or if the application lists are not open on that day, by the time and date stated in the paragraph headed “Effect of bad weather on the opening of the application lists” below.

Effect of bad weather on the opening of the application lists

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning signal,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, 8 January 2013. Instead, they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warning signals in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

If the application lists of the Hong Kong Public Offering do not open and close on Tuesday, 8 January 2013 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong on the other dates mentioned in the section headed “Expected Timetable” in this prospectus, such dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. An announcement will be made in such event.

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VII. HOW MANY APPLICATIONS YOU MAY MAKE

Multiple applications or suspected multiple applications are liable to be rejected.

You may make more than one application for Hong Kong Public Offer Shares if and only if you are a nominee, in which case you may both give **electronic application instructions** to HKSCC (if you are a CCASS Participant) and lodge more than one Application Form in your own name if each application is made on behalf of different beneficial owners. In the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code

for each beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

Otherwise, multiple applications are not allowed.

If you apply by means of **White Form eIPO** service, once you complete payment in respect of any electronic application instructions given by you or for your benefit to the designated **White Form eIPO** Service Provider to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service by giving electronic application instructions through the designated website at www.eipo.com.hk and completing payment in respect of such electronic application instructions, or of submitting one application through the **White Form eIPO** service and one or more applications by any other means, all of your applications are liable to be rejected.

If you have made an application by giving **electronic application instructions** to HKSCC and you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Public Offer Shares in respect of which you have given such instructions and/or in respect of which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

It will be a term and condition of all applications that by completing and delivering an Application Form or submitting an **electronic application instruction**, you:

- (if the application is made for your own benefit) **warrant** that this is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service; or
- (if you are an agent for another person) **warrant** that reasonable enquiries have been made of that other person that this is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service and that you are duly authorized to sign the Application Form or give **electronic application instructions** as that other person's agent.

Save as referred to above, all of your applications will be rejected as multiple applications if you, or you and your joint applicant(s) together:

- make more than one application (whether individually or jointly) on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service;
- both apply (whether individually or jointly) on one **WHITE** Application Form and one **YELLOW** Application Form or on one **WHITE** or **YELLOW** Application Form and give **electronic applications instructions** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service;
- apply on one **WHITE** or **YELLOW** Application Form (whether individually or jointly) or by giving **electronic application instructions** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service for more than 22,500,000 Shares, being 50% of the Share initially being offered for public subscription under the Hong Kong Public Offering, as more particularly described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus; or
- have applied for or taken up, or indicated an interest for, or have been or will be placed (including conditionally and/or provisionally) Offer Shares under the International Offering.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

All of your applications will also be rejected as multiple applications if more than one application is made for **your benefit** (including the part of the application made by HKSCC Nominees acting on your **electronic application instructions**). If an application is made by an unlisted company and

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company, then the application will be treated as being for your benefit.

Unlisted company means a company with no equity securities listed on the Hong Kong Stock Exchange.

Statutory control means you:

- control the composition of the board of directors of the company; or
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

VIII. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED HONG KONG PUBLIC OFFER SHARES

Full details of the circumstances in which you will not be allotted the Hong Kong Public Offer Shares are set out in the notes attached to the Application Forms, and you should read them carefully. You should note in particular the following situations in which Hong Kong Public Offer Shares will not be allotted to you:

- **If your application is revoked**

By completing and submitting an Application Form or giving an **electronic application instruction** to HKSCC or to the designated **White Form eIPO** Service Provider through **White Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf or the **White Form eIPO** Service Provider may not be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is not a Business Day) unless a person responsible for this prospectus under section 40 of the Companies Ordinance (as applied by section 342E of the Companies Ordinance) gives a public notice under that section which excludes or limits the responsibility for that person for this prospectus. This agreement will take effect as a collateral contract with us, and will become binding when you lodge your Application Form or submit your **electronic application instructions** to HKSCC and an application has been made by HKSCC Nominees on your behalf accordingly or to the **White Form eIPO** Service Provider. This collateral contract will be in consideration of our Company agreeing that it will not offer any Hong Kong

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Public Offer Shares to any person on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is not a Business Day) except by means of one of the procedures referred to in this prospectus. If any supplement to this prospectus is issued, applicants who have already submitted an application may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. If applicants have not been so notified, or if applicants have been notified but have not withdrawn their applications in accordance with the procedure to be notified, all applications that have been submitted remain valid and may be accepted. Subject to the above, an application once made is irrevocable and applicants shall be deemed to have applied on the basis of this prospectus as supplemented.

If your application or the application made by HKSCC Nominees or the **White Form eIPO** Service Provider on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the announcement of the results of allocations, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

- **Full discretion of our Company, the Joint Bookrunners or the designated White Form eIPO Service Provider (where applicable) or its or their respective agents and nominees to reject or accept your application:**

Our Company and the Joint Bookrunners (as agents for our Company) or the designated **White Form eIPO** Service Provider (where applicable), or their respective agents and nominees, have full discretion to reject or accept any application, or to accept only part of any application.

Our Company, the Joint Bookrunners and the Hong Kong Underwriters, in their capacity as our agents, and their respective agents and nominees do not have to give any reason for any rejection or acceptance.

- **If the allocation of Hong Kong Public Offer Shares is void:**

The allocation of Hong Kong Public Offer Shares to you or to HKSCC Nominees (if you give **electronic application instructions** to HKSCC or apply using a **YELLOW** Application Form) will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing of the application lists; or
 - within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.
- **You will not receive any allocation if:**
 - you make multiple applications or suspected multiple applications;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- you or the person for whose benefits you apply for have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Offer Shares in the International Offering. By filling in any of the Application Forms or apply by giving **electronic application instructions** to HKSCC or apply by **White Form eIPO** service through the designated **White Form eIPO** Service Provider, you agree not to apply for Hong Kong Public Offer Shares as well as Offer Shares in the International Offering. Reasonable steps will be taken to identify and reject applications in the Hong Kong Public Offering from investors who have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have received Hong Kong Public Offer Shares in the Hong Kong Public Offering;
- your electronic application instructions through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions set out in the designated website at **www.eipo.com.hk**;
- your payment is not made correctly or you pay by check or banker's cashier order and the check or banker's cashier order is dishonored upon its first presentation;
- our Company or the Joint Bookrunners believes that by accepting your application, this would violate the applicable securities or other laws, rules or regulations of the jurisdiction in which your application is completed and/or signed or your address is located;
- if you apply for more than 50% of the Hong Kong Public Offer Shares initially being offered in the Hong Kong Public Offer for subscription (that is 22,500,000 Shares);
- your Application Form is not completed in accordance with the instructions stated in the Application Form (if you apply by an Application Form);
- the Underwriting Agreements do not become unconditional; or
- the Underwriting Agreements are terminated in accordance with their respective terms.

You should also note that you may apply for Hong Kong Public Offer Shares under the Hong Kong Public Offering or indicate an interest for Offer Shares under the International Offering, but may not do both.

IX. HOW MUCH ARE THE HONG KONG PUBLIC OFFER SHARES

The maximum offer price is HK\$1.72 per Offer Share. You must also pay a brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005% in full. This means that for one board lot of 2,000 Shares you will pay HK\$3,474.67. The Application Forms have tables showing the exact amount payable for certain numbers of Shares up to 22,500,000 Shares.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

You must pay the amount payable upon application for the Shares by one check or one banker's cashier order in accordance with the terms set out in the Application Form (if you apply by an Application Form).

If your application is successful, brokerage is paid to participants of the Hong Kong Stock Exchange or the Hong Kong Stock Exchange (as the case may be), SFC transaction levy and Hong Kong Stock Exchange trading fee are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy, collected on behalf of the SFC).

X. RESULTS OF ALLOCATIONS

Announcement of the Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of Hong Kong Public Offer Shares will be made available in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on Tuesday, 15 January 2013.

The results of allocations and the Hong Kong Identity Card/passport/Hong Kong Business Registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- Results of allocations for the Hong Kong Public Offering will be available from the Hong Kong Stock Exchange's website at **www.hkexnews.hk**;
- Results of allocations for the Hong Kong Public Offering will be available from our Hong Kong Public Offering results of allocation website at **www.iporeresults.com.hk** on a 24-hour basis from 8:00 a.m. on Tuesday, 15 January 2013 to 12:00 midnight on Monday, 21 January 2013. The user will be required to key in the Hong Kong Identity Card/passport/Hong Kong business registration number provided in his/her/its applications to search for his/her/its own allocation result. Our Company's website (**www.gwtd.com.hk**) will also publish a hyper-link to the aforesaid website during the same period;
- Results of allocations will be available from our Hong Kong Public Offering allocation results telephone enquiry line. Applicants may find out whether or not their applications have been successful and the number of Hong Kong Public Offer Shares allocated to them, if any, by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, 15 January 2013 to Friday, 18 January 2013; and
- Special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual locations from Tuesday, 15 January 2013 to Thursday, 17 January 2013 at all the receiving banks' locations at the addresses set out in the paragraph headed "III. Applying by using an Application Form — Where to collect the Application Forms" above.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Dispatch/Collection of share certificates and refund checks/e-Refund payment instructions

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Offer Price of HK\$1.72 per Offer Share (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee thereon) initially paid on application, or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed “Structure of the Global Offering — The Hong Kong Public Offering” or if any application is revoked or any allocation pursuant thereto has become void, the application monies, or the appropriate portion thereof, together with the related brokerage fee, SFC transaction levy and Hong Kong Stock Exchange trading fee, will be refunded, without interest. It is intended that special efforts will be made to avoid any undue delay in refunding application monies where appropriate.

No temporary documents of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application but subject as mentioned below, in due course, there will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on your Application Form:

- (i) for applications on **WHITE** Application Forms or by giving electronic application instructions through the **White Form eIPO** service: (a) share certificate(s) for all the Hong Kong Public Offer Shares applied for, if the application is wholly successful; or (b) share certificate(s) for the number of Hong Kong Public Offer Shares successfully applied for, if the application is partially successful. For wholly successful and partially successful applications on **YELLOW** Application Forms: share certificates for Shares successfully applied for will be deposited into CCASS as described below. (You will receive one share certificate for all the Hong Kong Public Offer Shares issued to you, except pursuant to applications made on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described above); and/or
- (ii) for applications on **WHITE** or **YELLOW** Application Forms, refund check(s) crossed “Account Payee Only” in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (a) the surplus application monies for the Hong Kong Public Offer Shares unsuccessfully applied for, if the application is partially unsuccessful; or (b) all the application monies, if the application is wholly unsuccessful; and/or (c) the difference between the Offer Price and the offer price per Share paid on application in the event that the Offer Price is less than the offer price per Share initially paid on application, in each case including the brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%, attributable to such refund/surplus monies but without interest.

Part of your Hong Kong Identity Card number/passport number, or, if you are joint applicants, part of the Hong Kong Identity Card number/passport number of the first-named applicant, provided by you may be printed on your refund check, if any. Such data would also

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong Identity Card number/passport number before encashment of your refund check. Inaccurate completion of your Hong Kong Identity Card number/passport number may lead to delay in encashment of or may invalidate your refund check.

Subject to personal collection as mentioned below, refund checks for surplus application monies (if any) in respect of wholly and partially unsuccessful applications and the difference between the Offer Price and the price per Offer Share initially paid on application (if any) under **WHITE** or **YELLOW** Application Forms; and share certificates for successful applicants under **WHITE** Application Forms and or by giving electronic application instructions through the **White Form eIPO** service are expected to be posted on or before Tuesday, 15 January 2013. The right is reserved to retain any share certificates and any surplus application monies pending clearance of check(s).

Share certificates will only become valid certificates of title at 8:00 a.m. on Wednesday, 16 January 2013 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting — The Hong Kong Public Offering — Grounds for termination of the Hong Kong Underwriting Agreement” has not been exercised.

If you apply using a WHITE Application Form

If you apply for 1,000,000 Hong Kong Public Offer Shares or more on a **WHITE** Application Form and have indicated your intention in your Application Form to collect your refund check(s) (where applicable) and/or share certificate(s) (where applicable) in person from the Hong Kong Share Registrar and have provided all information required by your Application Form, you may collect your refund check(s) (where applicable) and share certificate(s) from the Hong Kong Share Registrar at Computershare Hong Kong Investor Services Limited, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 15 January 2013 or such other date as notified by our Company in the newspapers as the date of collection/dispatch of e-Refund Payment instructions/refund checks/share certificates. If you are an individual who opts for personal collection, you must not authorize any other person to make collection on your behalf. If you are a corporate applicant which opts for personal collection, you must attend by your authorized representative bearing a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. If you do not collect your refund check(s) (where applicable) and/or share certificate(s) (where applicable) personally within the time specified for collection, they will be sent to the address as specified in your Application Form thereafter by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares or if you apply for 1,000,000 Hong Kong Public Offer Shares or more but have not indicated on your Application

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Form that you will collect your refund check(s) (where applicable) and/or share certificate(s) (where applicable) in person, your refund check(s) (where applicable) and/or share certificate(s) (where applicable) will be sent to the address on your Application Form on Tuesday, 15 January 2013, by ordinary post and at your own risk.

If you apply using a YELLOW Application Form

If you apply for Hong Kong Public Offer Shares using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant as instructed by you in your Application Form on Tuesday, 15 January 2013, or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees.

If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant) for Hong Kong Public Offer Shares credited to the stock account of your designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Public Offer Shares allocated to you with that CCASS Participant.

If you are applying as a CCASS Investor Participant, we expect to publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in accordance with the details set out in this paragraph headed "X. Results of Allocations". You should check the results published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 15 January 2013 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your stock account.

If you apply for 1,000,000 Hong Kong Public Offer Shares or more and you have elected on your **YELLOW** Application Form to collect your refund checks (where applicable) in person, please follow the same instructions as those for **WHITE** Application Form applicants as described above.

If you have applied for less than 1,000,000 Hong Kong Public Offer Shares or you have applied for 1,000,000 Hong Kong Public Offer Shares or more and have not indicated on your Application Forms that you wish to collect your refund check(s) (if any) in person, or if your application is rejected, not accepted or accepted in part only, or if the conditions of the Hong Kong Public Offer are not fulfilled in accordance with the section headed "Structure of the Global Offering — Conditions of Global Offering" in this prospectus, or if your application is revoked or any allotment under the application has become void, your refund check(s) (where

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

applicable) in respect of the application monies or the appropriate portion of the application monies, together with the related brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee, if any, (without interest) will be sent to the address on your Application Form on Tuesday, 15 January 2013 by ordinary post and at your own risk.

If you apply through White Form eIPO

If you apply for 1,000,000 Hong Kong Public Offer Shares or more through the **White Form eIPO** service by submitting an electronic application to the designated **White Form eIPO** Service Provider through the designated website at www.eipo.com.hk and your application is wholly or partially successful, you may collect your share certificate(s) in person from the Hong Kong Share Registrar at Computershare Hong Kong Investor Services Limited, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, 15 January 2013, or such other date as notified by our Company in the newspapers as the date of dispatch/collection of share certificates/refund checks/e-Refund payment instructions.

If you do not collect your share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions to the designated **White Form eIPO** Service Provider thereafter, by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your share certificate(s) will be sent to the address specified in your application instructions to the designated **White Form eIPO** Service Provider through the designated website at www.eipo.com.hk on Tuesday, 15 January 2013 by ordinary post and at your own risk.

If you paid the application monies from a single bank account, e-Refund payment instructions (if any) will be dispatched to application payment account on Tuesday, 15 January 2013.

If you used multi-bank accounts to pay the application monies, refund check(s) (if any) will be dispatched to the address specified in your application instructions to the designated **White Form eIPO** Service Provider on Tuesday, 15 January 2013, by ordinary post and at your own risk.

Please also note the additional information relating to refund of application monies overpaid, application money underpaid or applications rejected by the designated **White Form eIPO** Service Provider set out in the paragraph headed “IV. Applying through **White Form eIPO** service — Supplemental information” above.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

If you apply by giving electronic application instructions through HKSCC Nominees

(i) Allocation for Hong Kong Public Offer Shares

For the purposes of allocating Hong Kong Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each persons for whose benefit each of such instructions is given will be treated as an applicant.

(ii) Deposit of Share certificates into CCASS and refund of application monies

- No temporary document of title will be issued. No receipt will be issued for application monies received.
- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of the stock account of the CCASS Participant which you have instructed to give **electronic application instructions** on your behalf or your CCASS Investor Participant stock account on Tuesday, 15 January 2013, or, in the event under a contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees.
- We expect to make available the Offer Price, the application results of CCASS Participant (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner, if supplied), your Hong Kong Identity Card/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allocation of the Hong Kong Public Offer in the manner described in “Results of allocations” above and to publish the basis of allocation of the Hong Kong Public Offer Shares in the newspapers on Tuesday, 15 January 2013. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 15 January 2013 or such other date as shall be determined by HKSCC of HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) on Tuesday, 15 January 2013. Immediately after the credit of the Hong Kong Public Offer Shares to your CCASS Investor Participant stock account and the credit of refund monies to your designated

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the price per Offer Share initially paid on application, in each case including brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%, will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, 15 January 2013. No interest will be paid on the application monies.

XI. REFUND OF APPLICATION MONIES

If you do not receive any Hong Kong Public Offer Shares for any reason, our Company will refund your application monies, including a brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%. No interest will be paid thereon. All interest accrued on such monies before the date of dispatch of refund checks will be retained for the benefit of our Company.

If your application is accepted only in part, our Company will refund the appropriate portion of your application monies, including the related brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%, without interest.

If the Offer Price as finally determined is less than the offer price per Offer Share (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee thereon) initially paid on application, our Company will refund the surplus application monies, together with the related brokerage fee of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%, without interest.

In a contingent situation involving a substantial over-subscription, at the discretion of our Company and the Joint Bookrunners, checks for applications for certain small denominations of Hong Kong Public Offer Shares (apart from successful applications) may not be cleared.

Refund of your application monies (if any) will be made on Tuesday, 15 January 2013 in accordance with the various arrangements as described above.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

XII. DEALINGS AND SETTLEMENT

Commencement of dealings in the Shares

Dealings in the Shares on the Hong Kong Stock Exchange are expected to commence on Wednesday, 16 January 2013.

The Shares will be traded in board lots of 2,000 each. The stock code of the Shares is 1232.

Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Hong Kong Stock Exchange or any other date as HKSCC may choose. Settlement of transaction between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.



德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

31 December 2012

The Directors
Golden Wheel Tiandi Holdings Company Limited
BNP Paribas Capital (Asia Pacific) Limited

Dear Sirs,

We set out below our report on the financial information (the “Financial Information”) regarding Golden Wheel Tiandi Holdings Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) for each of the three years ended 31 December 2011 and the six months ended 30 June 2012 (the “Track Record Period”) for inclusion in the prospectus of the Company dated 31 December 2012 (the “Prospectus”) in connection with the initial public offering and listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company was incorporated and registered as an exempted company in the Cayman Islands under the Cayman Islands Companies Law on 26 April 2012. Through a group reorganization (the “Reorganization”) as more fully explained in the section “Our History, Reorganization and Group Structure” of the Prospectus, the Company became the holding company of the Group on 18 June 2012.

As of the end of the respective reporting period and the date of this report, the Company has the following subsidiaries:

Name of company	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital at the date of this report	Attributable equity interest of the Group					Principal activities
			At 31 December			At 30	At date	
			2009	2010	2011	June 2012	of this report	
Golden Wheel Jade Company Limited ¹ (金輪翡翠有限公司) (“Golden Wheel Jade”)	British Virgin Islands (“BVI”) 8 May 2012	US\$1	—	—	—	100%	100%	Investment holding

APPENDIX I
ACCOUNTANTS' REPORT

Name of company	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital at the date of this report	Attributable equity interest of the Group					Principal activities
			At 31 December			At 30 June	At date of this report	
			2009	2010	2011	2012		
Golden Wheel Pearl Company Limited ¹ (金輪明珠有限公司) ("Golden Wheel Pearl")	BVI 8 May 2012	US\$1	—	—	—	100%	100%	Investment holding
Golden Wheel Diamond Company Limited ¹ (金輪鑽石有限公司) ("Golden Wheel Diamond")	BVI 26 June 2012	US\$1	—	—	—	100%	100%	Investment holding
Golden Wheel International Investment Limited (金輪國際投資有限公司) ("Golden Wheel International Investment")	Hong Kong 17 May 2002	HK\$100,000,000	100%	100%	100%	100%	100%	Investment holding
Golden Wheel International Corporation Limited (金輪國際興業有限公司) ("Golden Wheel International Corporation")	Hong Kong 7 July 2010	HK\$48,000,000	—	—	—	100%	100%	Investment holding
Golden Wheel International Creation Company Limited (金輪國際創建有限公司) ("Golden Wheel Creation")	Hong Kong 21 August 2012	HK\$30,000,000	—	—	—	—	100%	Investment holding
南京翡翠金輪置業有限公司 ² (Nanjing Jade Golden Wheel Realty Company Limited ³) ("Nanjing Jade Golden Wheel")	The People's Republic of China ("PRC") 21 June 2002	US\$14,950,000	92.5%	92.5%	92.5%	100%	100%	Property development and property leasing
株洲金輪房地產開發有限公司 ² (Zhuzhou Golden Wheel Real Estate Development Co., Ltd. ³) ("Zhuzhou Golden Wheel Real Estate")	PRC 30 July 2004	US\$13,200,000	100%	100%	100%	100%	100%	Property development and property leasing

Name of company	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital at the date of this report	Attributable equity interest of the Group					Principal activities
			At 31 December			At 30 June	At date of this report	
			2009	2010	2011	2012		
揚州金輪房地產開發有限公司 ² (Yangzhou Golden Wheel Real Estate Development Co., Ltd. ³) ("Yangzhou Golden Wheel Real Estate")	PRC 15 December 2006	US\$13,000,000	96.25%	96.25%	96.25%	100%	100%	Property development
株洲金輪商業管理有限公司 ² (Zhuzhou Golden Wheel Business Management Co., Ltd. ³) ("Zhuzhou Golden Wheel Business Management")	PRC 1 February 2010	RMB500,000	—	100%	100%	100%	100%	Property operation management
南京金輪房地產開發有限公司 ² (Nanjing Golden Wheel Real Estate Development Co., Ltd. ³) ("Nanjing Golden Wheel Real Estate")	PRC 21 April 1994	US\$6,130,000	—	—	—	100%	100%	Property development

¹ Directly held by the Company.

² Registered as limited liability company under PRC law. Zhuzhou Golden Wheel Real Estate and Nanjing Golden Wheel Real Estate are registered as wholly-foreign invested enterprises; Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate are registered as sino-foreign joint ventures; and Zhuzhou Golden Wheel Business Management is registered as a domestic limited liability company.

³ English name for identification only.

All companies now comprising the Group have adopted 31 December as their financial year end date.

No audited financial statements have been prepared for the Company, Golden Wheel Jade, Golden Wheel Pearl and Golden Wheel Diamond since their respective date of incorporation as there is no statutory requirement for audited financial statements in the jurisdictions where they were incorporated.

No audited financial statements have been prepared for Golden Wheel International Corporation and Nanjing Golden Wheel Real Estate, both were acquired by the Company on 18 June 2012, for the six months ended 30 June 2012 as they have not reached the statutory requirement for audited annual financial statements for the relevant year.

The statutory financial statements of Golden Wheel International Investment were prepared in accordance with Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The statutory financial statements of Nanjing Jade Golden Wheel, Zhuzhou Golden Wheel Real Estate, Yangzhou Golden Wheel Real Estate and Zhuzhou Golden Wheel Business Management were prepared in accordance with relevant accounting principles and financial regulations applicable to enterprises established in the PRC. They were audited by the following firms of certified public accountants registered in their respective jurisdictions, as appropriate:

<u>Name of subsidiary</u>	<u>Financial period</u>	<u>Name of auditor</u>
Golden Wheel International Investment	Each of the three years ended 31 December 2011	S. H. Yeung & Co.
Nanjing Jade Golden Wheel	Each of the three years ended 31 December 2011	京都天華會計師事務所有限公司江蘇分所 (Jindu Tianhua CPA Limited Jiangsu Branch)
Zhuzhou Golden Wheel Real Estate	Each of the three years ended 31 December 2011	湖南金算盤會計師事務所有限公司 (Hunan Golden Abacus CPA Company Limited)
Yangzhou Golden Wheel Real Estate	Each of the three years ended 31 December 2011	江蘇蘇亞金誠會計師事務所有限公司 (Jiangsu Suya Jincheng CPA Company Limited)
Zhuzhou Golden Wheel Business Management	Period from 1 February 2010 (date of establishment) to 31 December 2010 and the year ended 31 December 2011	湖南金算盤會計師事務所有限公司 (Hunan Golden Abacus CPA Company Limited)

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Track Record Period in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board (the "Underlying Financial Statements").

We have undertaken an independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Group for the Track Record Period has been prepared from the Underlying Financial Statements, on the basis set out in note 1 to Section E of the Financial Information. No adjustments were deemed necessary by us to the Underlying Financial Statements in preparing our report for inclusion in the Prospectus.

The Underlying Financial Statements are the responsibility of the directors of the Company who approved their issuance. The directors of the Company are also responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, on the basis of preparation as set out in note 1 to Section E of the Financial Information, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Company as at 30 June 2012 and of the Group as at 31 December 2009, 31 December 2010, 31 December 2011 and 30 June 2012 and of the consolidated results and cash flows of the Group for each of the years ended 31 December 2009, 2010 and 2011 and for the six months ended 30 June 2012.

The comparative consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six months ended 30 June 2011 together with the notes thereon have been extracted from the Group's unaudited consolidated financial statements for the same period (the "30 June 2011 Financial Information") which were prepared by the directors of Company solely for the purpose of this report. We have reviewed the 30 June 2011 Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the 30 June 2011 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the 30 June 2011 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the 30 June 2011 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with IFRS.

A. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Six months ended 30 June	
		2009	2010	2011	2011	2012
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	7	493,800	483,524	524,495	167,230	662,351
Cost of sales		(287,646)	(342,532)	(283,434)	(97,162)	(340,570)
Gross profit		206,154	140,992	241,061	70,068	321,781
Other income, expenses, gains and losses	8	6,012	11,403	18,599	10,921	(608)
Selling and marketing expenses		(21,791)	(14,080)	(14,817)	(10,138)	(3,911)
Administrative expenses		(25,895)	(33,968)	(44,244)	(21,128)	(30,851)
Finance costs	9	—	(2,804)	(6,871)	(3,132)	(4,024)
Share of loss of an associate	17	—	—	(407)	—	(764)
Changes in fair value of investment properties	16	250,183	306,900	539,919	229,579	75,000
Profit before tax	10	414,663	408,443	733,240	276,170	356,623
Taxation	12	(136,227)	(115,067)	(220,047)	(80,144)	(149,940)
Profit and total comprehensive income for the year/period		<u>278,436</u>	<u>293,376</u>	<u>513,193</u>	<u>196,026</u>	<u>206,683</u>
Profit and total comprehensive income attributable to:						
Owners of the Company		263,403	280,744	498,488	187,892	198,767
Non-controlling interests		<u>15,033</u>	<u>12,632</u>	<u>14,705</u>	<u>8,134</u>	<u>7,916</u>
		<u>278,436</u>	<u>293,376</u>	<u>513,193</u>	<u>196,026</u>	<u>206,683</u>

B. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NOTES	At 31 December			At 30 June	
	2009	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000	
Non-current assets					
Property, plant and equipment	15	60,618	67,420	88,189	110,345
Investment properties	16	1,910,000	2,259,000	2,850,000	3,208,600
Interest in an associate	17	—	—	2,593	1,829
Deferred tax assets	18	10,665	8,827	17,890	31,292
Amount due from a related company	23	—	43,491	120,176	—
		<u>1,981,283</u>	<u>2,378,738</u>	<u>3,078,848</u>	<u>3,352,066</u>
Current assets					
Leasehold land held for development for sale	19	—	229,074	—	—
Properties under development for sale	20	531,356	410,688	717,320	701,893
Completed properties for sale	21	136,366	206,267	153,759	187,737
Trade and other receivables	22	83,234	91,680	72,892	54,473
Prepayment for leasehold land held for development for sale	19	80,431	—	—	60,000
Amount due from an associate	17	—	—	1,060	—
Tax prepaid		14,411	31,071	18,305	4,149
Held for trading investments	24	—	—	—	8,518
Restricted bank deposits	25	3,383	64,432	15,718	16,097
Bank balances and cash	26	209,262	388,166	196,641	92,389
		<u>1,058,443</u>	<u>1,421,378</u>	<u>1,175,695</u>	<u>1,125,256</u>
Current liabilities					
Trade and other payables	27	149,980	141,339	177,366	228,431
Rental received in advance		2,474	8,075	19,525	22,830
Deposits and prepayments received from pre-sale of properties		486,293	738,061	643,230	170,697
Amounts due to shareholders	28	162,116	168,951	129,098	—
Amounts due to related companies	23	56,400	—	—	—
Tax liabilities		40,543	44,464	100,339	210,824
Bank borrowings - due within one year	29	77,347	149,020	109,104	123,800
		<u>975,153</u>	<u>1,249,910</u>	<u>1,178,662</u>	<u>756,582</u>
Net current assets (liabilities)		<u>83,290</u>	<u>171,468</u>	<u>(2,967)</u>	<u>368,674</u>
Total assets less current liabilities		<u>2,064,573</u>	<u>2,550,206</u>	<u>3,075,881</u>	<u>3,720,740</u>

	NOTES	At 31 December			At 30 June
		2009	2010	2011	2012
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities					
Bank borrowings - due after one year	29	309,400	396,400	344,600	365,260
Rental received in advance		—	39,214	37,832	29,900
Deferred tax liabilities	18	400,542	478,698	616,115	684,612
		<u>709,942</u>	<u>914,312</u>	<u>998,547</u>	<u>1,079,772</u>
Net assets		<u>1,354,631</u>	<u>1,635,894</u>	<u>2,077,334</u>	<u>2,640,968</u>
Capital and reserves					
Share capital	30	106,000	106,000	106,000	128
Reserves	31	<u>1,162,348</u>	<u>1,430,979</u>	<u>1,862,176</u>	<u>2,640,840</u>
Equity attributable to owners of the Company		1,268,348	1,536,979	1,968,176	2,640,968
Non-controlling interests		<u>86,283</u>	<u>98,915</u>	<u>109,158</u>	—
Total equity		<u>1,354,631</u>	<u>1,635,894</u>	<u>2,077,334</u>	<u>2,640,968</u>

C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Subtotal	Attributable	Total
	Share capital	Special reserve	Surplus reserve	Retained earnings		to non-controlling interests	
	RMB'000	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2009	106,000	—	—	898,945	1,004,945	71,250	1,076,195
Profit and total comprehensive income for the year	—	—	—	263,403	263,403	15,033	278,436
Balance at 31 December 2009	106,000	—	—	1,162,348	1,268,348	86,283	1,354,631
Profit and total comprehensive income for the year	—	—	—	280,744	280,744	12,632	293,376
Deemed distribution to the shareholders (note i)	—	(12,113)	—	—	(12,113)	—	(12,113)
Balance at 31 December 2010	106,000	(12,113)	—	1,443,092	1,536,979	98,915	1,635,894
Profit and total comprehensive income for the year	—	—	—	498,488	498,488	14,705	513,193
Deemed distribution to the shareholders (note i)	—	(13,183)	—	—	(13,183)	—	(13,183)
Dividends	—	—	—	(54,108)	(54,108)	(4,462)	(58,570)
Surplus reserve appropriation	—	—	10,895	(10,895)	—	—	—
Balance at 31 December 2011	106,000	(25,296)	10,895	1,876,577	1,968,176	109,158	2,077,334
Profit and total comprehensive income for the period	—	—	—	198,767	198,767	7,916	206,683
Deemed contribution from the shareholders (note i)	—	11,597	—	—	11,597	—	11,597
Dividends	—	—	—	—	—	(5,884)	(5,884)
Issuance of new shares	64	—	—	—	64	—	64
Surplus reserve appropriation	—	—	22,104	(22,104)	—	—	—
Deemed contribution from the Ultimate Controlling Shareholders (note ii)	—	67,032	—	—	67,032	—	67,032
Transfer upon the Reorganization (note iii)	(105,936)	105,936	—	—	—	—	—
Arising on the acquisition of Golden Wheel International Corporation (note 36)	—	395,332	—	—	395,332	(111,190)	284,142
Balance at 30 June 2012	128	554,601	32,999	2,053,240	2,640,968	—	2,640,968
Balance at 1 January 2011	106,000	(12,113)	—	1,443,092	1,536,979	98,915	1,635,894
Profit and total comprehensive income for the period	—	—	—	187,892	187,892	8,134	196,026
Deemed distribution to the shareholders (note i)	—	(6,592)	—	—	(6,592)	—	(6,592)
Balance at 30 June 2011 (unaudited)	106,000	(18,705)	—	1,630,984	1,718,279	107,049	1,825,328

Notes:

- (i) Deemed distribution represents the difference between the principal amount of the amount due from Nanjing Golden Wheel Real Estate and its fair value at initial recognition. The fair value is determined by discounting the estimated future cash flows throughout the expected life of the advance (that is, from date of advance to expected repayment date).

Subsequent to the acquisition of Golden Wheel International Corporation and its subsidiary Nanjing Golden Wheel Real Estate on 18 June 2012, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount due from Nanjing Golden Wheel Real Estate. Deemed contribution represents the difference between the amount due from Nanjing Golden Wheel Real Estate stated at amortized cost and the principal amount of the amount due to the Group at date of waiver.

- (ii) The amount of approximately RMB67,032,000 credited to special reserve represents the amounts due to the Ultimate Controlling Shareholders (as defined in note 1 of Section E below) being waived by the Ultimate Controlling Shareholders during the six months ended 30 June 2012. The waiver is accounted for as deemed contribution from the Ultimate Controlling Shareholders.
- (iii) As part of the Reorganization as set out in note 1, Golden Wheel Jade acquired 100% equity interest in Golden Wheel International Investment on 18 June 2012 through issuance of 1,000,000 ordinary shares in the Company to the Ultimate Controlling Shareholders, and the Company became the holding company of the Group thereafter. The amount transferred to special reserve represents the difference between the nominal value of share capital of the Company and the nominal value of the share capital of Golden Wheel International Investment.

D. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
OPERATING ACTIVITIES					
Profit before tax	414,663	408,443	733,240	276,170	356,623
Adjustments for:					
Depreciation of property, plant and equipment	2,360	2,719	3,063	1,561	4,159
Changes in fair value of investment properties	(250,183)	(306,900)	(539,919)	(229,579)	(75,000)
(Gain) loss on disposal of property, plant and equipment	(2,040)	2	2	—	—
Allowance for doubtful receivables	—	1,095	—	—	—
Interest income	(889)	(6,217)	(14,071)	(6,319)	(6,512)
Finance costs	—	2,804	6,871	3,132	4,024
Share of loss of an associate	—	—	407	—	764
Operating cash flows before movements in working capital	163,911	101,946	189,593	44,965	284,058
(Increase) decrease in leasehold land held for development for sale	—	(229,074)	229,074	86,234	—
Decrease (increase) in properties under development for sale	202,323	148,016	(281,687)	(207,311)	219,966
(Increase) decrease in completed properties for sale	(156,096)	(69,901)	52,508	114,126	(34,771)
(Increase) decrease in trade and other receivables	(59,195)	(10,068)	18,872	12,458	19,281
(Decrease) increase in trade and other payables	(66,322)	(8,641)	34,527	(44,510)	6,184
(Decrease) increase in deposits and prepayments received from pre-sale of properties	(19,033)	251,768	(94,831)	108,168	(472,533)
(Increase) decrease in amount due from an associate	—	—	(1,060)	—	1,060
Increase (decrease) in rental received in advance	2,474	44,815	10,068	18,993	(4,627)
(Increase) decrease in prepayment for acquisition of leasehold land held for development for sale	(27,910)	80,431	—	—	(60,000)
Cash generated from (used in) operations	40,152	309,292	157,064	133,123	(41,382)
Income tax and land appreciation tax paid	(13,468)	(47,812)	(23,052)	(14,603)	(34,052)
Net cash from (used in) operating activities	26,684	261,480	134,012	118,520	(75,434)

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
INVESTING ACTIVITIES					
Interest received	889	3,413	7,203	3,187	2,488
Acquisition of subsidiaries (note 36)	—	—	—	—	15,211
Purchases of property, plant and equipment	(14,527)	(9,523)	(23,834)	(8,782)	(3,731)
Increase in investment properties under development	(4,121)	(38,310)	(47,580)	(47,580)	—
Proceeds from disposal of property, plant and equipment	7,189	—	—	—	—
Advances to a related company	—	(72,800)	(144,000)	(116,139)	(5,003)
Repayments from a related company	—	20,000	61,000	56,000	8,000
Investment in an associate	—	—	(1,500)	—	—
(Increase) decrease in restricted bank deposits	(223)	(61,049)	48,714	19,280	(379)
Net cash (used in) from investing activities	(10,793)	(158,269)	(99,997)	(94,034)	16,586
FINANCING ACTIVITIES					
New bank loans raised	330,000	335,000	55,000	15,000	60,000
Repayment of bank loans	(131,200)	(175,800)	(146,800)	(63,400)	(24,644)
Advances from shareholders	1,706	7,905	2,422	708	—
Repayments to shareholders	(21,279)	(1,070)	(42,275)	(39,933)	(62,066)
Advances from related companies	58,060	1,500	—	—	—
Repayments to related companies	(62,816)	(57,900)	—	—	—
Proceeds from issue of shares	—	—	—	—	64
Interest paid	(15,968)	(33,942)	(35,317)	(20,893)	(16,126)
Dividends paid	—	—	(54,108)	—	—
Dividends paid to a non-controlling shareholder of subsidiaries	—	—	(4,462)	—	(2,632)
Net cash from (used in) financing activities	158,503	75,693	(225,540)	(108,518)	(45,404)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	174,394	178,904	(191,525)	(84,032)	(104,252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	34,868	209,262	388,166	388,166	196,641
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD, represented by bank balances and cash	209,262	388,166	196,641	304,134	92,389

E. NOTES TO THE FINANCIAL INFORMATION**1. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2012. The addresses of the registered office and principal place of business of the Company are stated in the section “Corporate Information” of the Prospectus. The principal activity of the Company is investment holding. Its subsidiaries established in the PRC are primarily engaged in the property development and property leasing.

The Reorganization

Golden Wheel International Investment, which is a holding company of Nanjing Jade Golden Wheel, Yangzhou Golden Wheel Real Estate, Zhuzhou Golden Wheel Real Estate and Zhuzhou Golden Wheel Business Management (collectively referred to as the “PRC Subsidiaries”), is owned by Golden Wheel Properties Investment Company Limited (“Golden Wheel Properties Investment”) and 11 individual shareholders (the “Indonesian Shareholders”) since the incorporation of Golden Wheel International Investment. Golden Wheel Properties Investment is ultimately owned by 4 individual shareholders (“Wong Family”). Wong Family and the Indonesian Shareholders are collectively referred to as the “Ultimate Controlling Shareholders” throughout the Track Record Period.

On 26 April 2012, the Ultimate Controlling Shareholders incorporated the Company in the Cayman Islands.

In preparation for the listing of the Company’s shares on the Hong Kong Stock Exchange, the Company underwent the Reorganization. Golden Wheel Jade was incorporated in the BVI on 8 May 2012, with its shares being wholly allotted to the Company on the date of incorporation. Pursuant to a series of sale and purchase agreements, Golden Wheel Jade acquired 100% equity interest in Golden Wheel International Investment from the Ultimate Controlling Shareholders. In return, the Company issued 1,000,000 ordinary shares of US\$0.01 each in the Company to the Ultimate Controlling Shareholders. Thereafter, the Company has become the holding company of the group comprising the Company, Golden Wheel Jade, Golden Wheel International Investment and the PRC Subsidiaries since 18 June 2012.

As details above, the Reorganization involves interspersing shell companies (including the Company and Golden Wheel Jade) between an existing group headed by Golden Wheel International Investment and the Ultimate Controlling Shareholders, which does not represent combination of businesses. Therefore, the Group resulting from the Reorganization is regarded as a continuing entity and the Reorganization is accounted for by applying a principal similar to a reverse acquisition, instead of merger accounting which is applicable for business combination under common control. Accordingly, the Financial Information has been prepared

on the basis as if the Company has always been the holding company of the companies now comprising the Group throughout the Track Record Period. The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganization had been in existence throughout the Track Record Period or since their respective date of incorporation/establishment/acquisition to 30 June 2012, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2009, 2010 and 2011 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganization had been in existence as at those dates, taking into account the respective dates of incorporation/establishment/acquisition, or where applicable.

The Acquisition

In June 2012, the Company, through its wholly owned subsidiary, Golden Wheel Pearl, acquired 100% equity interest in Golden Wheel International Corporation, which holds 100% equity interest in Nanjing Golden Wheel Real Estate. The acquisition has been accounted for as purchase of assets and assumption of liabilities, details of which are set out in note 36.

The Financial Information is presented in Renminbi ("RMB"), the currency of the primary economic environment in which the principal subsidiaries of the Company operate (same as the functional currency of the Company).

2. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the Financial Information for the Track Record Period, the Group has adopted and consistently applied all IFRSs which are effective for annual accounting periods beginning on 1 January 2012 throughout the Track Record Period.

At the date of this report, the Group has not early applied the following new and revised standards, amendments and interpretation that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle ¹
Amendments to IFRS 1	Government Loans ¹
Amendments to IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities ¹
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ²
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities ⁴
IFRS 9	Financial Instruments ²

IFRS 10	Consolidated Financial Statements ¹
IFRS 11	Joint Arrangements ¹
IFRS 12	Disclosure of Interests in Other Entities ¹
IFRS 13	Fair Value Measurement ¹
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income ³
IAS 19 (Revised 2011)	Employee Benefits ¹
IAS 27 (Revised 2011)	Separate Financial Statements ¹
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ¹
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ⁴
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2014

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that IFRS 13 will be adopted by the Group for the annual period beginning on 1 January 2013 and that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

The directors of the Company anticipate that the application of other new and revised standards, amendments and interpretation will have no material impact on the Financial Information of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with IFRS. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are as follows:

Basis of consolidation

The Financial Information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year/period are included in the consolidated statements of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Financial Information using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services rendered in the normal course of business, net of discounts.

Sales of properties

Revenue from sales of properties in the ordinary course of business is recognized when the respective properties have been completed and delivered to the buyers. Deposits and prepayments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statements of financial position under current liabilities.

Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Group's policy for recognition of revenue from operating leases is described in "Leasing" section below.

Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress represents properties in the course of construction for production, supply or administrative purposes is carried at cost less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in consolidated statements of comprehensive income in the year/period in which the item is derecognized.

Investment properties

Investment properties are properties held to earn rentals (including properties under development for such purpose).

Investment properties are initially measured at cost, including any directly attributable expenditure.

Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under development are capitalized as part of the carrying amount of the investment properties under development.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognized.

For transfer from completed properties for sale to investment properties which is evidenced by commencement of an operating lease, any difference between the fair value of the property at that date and its previous carrying amount is recognized in profit or loss.

Leasehold land held for development for sale

Leasehold land held for development for sale, representing leasehold land located in the PRC for development for future sale in the ordinary course of business, are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights and other directly attributable costs. Net realizable value represents the estimated selling price based on prevailing market conditions less estimated costs necessary to make the sale. Leasehold land held for development for sale is transferred to properties under development for sale upon commencement of development.

Properties under development for sale

Properties under development for sale, representing leasehold land and buildings located in the PRC under development for future sale in the ordinary course of business, are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalized and other direct development

expenditure. Net realizable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Properties under development for sale are transferred to completed properties for sale upon completion of development.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalized and other direct development expenditure. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When a completed property for sale is transferred to property, plant and equipment as evidenced by commencement of owner-occupation, the carrying amount of such property is the deemed costs at the date of transfer.

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognized as an income in the period in which they are incurred.

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognized as liabilities and as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and buildings

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance lease or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statements of financial position and is amortized over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as land and buildings under property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than that entity's functional currency (foreign currencies) are recorded in the respective functional currency at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such

time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the year/period in which they are incurred.

Retirement benefit costs

Payments to state-managed retirement benefit scheme in the PRC and the Mandatory Provident Fund Scheme in Hong Kong are recognized as expenses when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years/periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated statements of financial position and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognized in profit or loss.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with IAS 40 *Investment Property*, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in IAS 12 (that is, based on the expected manner as to how the properties will be recovered).

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis, other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL including financial assets held for trading. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'other income, expenses, gains and losses' line item in the consolidated statements of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amount due from an associate, amount due from a related company, restricted bank deposits and bank balances and cash) are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as rental receivable and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to shareholders, amounts due to related companies and bank borrowings are subsequently measured at amortized cost, using effective interest method.

Equity instruments

Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of

its continuing involvement and recognizes an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities are derecognized when the Group's obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, as well as source of estimate uncertainty thereof, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Financial Information.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group have reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, the Group recognizes deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognized in the Financial Information should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of enterprise income tax and land appreciation tax.

Key sources of estimation uncertainty

The following is the key assumption concerning the future, and other key source of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Net realizable value of leasehold land held for development for sale, properties under development for sale and completed properties for sale

Leasehold land held for development for sale, properties under development for sale and completed properties for sale are stated at the lower of the cost and net realizable value. The net realizable value of leasehold land held for development for sale is determined by reference to management estimates of the selling price based on prevailing market conditions, less estimated costs necessary to make the sale. The net realizable value of properties under development for sale is determined by reference to the estimated selling price less estimated selling expenses and estimated cost of completion, which are estimated based on management's best available information. The net realizable value of completed properties for sale is determined by reference to management estimates of the selling price based on prevailing market conditions, less applicable selling expenses.

Where there is any decrease in the estimated selling price arising from any changes to the property market conditions, the leasehold land held for development for sale, properties under development for sale and completed properties for sale may be written down. There is no write-down of leasehold land held for development for sale, properties under development for sale or completed properties for sale during the Track Record Period.

Fair value of investment properties

The Group's investment properties are stated at fair value as at the end of each reporting period based on the valuation performed by an independent firm of professional valuers. For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalization of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development has

been arrived at by making reference to market transactions of comparable properties to determine the value the properties as if they were completed as at the dates of valuation, and taking into account the construction and other related costs that would be expended to complete the development, the developer's profit and percentage of completion of the properties.

In determining the fair value of investment properties, the valuers have based on methods of valuation which involves, inter alia, certain estimates including current market transaction prices for comparable properties, appropriate discount rates and expected future market rents. Favorable or unfavorable changes to the assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognized in the consolidated statements of comprehensive income. In relying on the valuation carried out by the valuers, the management of the Group has exercised their judgment and are satisfied that the methods of valuation are reflective of the current market condition.

Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalized their land appreciation tax calculations and payments with local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation tax and its related income tax provisions. The Group recognized the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax and deferred tax provisions in the periods in which such tax is finalized with local tax authorities.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debts, which includes the borrowings as disclosed in note 29, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through issuance of new shares, the payment of dividends, as well as raising of bank loans and redemption of bank loans.

6. FINANCIAL INSTRUMENTS**6A. Categories of financial instruments**

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets</i>				
Loans and receivables (including cash and cash equivalents)	227,559	510,202	348,261	127,600
Held for trading investments	—	—	—	8,518
	<u>227,559</u>	<u>510,202</u>	<u>348,261</u>	<u>136,118</u>
<i>Financial liabilities</i>				
Amortized cost	<u>750,394</u>	<u>852,670</u>	<u>752,924</u>	<u>677,518</u>

6B. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, held for trading investments, amount due from an associate, amounts due from/to related companies, amounts due to shareholders, bank borrowings, restricted bank deposits and bank balances and cash. Details of these financial instruments are disclosed in respective notes.

The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign currency risk

The primary economic environment which most of the principal subsidiaries of the Company operate is the PRC and their functional currency is RMB. However, certain bank balances and amounts due to shareholders of the Group are denominated in United States Dollars ("US\$"), which is currency other than the functional currency of the relevant group entities and expose the Group to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at each reporting date are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
US\$	<u>2,258</u>	<u>5,580</u>	<u>1,329</u>	<u>4,797</u>
Liabilities				
US\$	<u>162,116</u>	<u>168,951</u>	<u>129,098</u>	<u>—</u>

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% change in US\$ against RMB. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of year/period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (a decrease) in profit for the year/period where US\$ strengthen 5% against RMB. For a 5% weakening of US\$ against RMB, there would be an equal and opposite impact on the profit for the year/period.

	Year ended 31 December			Six months ended
	2009	2010	2011	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
US\$	<u>(5,995)</u>	<u>(6,126)</u>	<u>(4,791)</u>	<u>180</u>

The sensitivity analysis above only analyzed the Group's year/period end inherent foreign exchange risk exposure and does not represent the exposure during the year/period.

Interest rate risk

The Group's cash flow interest rate risk relates primarily to its variable rate bank borrowings, restricted bank deposits and bank balances. The Group's fair value interest rate risk relates primarily to fixed rate bank borrowings and interest free advances to a related company. Currently, the Group does not have a specific policy to manage its interest rate risk, but will closely monitor the interest rate risk exposure in the future.

Sensitivity analysis

The management of the Group considers the fluctuation in interest rates of restricted bank deposits and bank balances is insignificant. Therefore, no sensitivity analysis on interest rates for restricted bank deposits and bank balances is presented. The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings. The analysis is prepared assuming the variable rate bank borrowings outstanding at the end of each reporting period were outstanding for the whole year/period. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2012 would decrease/increase by approximately RMB nil, RMB138,000, RMB258,000 and RMB317,000.

Equity price risk

The Group is exposed to equity price risk through its investment in listed securities in the PRC. Currently, the Group does not have a specific policy to manage its equity price risk, but will closely monitor the equity price risk exposure in the future.

Sensitivity analysis

The sensitivity analysis has been determined based on exposure to equity price risk at the end of reporting period. If equity prices had been 15% higher/lower, the Group's post-tax profit for the six months ended 30 June 2012 would increase/decrease by RMB958,000 (for the years ended 31 December 2009, 2010 and 2011: Nil) as a result of the changes in fair value of held for trading investments.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- (a) the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period; and
- (b) the amounts of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 34.

The Group has no significant concentration of credit risk in respect of trade receivable, with exposure spread over a large number of customers in the PRC. In order to minimize the credit risk, the management of the Group continuously monitors the level of exposure by frequent review of the credit evaluation of the financial condition and credit quality of its customers to ensure that follow-up actions and/or corrective actions are taken promptly to lower the risk exposure or to recover overdue balances.

After obtaining a minimum of 20% to 30% down payment from its customers, the Group would usually provide guarantees to banks in connection with its customers' mortgage loans to finance their purchase of the properties, for the period before building certificates are issued to the relevant customers. If a customer defaults on the payment of his mortgage during the term of guarantee, the bank may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and re-sell the property to recover any amounts payable by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk in respect of bank balances. At 31 December 2009, 2010 and 2011 and 30 June 2012, approximately 83%, 77%, 53% and 71% of the bank balances were deposited at 4, 3, 1 and 3 banks respectively, representing deposits at each bank with a balance exceeding 10% of total restricted bank deposits and bank balances. The credit risk of these liquid funds is limited because the counterparties are state-owned banks located in the PRC or banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk in respect of amount due from a related company. In order to minimize the credit risk on amount due from the related company, the management of the Group continuously monitors the credit quality and financial conditions of the related company and the level of exposure to ensure that follow-up action is taken to recover overdue debts. The Group acquired the entire equity interest in such related company in 2012. Under such circumstances, the directors of the Company consider that the Group's credit risk is insignificant.

Liquidity risk

The management of the Group have built an appropriate liquidity risk management framework for short-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecasted and actual cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are for floating rate instruments, the undiscounted amount is derived based on interest rate outstanding at the end of each reporting period.

	Undiscounted cash flows				Carrying amount
	Weighted average interest rate	On demand, or less than six months	Over six months but less than one year	Over one year but less than five years	
	%	RMB'000	RMB'000	RMB'000	
At 31 December 2009					
Trade and other payables	—	145,131	—	—	145,131
Amounts due to shareholders	—	162,116	—	—	162,116
Amounts due to related companies	—	56,400	—	—	56,400
Bank borrowings	6.30	25,847	75,193	346,456	386,747
Financial guarantee contracts	—	137,440	—	—	—
		<u>526,934</u>	<u>75,193</u>	<u>346,456</u>	<u>750,394</u>
At 31 December 2010					
Trade and other payables	—	138,299	—	—	138,299
Amounts due to shareholders	—	168,951	—	—	168,951
Bank borrowings	6.04	79,767	99,069	435,316	545,420
Financial guarantee contracts	—	176,770	—	—	—
		<u>563,787</u>	<u>99,069</u>	<u>435,316</u>	<u>852,670</u>
At 31 December 2011					
Trade and other payables	—	170,122	—	—	170,122
Amounts due to shareholders	—	129,098	—	—	129,098
Bank borrowings	6.79	38,799	99,129	374,761	453,704
Financial guarantee contracts	—	185,089	—	—	—
		<u>523,108</u>	<u>99,129</u>	<u>374,761</u>	<u>752,924</u>

	Weighted average interest rate	Undiscounted cash flows			Carrying amount
		On demand, or less than six months	Over six months but less than one year	Over one year but less than five years	
	%	RMB'000	RMB'000	RMB'000	RMB'000
At 30 June 2012					
Trade and other payables	—	188,458	—	—	188,458
Bank borrowings	6.88	63,508	89,960	415,259	489,060
Financial guarantee contracts	—	210,330	—	—	—
		<u>462,296</u>	<u>89,960</u>	<u>415,259</u>	<u>677,518</u>

The total undiscounted cash flows of financial guarantee contracts as at 31 December 2009, 2010 and 2011 and 30 June 2012 disclosed above was the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount was claimed by the counterparties to the guarantee. Based on expectations at the end of each reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of each reporting period.

6C. Fair values

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- (a) the fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- (b) the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Financial Information approximate their fair values.

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Held for trading investments of the Group, which are financial instruments that are measured subsequent to initial recognition at fair value, are grouped under Level 1 fair value measurement in accordance with IFRS 7.

There were no transfers between Level 1 and 2 throughout the Track Record Period.

7. REVENUE AND SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the executive directors of the Company. The information reported to the chief operating decision maker for purposes of resource allocation and performance assessment focuses specifically on respective businesses of the Group. The Group's operating and reportable segments are as follows:

Property development	—	Development and sale of properties
Property investment	—	Property leasing (including lease of self-owned properties and sub-lease of rented properties)

Segment revenue and results

	Property development	Property investment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
For the year ended 31 December 2009			
Segment revenue	<u>458,577</u>	<u>35,223</u>	<u>493,800</u>
Segment results	<u>147,742</u>	<u>14,888</u>	162,630
Other income, expenses, gains and losses			6,012
Unallocated corporate expenses			(4,162)
Changes in fair value of investment properties			<u>250,183</u>
Profit before tax			<u>414,663</u>
For the year ended 31 December 2010			
Segment revenue	<u>441,268</u>	<u>42,256</u>	<u>483,524</u>
Segment results	<u>76,175</u>	<u>21,402</u>	97,577
Other income, expenses, gains and losses			11,403
Finance costs			(2,804)
Unallocated corporate expenses			(4,633)
Changes in fair value of investment properties			<u>306,900</u>
Profit before tax			<u>408,443</u>
For the year ended 31 December 2011			
Segment revenue	<u>444,952</u>	<u>79,543</u>	<u>524,495</u>
Segment results	<u>142,241</u>	<u>43,462</u>	185,703
Other income, expenses, gains and losses			18,599
Finance costs			(6,871)
Unallocated corporate expenses			(3,703)
Share of loss of an associate			(407)
Changes in fair value of investment properties			<u>539,919</u>
Profit before tax			<u>733,240</u>

	Property development	Property investment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
For the six months ended 30 June 2012			
Segment revenue	<u>614,486</u>	<u>47,865</u>	<u>662,351</u>
Segment results	<u>265,761</u>	<u>26,240</u>	292,001
Other income, expenses, gains and losses			(608)
Finance costs			(4,024)
Unallocated corporate expenses			(4,982)
Share of loss of an associate			(764)
Changes in fair value of investment properties			<u>75,000</u>
Profit before tax			<u>356,623</u>
For the six months ended 30 June 2011 (unaudited)			
Segment revenue	<u>133,278</u>	<u>33,952</u>	<u>167,230</u>
Segment results	<u>18,762</u>	<u>22,819</u>	41,581
Other income, expenses, other gains and losses			10,921
Finance costs			(3,132)
Unallocated corporate expenses			(2,779)
Changes in fair value of investment properties			<u>229,579</u>
Profit before tax			<u>276,170</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the Track Record Period.

The accounting policies of the operating and reportable segments information are the same as the Group's accounting policies described in note 3. Segment results represents the profit earned by each segment without allocation of central administration costs, changes in fair value of investment properties, other income, expenses, gains and losses, share of loss of an associate, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Property development	Property investment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2009			
Segment assets	<u>752,626</u>	<u>1,953,115</u>	2,705,741
Property, plant and equipment			20,849
Other receivables, deposits and prepayments			75,415
Restricted bank deposits			3,383
Bank balances and cash			209,262
Other unallocated assets			<u>25,076</u>
Total assets			<u>3,039,726</u>
 Segment liabilities	<u>609,129</u>	<u>2,474</u>	611,603
Amounts due to shareholders			162,116
Tax liabilities			40,543
Bank borrowings			386,747
Deferred tax liabilities			400,542
Other unallocated liabilities			<u>83,544</u>
Total liabilities			<u>1,685,095</u>
 As at 31 December 2010			
Segment assets	<u>849,392</u>	<u>2,308,754</u>	3,158,146
Property, plant and equipment			18,638
Other receivables, deposits and prepayments			87,345
Amount due from a related company			43,491
Restricted bank deposits			64,432
Bank balances and cash			388,166
Other unallocated assets			<u>39,898</u>
Total assets			<u>3,800,116</u>
 Segment liabilities	<u>851,860</u>	<u>47,289</u>	899,149
Amounts due to shareholders			168,951
Tax liabilities			44,464
Bank borrowings			545,420
Deferred tax liabilities			478,698
Other unallocated liabilities			<u>27,540</u>
Total liabilities			<u>2,164,222</u>

	Property development	Property investment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2011			
Segment assets	<u>872,923</u>	<u>2,919,392</u>	3,792,315
Property, plant and equipment			22,044
Other receivables, deposits and prepayments			67,801
Amount due from a related company			120,176
Restricted bank deposits			15,718
Bank balances and cash			196,641
Other unallocated assets			<u>39,848</u>
Total assets			<u>4,254,543</u>
Segment liabilities	<u>781,446</u>	<u>57,357</u>	838,803
Amounts due to shareholders			129,098
Tax liabilities			100,339
Bank borrowings			453,704
Deferred tax liabilities			616,115
Other unallocated liabilities			<u>39,150</u>
Total liabilities			<u>2,177,209</u>
As at 30 June 2012			
Segment assets	<u>952,534</u>	<u>3,299,819</u>	4,252,353
Property, plant and equipment			21,686
Other receivables, deposits and prepayments			49,009
Restricted bank deposits			16,097
Bank balances and cash			92,389
Other unallocated assets			<u>45,788</u>
Total assets			<u>4,477,322</u>
Segment liabilities	<u>370,078</u>	<u>52,730</u>	422,808
Tax liabilities			210,824
Bank borrowings			489,060
Deferred tax liabilities			684,612
Other unallocated liabilities			<u>29,050</u>
Total liabilities			<u>1,836,354</u>

For the purposes of assessing segment performance and allocating resources between segments:

- Other than investment properties, completed car parks and car parks under construction (included in property, plant and equipment), leasehold land held for development for sale, properties under development for sale, completed properties for sale, trade receivables and prepayment for leasehold land held for development for sale, all other assets are not allocated to segment assets; and
- Other than trade payables, deposits and prepayments received from pre-sale of properties and rental received in advance, all other liabilities are not allocated to segment liabilities.

No single customer of the Group contributed 10% or more to the Group's revenue for the Track Record Period.

The Group's revenue from external customers is derived solely from its operations in the PRC, and non-current assets of the Group are all located in the PRC.

8. OTHER INCOME, EXPENSES, GAINS AND LOSSES

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income	889	3,413	7,203	3,187	2,488
Imputed interest income on amount due from a related company	—	2,804	6,868	3,132	4,024
Forfeiture income on deposits received	673	—	—	—	—
Gain (loss) on disposal of property, plant and equipment	2,040	(2)	(2)	—	—
Net foreign exchange gains (losses)	2,104	4,777	5,610	4,412	(280)
Listing expenses	—	—	(1,500)	—	(7,498)
Others	306	411	420	190	658
	<u>6,012</u>	<u>11,403</u>	<u>18,599</u>	<u>10,921</u>	<u>(608)</u>

9. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interests on bank loans wholly repayable within five years	15,968	33,942	35,317	20,893	16,126
Less: Amount capitalized to properties under development for sale and investment properties under development	<u>(15,968)</u>	<u>(31,138)</u>	<u>(28,446)</u>	<u>(17,761)</u>	<u>(12,102)</u>
	<u>—</u>	<u>2,804</u>	<u>6,871</u>	<u>3,132</u>	<u>4,024</u>

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Directors' remunerations (note 11)	270	274	416	138	258
Other staff costs:					
- Salaries and other benefits	10,779	14,570	18,999	9,802	13,019
- Retirement benefit scheme contributions	1,436	1,900	4,225	1,067	1,411
Total staff costs	12,485	16,744	23,640	11,007	14,688
Less: Amount capitalized to properties under development for sale and investment properties under development	(3,363)	(4,837)	(6,160)	(3,295)	(2,729)
	9,122	11,907	17,480	7,712	11,959
Rental income in respect of investment properties	(35,223)	(42,256)	(74,924)	(31,378)	(43,275)
Less: Direct operating expenses of investment properties that generated rental income	3,599	3,670	4,647	1,999	2,618
	(31,624)	(38,586)	(70,277)	(29,379)	(40,657)
Cost of properties sold	260,859	323,823	253,266	79,808	301,498
Auditor's remuneration	817	778	720	125	135
Depreciation of property, plant and equipment	2,360	2,719	3,063	1,561	4,159
Allowance for doubtful receivables	—	1,095	—	—	—
Rental expenses of properties under operating lease	166	233	3,096	89	2,900

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company were as follows:

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
For the year ended				
31 December 2009				
Mr. Wong Yam Yin	—	—	—	—
Mr. Wong Kam Fai	46	—	—	46
Mr. Wong Kam Keung Barry	42	—	—	42
Mr. Kiky Gunawan	91	—	—	91
Mr. Janata Suwita	91	—	—	91
Mr. Tjie Tjin Fung	—	—	—	—
Mr. David Janata	—	—	—	—
	<u>270</u>	<u>—</u>	<u>—</u>	<u>270</u>
For the year ended				
31 December 2010				
Mr. Wong Yam Yin	—	—	—	—
Mr. Wong Kam Fai	46	—	—	46
Mr. Wong Kam Keung Barry	46	—	—	46
Mr. Kiky Gunawan	91	—	—	91
Mr. Janata Suwita	91	—	—	91
Mr. Tjie Tjin Fung	—	—	—	—
Mr. David Janata	—	—	—	—
	<u>274</u>	<u>—</u>	<u>—</u>	<u>274</u>
For the year ended				
31 December 2011				
Mr. Wong Yam Yin	—	—	—	—
Mr. Wong Kam Fai	46	—	—	46
Mr. Wong Kam Keung Barry	42	—	—	42
Mr. Kiky Gunawan	91	—	—	91
Mr. Janata Suwita	87	—	—	87
Mr. Chan Wai Kin	—	150	—	150
Mr. Tjie Tjin Fung	—	—	—	—
Mr. David Janata	—	—	—	—
	<u>266</u>	<u>150</u>	<u>—</u>	<u>416</u>

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
For the six months ended				
30 June 2012				
Mr. Wong Yam Yin	—	—	—	—
Mr. Wong Kam Fai	—	—	—	—
Mr. Wong Kam Keung Barry	—	—	—	—
Mr. Kiky Gunawan	—	—	—	—
Mr. Janata Suwita	—	—	—	—
Mr. Chan Wai Kin	—	253	5	258
Mr. Tjie Tjin Fung	—	—	—	—
Mr. David Janata	—	—	—	—
	<u>—</u>	<u>253</u>	<u>5</u>	<u>258</u>
For the six months ended				
30 June 2011 (unaudited)				
Mr. Wong Yam Yin	—	—	—	—
Mr. Wong Kam Fai	23	—	—	23
Mr. Wong Kam Keung Barry	23	—	—	23
Mr. Kiky Gunawan	46	—	—	46
Mr. Janata Suwita	46	—	—	46
Mr. Tjie Tjin Fung	—	—	—	—
Mr. David Janata	—	—	—	—
	<u>138</u>	<u>—</u>	<u>—</u>	<u>138</u>

The five highest paid individuals were not directors of the Company for each of the years ended 31 December 2009, 2010 and 2011 respectively and for the six months ended 30 June 2011 (unaudited); and included one director of the Company for the six months ended 30 June 2012. Details of the directors' emoluments are set out above. The emoluments of the remaining individuals during the Track Record Period were as follows:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employees:					
- Salaries and other benefits	759	1,029	1,454	727	639
- Performance related bonuses	756	1,185	1,258	—	—
- Retirement benefit scheme contributions	91	97	90	45	52
	<u>1,606</u>	<u>2,311</u>	<u>2,802</u>	<u>772</u>	<u>691</u>

Their emoluments were within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>No. of employees</i>	<i>No. of employees</i>	<i>No. of employees</i>	<i>No. of employees (unaudited)</i>	<i>No. of employees</i>
HK\$ nil to HK\$1,000,000	5	5	5	5	4

During the Track Record Period, no emoluments were paid by the Group to any directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the Track Record Period.

12. TAXATION

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000 (unaudited)</i>	<i>RMB'000</i>
Current tax:					
- PRC enterprise income tax	31,776	15,644	45,043	10,005	66,517
- Land appreciation tax	34,002	19,429	43,898	13,708	72,648
- Withholding tax on distribution of earnings from PRC subsidiaries	—	—	2,752	—	3,628
	65,778	35,073	91,693	23,713	142,793
Deferred tax	70,449	79,994	128,354	56,431	7,147
	<u>136,227</u>	<u>115,067</u>	<u>220,047</u>	<u>80,144</u>	<u>149,940</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit during the Track Record Period. No provision for Hong Kong Profits Tax has been made in the Financial Information as the Group's subsidiaries in Hong Kong had no assessable profit.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in the PRC (being the

proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value; with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

During the Track Record Period, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects, and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

The tax charge for the Track Record Period can be reconciled to the accounting profit as follows:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before tax	<u>414,663</u>	<u>408,443</u>	<u>733,240</u>	<u>276,170</u>	<u>356,623</u>
Tax at PRC enterprise income tax rate of 25%	103,666	102,111	183,310	69,043	89,156
Tax effect of expenses not deductible for tax purpose	1,442	2,115	915	575	923
Tax effect of income not taxable for tax purpose	(488)	(1,273)	(2,217)	(922)	(52)
Effect of tax losses and deductible temporary differences not recognized	3,962	73	—	—	—
Utilization of tax losses and deductible temporary differences not previously recognized	(440)	(3,962)	(73)	—	—
LAT	34,002	19,429	43,898	13,708	72,648
Tax effect of LAT	(8,501)	(4,857)	(10,975)	(3,427)	(18,162)
Withholding tax on undistributed profit of PRC subsidiaries	<u>2,584</u>	<u>1,431</u>	<u>5,189</u>	<u>1,167</u>	<u>5,427</u>
	<u>136,227</u>	<u>115,067</u>	<u>220,047</u>	<u>80,144</u>	<u>149,940</u>

13. EARNINGS PER SHARE

No earnings per share information is presented, as its inclusion, for the purpose of this report, is not considered meaningful due to the preparation of the Financial Information on the basis as set out in note 1.

14. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

Prior to the Reorganization,

- i. Golden Wheel International Investment had declared and paid dividend in an amount of RMB54,108,000 to its then shareholders during the year ended 31 December 2011;
- ii. Nanjing Jade Golden Wheel, a subsidiary of Golden Wheel International Investment, had declared and paid dividends to its equity holders, in which RMB4,462,000 was paid to its then non-controlling shareholder during the year ended 31 December 2011; and
- iii. Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate, subsidiaries of Golden Wheel International Investment, had declared and paid dividends to their equity holders, in which an aggregate of RMB5,884,000 was paid to their then non-controlling shareholder during the six months ended 30 June 2012.

The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of this report.

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Land and buildings</u>	<u>Motor vehicles</u>	<u>Computers and office equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost						
At 1 January 2009	5,936	2,872	1,130	—	25,790	35,728
Additions	—	—	548	—	13,979	14,527
Disposals	(5,936)	(304)	(223)	—	—	(6,463)
Transfers	25,318	—	—	—	(25,318)	—
Transfer from completed properties for sale	14,702	—	—	5,028	—	19,730
At 31 December 2009	40,020	2,568	1,455	5,028	14,451	63,522
Additions	—	258	252	—	9,013	9,523
Disposals	—	—	(103)	—	—	(103)
At 31 December 2010	40,020	2,826	1,604	5,028	23,464	72,942
Additions	—	—	353	6,118	17,363	23,834
Disposals	—	—	(255)	—	—	(255)
At 31 December 2011	40,020	2,826	1,702	11,146	40,827	96,521
Additions	—	216	148	—	3,367	3,731
Transfers	35,483	—	—	—	(35,483)	—
Transfer from completed properties for sale	793	—	—	—	—	793
Acquisition of subsidiaries	—	78	—	—	21,713	21,791
Disposals	—	—	(242)	—	—	(242)
At 30 June 2012	76,296	3,120	1,608	11,146	30,424	122,594
Depreciation						
At 1 January 2009	615	952	291	—	—	1,858
Provided for the year	537	892	459	472	—	2,360
Eliminated on disposals	(792)	(301)	(221)	—	—	(1,314)
At 31 December 2009	360	1,543	529	472	—	2,904
Provided for the year	721	614	379	1,005	—	2,719
Eliminated on disposals	—	—	(101)	—	—	(101)

	Land and buildings	Motor vehicles	Computers and office equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2010	1,081	2,157	807	1,477	—	5,522
Provided for the year	721	385	495	1,462	—	3,063
Eliminated on disposals	—	—	(253)	—	—	(253)
At 31 December 2011	1,802	2,542	1,049	2,939	—	8,332
Provided for the period	2,899	182	240	838	—	4,159
Eliminated on disposals	—	—	(242)	—	—	(242)
At 30 June 2012	4,701	2,724	1,047	3,777	—	12,249
Carrying Value						
At 31 December 2009	39,660	1,025	926	4,556	14,451	60,618
At 31 December 2010	38,939	669	797	3,551	23,464	67,420
At 31 December 2011	38,218	284	653	8,207	40,827	88,189
At 30 June 2012	71,595	396	561	7,369	30,424	110,345

The land and buildings of the Group comprising land use rights and buildings in the PRC where the cost of land use rights cannot be separated reliably. The land use rights is classified as a finance lease, and the land and buildings are amortized and depreciated between 20 to 36 years using straight-line method.

The following useful lives are used in the calculation of depreciation of other property, plant and equipment:

Motor vehicles	—	4 years
Computers and office equipment	—	3 years
Leasehold improvements	—	over the lease period or 5 years, whichever is shorter

As at 31 December 2009, 2010 and 2011 and 30 June 2012, land and buildings with carrying amount of approximately RMB14,342,000, RMB13,621,000, RMB12,900,000 and RMB12,587,000 respectively were pledged to banks to secure certain banking facilities granted to the Group.

As at 31 December 2009, 2010 and 2011 and 30 June 2012, construction in progress with carrying amount of approximately RMB14,451,000, RMB23,464,000, RMB nil and RMB nil respectively were pledged to banks to secure certain banking facilities granted to the Group.

The land and buildings are held under medium-term land leases in the PRC.

16. INVESTMENT PROPERTIES

	Completed investment properties	Investment properties under development	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fair Value			
At 1 January 2009	1,349,000	269,000	1,618,000
Additions	—	4,292	4,292
Reclassification from completed properties for sale (note)	81,000	—	81,000
Increase in fair value	<u>90,000</u>	<u>116,708</u>	<u>206,708</u>
At 31 December 2009	1,520,000	390,000	1,910,000
Additions	—	42,100	42,100
Increase in fair value	<u>148,000</u>	<u>158,900</u>	<u>306,900</u>
At 31 December 2010	1,668,000	591,000	2,259,000
Additions	—	51,081	51,081
Transfers	750,000	(750,000)	—
Increase in fair value	<u>432,000</u>	<u>107,919</u>	<u>539,919</u>
At 31 December 2011	2,850,000	—	2,850,000
Acquisition of subsidiaries	45,600	238,000	283,600
Increase in fair value	<u>75,000</u>	<u>—</u>	<u>75,000</u>
At 30 June 2012	<u>2,970,600</u>	<u>238,000</u>	<u>3,208,600</u>

The fair values of the Group's investment properties were arrived at on the basis of a valuation carried out at the end of respective reporting periods, the date of transfer of completed properties for sale to investment properties and the date of acquisition of subsidiaries by CBRE HK Limited. CBRE HK Limited, located at 4/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong, is a firm of independent valuers not connected with the Group, who have qualifications such as members of The Hong Kong Institute of Surveyors. The Group's investment properties have been valued individually, on market value basis.

For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalization of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development has been arrived at by reference to market transactions of comparable properties to determine the value of the properties as if they were completed as at the dates of valuation, and taking into account the construction and other related costs that would be expended to complete the development, the developer's profit and percentage of completion of the properties.

As at 31 December 2009, 2010 and 2011 and 30 June 2012, the Group's investment properties with a carrying amount of approximately RMB1,910,000,000, RMB2,259,000,000, RMB1,844,000,000 and RMB1,896,000,000 respectively were pledged to banks to secure certain banking facilities granted to the Group.

The investment properties are held under medium-term leases in the PRC.

During the year ended 31 December 2011, investment properties under development, namely Golden Wheel Time Square, with a fair value of approximately RMB750,000,000 at the date of transfer were reclassified to completed investment properties upon completion of development. As at 31 December 2011, the Group was in the process of obtaining the building certificates of completed investment properties, namely Golden Wheel Time Square, with carrying value of approximately RMB1,006,000,000 (31 December 2009, 31 December 2010 and 30 June 2012: Nil). The building certificates of the completed investment properties, namely Golden Wheel Time Square, were obtained by the Group during the six months ended 30 June 2012.

Note: During the year ended 31 December 2009, completed properties for sale, namely Golden Wheel Waltz, with carrying amount of approximately RMB37,525,000 were transferred to investment properties upon commencement of operating leases. The difference between the fair value of the properties and the carrying amount at the date of transfer amounted to approximately RMB43,475,000 is recognized in profit and loss.

17. INTEREST IN AN ASSOCIATE

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investment in an associate — unlisted	—	—	3,000	3,000
Share of post-acquisition losses	—	—	(407)	(1,171)
	—	—	2,593	1,829

The Group's interest in the associate is as follows:

Name of entity	Place of establishment and operation	Proportion of paid-up capital and voting power held by the Group					Principal activities
		At 31 December			At 30 June	At date of this report	
		2009	2010	2011	2012		
Nanjing Pocui Jiudian Guanli Co., Ltd. (南京珀翠酒店管理有限公司) ("Nanjing Pocui")	PRC	—	—	30%	30%	30%	Restaurant operations

Summarized financial information in respect of the Group's associate is set out below:

	At 31 December			At 30 June	
	2009	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000	
Total assets	—	—	10,166	11,919	
Total liabilities	—	—	(1,522)	(5,822)	
Net assets	—	—	8,644	6,097	
Group's share of net assets of the associate	—	—	2,593	1,829	
	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total revenue	—	—	226	—	8,058
Total loss for the year/period	—	—	(1,356)	—	(2,547)
Group's share of loss of the associate	—	—	(407)	—	(764)

Amount due from an associate

At 31 December 2011, the amount represents rental receivable from the associate, which is aged between 61 to 180 days and past due but not impaired as the directors of the Company consider the amount is recoverable. The amount was fully settled during the six months ended 30 June 2012.

18. DEFERRED TAX

For the purpose of consolidated statements of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 31 December			At 30 June	
	2009	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000	
Deferred tax assets	10,665	8,827	17,890	31,292	
Deferred tax liabilities	(400,542)	(478,698)	(616,115)	(684,612)	
	(389,877)	(469,871)	(598,225)	(653,320)	

The deferred tax assets (liabilities) recognized by the Group and movements thereon during the Track Record Period are as follows:

	LAT provision and other deductible temporary differences	Changes in fair value of investment properties	Tax losses	Withholding tax on undistributed profits of PRC subsidiaries	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2009	738	(335,412)	15,246	—	(319,428)
Credit (charge) to profit or loss	8,339	(62,546)	(13,658)	(2,584)	(70,449)
At 31 December 2009	9,077	(397,958)	1,588	(2,584)	(389,877)
Charge to profit or loss	(250)	(76,725)	(1,588)	(1,431)	(79,994)
At 31 December 2010	8,827	(474,683)	—	(4,015)	(469,871)
Credit (charge) to profit or loss	9,063	(134,980)	—	(5,189)	(131,106)
Reversal upon payment of withholding tax	—	—	—	2,752	2,752
At 31 December 2011	17,890	(609,663)	—	(6,452)	(598,225)
Credit (charge) to profit or loss	13,402	(18,750)	—	(5,427)	(10,775)
Acquisition of subsidiaries	—	(47,948)	—	—	(47,948)
Reversal upon payment of withholding tax	—	—	—	3,628	3,628
At 30 June 2012	<u>31,292</u>	<u>(676,361)</u>	<u>—</u>	<u>(8,251)</u>	<u>(653,320)</u>

Under the EIT Law, starting from 1 January 2008, 10% withholding income tax is imposed on dividends declared in respect of profits earned in year 2008 onwards and distributed to foreign investors for companies established in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% will be applied where appropriate. Other than the PRC withholding income tax provided as above, no deferred taxation has been provided for the retained profits of approximately RMB nil, RMB18 million, RMB19 million and RMB48 million as at 31 December 2009, 2010 and 2011 and 30 June 2012 respectively, which were derived from the PRC subsidiaries since 1 January 2008 as the Group has set aside such sum for non-distributable purpose, and is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group has unused tax losses of RMB6,352,000, RMB290,000, RMB nil and RMB nil available for offset against future profits as at 31 December 2009, 2010 and 2011 and 30 June 2012 respectively. Other than the deferred tax assets in relation to tax losses recognized as above, no deferred tax asset has been recognized in respect of the remaining unused tax losses of RMB nil, RMB290,000, RMB nil and RMB nil as at 31 December 2009, 2010 and 2011 and 30 June 2012 respectively due to the unpredictability of future profit streams.

Other than the above amounts and the deductible temporary difference amounting to approximately RMB15,848,000 as at 31 December 2009, at the end of each reporting period, the Group and Company had no other significant unrecognized deferred taxation.

19. LEASEHOLD LAND AND PREPAYMENT FOR LEASEHOLD LAND HELD FOR DEVELOPMENT FOR SALE

Leasehold land held for development for sale:

The amount as at 31 December 2010 represented land held for development for sale, which development has been commenced in 2011 and expected to be completed in 2013.

Prepayment for leasehold land held for development for sale:

The amount as at 31 December 2009 represents prepayment for leasehold land held for development for sale, of which the land was handed over to the Group and land use right certificate was obtained in 2010.

The amount as at 30 June 2012 represents prepayment for leasehold land held for development for sale, of which the land has not been handed over to the Group as at 30 June 2012.

20. PROPERTIES UNDER DEVELOPMENT FOR SALE

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Included in properties under development for sale are properties which development expected to be completed after one year from the end of reporting period	234,398	255,966	285,210	425,552

As at 31 December 2009, 2010 and 2011 and 30 June 2012, certain of the Group's properties under development for sale with a carrying amount of approximately RMB408,000,000, RMB329,000,000, RMB498,000,000 and RMB336,000,000 respectively were pledged to banks to secure certain banking facilities granted to the Group.

21. COMPLETED PROPERTIES FOR SALE

As at 31 December 2009, 2010 and 2011 and 30 June 2012, certain of the Group's completed properties for sale with a carrying amount of approximately RMB64,000,000, RMB64,000,000, RMB57,000,000 and RMB24,000,000 respectively were pledged to banks to secure certain banking facilities granted to the Group.

22. TRADE AND OTHER RECEIVABLES

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivable	7,819	4,335	5,091	5,464
Other receivables and prepaid expenses	5,122	7,621	8,728	12,808
Advances to contractors	47,964	44,609	21,559	25,533
Deposits	1,973	2,157	847	842
Other taxes prepaid	20,356	32,958	36,667	9,826
	<u>83,234</u>	<u>91,680</u>	<u>72,892</u>	<u>54,473</u>

In respect of sale of properties, a minimum down payment are required in accordance with the terms of the related sale and purchase agreements and consideration in cash is fully received prior to the delivery of the properties to the customers.

Rental prepayment is usually required in accordance with the terms of the relevant lease agreements within 30 days before the commencement dates of leases.

Trade receivable mainly comprises rental receivable in respect of self-owned investment properties and sub-leased properties, and amounts receivable from credit card companies in respect of deposit made by customers for sale of properties.

The aging analysis of the Group's accounts receivable, net of allowance for doubtful debts, based on payment due date as set out in relevant agreements at the respective reporting dates are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
0 to 30 days	7,819	3,862	2,987	4,536
31 to 60 days	—	—	818	—
61 to 180 days	—	—	740	651
181 to 365 days	—	380	453	—
Over 1 year	—	93	93	277
	<u>7,819</u>	<u>4,335</u>	<u>5,091</u>	<u>5,464</u>

At the end of each reporting period, included in the Group's accounts receivable are debtors with the following carrying amounts which are past due for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience of the management. The Group does not hold any collateral over these balances.

Aging of trade receivables (which are all rental receivable from tenants) which are past due but not impaired:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
0 to 180 days	3,346	592	4,092	2,283
181 to 365 days	—	380	453	—
Over 1 year	—	93	93	277
	<u>3,346</u>	<u>1,065</u>	<u>4,638</u>	<u>2,560</u>

In assessing the recoverability of rental receivable from property tenants, the Group considers any change in the credit quality of the tenants. The Group recognizes allowance for doubtful receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Movements in the allowance for doubtful receivables are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at beginning of the year/period	—	—	1,095	1,095
Impairment losses recognized on trade receivables	—	1,095	—	—
Balance at end of year/period	—	1,095	1,095	1,095

23. AMOUNTS DUE FROM/TO RELATED COMPANIES

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Amount due from a related company:				
Nanjing Golden Wheel Real Estate (note a)	—	43,491	120,176	—
Maximum amount outstanding during the year/period:				
Nanjing Golden Wheel Real Estate (note a)	—	90,086	153,082	132,800
Amounts due to related companies:				
Nanjing Golden Wheel Real Estate (note a)	39,900	—	—	—
Nanjing Xinbosi Wenhua Chuanbo Co., Ltd. (南京新博思文化傳播有限公司) ("Xinbosi") (note b)	8,500	—	—	—
Nanjing Shiyijia Yingxiao Guanli Zixun Co., Ltd. (南京世藝佳營銷管理諮詢有限公司) ("Shiyijia") (note c)	8,000	—	—	—
	56,400	—	—	—

Notes:

- a. Nanjing Golden Wheel Real Estate was wholly owned by Wong Family prior to the acquisition by the Group in 2012, which became a subsidiary of the Company effective from 18 June 2012. Subsequent to the acquisition, the amount due from Nanjing Golden Wheel Real Estate was waived by the Group.
- b. Xinbosi is wholly owned by the spouse of Mr. Wong Kam Fai, one of the Ultimate Controlling Shareholders of the Company.
- c. Shiyijia is wholly owned by the sister of the spouse of Mr. Wong Kam Fai.

The amounts due to related companies are unsecured, interest-free and repayable on demand. The amounts were non-trade in nature and arose as a result of temporary advances from the related companies.

The amount due from a related company is unsecured and non-trade in nature. The Group has made interest-free advances to Nanjing Golden Wheel Real Estate (the "Advances") for a property development project, and the amount was originally expected to be recovered in 2013 based on the expected progress of such project and Nanjing Golden Wheel Real Estate's capability to repay the amount. As a result, it was presented as non-current asset as at 31 December 2010 and 2011. The Group has applied amortized costs measurement basis to initially recognize the Advances at fair values and accrued imputed interest income up to the date of acquisition of Nanjing Golden Wheel Real Estate by the Group, by applying the effective interest rates of 8.10% and 8.78% per annum. The effective interest rates were estimated by making reference to the prevailing market interest rates.

24. HELD FOR TRADING INVESTMENTS

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity securities listed in PRC	—	—	—	8,518

25. RESTRICTED BANK DEPOSITS

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deposits pledged for banking facilities (note a)	3,000	58,966	4,905	4,905
Deposits pledged for guarantees granted to customers (note b)	383	5,466	10,813	11,192
	<u>3,383</u>	<u>64,432</u>	<u>15,718</u>	<u>16,097</u>

Notes:

- a. The amounts represent bank deposits in RMB pledged to banks as security for certain banking facilities granted to the Group. The use of such bank deposits, subject to the banks' approval, is restricted to the payments for construction works of the specified development projects as set out in the relevant loan agreements.

- b. The amounts represent bank deposits in RMB pledged to banks as security for certain mortgage loans granted by the banks to the Group's customers. The restricted bank deposits will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

The bank deposits carry interest rates as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	%	%	%	%
Range of interest rate per annum	<u>0.36</u>	<u>0.36 - 1.35</u>	<u>0.50 - 1.49</u>	<u>0.40</u>

26. BANK BALANCES AND CASH

Cash and cash equivalents comprise bank balances and cash held by the Group, and short-term deposits placed at banks that borne interest at prevailing market interest rates. All deposits are with an original maturity of three months or less. The bank balances carry interest rates as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	%	%	%	%
Range of interest rate per annum	<u>0.01 - 1.35</u>	<u>0.01 - 2.25</u>	<u>0.01 - 1.49</u>	<u>0.01 - 1.39</u>

Bank balances and cash that are denominated in currency other than the functional currency of the relevant group entities are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB equivalent of US\$	<u>2,258</u>	<u>5,580</u>	<u>1,329</u>	<u>4,797</u>

Bank balances and cash of the Group, as set out below, are denominated in RMB which is not a freely convertible currency in the international market. The exchange rate of RMB is controlled by the government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank balances and cash denominated in RMB	<u>207,004</u>	<u>382,586</u>	<u>195,312</u>	<u>87,592</u>

27. TRADE AND OTHER PAYABLES

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:				
0 to 60 days	67,185	77,175	123,139	145,509
61 to 180 days	24,090	18,745	2,514	6,913
181 to 365 days (note)	19,073	12,502	11,961	38,899
Over 1 year	12,488	5,377	602	8,060
	122,836	113,799	138,216	199,381
Deposits	7,597	11,007	20,568	15,729
Other taxes payable	4,272	2,463	4,832	2,053
Other payables and accrued expenses	15,275	14,070	13,750	11,268
	<u>149,980</u>	<u>141,339</u>	<u>177,366</u>	<u>228,431</u>

Generally, the average credit period taken for trade payables is about 60 days.

At 31 December 2009, 2010 and 2011 and 30 June 2012, trade payables include retention money of approximately RMB11,289,000, RMB10,831,000, RMB18,001,000 and RMB30,819,000 respectively, which relates to 5% to 15% of the contract prices.

Note: As at 30 June 2012, trade payable of approximately RMB36,180,000 (31 December 2009, 2010 and 2011: Nil) is related to a land acquisition transaction, where a subsidiary of the Company (the "Acquirer") entered into a contract to acquire a piece of land from a third party (the "Vendor"), and the consideration of which is partly settled by way of cash and partly settled through delivery of the Acquirer's completed properties to the Vendor upon completion of the properties. Such properties are under development as at 30 June 2012, and the properties are expected to be completed in June 2013.

28. AMOUNTS DUE TO SHAREHOLDERS

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Sjaifudin Aman	6,233	6,495	4,963	—
Tjie Tjin Fung	11,332	11,810	9,024	—
Hafandi Lijaya	9,632	10,038	7,671	—
Lili Somantry	11,332	11,810	9,024	—
Jamin Haryanto	11,332	11,810	9,024	—
Kiky Gunawan	11,332	11,810	9,024	—
Janata Suwita	11,332	11,810	9,024	—
Hadi Gunaman	11,332	11,810	9,024	—
Tjhin Tjin Sen	9,066	9,448	7,219	—
Bambang Trisna	9,066	9,448	7,219	—
Julia Oscar	6,799	7,086	5,415	—
Golden Wheel Properties Investment	53,328	55,576	42,467	—
	<u>162,116</u>	<u>168,951</u>	<u>129,098</u>	<u>—</u>

The above amounts are unsecured, interest-free and repayable on demand. These non-trade amounts arose as a result of advances from the Ultimate Controlling Shareholders during the Track Record Period. During the six months ended 30 June 2012, the Ultimate Controlling Shareholders waived the repayment of amounts due to the Ultimate Controlling Shareholders of approximately RMB67,032,000; and the remaining amounts due to the Ultimate Controlling Shareholders of approximately RMB62,066,000 were settled in cash.

The above amounts are denominated in US\$.

29. BANK BORROWINGS

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Shown as current liabilities:				
- Repayable on demand or within 1 year	<u>77,347</u>	<u>149,020</u>	<u>109,104</u>	<u>123,800</u>
Shown as non-current liabilities, repayable:				
- After 1 year but within 2 years	71,600	111,600	101,800	121,200
- After 2 years but within 5 years	<u>237,800</u>	<u>284,800</u>	<u>242,800</u>	<u>244,060</u>
	<u>309,400</u>	<u>396,400</u>	<u>344,600</u>	<u>365,260</u>
Total secured bank borrowings	<u>386,747</u>	<u>545,420</u>	<u>453,704</u>	<u>489,060</u>

The ranges of annual effective interest rates (which are the contracted interest rates) on the Group's bank borrowings are as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	%	%	%	%
Fixed-rate bank borrowings	—	5.36	5.36	5.36
Variable-rate bank borrowings	<u>5.76 - 8.69</u>	<u>5.40 - 6.62</u>	<u>5.85 - 7.94</u>	<u>5.65 - 7.45</u>

The Group's bank borrowings are denominated in RMB.

Details of the assets pledged and guarantees for the secured bank borrowings are set out in notes 15, 16, 20, 21, 25 and 38.

30. SHARE CAPITAL

	The Company	
	Number of shares	Share capital
		US\$
Authorized:		
Ordinary shares of US\$0.01 each		
At date of incorporation and at 30 June 2012	<u>5,000,000</u>	<u>50,000</u>
Issued and fully paid:		
Ordinary shares of US\$0.01 each		
At date of incorporation	999,900	9,999
Issue of new shares for the acquisition of Golden Wheel International Investment	1,000,000	10,000
Issue of new shares for the acquisition of Golden Wheel International Corporation	<u>100</u>	<u>1</u>
At 30 June 2012	<u>2,000,000</u>	<u>20,000</u>
		RMB'000
Shown on the consolidated statement of financial position as at 30 June 2012		<u>128</u>

On 26 April 2012, the date of incorporation of the Company, 999,900 new ordinary shares were allotted and issued to the Ultimate Controlling Shareholders at par.

On 18 June 2012, the Company issued 1,000,000 new ordinary shares to the Ultimate Controlling Shareholders pursuant to the Reorganization in exchange for the entire equity interest in Golden Wheel International Investment.

On 18 June 2012, the Company issued 100 new ordinary shares to Wong Family in exchange for the entire equity interest in Golden Wheel International Corporation.

The share capital of the Group as at 31 December 2009, 2010 and 2011 represents the share capital of Golden Wheel International Investment.

31. RESERVES

Special reserve

Special reserve mainly comprises amounts arise as a result of:

- (a) A waiver of RMB67,032,000 due to the Ultimate Controlling Shareholders during the six months ended 30 June 2012.
- (b) The Reorganization, being the difference between the nominal value of share capital of the Company and the nominal value of the share capital of Golden Wheel International Investment.
- (c) The acquisition of Golden Wheel International Corporation and its subsidiary, Nanjing Golden Wheel Real Estate on 18 June 2012, being (i) the difference between the nominal value of share capital issued by the Company and the fair value of the consolidated net assets of Golden Wheel International Corporation and Nanjing Golden Wheel Real Estate (excluding fair value of 7.50% equity interest in Nanjing Jade Golden Wheel and 3.75% equity interest in Yangzhou Golden Wheel Real Estate held by Nanjing Golden Wheel Real Estate); and (ii) the difference between the consideration paid and the carrying amount of net assets attributable to non-controlling interests in subsidiaries being acquired from the non-controlling shareholder.
- (d) Deemed distribution represents the difference between the principal amount of the amount due from Nanjing Golden Wheel Real Estate and its fair value at initial recognition. The fair value is determined by discounting the estimated future cash flows throughout the expected life of the advance (that is, from date of advance to expected repayment date).

Subsequent to the acquisition of Golden Wheel International Corporation and its subsidiary Nanjing Golden Wheel Real Estate on 18 June 2012, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount due from Nanjing Golden Wheel Real Estate. Deemed contribution represents the difference between the amount due from Nanjing Golden Wheel Real Estate stated at amortized cost and the principal amount of the amount due to the Group at date of waiver.

Surplus reserve

In accordance with relevant laws and regulations in the PRC and the articles of association of the PRC subsidiaries:

(a) PRC subsidiaries registered as sino-foreign joint venture:

The PRC subsidiaries may, at the discretion of board of directors of the PRC subsidiaries, transfer a portion of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the surplus reserve.

(b) PRC subsidiaries registered as wholly-foreign invested enterprise or domestic limited liability company:

The PRC subsidiaries are required to transfer at least 10% of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the surplus reserve.

The appropriation to surplus reserve may cease if the balance of the surplus reserve has reached 50% of the relevant PRC subsidiaries' registered capital.

The surplus reserve can be used to make up losses or for conversion into capital. The PRC subsidiaries may, upon the approval by a resolution of the owners, convert their surplus reserves into capital in proportion to their then existing capital contribution. However, when converting the PRC subsidiaries' surplus reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of their registered capital.

32. OPERATING LEASE COMMITMENTS**The Group as lessee**

At the end of respective reporting periods, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due as follows:

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	—	—	5,801	5,801
In the second to the fifth year inclusive	—	—	18,129	24,800
After the fifth year	—	—	68,791	59,220
	—	—	92,721	89,821

The operating lease payments represent rentals payable by the Group for retail spaces. The lease is negotiated for a term of 15 years.

The Group as lessor

At the end of respective reporting periods, the Group has contracted with tenants for the following future minimum lease payments:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	37,704	44,720	69,449	71,055
In the second to the fifth year inclusive	99,992	111,029	135,984	155,822
After the fifth year	35,414	25,871	35,614	33,973
	<u>173,110</u>	<u>181,620</u>	<u>241,047</u>	<u>260,850</u>

The Group leases out investment properties and rented properties, being retail outlets, under operating leases. All the properties held have committed tenants from 1 to 15 years.

Other than the abovementioned minimum lease payments, the Group also entered into contingent lease contracts with certain tenants, which stipulate monthly lease payments to be calculated in accordance with certain ratios on the tenants' net annual sales. Contingent rents recognized in income for each of the years ended 31 December 2009, 2010 and 2011 and the six months ended 30 June 2011 and 2012 amounted to approximately RMB4,900,000, RMB4,904,000, RMB4,666,000, RMB2,086,000 (unaudited) and RMB961,000 respectively.

33. OTHER COMMITMENTS

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Commitments contracted for but not provided in the Financial Information in respect of:				
- Construction of properties under development for sale	236,000	208,000	125,000	280,000
- Construction of investment properties under development	45,000	35,000	—	44,000
- Construction of properties for own use	21,000	21,000	3,000	15,000
Commitments approved but not contracted in respect of:				
- Leasehold land held for development for sale	—	—	—	60,000
	<u>302,000</u>	<u>264,000</u>	<u>128,000</u>	<u>399,000</u>

34. CONTINGENT LIABILITIES

	At 31 December			At 30 June
	2009	2010	2011	2012
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Mortgage loan guarantees provided by the Group to banks in favor of its customers	<u>137,440</u>	<u>176,770</u>	<u>185,089</u>	<u>210,330</u>

The Group provided guarantees to banks in favor of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted. In the opinion of the directors of the Company, the fair value of the financial guarantee contracts at initial recognition is not significant as the default rate is low, and subsequently at each reporting dates it is not probable that the customers would default on repayment to banks.

In addition, the Group is subject to maximum penalty and fines of RMB1.1 million as at 31 December 2011 and 30 June 2012 in respect of non-compliance of relevant PRC rules and regulations in relation to early delivery of certain properties in Golden Wheel Time Square, which has not been provided in the Financial Information as the directors of the Company consider the amount involved not significant.

35. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and employees are each required to make contributions to the scheme at specified rate and capped at HK\$1,000 (HK\$1,250 effective from 1 June 2012) per month per person. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme.

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute specified rate of the employees' salaries to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

36. ACQUISITION OF SUBSIDIARIES

On 18 June 2012, the Group acquired the assets and assumed the liabilities of a property project through the acquisition of 100% equity interest in Golden Wheel International Corporation, which holds 100% equity interest in Nanjing Golden Wheel Real Estate, an investment and property holding company, from the Wong Family. As Nanjing Golden Wheel

Real Estate also holds the remaining non-controlling equity interest in two of the Group's non-wholly owned subsidiaries, through the above-mentioned acquisition, the Group also acquired the remaining non-controlling interests in these two subsidiaries, namely, Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate. This transaction had been accounted for as purchase of assets and assumption of liabilities. The total consideration is by way of issuance of 100 new ordinary shares of US\$0.01 each in the Company to the Wong Family.

Details of net assets acquired in respect of this transaction are summarized below:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	21,791
Investment properties	283,600
Held for trading investments	8,518
Amount due from the Group	3,252
Properties under development for sale	192,437
Trade and other receivables	862
Bank balances and cash	15,211
Trade and other payables	(44,881)
Amounts due to the Group (note 1 below)	(132,800)
Tax liabilities	(15,900)
Deferred tax liabilities	<u>(47,948)</u>
Subtotal of net assets acquired before non-controlling equity interest in the Group's subsidiaries	284,142
Fair value of non-controlling equity interest of subsidiaries held by the acquiree (note 2 below)	<u>209,737</u>
Total net assets acquired	<u><u>493,879</u></u>

Note 1: Subsequent to the acquisition, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount owed by Nanjing Golden Wheel Real Estate to the Group.

Note 2: The amount represents the fair value of 7.50% equity interest in Nanjing Jade Golden Wheel and 3.75% equity interest in Yangzhou Golden Wheel Real Estate held by Nanjing Golden Wheel Real Estate as at 18 June 2012, which were acquired by the Group through acquisition of Golden Wheel International Corporation.

37. MAJOR NON-CASH TRANSACTIONS

- (a) During the six months ended 30 June 2012, the Ultimate Controlling Shareholders waived the repayment of amounts due to the Ultimate Controlling Shareholders of approximately RMB67,032,000. The waiver is accounted for as deemed contribution from the Ultimate Controlling Shareholders.
- (b) On 18 June 2012, Golden Wheel Pearl acquired 100% equity interest in Golden Wheel International Corporation through issuance of 100 new ordinary shares in the Company to Wong Family.

38. RELATED PARTY TRANSACTIONS

Other than as disclosed in notes 17, 23, 28 and 36, during the Track Record Period, the Group has entered into the following transactions with related parties:

- Sales of completed properties for sale:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Ultimate Controlling Shareholders and/or their close family members	10,959	3,933	—	—	771
Other family members of the Ultimate Controlling Shareholders	—	2,905	733	733	—
Members of key management	—	381	458	—	—
	<u>10,959</u>	<u>7,219</u>	<u>1,191</u>	<u>733</u>	<u>771</u>

- Marketing expenses:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Xinbosi	3,002	2,390	—	—	—
Shiyijia	2,120	1,621	900	900	—
	<u>5,122</u>	<u>4,011</u>	<u>900</u>	<u>900</u>	<u>—</u>

- Imputed interest income:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Nanjing Golden Wheel Real Estate (note 1 below)	—	2,804	6,868	3,132	4,024

- Rental income:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Nanjing Donut Times Food Co., Ltd. (南京多 納時光食品有限公司) ("Donut Times") (note 2 below)	262	116	172	86	—
Nanjing Pocui	—	—	1,060	—	2,663
	<u>262</u>	<u>116</u>	<u>1,232</u>	<u>86</u>	<u>2,663</u>

Note 1: The amount represents imputed interest income on the amount due from a related company by reference to the amount outstanding and at effective interest rates of 8.10% and 8.78% per annum. Subsequent to the acquisition of Golden Wheel International Corporation and its subsidiary Nanjing Golden Wheel Real Estate on 18 June 2012, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount due from Nanjing Golden Wheel Real Estate with principal amount of approximately RMB132,800,000.

Note 2: Donut Times is owned by certain ultimate shareholders of the Company, and an ultimate shareholder of the Company has significant influence over Donut Times.

- The bank borrowings of the Group (note 29) with the following carrying amounts are guaranteed by:

	At 31 December			At 30 June
	2009	2010	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Wong Yam Yin (note a)	92,933	111,000	102,067	117,067
Mr. Wong Kam Fai	92,933	126,000	117,067	132,067
Nanjing Golden Wheel Real Estate	19,600	8,000	6,400	—
Golden Wheel Trading Company Limited (note b)	73,334	103,000	95,666	108,667
Golden Wheel (Group) Company Limited (note c)	—	15,000	15,000	15,000
	<u>278,800</u>	<u>363,000</u>	<u>336,200</u>	<u>372,801</u>

Notes:

- a. Mr. Wong Yam Yin is an ultimate shareholder of the Company.
- b. Golden Wheel Trading Company Limited is wholly owned by Wong Family.
- c. Golden Wheel (Group) Company Limited is wholly owned by Wong Family.

As at 30 June 2012, as represented by the directors of the Company, other than guarantee granted by Nanjing Golden Wheel Real Estate which had been eliminated upon consolidation, the other guarantees will be released upon the listing of the Company's shares on the Hong Kong Stock Exchange.

- Shareholders' indemnity:

The Ultimate Controlling Shareholders have provided an indemnity in favor of the Group from and against, among other things, all actions, claims, losses, payments, charges, costs, penalties, damages or expenses which the Group may incur, suffer or accrue, directly or indirectly, that may rise from or in connection with the non-compliance matters set out in the section "Regulatory Compliance" under "Business" of the Prospectus.

Compensation of key management personnel

The remuneration of the directors and other members of key management during the Track Record Period are as follow:

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors' remunerations	270	274	416	138	258
Members of key management:					
Salaries and other benefits	915	1,558	1,862	639	673
Retirement benefit scheme contributions	46	70	87	43	50
	<u>1,231</u>	<u>1,902</u>	<u>2,365</u>	<u>820</u>	<u>981</u>

39. FINANCIAL INFORMATION OF THE COMPANY

The Company was incorporated in the Cayman Islands on 26 April 2012. Information about the statement of financial position of the Company as at 30 June 2012 includes:

	<u>At 30 June 2012</u>
	<i>RMB'000</i>
Unlisted investments in subsidiaries	698,266
Cash	<u>64</u>
	<u>698,330</u>
Share Capital (note 30)	128
Capital reserve	<u>698,202</u>
	<u>698,330</u>

Capital reserve of the Company represents the difference between par value of ordinary shares issued by the Company and unlisted investments in subsidiaries recognized, in respect of the acquisitions of Golden Wheel International Investment and Golden Wheel International Corporation by two directly owned subsidiaries of the Company with the issuance of the Company's shares.

F. DIRECTORS' EMOLUMENTS

Under the arrangement presently in force, the aggregate amount of the directors' remunerations, excluding discretionary bonus, for the year ending 31 December 2012 is estimated to be approximately RMB2,047,000.

G. SUBSEQUENT EVENTS

On 10 December 2012, shareholders' written resolutions were passed to approve the matters set out in the paragraph headed "Written Resolutions of Our Shareholders Passed on 10 December 2012" in Appendix VI to the prospectus which include, among others, (i) the authorized share capital of the Company was increased from US\$50,000 to US\$30,000,000 by the creation of an additional 2,995,000,000 shares of US\$0.01 each; (ii) conditional on the share premium account of the Company being credited as a result of the issue of the shares by the Company pursuant to the global offering of the shares of the Company as contained in the Prospectus, the sum of US\$13,480,000 standing to the credit of the share premium account of the Company will be capitalized and applied in paying up in full at par 1,348,000,000 shares of US\$0.01 each; and (iii) the share option scheme of the Company (the "Share Option Scheme") will be adopted and the directors of the Company will be authorized to grant options to subscribe for shares of the Company thereunder and to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under Share Option Scheme and to take all such actions as may be necessary and/or describe to implement and give effect to the Share Option Scheme.

H. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies of the Group subsequent to 30 June 2012.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group attributed to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is for illustration purpose only, and is set out here to illustrate the effect of the Global Offering on net tangible assets as at 30 June 2012 as if it had taken place on 30 June 2012.

The unaudited pro forma statement of adjusted net tangible assets of the Group attributed to owners of the Company has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributed to owners of the Company as at 30 June 2012 or any future date following the Global Offering. It is prepared based on the consolidated net assets of the Group attributed to owners of the Company as at 30 June 2012 as set out in the Accountants' Report contained in Appendix I to this prospectus and adjusted as described below. The unaudited pro forma statement of adjusted net tangible assets of the Group attributed to owners of the Company does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2012⁽¹⁾	Estimated net proceeds from the Global Offering⁽²⁾	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share⁽³⁾	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$⁽⁴⁾</i>
Based on an Offer					
Price of HK\$1.38 per					
Offer Share	2,640,968	468,808	3,109,776	1.73	2.13
Based on an Offer					
Price of HK\$1.72 per					
Offer Share	2,640,968	587,816	3,228,784	1.79	2.20

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2012 is extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on 450,000,000 Shares to be issued under the Global Offering and the Offer Price of HK\$1.38 per Offer Share and HK\$1.72 per Offer Share, being the lower end and higher end of the stated Offer Price range, after deduction of the underwriting fees and other related expenses (excluding approximately RMB9.0 million listing-related expense which has been accounted for prior to 30 June 2012) payable by the Company in connection with the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at the rate of HK\$1.00 to RMB0.8120. No representation is made that the Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is calculated based on 1,800,000,000 Shares expected to be in issue immediately following the completion of the Global Offering. It does not take into account of any Shares that may be issued pursuant to the Share Option Scheme or Issuing Mandate or the exercise of the Over-allotment Option, or any Shares which may be repurchased pursuant to the Repurchase Mandate.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB0.8120. No representation is made that the Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
- (5) By comparing the valuation of the property interests as set out in Appendix IV to this prospectus the net valuation surplus is approximately RMB144.2 million as compared to the carrying amounts of the Group's property interests as at 30 September 2012, which has not been included in the above consolidated net tangible assets attributable to owners of the Company. The valuation surplus of the property interests will not be incorporated in the Group's consolidated financial statements in the future. If the valuation surplus were to be included in the consolidated financial statements, an additional annual depreciation charge of approximately RMB5,233,000 would be incurred.

B. UNAUDITED PRO FORMA FORECAST BASIC EARNINGS PER SHARE

The following unaudited pro forma forecast basic earnings per Share for the year ending 31 December 2012 has been prepared on the basis set out in the note below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2012. The unaudited pro forma forecast basic earnings per Share has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial results of the Group following the Global Offering or for any future periods.

Profit forecast for the year ending 31 December 2012

In accordance with the Group's accounting policy, investment properties are carried at fair value. As a result, included in the following forecast consolidated profit attributable to owners of the Company for the year ending 31 December 2012 was a fair value gain (net of deferred tax) on investment properties for the year ending 31 December 2012 of RMB56.25 million which was estimated by our Directors. The actual fair value of the investment properties as at 31 December 2012 and consequently any fair value increase or decrease on investment properties for the year ending 31 December 2012 may differ materially from the present forecast as they depend on, among other things, market conditions as at 31 December 2012 and/or other future events that are beyond the Group's control. Should the increase or decrease in actual fair value of the investment properties differ from the amount presently estimated by our Directors, such difference would have the effect of increasing or decreasing the consolidated profit of the Group for the year ending 31 December 2012 attributable to owners of the Company.

Forecast consolidated net profit attributable to owners of the Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012	Not less than RMB213.93 million
Add: fair value gain (net of deferred tax) on investment properties for the year ending 31 December 2012	RMB56.25 million
Forecast consolidated net profit attributable to owners of the Company	Not less than RMB270.18 million
Unaudited pro forma forecast basic earnings per Share ⁽¹⁾	RMB0.15

Note:

- (1) The unaudited pro forma forecast basic earnings per Share is based on (i) the forecast consolidated net profit attributable to owners of the Company for the year ending 31 December 2012, the bases and assumptions of which are summarized in Section A of Appendix III to this prospectus, and (ii) the weighted average of 1,799,968,832 Shares in issue and outstanding during the year ending 31 December 2012.

The calculation of the weighted average number of 1,799,968,832 Shares has taken into account the Shares issued and outstanding for the period from 1 January 2012 up to the date of the prospectus, 450,000,000 Shares to be issued pursuant to the Global Offering and 1,348,000,000 Shares to be issued pursuant to the Capitalization Issue, assuming that the Global Offering, Capitalization Issue and Reorganization had been completed on 1 January 2012, and does not take into account any Shares that may be issued pursuant to the Share Option Scheme or Issuing Mandate or the exercise of the Over-allotment Option, or any Shares which may be repurchased pursuant to the Repurchase Mandate.

The forecast consolidated net profit attributable to owners of the Company for the year ending 31 December 2012 has not taken into account any interest income that would have been earned if the proceeds from the Global Offering had been received by the Company on 1 January 2012.

- (2) In view of the uncertainty and uncountable possibilities of actual fair value change of the Group's investment properties, the following unaudited pro forma financial information has been prepared by excluding fair value change of the Group's investment properties during the year ending 31 December 2012. The basis and assumptions of the calculation are the same as those set out in note (1) above except that the numerator is now based on forecast consolidated net profit attributable to owners of the Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012.

Forecast consolidated net profit attributable to owners of the Company before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012	Not less than RMB213.93 million
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Unaudited pro forma forecast basic earnings before fair value change (net of deferred tax) on investment properties for the year ending 31 December 2012 per Share	RMB0.12
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C. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.

Deloitte.
德勤

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**TO THE DIRECTORS OF GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED**

We report on the unaudited pro forma financial information of Golden Wheel Tiandi Holdings Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the global offering of 450,000,000 shares of US\$0.01 each in the Company might have affected the financial information presented, for inclusion in Section A and Section B of Appendix II to the prospectus dated 31 December 2012 (the "Prospectus"). The basis of preparation of the unaudited pro forma financial information is set out in Section A and Section B of Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- the financial position of the Group as at 30 June 2012 or any future date; or
- the earnings per share of the Group for the year ending 31 December 2012 or any future period.

Opinion

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 December 2012

The forecast of our consolidated profit attributable to the shareholders of the Company for the year ending 31 December 2012 is set out in the section headed "Financial Information" of this prospectus.

(A) BASES AND ASSUMPTIONS

Our Directors have prepared the forecast of consolidated profit attributable to the shareholders of our Company for the year ending 31 December 2012 (the "Forecast") based on the audited consolidated results of our Group for the six months ended 30 June 2012, the results shown in the unaudited management accounts of the Group for the four months ended 31 October 2012, and a forecast of the results for the remaining two months of the financial year ending 31 December 2012. The forecast has been prepared on the basis of the accounting policies being consistent in all material respects with those currently adopted by our Group as summarized in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. The profit forecast has been prepared on the following principal assumptions:

- There will be no material changes in the existing political, fiscal, market or economic conditions in the PRC (in which the Group carries on business or from which it buys or to which it sells) which may have a material adverse effect on the Group's profit.
- There will be no significant changes in the government policies in the PRC in which the Group operates (including, but not limited to, those in relation to property development, the pricing and selling of the Group's properties and taxation of sales income derived therefrom, land appreciation tax ("LAT") and other property related taxes), which may adversely affect the Group's business or operations. Further, with respect to the real estate industry in particular, the PRC Government will not impose material changes to, or impose, additional austerity measures to dampen the sales and prices of properties.
- There will be no material changes in the bases or rates of taxation or the policies with respect to imposition of such taxation, in the territories in which the Group operates.
- There will be no material changes in the inflation rate, interest rates or foreign currency changes rates in the PRC, from those prevailing as of the date of the prospectus of the Group.
- The Group's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents.
- Major contracts for sales and leases of properties entered will not be cancelled. Properties are developed in accordance with management's plans and there are no substantial variations of construction costs from budgeted amount. There are no substantial changes in development schedule due to relocation and government approvals and completion of works by the Group's contractors.

- The Group's operations and financial performance will not be materially and adversely impacted by any of the risk factors set for the in the section headed "Risk Factors" in the prospectus.
- It is assumed that the new issue of 450,000,000 shares at a mid-offer price of HK\$1.55 will generates net proceeds of approximately HK\$639.70 million (equivalent to RMB519.44 million). No account has, however, been taken of any surplus funds arising from any exercise of the Over-allotment Option.
- There will be no material changes in laws, rules and/or regulations relevant to the property or leasing industry in the PRC, including but not limited to governmental policies relating to construction, price control, product liability and certification/licensing.

Properties Expected to be Sold in 2012

The table below sets forth the total contracted sales we achieved (and properties have not been delivered) as of 30 June 2012, total GFA delivered/expected to be delivered from July to December of 2012 for each project and average selling price information:

	Total contracted sales (for which properties have not been delivered) as of 30 June 2012 ⁽¹⁾	GFA delivered/ expected to be delivered from July to December of 2012 ⁽¹⁾	Average selling price per square meter in respect of properties pre-sold in the six months ended 30 June 2012	Actual completion date of development
	<i>RMB'000</i>	<i>sq.m.</i>	<i>RMB/sq.m.</i>	
Properties under development as of 30 June 2012				
Golden Wheel Star City	129,218	15,460	8,358	July 2012
Completed properties as of 30 June 2012				
Golden Wheel International Plaza	31,768	1,073	29,607	January 2009
Golden Wheel Time Square	36,810	6,088	6,046	April 2012
Total	<u>197,796</u>	<u>22,621</u>	<u>8,744</u>	

Notes:

- (1) Represented only the total contracted sales of properties (for which properties have not been delivered) as of 30 June 2012, which are expected to be delivered from July to December of 2012.

Rental Income

	Occupancy rate estimated for full year of 2012 ⁽¹⁾	Total GFA of tenanted portion estimated for full year of 2012	Proportion of total GFA within term of lease agreement as at 31 December 2012 ⁽²⁾
		<i>sq.m.</i>	
Golden Wheel International Plaza	95%	27,095	97%
Golden Wheel Time Square	85%	26,524	100%
Golden Wheel Waltz	95%	2,322	95%
Xinjiekou Metro Mall	100%	2,048	100%
Other properties ⁽³⁾	100%	2,237	100%

(1) The percentage is calculated with the numerator of total GFA of tenanted portion estimated for full year of 2012 and the denominator of total GFA held for investment.

(2) The percentage is calculated with the numerator of total GFA of tenanted portion whose lease agreement terms will not be matured as at 31 December 2012 and the denominator of total GFA of tenanted portion estimated for full year of 2012.

(3) Comprise of property units in Golden Wheel Building and Golden Wheel Green Garden.

Assumption on Fair Value of Investment Properties

Under our Group's accounting policy for investment properties, any gain or loss arising from a change in fair values or from the retirement or disposal of an investment property is recognized in profit or loss. Our consolidated results of operation may be substantially affected by such change in fair values. Change in the fair values of our investment properties is unrealized upon revaluation at each reporting dates, and investment properties may not be realized at the same amount, or at all.

In preparing the Forecast, our Directors have assumed that other than development costs to be incurred for investment properties under construction, there will be no change in fair values of the Group's investment properties as at 30 June 2012 and those as at 31 December 2012. Our Directors have confirmed that the projected valuation of the investment properties at 31 December 2012 has been compiled according to valuation bases which are consistent with those adopted by the Company's independent valuer in valuing investment properties of the Group as at 30 June 2012. The assumptions underlying the basis of valuations to estimate fair value of our investment properties include:

- The transferable land use rights of the Group's properties for their respective specific terms at nominal annual land use fees have been granted, and any land grant premium payable has already been fully paid;

- The title to each of the properties and the Group's interest in the properties is valid;
- The Group has enforceable title to each of the properties and has the free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

Further assumptions which we have made when valuing our investment properties include:

- The current financial, economic and political conditions which prevail in the PRC and in the same/neighborhood cities/provinces and which are material to the rental income generated by the investment properties remain unchanged;
- The conditions in which the investment properties are being operated and which are material to revenue and costs of the properties will be unchanged;
- Property-specific factors such as the building facilities provision, building specification, ventilation system, ancillary supporting retail services, quality of property management and tenant's profile will remain unchanged; and
- The leases of any lease expired units of the properties will be renewed at normal commercial terms.

Sensitivity analysis on investment properties

The table below summarizes the sensitivity analysis of the impact of the change in fair values of investment properties on our forecast net profit:

Change in fair values of investment properties	-5%	-10%	+5%	+10%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Decrease) increase in fair values of investment properties	(161,530)	(323,060)	161,530	323,060
(Decrease) increase in net profit	(121,148)	(242,295)	121,148	242,295
% of (decrease) increase in net profit	(44.8%)	(89.7%)	44.8%	89.7%

Our Directors adopt a 5% and 10% range of increment/decrement to the base case in the sensitivity analysis above in respect of the change of fair value of our Group's investment properties (including Golden Wheel International Plaza, Golden Wheel Waltz and Golden Wheel Time Square) during the Track Record Period. In respect of Golden Wheel International Plaza and Golden Wheel Waltz, which were completed projects during the Track Record Period, we made reference to their CAGR of approximately 6.0% and 5.4%, respectively, from 2009 to 2011 and the growth rate of approximately 10.4% and 7.7%, respectively, between 30

June 2011 and 30 June 2012. For Golden Wheel Time Square, which was a project completed after 31 December 2011, we made reference to its growth rate of approximately 2.3% between 31 December 2011 and 30 June 2012. In addition, we take into account certain factors which may impact the fair value of our investment properties including the change of historical rental and selling price of our projects, the historical real estate market growth in Nanjing and Zhuzhou, the prevailing market rental price of nearby comparable properties and the overall economic and regulatory environment in China.

Our Directors consider that it is not meaningful to present the sensitivity analysis of the impact of the changes in the average selling price and GFA to be sold as all properties to be delivered by 31 December 2012 have been pre-sold, and hence the selling prices and GFA to be sold have been fixed in the pre-sale contracts entered into between our Group and our customers.

(B) LETTERS**(1) LETTER FROM THE REPORTING ACCOUNTANTS ON THE PROFIT FORECAST**

Deloitte.
德勤

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

31 December 2012

The Directors
Golden Wheel Tiandi Holdings Company Limited
BNP Paribas Capital (Asia Pacific) Limited

Dear Sirs,

We have reviewed the accounting policies adopted and calculations made in arriving at the forecast of the consolidated profit of Golden Wheel Tiandi Holdings Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ending 31 December 2012 attributable to owners of the Company (the “Forecast”), for which the directors of the Company are solely responsible, as set out in the prospectus dated 31 December 2012 issued by the Company (the “Prospectus”). The Forecast is prepared based on the audited results of the Group for the six months ended 30 June 2012, the results shown in the unaudited management accounts of the Group for the four months ended 31 October 2012, and a forecast of the results for the remaining two months of the financial year ending 31 December 2012.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the directors of the Company as set out in Section A of Appendix III to the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants’ report of the financial information on the Group for the three years ended 31 December 2011 and the six months ended 30 June 2012 as set out in Appendix I to the Prospectus.

Without qualifying our opinion above, we draw to your attention to Section A of Appendix III under heading “(A) BASES AND ASSUMPTIONS” on pages III-1 to III-5 of the Prospectus which sets out the assumptions adopted by the directors of the Company regarding the fair values of the Group’s investment properties as at 31 December 2012. In preparing the Forecast, the directors of the Company have assumed that other than development costs to be incurred for investment properties under construction, there will be no change in fair values of the Group’s investment properties as at 30 June 2012 and those as at 31 December 2012. The directors of the Company have confirmed that the projected valuation of the investment properties at 31 December 2012 has been compiled according to valuation bases which are consistent with those adopted by the Company’s independent valuer in valuing investment

properties of the Group as at 30 June 2012. The directors of the Company believe that the fair values of the investment properties are the best estimates as at 31 December 2012. However, the actual fair values of the investment properties as at 31 December 2012 and consequently any fair value increase or decrease on investment properties for the year ending 31 December 2012 may differ materially from the present estimates as they depend on, among other things, market conditions as at 31 December 2012 and/or other future events that are beyond the Group's control. Should the increase or decrease in actual fair value of the investment properties differ from the amount presently estimated by the directors of the Company, such difference would have the effect of increasing or decreasing the consolidated profit of the Group for the year ending 31 December 2012 attributable to owners of the Company.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

(2) LETTER FROM THE SOLE SPONSOR

The following is the text of a letter, prepared for inclusion in this prospectus by the Sole Sponsor, in connection with the forecast of our consolidated profit attributable to equity holders of our Company for the year ending 31 December 2012.



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

BNP Paribas Capital (Asia Pacific) Limited

59/F-63/F Two International Finance Centre

8 Finance Street, Central, Hong Kong

31 December 2012

The Board of Directors
Golden Wheel Tiandi Holdings Company Limited

Dear Sirs,

We refer to the forecast consolidated profit attributable to equity holders of Golden Wheel Tiandi Holdings Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the year ending 31 December 2012 (the “Profit Forecast”) as set out in the paragraph headed “Profit Forecast for the year ending 31 December 2012” under the section headed “Financial Information” in the prospectus of the Company dated 31 December 2012.

The Profit Forecast, for which the directors of the Company (the “Directors”) are solely responsible, has been prepared by the Directors based on the audited results of the Group for the six months ended 30 June 2012, the results shown in the unaudited management accounts of the Group for the four months ended 31 October 2012, and a forecast of the results for the remaining two months of the financial year ending 31 December 2012.

We have discussed with you the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter dated 31 December 2012 addressed to you and us from Deloitte Touche Tohmatsu regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the foregoing and on the bases and assumptions made by you and the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, we have formed the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
BNP Paribas Capital (Asia Pacific) Limited
Isadora Li
Head of Investment Banking — North Asia

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this prospectus received from CBRE HK Limited, an independent property valuer, in connection with its opinion of market value of the properties of our Group in the PRC as at 30 September 2012.



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電話 852 2820 2800 傳真 852 2810 0830

www.cbre.com.hk

地產代理 (公司) 牌照號碼

Estate Agent's Licence No: C-004065

31 December 2012

The Board of Directors
Golden Wheel Tiandi Holdings Company Limited
Level 33, Golden Wheel International Plaza,
No.8 Hanzhong Road,
Nanjing,
Jiangsu Province,
the PRC

Dear Sirs,

In accordance with your instructions to us to value the property interests held by Golden Wheel Tiandi Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") in the People's Republic of China (the "PRC"). We confirm that we have carried out inspections, made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of such property interests as at 30 September 2012 (the "date of valuation").

Valuation Basis, Assumptions and Methodology

Our valuation is made on the basis of Market Value which is defined by the HKIS Valuation Standards on Properties to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Unless otherwise stated, our valuation is prepared in accordance with the “First Edition of The HKIS Valuation Standards on Properties” published by The Hong Kong Institute of Surveyors (the “HKIS”). We have also complied with all the requirements contained in Paragraph 34(2), (3) of Schedule 3 of the Companies Ordinance (Cap. 32), Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Our valuation has been made on the assumption that the owner sells the properties on the open market without the benefit or burden of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the values of the properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the properties were free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The Gross Floor Areas (“GFA”) of a project or a phase of a project include both saleable and non-saleable GFAs excluding underground car parks. For the purpose of area measurement in our valuation, Non-saleable GFA refers to the floor area of certain public ancillary facilities, including, among others, power distribution houses and connecting corridors between apartment buildings, etc. Saleable GFA refers to the floor area exclusively allocated to various units including balconies and other similar features plus common areas such as staircases, lift shafts, lobbies and communal toilets.

In valuing the completed investment properties in Group I, we have adopted two valuation methodologies - the Comparison Approach and the Income Approach. The property interests valued by the Comparison Approach consist of comparisons based on prices realised or current asking prices of comparable properties. Comparable properties of similar size, character and location are selected and then analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. We have also valued the property interests by the Income Approach. Income Approach takes into account the current passing rents of the property interests and the reversionary potentials of the tenancies, and we capitalized the existing tenancies’ in the remaining tenancy terms into the term interest and assembled it with the reversionary interest, which has been derived by discounting the market value on vacant possession basis as assessed by the comparison method with an appropriate property yield. We reconciled the two approaches and determined the conclusive value.

In valuing the property interests in Group II, which are held by the Group for sale and occupation in the PRC, we have valued each of these property interests by the direct comparison approach assuming sale of each of these property interests in its existing state with the benefit of vacant possession and making references to comparable sales transactions as available in the relevant markets.

For the property interests in Group III, which are held by the Group for development in the PRC, we have valued the property interests on the basis that the property will be developed and completed in accordance with the Group's latest development schemes provided to us. We have assumed that approvals from relevant authorities for the proposals have been obtained. In arriving at our opinion of value, we have adopted the direct comparison method by making reference to comparable sales evidence as available in the relevant market to arrive the capital value of the property as if the property is completed at the date of valuation and have also taken into consideration the development costs already spent and to be spent to reflect the quality of the completed development. The "capital value of the property as if the property is completed at the date of valuation" represents our opinion of the aggregate selling prices of the development assuming that it would have been completed at the date of valuation. For those property interests contracted to be sold, but the formal assignment procedures of which have not yet completed, we have valued this portion of property interests by taking into account the contract prices. We have also valued the property interests by the direct comparison approach, if appropriate, assuming sale of each of these property interests in its existing state with the benefit of vacant possession and making references to comparable sales transactions as available in the relevant markets.

For the property interests in Group IV which are rented by the Group in the PRC, we have attributed commercial value due mainly to the permission for sub-letting and the possession of substantial profit rent. We valued the property interests by the income approach taking into account the profit rent of the property interests during the leasehold term.

Source of Information

We have relied to a considerable extent on the information given by the Company and have accepted the advice given to us on such matters as tenure, statutory notices, easements, planning approvals, site and floor areas, floor plans, occupancy, tenancies and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by you, which are material to the valuation. We were also advised that no material factors have been omitted from the information supplied.

We have been provided with copies of the title documents relating to the properties, however due to the nature of the land registration system in the PRC, we cannot cause searches to be made on the title of the properties nor have we scrutinised all the original documents to verify ownership and encumbrances or to ascertain the subsequent amendments, if any, which may not appear on the copies handed to us.

In the course of our valuation, we have relied on the legal opinion provided by the Group's PRC legal advisors, Jun He Law Office (the "PRC Legal Opinion"). We have been provided with extracts from title documents relating to the property interests in the PRC. We have not, however, searched the original documents to verify ownership or any amendment which did not appear on the copies handed to us. All documents have been used for reference only.

Property Inspection

We have inspected the properties to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects.

We have not carried out site measurements to verify the correctness of the site area of the property and have assumed that the site area shown on the documents and official site plan handed to us is correct. During our inspection, we have not carried out investigations on the site to determine the suitability of the ground conditions and the services for any future development. Our valuation is on the basis that these aspects are satisfactory.

The site inspections were carried out between 1 and 3 August 2012 by Mr. Felix Liu, Ms. Alice Lai and Mr. Kelvin Shi. Mr. Felix Liu is a China Real Estate Appraiser.

Currency

The property interests have been valued in Renminbi (“RMB”).

We enclose herewith a summary of values and our valuation certificate.

Yours faithfully,
For and on behalf of
CBRE HK Limited

Leo M Y Lo
MRICS MHKIS RPS(GP)
Director
Valuation & Advisory Services
Greater China

Note: Mr. Leo M Y Lo is a Registered Professional Surveyor (General Practice), a member of Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He has over 8 years' valuation experience in the PRC and Hong Kong.

SUMMARY OF VALUES

No. Property Interests	Market value in existing state as at 30 September 2012 <i>(RMB)</i>	Interest attributable to the Group	Market value attributable to the Group as at 30 September 2012 <i>(RMB)</i>
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GROUP I — PROPERTY INTERESTS HELD BY THE GROUP FOR INVESTMENT IN THE PRC

1.	Retail portion of “Golden Wheel International Plaza”, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	1,740,000,000	100%	1,740,000,000
2.	Retail portion of Development “Golden Wheel Waltz”, No.7, Shengjuren Lane, Gulou District, Nanjing City, Jiangsu Province, the PRC	156,000,000	100%	156,000,000
3.	A retail component on the second floor underground and several underground car parking spaces of “Golden Wheel Building”, No.108, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	18,870,000	100%	18,870,000
4.	Portions of “Golden Wheel Time Square”, Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	1,029,000,000	100%	1,029,000,000

APPENDIX IV**PROPERTY VALUATION**

No. Property Interests	Market value in existing state as at 30 September 2012 (RMB)	Interest attributable to the Group	Market value attributable to the Group as at 30 September 2012 (RMB)
5. 8 street retail units in “Golden Wheel Green Garden”, No. 28, Wei Gang, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	34,000,000	100%	34,000,000
Group I Sub-total:			<u>2,977,870,000</u>

GROUP II — PROPERTY INTERESTS HELD BY THE GROUP FOR SALE OR OCCUPATION IN THE PRC

6. The unsold office portions of “Golden Wheel International Plaza”, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	211,000,000	100%	211,000,000
7. Car parking spaces of “Golden Wheel International Plaza”, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	82,800,000	100%	82,800,000
8. One unsold residential units of “Golden Wheel Waltz”, No.7, Shengjuren Lane, Gulou District, Nanjing City, Jiangsu Province, the PRC	864,000	100%	864,000

APPENDIX IV**PROPERTY VALUATION**

No. Property Interests	Market value in existing state as at 30 September 2012 <i>(RMB)</i>	Interest attributable to the Group	Market value attributable to the Group as at 30 September 2012 <i>(RMB)</i>
9. Several unsold units of Phase 1 and the completed portion of Phase 2 of the Development “Golden Wheel Star City”, No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City, Jiangsu Province, the PRC	269,200,000	100%	269,200,000
10. Unsold portion of “Golden Wheel Time Square”, Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	138,400,000	100%	138,400,000
Group II Sub-total:			<u>702,264,000</u>

GROUP III — PROPERTY INTERESTS HELD BY THE GROUP FOR DEVELOPMENT IN THE PRC

11. “Nanjing Jade Garden” Development, Land No. 2009G18, Yewei Village Jianye District, Nanjing City, Jiangsu Province, the PRC	308,000,000	100%	308,000,000
12. “Golden Wheel New Metro” Development, Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu Province, the PRC	513,000,000	100%	513,000,000

APPENDIX IV**PROPERTY VALUATION**

No. Property Interests	Market value in existing state as at 30 September 2012 (RMB)	Interest attributable to the Group	Market value attributable to the Group as at 30 September 2012 (RMB)
13. “Golden Wheel Star Plaza” Development, South of Chengxin Avenue, east of Pugang Street, Jiangning District, Nanjing City, Jiangsu Province, the PRC	423,000,000	100%	423,000,000
14. The developing portion of Phase 2 of “Golden Wheel Star City”, No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City, Jiangsu Province, the PRC	259,000,000	100%	259,000,000
Group III Sub-total:			<u>1,503,000,000</u>
GROUP IV — PROPERTY INTERESTS RENTED BY THE GROUP IN THE PRC			
15. Xinjiekou Metro Mall, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	43,200,000	100%	43,200,000
Group IV Sub-total:			<u>43,200,000</u>
Grand Total			<u><u>5,226,334,000</u></u>

GROUP I — PROPERTY INTERESTS HELD BY THE GROUP FOR INVESTMENT IN THE PRC

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)																		
1. Retail portion of "Golden Wheel International Plaza", No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	The property consists of the 5-storey podium building of Golden Wheel International Plaza, with a total gross floor area of 28,055.81 sq.m. It currently acts as the main portion of Golden Wheel Xintiandi Shopping Mall. The area breakdown of the property is showed as follows: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <th></th> <th style="text-align: right;"><i>(sq.m.)</i></th> </tr> </thead> <tbody> <tr> <td>B1</td> <td style="text-align: right;">5,224.10</td> </tr> <tr> <td>1F</td> <td style="text-align: right;">4,288.89</td> </tr> <tr> <td>2F</td> <td style="text-align: right;">4,861.79</td> </tr> <tr> <td>3F</td> <td style="text-align: right;">5,101.73</td> </tr> <tr> <td>4F</td> <td style="text-align: right;">5,042.21</td> </tr> <tr> <td>5F</td> <td style="text-align: right;"><u>3,537.09</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>28,055.81</u></td> </tr> </tbody> </table>	<u>Gross Floor Area</u>			<i>(sq.m.)</i>	B1	5,224.10	1F	4,288.89	2F	4,861.79	3F	5,101.73	4F	5,042.21	5F	<u>3,537.09</u>	Total	<u>28,055.81</u>	The property is currently fully rented by various tenants for various terms with the latest expiry date on 4 September 2023.	1,740,000,000 (100% interests attributable to the Group: 1,740,000,000)
<u>Gross Floor Area</u>																					
	<i>(sq.m.)</i>																				
B1	5,224.10																				
1F	4,288.89																				
2F	4,861.79																				
3F	5,101.73																				
4F	5,042.21																				
5F	<u>3,537.09</u>																				
Total	<u>28,055.81</u>																				

As advised by the Company, Golden Wheel International Plaza is a comprehensive development with office, retail shops and underground car parking spaces. It consists of a 30-storey main building and a 5-storey podium building. The plaza has a total floor area of approximately 98,031.07 sq.m., occupying a site with an area of approximately 11,341.1 sq.m.

The property was completed in 2008.

The property is held under State-owned Land Use Right Certificates for commercial and retail use expiring on 5 October 2034.

Notes

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the property, with a total site area of 6,907.5 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) ("Nanjing Jade Golden Wheel") for commercial and office use for a land use term to be expired on 5 October 2034.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		(sq.m.)	
Ning Gu Guo Yong (2009) No. 11264	29 July 2009	5,224.1	5 October 2034
Ning Gu Guo Yong (2009) No. 11263	29 July 2009	316.2	5 October 2034
Ning Gu Guo Yong (2009) No. 11265	29 July 2009	358.4	5 October 2034
Ning Gu Guo Yong (2009) No. 11279	29 July 2009	376.2	5 October 2034
Ning Gu Guo Yong (2009) No. 11262	29 July 2009	371.8	5 October 2034
Ning Gu Guo Yong (2009) No. 11260	29 July 2009	260.8	5 October 2034
	Total	<u>6,907.5</u>	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 28,055.81 sq.m. are held by Jade Golden Wheel for office use.

Realty Title Certificate Number	Date of Issuance	Gross Floor Area
		(sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 358801	14 April 2009	5,224.1
Ning Fang Quan Zheng Gu Chu Zi No. 358805	14 April 2009	4,288.89
Ning Fang Quan Zheng Gu Chu Zi No. 358808	14 April 2009	4,861.79
Ning Fang Quan Zheng Gu Chu Zi No. 358809	14 April 2009	5,101.73
Ning Fang Quan Zheng Gu Chu Zi No. 358810	14 April 2009	5,042.21
Ning Fang Quan Zheng Gu Chu Zi No. 358811	14 April 2009	3,537.09
	Total	<u>28,055.81</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:

- i. The Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.

- ii. The following portions of the property are subject to mortgages and the transfer, lease and mortgage of such portions shall be subject to the prior consent from the mortgagee:

**Corresponding
State-owned Land Use
Right Certificates or
projects mortgaged**

Encumbrance No.	Date of instruments	Creditor	
B1 — L5 of Golden Wheel International Plaza	SCBCNSH-LC-10-434-F	20 September 2010	Nanjing Branch of Standard Chartered Bank
B1 — L5 of Golden Wheel International Plaza	RMB20090803-(2)	3 August 2009	Nanjing Branch of Standard Chartered Bank
B1 — L5 and Level 30 of Golden Wheel International Plaza	SCBCNSH-LC-11-551-F	28 February 2012	Nanjing Branch of Standard Chartered Bank

- iii. The Group legally owns the building ownership of the portion of the property that is leased to various tenants and the corresponding tenancy agreements are legal, valid and binding on both parties and are enforceable.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)										
2. Retail portion of Development "Golden Wheel Waltz", No.7, Shengjuren Lane, Gulou District, Nanjing City, Jiangsu Province, the PRC	The property consists of the 1F and 2F of Development "Golden Wheel Waltz", with a total gross floor area of 2,444.40 sq.m. It currently acts as portion of "Golden Wheel Xintiandi Shopping Mall". The area breakdown of the property is showed as follows: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <th></th> <th style="text-align: right;"><i>(sq.m.)</i></th> </tr> </thead> <tbody> <tr> <td>1F</td> <td style="text-align: right;">1,239.3</td> </tr> <tr> <td>2F</td> <td style="text-align: right;"><u>1,205.1</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>2,444.4</u></td> </tr> </tbody> </table>	<u>Gross Floor Area</u>			<i>(sq.m.)</i>	1F	1,239.3	2F	<u>1,205.1</u>	Total	<u>2,444.4</u>	The property is currently fully rented by various tenants for various terms with the latest expiry date on 21 January 2018.	156,000,000 (100% interests attributable to the Group: 156,000,000)
<u>Gross Floor Area</u>													
	<i>(sq.m.)</i>												
1F	1,239.3												
2F	<u>1,205.1</u>												
Total	<u>2,444.4</u>												

As advised by the Group, the Development "Golden Wheel Waltz" is an 8-storey building with retail and residential apartment. The development has a total floor area of approximately 7,994.58 sq.m., occupying a site with an area of approximately 2,046.4 sq.m.

The property was completed in 2009.

The property is held under State-owned Land Use Right Certificates for commercial and office use expiring on 26 February 2046.

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the property, with a total site area of 373.3 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) ("Nanjing Jade Golden Wheel") for commercial and office use for a land use term to be expired on 26 February 2046.

State-owned Land Use Right			
<u>Certificate Number</u>	<u>Date of Issuance</u>	<u>Site Area</u>	<u>Expiry Date</u>
		<i>(sq.m.)</i>	
Ning Gu Guo Yong (2010) No. 09461	14 July 2010	142.2	26 February 2046
Ning Gu Guo Yong (2010) No. 06639	10 June 2011	62.5	26 February 2046
Ning Gu Guo Yong (2010) No. 09460	14 July 2010	146	26 February 2046
Ning Gu Guo Yong (2010) No. 06638	10 June 2011	<u>22.6</u>	26 February 2046
	Total	<u>373.3</u>	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 2,444.4 sq.m. are held by Jade Golden Wheel for commercial use.

Realty Title Certificate Number	Date of Issuance	Gross Floor Area <i>(sq.m.)</i>
Ning Fang Quan Zheng Gu Bian Zi No. 402526	10 June 2010	1,138.25
Ning Fang Quan Zheng Gu Bian Zi No. 425541	9 May 2011	101.05
Ning Fang Quan Zheng Gu Bian Zi No. 402527	10 June 2010	1,168.6
Ning Fang Quan Zheng Gu Bian Zi No. 425542	9 May 2011	36.5
	Total	<u>2,444.4</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:

- i. The Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.
- ii. The following portions of the property are subject to mortgages and the transfer, lease and mortgage of such portions shall be subject to the prior consent from the mortgagee:

**Corresponding
State-owned Land Use
Right Certificates or
projects mortgaged**

Encumbrance No.	Date of instruments	Creditor
43TL1000006N	20 June 2011	Nanjing Branch of Bank of East Asia

- iii. The Group legally owns the building ownership of the portion of the property that is leased to various tenants and the corresponding tenancy agreements are legal, valid and binding on both parties and are enforceable.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)										
3.	<p>A retail component on the second floor underground and several underground car parking spaces of "Golden Wheel Building", No.108, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC</p> <p>The property consists of a retail component on the second floor underground, 18 car parking spaces of Development "Golden Wheel Building", with a total gross floor area of 1,453.63 sq.m., and 24 civil-defense car parking spaces. The area breakdown of property is showed as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Gross Floor Area</u></th> </tr> <tr> <th colspan="2" style="text-align: center;"><i>(sq.m.)</i></th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">A retail component on the second floor underground</td> <td style="text-align: right;">1,215.76</td> </tr> <tr> <td style="padding-left: 20px;">Car parking spaces (normal)</td> <td style="text-align: right;">18 (lot)</td> </tr> <tr> <td style="padding-left: 20px;">Civil-defense car parking spaces</td> <td style="text-align: right;">24 (lot)</td> </tr> </tbody> </table> <p>As advised by the Company, the Development "Golden Wheel Building" is a 25-storey building with a total floor area of approximately 27,000 sq.m., occupying a site with an area of approximately 4,917.74 sq.m.</p> <p>The property was completed in 2003.</p> <p>The B2 retail portion of the property is held under State-owned Land Use Right Certificates for commercial use expiring on 19 December 2040, and the car parking spaces portion of the property is held under State-owned Land Use Right Certificates for office use expiring on 19 December 2050 and residential use expiring on 19 December 2070.</p>	<u>Gross Floor Area</u>		<i>(sq.m.)</i>		A retail component on the second floor underground	1,215.76	Car parking spaces (normal)	18 (lot)	Civil-defense car parking spaces	24 (lot)	<p>Retail portion of the property is currently rented by a tenant for a restaurant with expiry date on 28 February 2021. The other portion of the property is currently operated as carpark.</p>	<p>18,870,000</p> <p>(100% interests attributable to the Group: 18,870,000)</p>
<u>Gross Floor Area</u>													
<i>(sq.m.)</i>													
A retail component on the second floor underground	1,215.76												
Car parking spaces (normal)	18 (lot)												
Civil-defense car parking spaces	24 (lot)												

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the property, with a total site area of 386.6 sq.m., were granted to Nanjing Golden Wheel Real Estate Development Co., Ltd. (南京金輪房地產開發有限公司) ("Nanjing Golden Wheel Real Estate") for commercial, office and residential use for various land use terms to be expired on 19 December 2040, 19 December 2050, and 19 December 2070 respectively.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area (sq.m.)	Expiry Date
Ning Gu Guo Yong (2007) No. 09448	2004 (no specific date in the certificate)	218.6	19 December 2040
Ning Gu Guo Yong (2007) No. 15023	15 October 2007	37.3	19 December 2050
Ning Gu Guo Yong (2007) No. 05707	19 April 2007	5.1	19 December 2070
Ning Gu Guo Yong (2007) No. 05708	19 April 2007	5.7	19 December 2070
Ning Gu Guo Yong (2007) No. 05709	19 April 2007	6.8	19 December 2070
Ning Gu Guo Yong (2007) No. 05713	19 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05714	19 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05715	19 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05716	19 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05789	19 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05795	20 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05796	20 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05797	20 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05798	20 April 2007	11.5	19 December 2070
Ning Gu Guo Yong (2007) No. 05799	20 April 2007	9.6	19 December 2070
Total		<u>386.6</u>	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 1,453.63 sq.m. are held by Nanjing Golden Wheel for commercial and office use respectively.

Realty Title Certificate Number	Date of Issuance	Gross Floor Area (sq.m.)
Ning Fang Quan Zheng Xuan Chu Zi No. 245684	23 April 2004	1,215.76
Ning Fang Quan Zheng Xuan Chu Zi No. 315317	29 March 2007	85.09
Ning Fang Quan Zheng Xuan Chu Zi No. 310502	30 December 2006	11.61
Ning Fang Quan Zheng Xuan Chu Zi No. 310501	30 December 2006	13.13
Ning Fang Quan Zheng Xuan Chu Zi No. 310509	30 December 2006	15.35
Ning Fang Quan Zheng Xuan Chu Zi No. 310504	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310510	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310493	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310500	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310499	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310494	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310505	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310503	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310492	30 December 2006	11.46
Ning Fang Quan Zheng Xuan Chu Zi No. 310491	30 December 2006	9.55
Total		<u>1,453.63</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
 - i. Excluding 24 civil-defense car parking spaces of the property, the Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.
 - ii. The Group legally owns the building ownership of the portion of the property that is leased to various tenants and the corresponding tenancy agreements are legal, valid and binding on both parties and are enforceable.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
4. Portions of "Golden Wheel Time Square", Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	<p>The property comprises retail portion of B1, L1, L3 and L5 of Golden Wheel Time Square with a total gross floor area of approximately 31,204.75 sq.m.</p> <p>The retail portion of "Golden Wheel Time Square" comprises various retail units with a gross floor area of approximately 47,160.31 sq.m.</p> <p>Golden Wheel Time Square is a mixed-use building comprising retail and residential with a total gross floor area of approximately 134,096.32 sq.m. Portion of the property with gross floor area of approximately 132,171.32 sq.m. is subject to ownership certificate for garage, commercial and residential use; the remaining portion with gross floor area of approximately 1,925 sq.m. is for ancillary use. It occupies a site with an area of approximately 13,501.41 sq.m. (the "Site").</p> <p>The property was completed in 2011.</p> <p>The land use right of the property are held under a State-owned Land Use Right Certificate for a term with the expiry date on 21 February 2048 .</p>	Portions of the property with a total gross floor area of approximately 28,380.02 sq.m. are leased to various tenants as retail shops, the remainings are vacant.	1,029,000,000 (100% interests attributable to the Group: 1,029,000,000)

Notes:

- a) Pursuant to the State-owned Land Use Right Grant Contract Zhu Guo Tu He Zi [2008] No.7 dated 22 February 2008, the land use right with a total area of approximately 3,649.2 sq.m., where the Site is located therein, have been contracted to be granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd at a total consideration of RMB3,550,000.
- b) Pursuant to the State-owned Land Use Right Transfer Contract dated 19 December 2005, the land use right with a total area of approximately 9,854.41 sq.m., where the Site is located therein, have been contracted to be granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd at a total consideration of RMB60,565,800.

- c) Pursuant to the State-owned Land Use Right Certificate Zhu Guo Yong 2008 No.A0658 dated 20 June 2008, the land use right with a total site area of approximately 13,501.41 sq.m., where the property is located therein, has been granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd for residential and commercial use with the expiry dates on 21 February 2078 and 21 February 2048 respectively.
- d) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 31,204.75 sq.m. are held by Zhuzhou Golden Wheel Real Estate Development Co., Ltd for commercial use.

Realty Title Certificate Number	Usage	Gross Floor Area (sq.m.)
Zhu Fang Quan Zheng Zhu Zi No.1000256657	Commercial and Parking Lot	Commercial: 7,413.05 (Parking Lot: 2,157.93 Total: 9,570.98)
Zhu Fang Quan Zheng Zhu Zi No.1000256658	Commercial	7,358.02
Zhu Fang Quan Zheng Zhu Zi No.1000256660	Commercial	8,010.72
Zhu Fang Quan Zheng Zhu Zi No.1000256661	Commercial	8,422.96
	Total	31,204.75*

* *Excluding the area of Parking Lot.*

- e) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right, except for the portion which has been sold.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
5. 8 street retail units in "Golden Wheel Green Garden", No. 28, Wei Gang, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	<p>The property consists of 8 retail units with street-frontage occupying a total gross floor area of 1,020.97 sq.m. in "Golden Wheel Green Garden". One unit is duplex-style premises with a total gross floor area of 206.24 sq.m. over 1F and 2F and the other 7 single-storey units are located on 1F with a total gross floor area of 814.73 sq.m.</p> <p>The property was completed in approximately 2002.</p> <p>The property is held under State-owned Land Use Right Certificates for commercial and office use expiring on 2 April 2041.</p>	The property is currently rented by 6 tenants for various terms with the latest expiry date on 15 April 2015.	34,000,000 (100% interests attributable to the Group: 34,000,000)

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the property, with a total site area of 436.7 sq.m., were granted to Nanjing Golden Wheel Real Estate Development Co., Ltd. (南京金輪房地產開發有限公司) ("Nanjing Golden Wheel Real Estate") for commercial use for a land use term to be expired on 2 April 2041.

State-owned Land Use Right

<u>Certificate Number</u>	<u>Date of Issuance</u>	<u>Site Area</u>	<u>Expiry Date</u>
		<i>(sq.m.)</i>	
Ning Xuan Guo Yong (2003) No. 08261	10 July 2003	88.2	2 April 2041
Ning Xuan Guo Yong (2003) No. 08265	10 July 2003	73.6	2 April 2041
Ning Xuan Guo Yong (2003) No. 08266	10 July 2003	43.7	2 April 2041
Ning Xuan Guo Yong (2003) No. 08267	10 July 2003	41.4	2 April 2041
Ning Xuan Guo Yong (2003) No. 08268	10 July 2003	42.1	2 April 2041
Ning Xuan Guo Yong (2003) No. 08269	10 July 2003	46.2	2 April 2041
Ning Xuan Guo Yong (2003) No. 08270	10 July 2003	55.9	2 April 2041
Ning Xuan Guo Yong (2003) No. 08271	10 July 2003	<u>45.6</u>	2 April 2041
	Total	<u>436.7</u>	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 1,020.97 sq.m. are held by Nanjing Golden Wheel for commercial use.

<u>Realty Title Certificate Number</u>	<u>Date of Issuance</u>	<u>Gross Floor Area</u> <i>(sq.m.)</i>
Ning Fang Quan Zheng Xuan Chu Zi No. 209032	15 May 2003	206.24
Ning Fang Quan Zheng Xuan Chu Zi No. 209027	15 May 2003	172.1
Ning Fang Quan Zheng Xuan Chu Zi No. 209028	15 May 2003	102.17
Ning Fang Quan Zheng Xuan Chu Zi No. 209029	15 May 2003	96.7
Ning Fang Quan Zheng Xuan Chu Zi No. 209030	15 May 2003	98.47
Ning Fang Quan Zheng Xuan Chu Zi No. 209031	15 May 2003	108.01
Ning Fang Quan Zheng Xuan Chu Zi No. 209033	15 May 2003	130.59
Ning Fang Quan Zheng Xuan Chu Zi No. 209034	15 May 2003	106.69
	Total	<u>1,020.97</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. The Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.
 - ii. The Group legally owns the building ownership of the portion of the property that is leased to various tenants and the corresponding tenancy agreements are legal, valid and binding on both parties and are enforceable.

**GROUP II — PROPERTY INTERESTS HELD BY THE GROUP FOR SALE OR OCCUPATION
IN THE PRC**

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> <i>(RMB)</i>
6. The unsold office portions of “Golden Wheel International Plaza”, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	<p>The property consists of a gross floor area of approximately 6,151.07 sq.m., for office use. It is unsold office portion of “Golden Wheel International Plaza” (the “Development”). Portions of the property with a total gross floor area of 1,716.37 sq.m. are currently occupied by the Group.</p> <p>As advised by the Company, “Golden Wheel International Plaza” is a comprehensive development with office, retail shops and underground car parking spaces. It consists of a 30-storey main building and a 5-storey podium building. The Development has a total floor area of approximately 98,031.07 sq.m., occupying a site with an area of approximately 11,341.1 sq.m.</p> <p>The Development was completed in 2008.</p> <p>The Development, at which the property is located, is held under State-owned Land Use Right Certificates for composite use for various land use terms, expiring on 5 October 2044 and 5 October 2034 respectively. The land use right of the property is held under State-owned Land Use Right Certificates expiring on 5 October 2044.</p>	<p>Portions of the property with a total gross floor area of 3,948.15 sq.m. are currently rented by various tenants and the Level-30 is currently occupied by the Group.</p>	<p>211,000,000</p> <p>(100% interests attributable to the Group: 211,000,000)</p>

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the Development, at which the property is located, with a total site area of 11,341.1 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) (“Nanjing Jade Golden Wheel”) for composite use for various land use term, expiring on 5 October 2044 and 5 October 2034 respectively.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		(sq.m.)	
Ning Gu Guo Yong (2004) No. 13165	26 July 2004	1,652.2	5 October 2044
Ning Gu Guo Yong (2004) No. 13166	26 July 2004	91.3	5 October 2044
Ning Gu Guo Yong (2004) No. 13167	26 July 2004	43.3	5 October 2044
Ning Gu Guo Yong (2004) No. 13771	17 July 2003	8,713.4	5 October 2044
Ning Gu Guo Yong (2004) No. 16773	19 September 2005	840.9	5 October 2044
	Total	11,341.1	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 6,151.07 sq.m. are held by Jade Golden Wheel for office use.

Realty Title Certificate Number	Date of Issuance	Gross Floor Area
		(sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 356271	26 March 2009	67.06
Ning Fang Quan Zheng Gu Chu Zi No. 356274	26 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356321	26 March 2009	172.48
Ning Fang Quan Zheng Gu Chu Zi No. 356356	26 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356366	26 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356384	26 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356404	26 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356305	26 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356551	25 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356553	25 March 2009	113.29
Ning Fang Quan Zheng Gu Chu Zi No. 356554	25 March 2009	157.63
Ning Fang Quan Zheng Gu Chu Zi No. 356556	25 March 2009	111.95
Ning Fang Quan Zheng Gu Chu Zi No. 356561	25 March 2009	118.34
Ning Fang Quan Zheng Gu Chu Zi No. 356562	25 March 2009	75.07
Ning Fang Quan Zheng Gu Chu Zi No. 356563	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356564	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356565	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356566	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356567	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356568	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356569	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356572	25 March 2009	152.28
Ning Fang Quan Zheng Gu Chu Zi No. 356573	25 March 2009	67.06
Ning Fang Quan Zheng Gu Chu Zi No. 356576	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356577	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356580	25 March 2009	61.05

Realty Title Certificate Number	Date of Issuance	Gross Floor Area (sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 356581	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356582	25 March 2009	64.67
Ning Fang Quan Zheng Gu Chu Zi No. 356595	25 March 2009	116.71
Ning Fang Quan Zheng Gu Chu Zi No. 356598	25 March 2009	172.48
Ning Fang Quan Zheng Gu Chu Zi No. 356599	25 March 2009	169.28
Ning Fang Quan Zheng Gu Chu Zi No. 356601	25 March 2009	113.29
Ning Fang Quan Zheng Gu Chu Zi No. 356600	25 March 2009	157.63
Ning Fang Quan Zheng Gu Chu Zi No. 356602	25 March 2009	111.95
Ning Fang Quan Zheng Gu Chu Zi No. 356618	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356621	25 March 2009	72.60
Ning Fang Quan Zheng Gu Chu Zi No. 356622	25 March 2009	152.28
Ning Fang Quan Zheng Gu Chu Zi No. 356631	25 March 2009	116.71
Ning Fang Quan Zheng Gu Chu Zi No. 356623	25 March 2009	67.06
Ning Fang Quan Zheng Gu Chu Zi No. 356624	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356625	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356628	25 March 2009	61.05
Ning Fang Quan Zheng Gu Chu Zi No. 356242	25 March 2009	1716.37
	Total	<u>6,151.07</u>

* Level 30 with a total gross floor area of 1,716.37 sq.m. are occupied by the Group.

c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:

- i. The Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.
- ii. The following portions of the property are subject to mortgages and the transfer, lease and mortgage of such portions shall be subject to the prior consent from the mortgagee:

**Corresponding
State-owned Land Use
Right Certificates or
projects mortgaged**

Encumbrance No.	Date of instruments	Creditor
B1 — L5 and Level 30 of Golden Wheel International Plaza	SCBCNSH-LC-11-551-F 28 February 2012	Nanjing Branch of Standard Chartered Bank

- iii. The Group legally owns the building ownership of the portion of the property that is leased to various tenants and the corresponding tenancy agreements are legal, valid and binding on both parties and are enforceable.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
7. Car parking spaces of "Golden Wheel International Plaza", No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	The property consists of 307 underground car parking spaces of Golden Wheel International Plaza (the "Development") with a total gross floor area of 3,546.78 sq.m. at B2 and B3 of Golden Wheel International Plaza, and 23 civil-defense car parking spaces at B3 of Golden Wheel International Plaza. The area breakdown of property is showed as follows:	The property is currently operated as car parks.	82,800,000 (100% interests attributable to the Group: 82,800,000)

Car parking spaces*(number of lot)*

B2	141
B3	166
B3 (civil-defense)	<u>23</u>
Total	<u>330</u>

As advised by the Company, Golden Wheel International Plaza is a comprehensive development with office, retail shops and underground car parking spaces. It consists of a 30-storey main building and a 5-storey podium building. The Development has a total floor area of approximately 98,031.07 sq.m., occupying a site with an area of approximately 11,341.1 sq.m.

The Development was completed in 2008.

The Development is held under State-owned Land Use Right Certificates for composite use for various land use terms, expiring on 5 October 2044 and 5 October 2034 respectively.

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the Development, at which the property is located, with a total site area of 11,341.1 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) (“Nanjing Jade Golden Wheel”) for composite use for a land use term to be expired on 5 October 2044.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		(sq.m.)	
Ning Gu Guo Yong (2004) No. 13165	26 July 2004	1,652.2	5 October 2044
Ning Gu Guo Yong (2004) No. 13166	26 July 2004	91.3	5 October 2044
Ning Gu Guo Yong (2004) No. 13167	26 July 2004	43.3	5 October 2044
Ning Gu Guo Yong (2004) No. 13771	17 July 2003	8,713.4	5 October 2044
Ning Gu Guo Yong (2004) No. 16773	19 September 2005	840.9	5 October 2044
	Total	11,341.1	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 3,546.78 sq.m. are held by Jade Golden Wheel for car parking use.

Realty Title Certificate Number	Date of Issuance	Gross Floor Area
		(sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 423730	3 March 2011	1,465.19
Ning Fang Quan Zheng Gu Chu Zi No. 423731	3 March 2011	14.99
Ning Fang Quan Zheng Gu Chu Zi No. 423732	3 March 2011	14.99
Ning Fang Quan Zheng Gu Chu Zi No. 423733	3 March 2011	14.99
Ning Fang Quan Zheng Gu Chu Zi No. 423734	3 March 2011	14.99
Ning Fang Quan Zheng Gu Chu Zi No. 423576	3 March 2011	44.07
Ning Fang Quan Zheng Gu Chu Zi No. 423596	3 March 2011	40.68
Ning Fang Quan Zheng Gu Chu Zi No. 423561	3 March 2011	18.74
Ning Fang Quan Zheng Gu Chu Zi No. 423562	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423563	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423564	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423565	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423566	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423567	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423568	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423569	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423570	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423571	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423572	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423573	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423574	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423575	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423577	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423578	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423579	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423580	3 March 2011	14.13

Realty Title Certificate Number	Date of Issuance	Gross Floor Area (sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 423581	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423582	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423583	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423584	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423585	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423586	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423587	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423588	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423589	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423590	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423591	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423592	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423593	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423594	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423595	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423597	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423598	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423599	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423600	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423601	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423602	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423603	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423604	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423605	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423606	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423607	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423608	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423609	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423610	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423611	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423612	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423613	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423614	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423615	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423616	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423617	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423618	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423619	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423620	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423621	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423622	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423623	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423624	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423625	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423626	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423627	3 March 2011	14.13

Realty Title Certificate Number	Date of Issuance	Gross Floor Area (sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 423628	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423629	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423630	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423631	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423632	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423633	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423634	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423635	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423636	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423637	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423638	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423639	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423640	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423641	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423642	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423643	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423644	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423645	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423646	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423647	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423652	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423653	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423662	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423664	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423666	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423668	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423670	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423672	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423674	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423675	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423676	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423678	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423680	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423682	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423684	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423685	3 March 2011	12.95
Ning Fang Quan Zheng Gu Chu Zi No. 423686	3 March 2011	12.95
Ning Fang Quan Zheng Gu Chu Zi No. 423687	3 March 2011	12.95
Ning Fang Quan Zheng Gu Chu Zi No. 423688	3 March 2011	12.95
Ning Fang Quan Zheng Gu Chu Zi No. 423689	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423690	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423691	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423692	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423695	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423696	3 March 2011	14.13

Realty Title Certificate Number	Date of Issuance	Gross Floor Area (sq.m.)
Ning Fang Quan Zheng Gu Chu Zi No. 423697	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423698	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423699	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423702	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423703	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423704	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423705	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423706	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423707	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423708	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423709	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423710	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423711	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423712	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423713	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423714	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423716	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423717	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423720	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423721	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423722	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423723	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423724	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423725	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423726	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423727	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423728	3 March 2011	14.13
Ning Fang Quan Zheng Gu Chu Zi No. 423729	3 March 2011	14.13
		<u>3,546.78</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. Excluding the civil-defense car parking spaces of the property, the Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of this portion of the property.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)								
8. One unsold residential units of "Golden Wheel Waltz", No.7, Shengjuren Lane, Gulou District, Nanjing City, Jiangsu Province, the PRC	<p>The property is an unsold residential unit with a total gross floor area of approximately 55.71 sq.m. It is unsold residential portion of "Golden Wheel Waltz" (the "Development").</p> <p>As advised by the Company, the Development is an 8-storey building with retail and residential apartment. The Development has a total floor area of approximately 7,994.58 sq.m., occupying a site with an area of approximately 2,046.4 sq.m. The area breakdown of the Development is showed as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Gross Floor Area</u> (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td style="text-align: right;">2,444.40</td> </tr> <tr> <td>Residential apartment</td> <td style="text-align: right;"><u>5,550.18</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>7,994.58</u></td> </tr> </tbody> </table>	<u>Gross Floor Area</u> (sq.m.)		Retail	2,444.40	Residential apartment	<u>5,550.18</u>	Total	<u>7,994.58</u>	The property is currently vacant.	864,000 (100% interests attributable to the Group: 864,000)
<u>Gross Floor Area</u> (sq.m.)											
Retail	2,444.40										
Residential apartment	<u>5,550.18</u>										
Total	<u>7,994.58</u>										
	<p>The Development was completed in 2009.</p> <p>The Development is held under State-owned Land Use Right Certificates for commercial and office use expiring on 26 February 2046.</p>										

Notes:

- a) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the Development, at which the property is located with a total site area of 2,046.4 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) ("Nanjing Jade Golden Wheel") for commercial and office use for a land use term to be expired on 26 February 2046.

<u>State-owned Land Use Right Certificate Number</u>	<u>Date of Issuance</u>	<u>Site Area</u> (sq.m.)	<u>Expiry Date</u>
Ning Gu Guo Yong (2008) No.05649	4 June 2008	<u>2,046.4</u>	26 February 2046
	Total	<u>2,046.4</u>	

- b) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 55.71 sq.m. are held by Jade Golden Wheel for office use.

<u>Realty Title Certificate Number</u>	<u>Date of Issuance</u>	<u>Gross Floor Area</u> <i>(sq.m.)</i>
Ning Fang Quan Zheng Gu Bian Zi No. 402681	10 June 2010	<u>55.71</u>
	Total	<u>55.71</u>

- c) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:

- i. The Group legally owns the land use right and building ownership of the property and is entitled to occupy, use, legally transfer, lease, mortgage or otherwise dispose of the property.
- ii. The Group has obtained the pre-sale permit of the property and has the right to pre-sell the same.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)										
9.	<p>Several unsold units of Phase 1 and the completed portion of Phase 2 of the Development "Golden Wheel Star City", No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City, Jiangsu Province, the PRC</p> <p>The property consists of several residential and commercial units with a total gross floor area of approximately 24,577.17 sq.m., 192 underground car parking spaces with a total gross area of 6,271.51 sq.m., and 210 underground civil-defense car parking spaces with a total gross area of 8,214 sq.m. The table below shows unsold portion of Phase 1 and Phase 2 (completed portion) of "Golden Wheel Star City" (the "Development").</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Gross Floor Area</u> (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">22,875.47</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">1,701.7</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;"><u>14,485.51</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>39,062.68</u></td> </tr> </tbody> </table>		<u>Gross Floor Area</u> (sq.m.)	Residential	22,875.47	Commercial	1,701.7	Car parking spaces	<u>14,485.51</u>	Total	<u>39,062.68</u>	<p>The property is currently vacant.</p>	<p>269,200,000</p> <p>(100% interests attributable to the Group: 269,200,000)</p>
	<u>Gross Floor Area</u> (sq.m.)												
Residential	22,875.47												
Commercial	1,701.7												
Car parking spaces	<u>14,485.51</u>												
Total	<u>39,062.68</u>												

As advised by the Company, the Development is a composite development with a total gross floor area of approximately 214,775.43 sq.m., occupying a site with an area of approximately 81,616 sq.m.

	<u>Gross Floor Area</u> (sq.m.)
Phase 1	88,933.10
Phase 2	117,371.33
Ancillary	257.00
Civil Defense	<u>8,214.00</u>
Total	<u>214,775.43</u>

It is mainly a residential development with several retail units. It is divided into 2 phases, in which Phase 1 and the completed portion of Phase 2 (Building Nos. 11, 12, 13, 15, 16, 17) have been completed and the developing portion of Phase 2 (Building Nos. 10, 18) is currently under construction.

The property was completed in 2011 and 2012 respectively.

The Development, at which the property is located, is held under State-owned Land Use Right Certificates for residential and commercial use for various land use term, in which the portion for residential use expiring on 9 February 2077 and the portion for commercial use expiring on 9 February 2047.

Notes:

- a) Pursuant to the State-owned Land Use Right Transfer Contract dated 8 February 2007, the land use right of the Development, at which the property is located, with a site area of approximately 81,615 sq.m. had been agreed to be transferred to Yangzhou Golden Wheel Real Estate Development Co., Ltd. (揚州金輪房地產開發有限公司) (“Yangzhou Golden Wheel”) for a consideration of RMB65,292,000.
- b) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the Development, at which the property is located with a total site area of 81,616 sq.m., were granted to Yangzhou Golden Wheel Property Development Co., Ltd. (揚州金輪房地產開發有限公司) (“Yangzhou Golden Wheel”) for various land use term, in which the portion for residential use expiring on 9 February 2077 and the portion for commercial use expiring on 9 February 2047.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		<i>(sq.m.)</i>	
Yang Guo Yong (2010) No.0766	8 December 2010	42,803.3	9 February 2077
Yang Guo Yong (2011) No.0705	9 December 2011	<u>38,812.7</u>	9 February 2077
	Total	<u>81,616</u>	

- c) As advised by the Company, portions of the residential units with a gross floor area of approximately 1,155.18 sq.m. have been contracted to be sold for the total purchase price of RMB9,817,738. In arriving at our opinion on the capital value of the property, we have taken into account of the purchase price of these portions.
- d) We have been provided with a legal opinion on the property prepared by the Group’s legal advisor, which contains, inter alia, the following information:
- i. The Group has obtained the relevant State-owned Land Use Right Certificate, Permit for Construction Land Use Planning, Permit for Construction Project Planning Permit for Commencement of Construction, and Construction Works Completion Certified Report.
 - ii. The Group has obtained the pre-sale permit of the property and has the right to pre-sell the same.
- e) A summary of major certificate/approvals is shown as follows:
- | | |
|---|-----|
| i) State-owned Land Use Right Grant Contract | Yes |
| ii) Stated-owned Land Use Right Certificate | Yes |
| iii) Construction Land Use planning Permit | Yes |
| iv) Construction Works Planning Permit | Yes |
| v) Construction Works Commencement Permit | Yes |
| vi) Pre-sale Permit | Yes |
| vii) Construction Works Completion Certified Report | Yes |

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
10. Unsold portion of "Golden Wheel Time Square", Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	<p>The property comprises the unsold residential portion of Golden Wheel Time Square with a gross floor area of approximately 13,011.76 sq.m., various unsold retail units on L2 and L4 of Golden Wheel Time Square with a gross floor area of approximately 1,937.36 sq.m., 183 underground car parking spaces and 135 underground civil defense car parking spaces.</p> <p>Golden Wheel Time Square is a mixed-use building comprising retail and residential with a total gross floor area of approximately 134,096.32 sq.m. Portion of the property with gross floor area of approximately 132,171.32 sq.m. is subject to ownership certificate for garage, commercial and residential use; the remaining portion with gross floor area of approximately 1,925 sq.m. is for ancillary use. It occupies a site with an area of approximately 13,501.41 sq.m. (the "Site").</p> <p>The property was completed in 2011.</p> <p>The land use right of the property are held under a State-owned Land Use Right Certificate for various terms with the expiry date on 21 February 2078 for residential use and 21 February 2048 for commercial use.</p>	<p>Portions of the residential units with a total gross floor area of approximately 4,252.11 sq.m. have been contracted to be sold to various vendees, portions of the retail units with a total gross floor area of approximately 1,067.57 sq.m. are leased to various tenants as retail shops, the remaining portions are vacant.</p>	<p>138,400,000</p> <p>(100% interests attributable to the Group: 138,400,000)</p>

Notes:

- a) Pursuant to the State-owned Land Use Right Grant Contract Zhu Guo Tu He Zi [2008] No.7 dated 22 February 2008, the land use right with a total area of approximately 3,649.2 sq.m., where the Site is located therein, have been contracted to be granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd at a total consideration of RMB3,550,000.
- b) Pursuant to the State-owned Land Use Right Transfer Contract dated 19 December 2005, the land use right with a total area of approximately 9,854.41 sq.m., where the Site is located therein, have been contracted to be granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd at a total consideration of RMB60,565,800.

- c) Pursuant to the State-owned Land Use Right Certificate Zhu Guo Yong 2008 No.A0658 dated 20 June 2008, the land use right of property with a total site area of approximately 13,501.41 sq.m. where the property is located therein, has been granted to Zhuzhou Golden Wheel Real Estate Development Co., Ltd for residential and commercial use with the expiry dates on 21 February 2078 and 21 February 2048 respectively.
- d) Pursuant to the following Realty Title Certificates, the property with a total gross floor area of approximately 100,966.57 sq.m. are held by Zhuzhou Golden Wheel Real Estate Development Co., Ltd for commercial use, among which, there are 17,405.79 sq.m. as unsold residential portion and 1,937.36 sq.m. as unsold retail portion on L2 and L4 of Golden Wheel Time Square still owned by the Company.

Realty Title Certificate Number	Usage	Gross Floor Area (sq.m.)
Zhu Fang Quan Zheng Zhu Zi No.1000256656	Parking Lot	10,508.29
Zhu Fang Quan Zheng Zhu Zi No.1000256657	Commercial and Parking Lot	Parking Lot: 2,157.93 (Commercial: 7,413.05 Total: 9,578.96)
Zhu Fang Quan Zheng Zhu Zi No.1000256659	Commercial	7,911.54
Zhu Fang Quan Zheng Zhu Zi No.1000256663	Commercial	8,044.02
Zhu Fang Quan Zheng Zhu Zi No.1000256662	Storage, Club House & Property Management	2,724.11
Zhu Fang Quan Zheng Zhu Zi No.1000256654	Residential	33,279.3
Zhu Fang Quan Zheng Zhu Zi No.1000256655	Residential	36,341.38
	Total	<u><u>100,966.57*</u></u>

* Excluding the area of Commercial Portion of B1 (Realty Title Certificate: Zhu Fang Quan Zheng Zhu Zi No.1000256657).

- e) As advised by the Company, portions of the residential units with a gross floor area of approximately 4,252.11 sq.m. have been contracted to be sold for the total purchase price of RMB29,896,185. In arriving at our opinion on the capital value of the property, we have taken into account of the purchase price of these portions.
- f) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right, except for the portion which has been sold.

GROUP III — PROPERTY INTERESTS HELD BY THE GROUP FOR DEVELOPMENT IN THE PRC

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
11. "Nanjing Jade Garden" Development, Land No. 2009G18, Yewei Village Jianye District, Nanjing City, Jiangsu Province, the PRC	<p>As advised by the Group, upon completion, the property will be developed into a residential and commercial development with a total gross floor area of approximately 29,975.5 sq.m., comprising various retail units with a gross floor area of approximately 4,968 sq.m., various residential units with a gross floor area of approximately 16,089 sq.m., and 132 underground car parking spaces. The property occupies a site with an area of approximately 7,211.5 sq.m. (the "Site").</p> <p>As advised by the Company, the estimated development cost to completion for the property as at the date of valuation is approximately RMB36,000,000 (exclusive of marketing, finance, and other indirect costs), and the remaining development period is approximately 9 months.</p> <p>As advised by the Company, the property will be completed in 2013.</p> <p>The property is held under 2 State-owned Land Use Right Certificates for various land use term, in which portion for commercial use expiring on 12 October 2049 and the portion for residential use expiring on 12 October 2079.</p>	The property is currently under construction.	308,000,000 (100% interests attributable to the Group: 308,000,000)

Notes:

- a) Pursuant to the State-owned Land Use Right Transfer Contract dated 22 July 2009, the land use right of the property with a total site area of approximately 7,211.4 sq.m. had been agreed to be transferred to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) ("Nanjing Jade Golden Wheel") for a consideration of RMB78,000,000.

- b) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the property, with a total site area of 7,211.5 sq.m., were granted to Nanjing Jade Golden Wheel Realty Co., Ltd. (南京翡翠金輪置業有限公司) (“Nanjing Jade Golden Wheel”) for composite residential use for various land use term, in which portion for commercial use expiring on 12 October 2049 and the portion for residential use expiring on 12 October 2079.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		<i>(sq.m.)</i>	
Ning Jian Guo Yong (2010) No. 02741	22 February 2010	<u>7,211.5</u>	12 October 2079
	Total	<u>7,211.5</u>	

- c) The Gross Development Value of the property as at the date of valuation was in the sum of RMB459,000,000.
- d) As advised by the Company, some residential portions of Nanjing Jade Garden with a gross floor area of approximately 10,313.65 sq.m. have been contracted to be sold for the total purchase price of RMB204,779,624. In arriving at our opinion on the capital value of the property, we have taken into account of the purchase price of these portions.
- e) We have been provided with a legal opinion on the property prepared by the Group’s legal advisor, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right.
 - ii. The Group has obtained the relevant State-owned Land Use Right Certificate, Permit for Construction Land Use Planning, Permit for Construction Project Planning and Permit for Commencement of Construction.
- f) A summary of major certificate/approvals is shown as follows:
- | | |
|---|-----|
| i) State-owned Land Use Right Grant Contract | Yes |
| ii) Stated-owned Land Use Right Certificate | Yes |
| iii) Construction Land Use planning Permit | Yes |
| iv) Construction Works Planning Permit | Yes |
| v) Construction Works Commencement Permit | Yes |
| vi) Pre-sale Permit | Yes |
| vii) Construction Works Completion Certified Report | No |

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
12. "Golden Wheel New Metro" Development, Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu Province, the PRC	<p>As advised by the Group, upon completion, the property will be developed into a complex building with a total gross floor area of approximately 59,912 sq.m., comprising various retail units with a gross floor area of approximately 18,437 sq.m., various office units with a gross floor area of approximately 11,719 sq.m., various serviced apartments with a gross floor area of approximately 15,139 sq.m., and 334 underground car parking spaces. The property occupies a site with an area of approximately 9,217.6 sq.m. (the "Site").</p> <p>As advised by the Company, the estimated development cost to completion for the property as at the date of valuation is approximately RMB126,000,000 (exclusive of marketing, finance, and other indirect costs), and the remaining development period is approximately 9 months.</p> <p>As advised by the Company, the property will be completed in 2013.</p> <p>The land use right of the property is held under a State-owned Land Use Right Certificate for various terms with the expiry date on 19 July 2074 for residential use and 19 July 2049 for commercial use.</p>	The property is currently under construction.	513,000,000 (100% interests attributable to the Group: 513,000,000)

Notes:

- a) Pursuant to the State-owned Land Use Right Transfer Contract dated 26 April 2011, the land use right with a total area of approximately 9,217.6 sq.m., where the Site is located therein, have been granted to Nanjing Golden Wheel Real Estate Development Co., Ltd at a total consideration of RMB156,020,659.8.
- b) Pursuant to the State-owned Land Use Right Certificate Ning Jiang Guo Yong (2011) No.17103 dated 13 July 2011, the land use right of property with a total site area of approximately 9,217.6 sq.m. has been granted to Nanjing Golden Wheel Real Estate Development Co., Ltd for residential and commercial use with the expiry dates on 19 July 2074 and 19 July 2049 respectively.

- c) The Gross Development Value of the property as at the date of valuation is approximately RMB865,000,000.
- d) Upon completion, the retail portion with a gross floor area of approximately 18,437 sq.m. will be held for investment. The capital value in existing state of the portion which will be held for investment as at 30 September 2012 is RMB260,000,000.
- e) Upon completion, the office portion with a gross floor area of approximately 11,719 sq.m., serviced apartments portion with a gross floor area of approximately 15,139 sq.m. and 334 underground car parking spaces will be held for sale. The capital value in existing state of the portion which will be held for sale as at 30 September 2012 is RMB253,000,000.
- f) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right.
 - ii. The Group has obtained the relevant State-owned Land Use Right Certificate, Permit for Construction Land Use Planning, Permit for Construction Project Planning and Permit for Commencement of Construction.
- g) A summary of major certificates/approvals is shown as follows:
- | | |
|---|-----|
| i) State-owned Land Use Right Transfer Contract | Yes |
| ii) State-owned Land Use Right Certificate | Yes |
| iii) Permit for Construction Land Use Planning | Yes |
| iv) Permit for Construction Project Planning | Yes |
| v) Permit for Commencement of Construction | Yes |
| vi) Pre-completion Sales Permit | Yes |
| vii) Construction Works Completion Certified Report | No |

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
13. "Golden Wheel Star Plaza" Development, South of Chengxin Avenue, east of Pugang Street, Jiangning District, Nanjing City, Jiangsu Province, the PRC	<p>As advised by the Group, upon completion, the property will be developed into a complex building with a total gross floor area of approximately 70,396 sq.m., comprising various retail units with a gross floor area of approximately 13,135 sq.m., various office units with a gross floor area of approximately 21,435 sq.m., various serviced apartments with a gross floor area of approximately 18,600 sq.m., and 425 underground car parking spaces.</p> <p>The property occupies a site with an area of approximately 29,539.9 sq.m. (the "Site").</p> <p>As advised by the Company, the estimated development cost to completion for the property as at the date of valuation is approximately RMB172,000,000 (exclusive of marketing, finance, and other indirect costs), and the remaining development period is approximately 13 months.</p> <p>As advised by the Company, the property will be completed in 2013.</p> <p>The land use right of the property is held under a State-owned Land Use Right Certificate for various terms with the expiry date on 29 July 2075 for residential use and 29 July 2050 for commercial use.</p>	The property is currently under construction.	423,000,000 (100% interests attributable to the Group: 423,000,000)

Notes:

- a) Pursuant to the State-owned Land Use Right Grant Contract No.3201212010CR0024 dated 23 April 2010, the land use right with a total area of approximately 29,539.3 sq.m., where the Site is located therein, have been contracted to be granted to Nanjing Jade Golden Wheel Realty Co., Ltd at a total consideration of RMB138,000,000.

- b) Pursuant to the State-owned Land Use Right Certificate Ning Jiang Guo Yong (2010) No.024303 dated 19 July 2010, the land use right of property with a total site area of approximately 29,539.9 sq.m. has been granted to Nanjing Jade Golden Wheel Realty Co., Ltd for residential and commercial use with the expiry dates on 29 July 2075 and 29 July 2050 respectively.
- c) The Gross Development Value of the property as at the date of valuation is approximately RMB859,000,000.
- d) We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right.
 - ii. The Group has obtained the relevant State-owned Land Use Right Certificate, Permit for Construction Land Use Planning and Permit for Construction Project Planning (Part).
- e) A summary of major certificates/approvals is shown as follows:
- | | | |
|------|--|------|
| i) | State-owned Land Use Right Grant Contract | Yes |
| ii) | State-owned Land Use Right Certificate | Yes |
| iii) | Permit for Construction Land Use Planning | Yes |
| iv) | Permit for Construction Project Planning | Part |
| v) | Permit for Commencement of Construction | No |
| vi) | Pre-completion Sales Permit | No |
| vii) | Construction Works Completion Certified Report | No |

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)																								
14. The developing portion of Phase 2 of "Golden Wheel Star City", No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City, Jiangsu Province, the PRC	<p>The property consists of 10# and 18# of phase 2 of "Golden Wheel Star City" with a total gross area of approximately 33,083.93 sq.m., including 106 car parking spaces. The area component of the property listed below:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: right;">Gross Floor Area</td> </tr> <tr> <td colspan="2" style="text-align: right;"><i>(sq.m.)</i></td> </tr> <tr> <td style="text-align: right;">18#</td> <td style="text-align: right;">32,163.93</td> </tr> <tr> <td style="text-align: right;">10#</td> <td style="text-align: right;">920.00</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>33,083.93</u></td> </tr> </table> <p>As advised by the Company, Golden Wheel Star City (the "Development") is a development with a total gross floor area of approximately 214,775.43 sq.m., occupying a site with an area of approximately 81,616 sq.m.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: right;">Gross Floor Area</td> </tr> <tr> <td colspan="2" style="text-align: right;"><i>(sq.m.)</i></td> </tr> <tr> <td style="text-align: right;">Phase 1</td> <td style="text-align: right;">88,933.10</td> </tr> <tr> <td style="text-align: right;">Phase 2</td> <td style="text-align: right;">117,371.33</td> </tr> <tr> <td style="text-align: right;">Ancillary</td> <td style="text-align: right;">257.00</td> </tr> <tr> <td style="text-align: right;">Civil Defense</td> <td style="text-align: right;">8,214.00</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>214,775.43</u></td> </tr> </table> <p>It is mainly a residential development with several retail units. It is divided into 2 phases, in which Phase 1 and the completed portion of Phase 2 (Building No. 11, 12, 13, 15, 16, 17) have been completed and the developing portion of Phase 2 (Building No. 10, 18) is currently under construction.</p> <p>As advised by the Company, the estimated development cost to completion for the property as at the date of valuation is approximately RMB57,900,000 (exclusive of marketing, finance, and other indirect costs), and the remaining development period is approximately 15 months.</p> <p>As advised by the Company, the property will be completed in 2013.</p> <p>The Development, at which the property is located, is held under State-owned Land Use Right Certificates for residential and commercial use for various land use terms, in which the portion for residential use expiring on 9 February 2077 and the portion for commercial use expiring on 9 February 2047.</p>	Gross Floor Area		<i>(sq.m.)</i>		18#	32,163.93	10#	920.00	Total	<u>33,083.93</u>	Gross Floor Area		<i>(sq.m.)</i>		Phase 1	88,933.10	Phase 2	117,371.33	Ancillary	257.00	Civil Defense	8,214.00	Total	<u>214,775.43</u>	The property is currently under construction.	259,000,000 (100% interests attributable to the Group: 259,000,000)
Gross Floor Area																											
<i>(sq.m.)</i>																											
18#	32,163.93																										
10#	920.00																										
Total	<u>33,083.93</u>																										
Gross Floor Area																											
<i>(sq.m.)</i>																											
Phase 1	88,933.10																										
Phase 2	117,371.33																										
Ancillary	257.00																										
Civil Defense	8,214.00																										
Total	<u>214,775.43</u>																										

Notes:

- a) Pursuant to the State-owned Land Use Right Transfer Contract dated 8 February 2007, the land use right of the Development, at which the property is located, with a site area of approximately 81,615 sq.m. had been agreed to be transferred to Yangzhou Golden Wheel Real Estate Development Co., Ltd. (揚州金輪房地產開發有限公司) (“Yangzhou Golden Wheel”) for a consideration of RMB65,292,000.
- b) Pursuant to the following State-owned Land Use Right Certificates, the land use right of the Development, at which the property is located, with a total site area of 81,616 sq.m., were granted to Yangzhou Golden Wheel Real Estate Development Co., Ltd. (揚州金輪房地產開發有限公司) (“Yangzhou Golden Wheel”) for various land use term, in which the portion for residential use expiring on 9 February 2077 and the portion for commercial use expiring on 9 February 2047.

State-owned Land Use Right

Certificate Number	Date of Issuance	Site Area	Expiry Date
		<i>(sq.m.)</i>	
Yang Guo Yong (2010) No.0766	8 December 2010	42,803.3	9 February 2077
Yang Guo Yong (2011) No.0705	9 December 2011	<u>38,812.7</u>	9 February 2077
	Total	<u>81,616</u>	

- c) The Gross Development Value of the property as at the date of valuation was in the sum of RMB406,000,000.
- d) We have been provided with a legal opinion on the property prepared by the Group’s legal advisor, which contains, inter alia, the following information:
- i. The Group legally owns the land use right of the property and is entitled to occupy, use and benefit from the granted portion of the land use right.
 - ii. The Group has obtained the relevant State-owned Land Use Right Certificate, Permit for Construction Land Use Planning, Permit for Construction Project Planning and Permit for Commencement of Construction.
- e) A summary of major certificate/approvals is shown as follows:
- | | |
|---|-----|
| i) State-owned Land Use Right Grant Contract | Yes |
| ii) Stated-owned Land Use Right Certificate | Yes |
| iii) Construction Land Use planning Permit | Yes |
| iv) Construction Works Planning Permit | Yes |
| v) Construction Works Commencement Permit | Yes |
| vi) Pre-sale Permit | No |
| vii) Construction Works Completion Certified Report | No |

GROUP IV — PROPERTY INTERESTS RENTED BY THE GROUP IN THE PRC

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Details of occupancy</u>	<u>Market value in existing state as at 30 September 2012</u> (RMB)
15. Xinjiekou Metro Mall, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	The property comprises comprising various retail units with a gross floor area of approximately 2,047.5 sq.m., in which the total leasable area is approximately 1,193.1 sq.m.	The property is leased by Nanjing Underground Railway Company Limited to the Group for a term of 15 years and the majority of property is currently sub-leased to various tenants for an total annual rent of approximately RMB10,000,000, while the remaining portions are currently vacant for leasing.	43,200,000 (100% interests attributable to the Group: 43,200,000)

Notes:

- a) Pursuant to a tenancy agreement entered between Nanjing Metro Co., Ltd (南京地下鐵道有限責任公司) (Party A) and Nanjing Jade Golden Wheel Realty Co., Ltd (南京翡翠金輪置業有限公司) (Party B) dated 23 July 2008, Party A agreed to lease the property to Party B for a term of 15 years. For the first 4 years, the annual rent is RMB5,801,250. From Year 5 to Year 8, the annual rent is RMB6,381,375. From Year 9 to Year 12, the annual rent is RMB7,019,512. From Year 13 to Year 15, the annual rent is RMB7,721,463.
- b) As advised by the Group, Party A is an independent third party to the Group.
- c) We have been provided with a legal opinion on the property prepared by the Group's legal advisor, which contains, inter alia, the following information:
- i. The tenancy agreement as mentioned at Note a) has been registered.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANIES LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands Companies Law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2012 under the Cayman Islands Companies Law. The Memorandum and the Articles comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Islands Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 10 December 2012, to become effective upon the Listing. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) *Power to allot and issue shares and warrants*

Subject to the provisions of the Cayman Islands Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Cayman Islands Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

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The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Cayman Islands Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) ***Power to dispose of the assets of the Company or any subsidiary***

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Islands Companies Law to be exercised or done by the Company in general meeting.

(iii) ***Compensation or payments for loss of office***

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) ***Loans and provision of security for loans to Directors***

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) ***Disclosure of interests in contracts with the Company or any of its subsidiaries***

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such

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extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Cayman Islands Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

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- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) ***Remuneration***

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

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The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) ***Retirement, appointment and removal***

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

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The office of director shall be vacated:

- (aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;
- (bb) becomes of unsound mind or dies;
- (cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) if he is prohibited from being a director by law;
- (ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(viii) ***Borrowing powers***

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Cayman Islands Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

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(ix) ***Proceedings of the Board***

The board may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) ***Register of Directors and Officers***

The Cayman Islands Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(c) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Cayman Islands Companies Law:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Cayman Islands Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or

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- (v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Cayman Islands Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Cayman Islands Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear Business Days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear Business Days has been given.

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A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

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(g) Requirements for annual general meetings

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Cayman Islands Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorized by the board or the Company in general meeting.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarized financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarized financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be

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submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear Business Days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear Business Days. All other extraordinary general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear Business Days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Company other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers;

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- (ee) the fixing of the remuneration of the directors and of the auditors;

- (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

- (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Cayman Islands Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

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The board may decline to recognize any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for the Company to purchase its own shares

The Company is empowered by the Cayman Islands Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of the Company to own shares in the Company and financial assistance to purchase shares of the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(m) Dividends and other methods of distribution

Subject to the Cayman Islands Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Cayman Islands Companies Law.

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Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

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No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(n) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

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A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Cayman Islands Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

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(s) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Islands Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all checks or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

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(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Islands Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANIES LAW

The Company is incorporated in the Cayman Islands subject to the Cayman Islands Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman Islands Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman Islands Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

The Cayman Islands Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Islands Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Islands Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

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The Cayman Islands Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “Court”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in the Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of Shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Cayman Islands Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Islands Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorize the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorized by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury

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shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Islands Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Cayman Islands Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Cayman Islands Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against

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or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorizing civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Management

The Cayman Islands Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

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(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 15 May 2012.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties.

(k) Stamp duty on transfers

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

(l) Loans to directors

There is no express provision in the Cayman Islands Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company will have no general right under the Cayman Islands Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

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An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register shall be kept in the same manner in which a principal register is by the Cayman Islands Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. There is no requirement under the Cayman Islands Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

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In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorized by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

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(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman (Cayman) Limited, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarizing certain aspects of Cayman Islands law. This letter, together with a copy of the Cayman Islands Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VII. Any person wishing to have a detailed summary of Cayman Islands law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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

Our Company was incorporated as an exempted company in the Cayman Islands under the Cayman Islands Companies Law with limited liability on 26 April 2012. Our registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. We have been registered in Hong Kong under Part XI of the Companies Ordinance as a non-Hong Kong company and our principal place of business in Hong Kong is at Unit 707, Block B, Seaview Estate, 8 Watson Road, North Point, Hong Kong. In compliance with the requirements of the Companies Ordinance, Mr. Chan Wai Kin has been appointed as our agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong. The address for service of process on our Company in Hong Kong is Unit 707, Block B, Seaview Estate, 8 Watson Road, North Point, Hong Kong. As we were incorporated in the Cayman Islands, our corporate structure, the Memorandum and the Articles are subject to the relevant laws of the Cayman Islands. A summary of the relevant provisions of the Memorandum, the Articles and certain relevant aspects of the Cayman Islands Companies Law are set out in “Appendix V — Summary of the Constitution of the Company and Cayman Islands Companies Law” to this prospectus.

2. Changes in the Share Capital of Our Company

- (a) The authorized share capital of our Company as of the date of its incorporation was US\$50,000 divided into 5,000,000 Shares of US\$0.01 each.
- (b) As of the date of incorporation, one subscriber Share was allotted and issued to and was fully paid up by the initial subscriber. On the same date, the said one Share was transferred to Golden Wheel Realty. At the same time, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever were allotted 429,975 shares, 32,658 shares, 59,377 shares, 50,471 shares, 59,377 shares, 59,377 shares, 59,377 shares, 59,377 shares, 59,377 shares, 47,503 shares, 47,503 shares and 35,627 shares, respectively.
- (c) On 10 December 2012, a written resolution was passed by our Shareholders to approve the increase of the authorised share capital of our Company, from US\$50,000 divided into 5,000,000 Shares of par value US\$0.01 each, to US\$30,000,000 divided into 3,000,000,000 Shares of par value US\$0.01 each.

Immediately following completion of the Global Offering and the Capitalization Issue (but not taking into account any Shares which may be issued upon the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options

granted under the Share Option Scheme), the authorized share capital of our Company will be US\$30,000,000 divided into 3,000,000,000 Shares of par value US\$0.01 each, of which 1,800,000,000 Shares will be issued fully paid or credited as fully paid.

Save for aforesaid and as disclosed in this prospectus, there has been no alteration in our Company's share capital since its incorporation.

3. Written Resolutions of Our Shareholders Passed on 10 December 2012

On 10 December 2012, pursuant to the resolutions in writing passed by our Shareholders, the increase of the authorized share capital of the Company from US\$50,000 divided into 5,000,000 Shares of a nominal or par value of US\$0.01 each to US\$30,000,000 divided into 3,000,000,000 Shares of a nominal or par value of US\$0.01 each by the creation of 2,995,000,000 Shares, which shall rank pari passu in all respects with the Shares in issue as of the date of this resolution, was approved.

Pursuant to the resolutions in writing passed by our shareholders on 10 December 2012, among other matters:

- (a) conditional on the share premium account of our Company being credited as a result of the Global Offering, the sum of US\$13,480,000 be capitalized and be applied in paying up in full at par 1,348,000,000 Shares for allotment and issue to the Shareholders whose names were on the register of members of our Company as of the date of close of business on 10 December 2012;
- (b) conditional on (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue, and the Offer Shares as mentioned in this prospectus (including any Shares that may be issued pursuant to the exercise of the Over-allotment Option), and any Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme; (ii) the entering into, execution and delivery of the International Underwriting Agreement and the Price Determination Agreement on or around the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with the terms of such agreements or otherwise:
 - (i) the Global Offering be approved and the Directors be authorized to allot and issue the new Shares pursuant to the Global Offering;
 - (ii) the proposed Listing of the Shares on the Main Board be approved and the Directors be authorized to implement such Listing; and
 - (iii) the Over-allotment Option be approved and the Directors were authorized to effect the same and to allot and issue the Over-allotment Shares upon the exercise of the Over-allotment Option;

- (c) our Company approved and adopted the Memorandum, with immediate effect, and the Articles of Association, conditional upon and with effect from Listing;
- (d) a general unconditional mandate was given to the Directors to allot, issue and otherwise deal with the Shares (otherwise than pursuant to, or in consequence of, the Global Offering, the Over-allotment Option, a rights issue, the exercise of any subscription rights which may be granted under any scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for shares under options and warrants or a special authority granted by the Company's shareholders) with an aggregate nominal value not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering;
- (e) a general unconditional mandate was given to the Directors authorizing them to exercise all powers of the Company to repurchase the Shares representing up to 10% of its share capital in issue, immediately following completion of the Global Offering (excluding the Shares which may be issued upon the execution of the Over-allotment Option); and
- (f) the general unconditional mandate as mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

Each of the general mandates referred to in paragraphs (d), (e) and (f) above will remain in effect until the earlier of (i) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions; or (ii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

4. Our Principal Subsidiaries

Our principal subsidiaries are set out in the Accountants' Reports, the text of which is set out in Appendix I to this prospectus.

5. Changes in Share Capital of Our Subsidiaries

Save as disclosed in this prospectus, 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. Repurchase of Our Company's Own Shares

The Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their securities on the Hong Kong Stock Exchange. This section includes information relating to the repurchase by us of our own Shares, including information required by the Hong Kong Stock Exchange to be included in this prospectus concerning the repurchase.

(a) *Shareholders' approval*

All our proposed repurchases of Shares (which must be fully-paid up) must be approved in advance by an ordinary resolution of our Shareholders at a general meeting, either by way of general mandate or by specific approval of a particular transaction. On 10 December 2012, our Directors were granted a general unconditional mandate to repurchase up to 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the Global Offering on the Hong Kong Stock Exchange or on any other stock exchange on which our securities may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose. This mandate will expire at: (i) the conclusion of the next annual general meeting of our Company; (ii) the date by which the next annual general meeting of our Company is required to be held by the Articles, the Cayman Islands Companies Law or any applicable laws of the Cayman Islands; or (iii) the day on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in a general meeting of our Company, whichever occurs first.

(b) *Number of Shares which may be repurchased*

The exercise in full of the repurchase mandate, on the basis of 1,800,000,000 Shares in issue immediately after completion of the Global Offering, could accordingly result in up to 180,000,000 Shares being repurchased by our Company during the period prior to (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 the Articles, the Cayman Islands Companies Law or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the repurchase mandate by an ordinary resolution of our Shareholders in a general meeting, whichever occurs first.

(c) *Reasons for repurchases*

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

(d) ***Source of funds***

Repurchases by our Company must be funded out of funds legally available for such purpose in accordance with the Memorandum, the Articles, the Cayman Islands Companies Law, the applicable laws and regulations of the Cayman Islands and the Listing Rules. A listed company is prohibited from repurchasing its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time. Subject to the foregoing, any repurchases by our Company may be made out of our profits, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorized by the Articles and subject to the Cayman Islands Companies Law, out of capital and, in the case of any premium payable on the purchase, out of either or both of the profits of the Company or the share premium account of the Company or, if authorized by the Articles and subject to the Cayman Islands Companies Law, out of capital.

(e) ***Funding of repurchase***

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

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the repurchase mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(f) ***Directors' intention to sell Shares***

None of our Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their associates, has any present intention, in the event that the repurchase mandate is exercised, to sell any Shares to us.

(g) ***Status of repurchased securities***

The listing of all repurchased securities (whether effected on the Hong Kong Stock Exchange or otherwise) will be automatically cancelled and the certificates for those securities must be cancelled and destroyed. Under the laws of the Cayman Islands, the repurchased Shares shall be treated as cancelled and the amount of our Company's issued share capital shall be reduced by the aggregate nominal value of the repurchased Shares accordingly, although the authorized share capital of our Company will not be reduced.

(h) ***Trading restrictions***

The total number of Shares which our Company may repurchase is up to 10% of the total number of our Shares in issue immediately after the completion of the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme). Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares, without the prior approval of the Hong Kong Stock Exchange. Our Company is also prohibited from repurchasing Shares on the Hong Kong Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange.

Our Company is required to procure that the broker (appointed by our Company to effect a repurchase of Shares) will disclose to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require. As required by the prevailing requirements of the Listing Rules, an issuer shall not purchase its shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Hong Kong Stock Exchange.

(i) ***Suspension of repurchase***

Pursuant to the Listing Rules, our Company may not make any repurchase of Shares after a price sensitive development has occurred or has been the subject of a decision until such time when the price sensitive information has been made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, during the period of one month immediately preceding the earlier of: (i) the date of our board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of our Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Hong Kong Stock Exchange unless the circumstances are exceptional. In addition, the Hong Kong Stock Exchange may prohibit a repurchase of our shares on the Hong Kong Stock Exchange if our Company has breached the Listing Rules.

(j) ***Procedural and reporting requirements***

As required by the Listing Rules, repurchases of Shares on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Hong Kong Stock Exchange business day following any day on which our Company may make a purchase of Shares. The report must state the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest

prices paid for such purchases. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(k) ***Directors' undertakings***

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands and the Articles.

(l) ***Takeovers Code***

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of such Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

If the repurchase mandate is fully exercised immediately following completion of the Global Offering (but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the repurchase mandate shall be 180,000,000 Shares (being 10% of the issued share capital of our Company based on the aforesaid assumptions.)

(m) ***Share repurchase made by our Company***

Save as disclosed in the paragraph headed "— Changes in the share capital of our Company" in this appendix, no repurchase of Shares has been made by our Company since its incorporation.

(n) ***Connected parties***

Our Company is prohibited from knowingly purchasing Shares on the Hong Kong Stock Exchange from a connected person (as defined under the Listing Rules), and a connected person shall not knowingly sell his shares to our Company on the Hong Kong Stock Exchange.

As of the Latest Practicable Date, one of our Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Shares to us or any of our subsidiaries if the repurchase mandate is exercised. As of the Latest Practicable Date, no connected person of our Company has notified us that he/she/it has a present intention to sell any Shares to us or any of our subsidiaries, or has undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

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





- (a) the Non-competition Deed dated 10 December 2012 and entered into between our Controlling Shareholders and our Company (for ourselves and as trustee for each of our subsidiaries), under which, our Controlling Shareholders have given certain undertakings to our Company, details of which are set out in the section headed “Relationship with Our Controlling Shareholders — Non-competition Deed” in this prospectus;
- (b) a deed of indemnity dated 10 December 2012 and entered into between the Controlling Shareholders and our Company (for ourselves and as trustee for each of our subsidiaries), under which, our Controlling Shareholders have agreed to give certain indemnities in favor of our Group; and
- (c) the Hong Kong Underwriting Agreement.

2. Our Intellectual Property Rights**(a) Trademarks**

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

No.	Trademark	Registered Owner	Class	Place of Registration	Registration Number	Validity Period
1.	翡翠 金轮天地	Nanjing Jade Golden Wheel	35	PRC	6186010	10 years
2.	翡翠 金轮天地	Nanjing Jade Golden Wheel	41	PRC	6186009	10 years
3.		Nanjing Jade Golden Wheel	41	PRC	6188171	10 years
4.		Nanjing Jade Golden Wheel	43	PRC	6188170	10 years
5.	翡翠 金轮天地	Nanjing Jade Golden Wheel	44	PRC	6186007	10 years
6.		Nanjing Jade Golden Wheel	44	PRC	6188169	10 years
7.		Golden Wheel International Corporation	6, 8, 16, 35, 36, 37	Hong Kong	302262014	10 years

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

No.	Trademark	Applicant	Class	Place of Application	Application Number	Application Date
1.		Golden Wheel International Corporation	43	PRC	10943881	21 May 2012
2.		Golden Wheel International Corporation	42	PRC	10943882	21 May 2012
3.		Golden Wheel International Corporation	39	PRC	10943883	21 May 2012
4.		Golden Wheel International Corporation	37	PRC	10943884	21 May 2012
5.		Golden Wheel International Corporation	36	PRC	10943885	21 May 2012
6.		Golden Wheel International Corporation	35	PRC	10943886	21 May 2012

(b) *Domain Names*

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

Registrant	Domain Name	Date of Expiry
Nanjing Jade Golden Wheel	Goldenwheel-inciti.com	21 January 2013
Golden Wheel International Investment	gwtd.com.hk	23 July 2017

Save as disclosed herein, there are no patents, trademarks or other intellectual or industrial property rights which are material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests and/or short positions of our Directors in the share capital of our Company and its associated corporations following the Global Offering and Capitalization Issue*

Immediately following completion of the Global Offering and the Capitalization Issue (but without taking into account of any Shares) and assuming the Over-allotment Option is not exercised, the interests and short positions of each Director of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers to be notified to us and the Hong Kong Stock Exchange will be as follows:

Name of Director	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company (Note 1)
WONG Yam Yin	Interest of a controlled corporation	1,350,000,000	75%
WONG Kam Fai	Interest of a controlled corporation	1,350,000,000	75%
WONG Kam Keung, Barry	Interest of a controlled corporation	1,350,000,000	75%
TJIE Tjin Fung	Interest of a controlled corporation	1,350,000,000	75%
SUWITA Janata	Interest of a controlled corporation	1,350,000,000	75%
GUNAWAN Kiky	Interest of a controlled corporation	1,350,000,000	75%

Notes:

- (1) On 16 January 2012, our Ultimate Controlling Shareholders entered into a deed of acting in concert and a deed of reorganization to, among other things, confirm their acting-in-concert agreement. As such, our Ultimate Controlling Shareholders together control the 75% interest in the share capital of our Company through Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden

Joy Forever. Based on the foregoing, each of our Ultimate Controlling Shareholders, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever is deemed to be interested in such 75% interest in the share capital of our Company.

- (2) Please refer to the chart regarding the shareholding structure of our Group upon completion of the Global Offering and the Capitalization Issue which is set out under “Our History, Reorganization and Group Structure” for details of the shareholding of each person mentioned above in our Company.

Save as disclosed above, immediately following completion of the Global Offering and the Capitalization Issue (but without taking into account of any Shares which may be issued upon the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme), none of our Directors will have any interests and/or short position in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

2. Substantial Shareholders

The Directors confirm, as of the Latest Practicable Date, the following persons, not being a Director or chief executive of our Company, had an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our subsidiaries:

Name	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company (Note 1)
HUNG So Ling	Interest of a controlled corporation	1,350,000,000	75%
AMAN Sjaifudin	Interest of a controlled corporation	1,350,000,000	75%
LIJAYA Hafandi	Interest of a controlled corporation	1,350,000,000	75%
SOMANTRY Lili	Interest of a controlled corporation	1,350,000,000	75%
HARYANTO Jamin	Interest of a controlled corporation	1,350,000,000	75%
GUNAMAN Hadi	Interest of a controlled corporation	1,350,000,000	75%

Name	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in our Company (Note 1)
TANUWIDJAJA Atjen	Interest of a controlled corporation	1,350,000,000	75%
OSCAR Julia	Interest of a controlled corporation	1,350,000,000	75%
TRISNA Bambang	Interest of a controlled corporation	1,350,000,000	75%
Golden Wheel Realty	Beneficial owner	1,350,000,000	75%
Aman Atlantic	Beneficial owner	1,350,000,000	75%
Chun Hung	Beneficial owner	1,350,000,000	75%
Kang Fu Ming	Beneficial owner	1,350,000,000	75%
Green Paragon	Beneficial owner	1,350,000,000	75%
Keita International	Beneficial owner	1,350,000,000	75%
Fire Spark	Beneficial owner	1,350,000,000	75%
Golden Era Forever	Beneficial owner	1,350,000,000	75%
Fa Xing	Beneficial owner	1,350,000,000	75%
Tien Shan Di Hai	Beneficial owner	1,350,000,000	75%
Propitious Winds	Beneficial owner	1,350,000,000	75%
Golden Joy Forever	Beneficial owner	1,350,000,000	75%

Notes:

- (1) On 16 January 2012, our Ultimate Controlling Shareholders entered into a deed of acting in concert and a deed of reorganization to, among other things, confirm their acting-in-concert agreement. As such, our Ultimate Controlling Shareholders together control the 75% interest in the share capital of our Company through Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever. Based on the foregoing, each of our Ultimate Shareholders and Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever is deemed to be interested in such 75% interest in the share capital of our Company.
- (2) Please refer to the chart regarding the shareholding structure of our Group upon completion of the Global Offering and the Capitalization Issue which is set out under “Our History, Reorganization and Group Structure” for details of the shareholding of each person mentioned above in our Company.

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following completion of the Global Offering and the Capitalization Issue (but without taking into account or the Shares that may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options

granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of our Group.

3. Particulars of Service Contracts

Each of our executive Directors has entered into a service contract with our Company on 30 June 2012. The principal particulars of these service agreements are (a) for a term of two years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed by agreement between the parties and in accordance with our Articles of Association and the applicable rules.

Each of the non-executive Directors has signed an appointment letter with our Company on 1 July 2012. The principal particulars of these appointment letters are (a) for a term of two years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The appointment may be renewed in accordance with our Articles of Association and the applicable rules.

Each of the independent non-executive Directors has signed an appointment letter with our Company on 10 December 2012. The principal particulars of these appointment letters are (a) for a term of two years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The appointment may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

4. Directors' Remuneration

Under the current arrangements, the Directors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending 31 December 2012 under arrangement in force as of the date of this prospectus which is expected to be approximately RMB2,047,000 in aggregate.

5. Personal Guarantees

As of 30 June 2012, Mr. Wong Yam Yin and Mr. Wong Kam Fai, our Controlling Shareholders, provided personal guarantees in favor of lenders in respect of the obligations of our Group in connection with banking facilities amounting to RMB249,134,000. Such guarantees will be released upon Listing.

6. Agency Fees or Commissions Received

Save as disclosed in the section headed “Underwriting” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years preceding the date of this prospectus.

7. Related Party Transactions

During the two years preceding the date of this prospectus, we have engaged in the material related party transactions as described in Note 36 to the financial statements in the Accountants’ Report set out in Appendix I to this prospectus.

8. Disclaimers

Save as disclosed in this prospectus:

- (a) so far as is known to our Directors, immediately following completion of the Global Offering (but without taking into account of any Shares which may be issued upon the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme), there are no other person (not being the Director or chief executive) who has an interest or a short position in the Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings or any other members of our Group;
- (b) none of our Directors of our Company has any interest and/or a short position in the Shares, underlying Shares or debentures of our Company, or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position in which they are 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 to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once the Shares are listed on the Hong Kong Stock Exchange;
- (c) none of our Directors nor any of the parties whose names are listed in the section headed “— Consents and interests of experts in our Company” in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, 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;

- (d) none of our Directors nor any of the parties whose names are listed in the section headed “— Consents and interests of experts in our Company” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our Company’s business;
- (e) save in connection with the Underwriting Agreements, none of the parties listed in the section headed “— Consents and interests of experts in our Company” in this appendix: (i) is legally or beneficially interested in any securities of any member of our Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; or (iii) is an officer or servant or in employment of an officer or servant of our Group;
- (f) none of our Directors or their associates or our Shareholders who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our five largest suppliers or our five largest customers; and
- (g) no cash, share or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of our Company nor is any cash, share or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned in this prospectus.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme approved by the resolutions of our Shareholders passed on 10 December 2012:

(i) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme (“**Options**”) as incentives or rewards to the Participants (as defined in paragraph (iii) below) for their contribution to the Group and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group and any entity which the Group holds any equity interest (“**Invested Entity**”).

(ii) Conditions

The Share Option Scheme is conditional upon (a) the passing of an ordinary resolution at our Company’s extraordinary general meeting approving the adoption of the Share Option Scheme by our Shareholders and authorizing our Directors to grant Options, and to allot, issue and deal with our Shares pursuant to the exercise of any Options granted under the Share Option Scheme; and (b) the Listing Committee granting approval of the listing of, and permission to deal in, (1) our Shares in issue and to be issued as mentioned in this prospectus and (2) any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme. If the above conditions are not satisfied within six (6) months after the date on which the scheme is conditionally adopted

by our Company at a general meeting of the Shareholders, the Share Option Scheme shall forthwith terminate, any Option granted or agreed to be granted pursuant to this Scheme and any offer of such a grant shall be of no effect, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme.

(iii) **Eligible Participants**

Our Board may, at its discretion, invite any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of our Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group (“**Participants**”) to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity.

(iv) **Offer and Grant of Options and payment in relation thereto**

No offer of the grant of an Option shall 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 option may be granted on any day on which the financial results of our Company are published, and during the period of one (1) month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company’s results for any year, half-year, quarterly or other interim period; and (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period.

Offer of an Option (“**Offer**”) shall be deemed to have been accepted by any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme (“**Grantee**”) and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1 by way of consideration for the granting thereof is received by our Company within such period as our Board may determine and specify in the letter of Offer. Such remittance shall in no circumstances be refundable.

(v) **Subscription Price**

The subscription price for our Shares under the Share Option Scheme will be at least the highest of (a) the closing price of our Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date on which an Offer is made by our Company to the Grantee (which date must be a Business Day, “**Offer Date**”); (b) a price being the average of the closing prices of our Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the Offer

Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of our Shares where our Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

(vi) **Maximum number of Shares**

- (a) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering (being 180,000,000 Shares), unless our Company obtains a fresh approval from our Shareholders pursuant to (b) below.
- (b) Subject to (d) below, our Company may seek approval of our Shareholders in general meeting for refreshing the 10% limit set out in (a) above such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any such other share option schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. In such a case, our Company shall send a circular to our Shareholders containing the information required under the Listing Rules.
- (c) Subject to (d) below, our Company may seek separate approval by our Shareholders in general meeting for granting Options beyond the 10% limit provided the Options in excess of such limit are granted only to Participants specifically identified by our Company before such approval is sought. In such a case, our Company shall send a circular to our Shareholders containing the information required under the Listing Rules.
- (d) Notwithstanding any other provisions of the Share Option Scheme, the maximum number of our 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 shall not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the Share Option Scheme and any other share option schemes of our Company if this will result in such limit being exceeded.

(vii) Conditions, restrictions or limitations on Offers of Grant of Options

Subject to the provisions of the Share Option Scheme and the Listing Rules, our Board may when making an Offer impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

(viii) Maximum entitlement of a Participant

- (a) The maximum entitlement for any one Participant is that the total number of our Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Any further grant of Options to a Participant which would result in our Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of our Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue shall be subject to our Shareholders' approval in general meeting with such Participant and his associates abstaining from voting. The number of Shares subject to the Options to be granted and the terms of the Options to be granted to such Participants shall be fixed before our Shareholders' approval and the date of the meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. In such a case, our Company shall send a circular to our Shareholders containing the information required under the Listing Rules.

(ix) Grant of Options to Connected Persons

- (a) Any grant of Options to a Participant who is a director, chief executive or substantial shareholder (with the meaning as ascribed under the Listing Rules) of our Company or their respective associates must be approved by the independent non-executive Directors of our Company (excluding the independent non-executive Director who is the Grantee).
- (b) Where our Board proposes to grant any Option to a Participant who is a substantial shareholder (with the meaning as ascribed under the Listing Rules) of our Company or an independent non-executive director of our Company, or any of their respective associates would result in our Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of our Company

(including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the proposed Offer Date of such grant (the “**Relevant Date**”):

- (1) representing in aggregate more than 0.1% of the total number of Shares in issue on the Relevant Date; and
- (2) having an aggregate value, based on the closing price of our Shares as stated in the Hong Kong Stock Exchange’s daily quotation sheet on the Relevant Date, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by our Shareholders in general meeting. In such a case, our Company shall send a circular to our Shareholders containing all those terms as required under the Listing Rules. The Participant concerned and all other connected persons of our Company must abstain from voting in favour of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

(x) **Exercise of Options**

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by our Board at its absolute discretion and notified by our Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme (“**Option Period**”).

(xi) **Vesting**

Options granted to a Grantee under the Share Option Scheme may only become exercisable in accordance with the following vesting schedule:

- (a) one-fourth of the Shares which are subject to the Options so granted to him (rounded down to the nearest whole number) shall be exercisable at any time during the period commencing on the first anniversary of the Offer Date and ending at the end of the Option Period;
- (b) one-fourth of the Shares which are subject to the Options so granted to him (rounded down to the nearest whole number) shall be exercisable at any time during the period commencing on the second anniversary of the Offer Date and ending at the end of the Option Period;
- (c) one-fourth of the Shares which are subject to the Options so granted to him (rounded down to the nearest whole number) shall be exercisable at any time during the period commencing on the third anniversary of the Offer Date and ending at the end of the Option Period; and

- (d) the remaining number of the Shares which are subject to the Options so granted to him shall be exercisable at any time during the period commencing on the fourth anniversary of the Offer Date and ending at the end of the Option Period.

(xii) Performance Target & Minimum Period before Exercise

Unless otherwise determined by our Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option, there is neither any performance target that needs to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

(xiii) Options are personal to the Grantee

An Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (whether legal or beneficial) in favour of any third party over or in relation to any Option.

(xiv) Rights on death, or termination of employment, our Directorship, office or appointment

- (a) If the Grantee ceases to be a Participant by reason of his ill-health or retirement, the Grantee may exercise the Option up to his entitlement at such date of cessation (to the extent not already exercised) within the period of 12 months following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director of the relevant company, as the case may be, or such longer period as the Board may determine. The event of which, the date of cessation as determined by a resolution of our Board or governing body of the relevant company shall be conclusive. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above.
- (b) If the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his employment, directorship, office or appointment under paragraph (xiii)(c) below arises, the personal representative(s) of the Grantee shall be entitled within a period of 12 months or such longer period as our Board may determine from the date of death to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent not already exercised). An Option shall lapse automatically and not be exercisable (to the extent that it has become exercisable and has not already been exercised) on the expiry of the period referred to above.

- (c) An Option shall lapse automatically (to the extent not already exercised) on the date on which the Directors determine that the Grantee ceases to be an employee or director of our Company or its subsidiaries by reason of the termination of his employment or directorship on the grounds that he has been guilty of misconduct, or has found to have breached the term(s) of the relevant employment contract or service contract leading to a material loss or damage to the Group, or his employment has terminated by reason of the failure of such employment to pass the annual evaluation, or has become bankrupt or insolvent, or has been served with a petition for bankruptcy, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by our Board or the board of the relevant subsidiary of our Company, as the case may be) on any other ground on which any employer would be entitled to terminate his employment or directorship at common law or pursuant to any applicable laws or under the Grantee's employment contract or service contract with our Company or the relevant subsidiary of our Company.
- (d) If the Grantee ceases to be a Participant by reason of (i) such Grantee's resignation from the employment of the Company or of any of its subsidiaries or Invested Entities, or (ii) the termination of his employment by our Company or of its relevant subsidiary or Invested Entity, or the expiry of such employment other than the termination of his employment on one or more of the grounds specified in (b) above, the Grantee may exercise the Option up to his entitlement at such date of cessation, which date shall be the last actual working day on which the Grantee was at work with our Company, or its relevant subsidiary or Invested Entity, on which salary is paid whether in lieu of notice or not, or such longer period as the Board may determine.

(xv) Voluntary winding-up of our Company

In the event a notice is given by our Company to its shareholders 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 on the same date as or soon after it dispatches such notice to convene the general meeting, give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representatives(s)) may, subject to the provisions of all applicable laws, by written notice to our Company (such notice to be received by our Company not later than two (2) Business Days prior to the proposed general meeting of our Company) exercise the Option (to the extent that it has become exercisable and has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate subscription price for our 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 referred to above, allot the relevant Shares to the Grantee credited as fully paid. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date of the commencement of the winding-up of the Company.

(xvi) Rights on take-over

In the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of our Shares (or all such holders other than the offer or and/or any person controlled by the offer or and/or any person acting in association or concert with the offeror), our Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to our Company in exercise of his Option at any time before the close of such offer (or any revised offer).

(xvii) Rights on a compromise or arrangement

Other than a general offer or a scheme of arrangement referred to in (xv) above, if a compromise or arrangement between our Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the Grantee on the same date as it dispatches the notice which is sent to each shareholder or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options (to the extent which it has become exercisable and has not already been exercised), but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with our Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(xviii) Effects of alterations to capital structure

In the event of any alteration in the capital structure of our Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of our Shares or reduction of capital or otherwise, excluding any alteration in the capital structure of our Company as a result of an issue of Share as consideration in respect of a transaction to which our Company is a party, such corresponding alterations (if any) certified in writing by an independent financial adviser appointed by our Company or the auditors for the time being of our Company to be in their opinion as fair and reasonable will be made in the number of Shares subject to the

Options so far as unexercised and/or the subscription price, provided that such alterations shall give a Grantee as nearly as possible the same proportion of the issued share capital of our Company as that to which he was previously entitled, but so that no such alteration shall be made the effect of which would enable our Share to be issued at less than its nominal value.

(xix) Lapse of Options

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

- (1) the expiry of the Option Period;
- (2) the expiry of the periods referred to in paragraph (xiv)(a) and (xiv)(b) respectively;
- (3) the date on which the offer (or as the case may be, revised offer) referred to in paragraph (xvi), which has become or is declared unconditional, closes;
- (4) the date when the proposed compromise or arrangement becomes effective referred to in paragraph (xvii);
- (5) the date of the commencement of the winding-up of the Company referred to in paragraph (xv);
- (6) the date on which the Directors determine that the Grantee ceases to be a Participant by reason of termination of his employment on the grounds referred to in paragraph (xiv)(c);
- (7) the date the Directors, at their absolute discretion, determine that the Grantee (other than a Participant) or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group or any Invested Entity on the other part or that the Grantee has become bankrupt or insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally;
- (8) the date on which the grantee commits a breach referred to in paragraph (xiv)(c); or
- (9) the date on which the Option is cancelled by our Board as set out in paragraph (xxii).

(xx) Ranking of Share allotted upon exercise of Options

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Memorandum and Articles of Association of our Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

(xxi) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is conditionally adopted by resolution of our Shareholders.

(xxii) Cancellation of Options granted

Our Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Option is cancelled by our Board as provided above.

(xxiii) Termination of the Share Option Scheme

Our Company by resolution in general meeting or our Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

(xxiv) Alteration of the provisions of the Share Option Scheme

The provisions of the Share Option Scheme may be altered in any respect by resolution of our Board except that provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Grantee without the prior approval of our Shareholders in general meeting provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under this scheme. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must first be approved by the Hong Kong Stock Exchange.

E. OTHER INFORMATION**1. Litigation**

As of the Latest Practicable Date, our Company is not involved in any material litigation, arbitration or administrative proceedings. We confirm that, no such litigation, arbitration or administrative proceedings of material importance is pending or threatened by or against any members of our Group.

2. Sole Sponsor

The Sole Sponsor made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Capitalization Issue, the Offer Shares (including any Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any Shares which may be issued pursuant to the exercise of options granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

3. Preliminary Expenses

The preliminary expenses of our Company were approximately US\$6,000 and have been paid by our Company.

4. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

5. Qualification of Experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

Name	Qualification
BNP Paribas	A corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Jun He Law Offices	PRC legal advisors
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
Deloitte Touche Tohmatsu	Certified Public Accountants
CBRE HK Limited	Property valuer
Savills Valuation and Professional Services Limited	Market consultant

6. No Material Adverse Change

We expect that our revenue and net profit for the six months ending 31 December 2012 will decrease by more than 50% from the six months ended 30 June 2012. The Directors confirm that, up to the date of this prospectus, there has been no other material adverse change in our financial or trading position since 30 June 2012, being the date to which our latest audited consolidated financial statement were made up.

7. Binding Effect

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

8. Miscellaneous

(1) Save as disclosed in this prospectus:

- (i) within the two years immediately preceding the date of this prospectus, our Company or any of our subsidiaries has not issued or agreed to issue any of their share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (ii) 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;
- (iii) 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;
- (iv) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
- (v) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;
- (vi) none of our equity or debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (vii) we have no outstanding convertible debt securities or debentures.

(2) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

- (3) There are no founder, management or deferred shares or any debenture in our Company or any of our subsidiaries.
- (4) The principal register of our members will be maintained in the Cayman Islands principal share registrar and a register of our members will be maintained in Hong Kong by our Hong Kong Share Registrar. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our registrar in Hong Kong and may not be lodged in the Cayman Islands.

9. Consents and Interests of Experts in Our Company

Each of the experts as referred to in the paragraph “— Qualification of experts” in this appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

None of such experts has any equity interest in our Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of its subsidiaries.

10. Bilingual Prospectus

The English language and Chinese language version 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).

11. 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 our Shares.

(c) *Consultation with professional advisors*

Intending holders of the Shares are recommended to consult their professional advisors 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.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE FOR INSPECTION

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were (i) copies of the **WHITE, YELLOW** and **GREEN** Application Forms; (ii) the written consents referred to in the paragraph headed “Consent and interests of experts in our Company” in Appendix VI to this prospectus; and (iii) copies of the material contracts referred to in the paragraph headed “Summary of material contracts” in Appendix VI to this prospectus.

B. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Morrison & Foerster at 33/F, Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles of Association;
- (b) the Accountants’ Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;
- (c) the report in relation to unaudited pro forma financial information from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus;
- (d) the letters received from Deloitte Touche Tohmatsu and the Sole Sponsor, respectively relating to the profit forecast of our Group, the text of which is set out in Appendix III to this prospectus;
- (e) the audited consolidated financial statements of our Group for each of the three financial years ended 31 December 2011 and the six months ended 30 June 2012;
- (f) the letter, summary of valuation and valuation certificates relating to the property interests of our Group prepared by CBRE HK Limited, the texts of which are set out in Appendix IV to this prospectus;
- (g) the letter of advice prepared by Conyers Dill & Pearman (Cayman) Limited referred to in the section headed “Summary of the constitution of the Company and Cayman Islands Companies Law” in Appendix V to this prospectus;
- (h) the PRC legal opinions prepared by Jun He Law Offices, our legal advisors on PRC law;
- (i) the Cayman Islands Companies Law;

**APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES
IN HONG KONG AND AVAILABLE FOR INSPECTION**

- (j) the material contracts referred to in the paragraph headed “Summary of material contracts” in Appendix VI to this prospectus;
- (k) the service contracts or appointment letters with each of the Directors referred to in the paragraph headed “Particulars of service contracts” in Appendix VI to this prospectus;
- (l) the written consents referred to in the paragraph headed “Consent and interests of experts in our Company” in Appendix VI to this prospectus; and
- (m) the rules of the Share Option Scheme.



GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED
金輪天地控股有限公司