CNYD

Yuanda China Holdings Limited
遠大中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 2789

GLOBAL OFFERING

Joint Sponsors
(in alphabetical order)

Deutsche Bank

J.P.Morgan

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Deutsche Bank

J.P.Morgan

Standard Chartered

BOC INTERNATIONAL

IMPORTANT: If you are in any doubt about any content of this prospectus, you should obtain independent professional advice.

Yuanda China Holdings Limited
遠大中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares	**:**	**1,500,000,000 Shares (subject to adjustment and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**150,000,000 Shares (subject to adjustment)**
Number of International Offer Shares	**:**	**1,350,000,000 Shares (subject to adjustment and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$2.78 per Offer Share (payable in full on application subject to refund on final pricing)**
Nominal Value	**:**	**HK$0.10 per Share**
Stock Code	**:**	**2789**

Joint Sponsors
(in alphabetical order)

Deutsche Bank J.P.Morgan

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Deutsche Bank J.P.Morgan Standard Chartered BOC INTERNATIONAL

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

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or about April 28, 2011 and, in any event, not later than May 4, 2011. The Offer Price will be not more than HK$2.78 and is currently expected to be not less than HK$1.92. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum offer price of HK$2.78 for each Hong Kong Offer Share together with brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price should be lower than HK$2.78.

The Joint Global Coordinators (on behalf of the Underwriters, and with our consent) may reduce the number of Offer Shares and/or the indicative offer price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, a notice of the reduction in the number of Offer Shares and/or the indicative offer price range will be published in the 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.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the day that trading in the Shares commences on the Stock Exchange. Such grounds are set out in the section entitled "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or transferred within the U.S, or for the account or benefit of U.S. persons, except that Offer Shares may be offered, sold or delivered to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or outside the U.S. in accordance with Regulation S.

April 20, 2011

Application lists open[2]	11.45 a.m. on Wednesday, April 27, 2011
Latest time to lodge **WHITE** and **YELLOW** Application Forms	12:00 noon on Wednesday, April 27, 2011
Latest time to give **electronic application instructions** to HKSCC[3][4]	12:00 noon on Wednesday, April 27, 2011
Latest time to compete electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**	11:30 a.m. on Wednesday, April 27, 2011
Latest time to complete electronic applications under **White Form eIPO** service by effecting internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Wednesday, April 27, 2011
Application lists close	12:00 noon on Wednesday, April 27, 2011
Expected Price Determination Date	Thursday, April 28, 2011
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 allotment of the Hong Kong Offer Shares, to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), our Company's website of www.yuandacn.com and the Stock Exchange's website of www.hkexnews.hk on or before	Thursday, May 5, 2011
Results of allocations of the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (see paragraph headed "Publication of results" in the section entitled "How to Apply for Hong Kong Offer Shares" in this prospectus) from	Thursday, May 5, 2011
Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk**, with a "search by ID" function	Thursday, May 5, 2011
Dispatch of White Form e-Refund payment instructions/ refund checks in respect of wholly or partially unsuccessful applications on or before[5]	Thursday, May 5, 2011
Dispatch of share certificates or deposit of the share certificates into CCASS in respect of wholly or partially successful applications on or before[5]	Thursday, May 5, 2011
Dealings in Shares on the Stock Exchange expected to commence on	Friday, May 6, 2011

Notes:

(1) All times refer to Hong Kong local time, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in the section entitled "Structure of the Global Offering" in this prospectus.

(2) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at any time between 9:00 a.m. and 12:00 noon on Wednesday, April 27, 2011, the application lists will not open on that day. Further information is set out in the paragraph titled "Effect of bad weather on the opening of the application lists" in the section entitled "How to Apply for Hong Kong Offer Shares — Effect of bad weather on the opening of the application lists" in this prospectus.

(3) You will not be permitted to submit your application 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 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.

(4) If you apply by giving electronic application instructions to HKSCC, you should refer to the section entitled "How to Apply for Hong Kong Offer Shares — Applying by giving electronic application instructions to HKSCC" in this prospectus.

(5) We will issue refund to you if your application is wholly or partially unsuccessful or if the Offer Price is less than the price per Offer Share payable on application. We will dispatch share certificates and refund checks by ordinary post to you at your own risk to the address you specified in your Application Form unless you have elected for personal collection. If you have applied for 1,000,000 Hong Kong Offer Shares or more and you have indicated in your Application Form that you wish to collect refund checks and/or Share certificates (if apply by using white application form) personally, you may collect refund checks and/or share certificates (if apply by using white application form) from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, May 5, 2011 or any other place and date we announce in the newspapers as the place and date of dispatch of share certificates/e-Refund payment instructions/refund checks. If you are an individual applicant and you have elected for personal collection, you may not authorize any other person to collect on your behalf. If you are a corporate applicant and you have elected for personal collection, you must attend by your authorized representative with your letter of authorization stamped with your corporate chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. If you fail to collect within the time specified for collection, we will dispatch uncollected share certificates and refund checks by ordinary post at your own risk to the address specified in the relevant Application Forms. Further information is set out in the section entitled "How to Apply for Hong Kong Offer Shares — Applying by using a WHITE or YELLOW Application Form" in this prospectus.

If you apply for 1,000,000 Hong Kong Offer Shares or more through the White Form eIPO service by submitting an electronic application to the designated White Form elPO Service Provider through the designated website at **www.eipo.com.hk**, you may collect your Share certificate(s) (where applicable) in person from Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on May 5, 2011, or such other date as notified by our Company as the date of despatch/collection of share certificates/e-Refund payment instructions/refund cheques. If you apply through the White Form eIPO service by paying the application monies through a single bank account, e-Refund payment instructions (if any) will be dispatched to the application payment account on May 5, 2011. If you apply through the White Form eIPO service by paying the application monies through multiple bank accounts, refund check(s) will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider on or before May 5, 2011, by ordinary post and at your own risk.

Share certificates will only become valid certificates of title provided that the Hong Kong Public Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms before 8:00 a.m. on the Listing Date, which is expected to be Friday, May 6, 2011.

For details of the structure of the Global Offering, including its conditions, you should refer to the section entitled "Structure of the Global Offering."

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 Joint Global Coordinators, the Joint Sponsors, any of the Underwriters, any of their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety 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 entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined or explained in the section entitled "Definitions" in this prospectus.

OVERVIEW

We are the second largest manufacturer of curtain walls in the world, and the largest in China, as measured by revenue in 2009 according to the Synovate Report commissioned by us. Our market share in the global curtain wall market and the PRC curtain wall market in terms of revenue in 2009 was 5.7% and 20.8%, respectively, according to the Synovate Report. While industry data for our market ranking and market share in 2010 are currently unavailable, based on our actual revenue in 2010 and the estimated global and PRC curtain wall market size in 2010 as set out in the Synovate Report, we believe that we have maintained a similar market share in the global and PRC curtain wall markets in terms of revenue in 2010. Further, based on our estimated market share in 2010 and the assumption that our competitors' respective market shares in 2010 remained similar to those in 2009, we also believe that our market ranking in the global and PRC curtain wall market, respectively, in terms of revenue in 2010 remained similar to that in 2009. As a leading global provider of one-stop solutions for curtain wall systems, we mainly focus on public facilities and commercial buildings. During the Track Record Period, we successfully completed 513 projects worldwide, including many landmark projects renowned in the world, such as the Theme Pavilion of Expo 2010 Shanghai China, the China National Swimming Center (also known as the "Water Cube"), the National Stadium of China (also known as the "Bird's Nest"), the Airrail Center Frankfurt, the COCOON Tower and the Executive Towers at Business Bay. With our four strategically located production bases and our extensive global sales network, we had undertaken curtain wall projects in 35 countries and regions as of December 31, 2010. We have a strong research, development and design team that is committed to developing new and innovative curtain wall products and technologies and providing customized curtain wall solutions that can best meet customers' needs. We believe that, as a predominant leader in the curtain wall industry, we are well positioned to capture growth opportunities both in China and overseas.

We provide our customers with integrated curtain wall solutions that are customized to meet the technical specifications and performance requirements of their projects. Our one-stop curtain wall solution services include the design of curtain wall systems, procurement of materials, fabrication and assembly of curtain wall products, performance testing, installation of products at construction sites, and after-sales services. Our curtain wall solutions are mainly for office buildings, hotels, shopping centers, casinos, exhibition halls, airports and stadiums. We believe we are a leading curtain wall provider with a comprehensive product portfolio. We have further developed various curtain wall products by using more complex designs, new materials and advanced technologies to serve different functions, such as environmental protection, energy conservation and intelligent control. Such products include double-skin curtain walls, photovoltaic curtain walls, ecologically friendly curtain walls, video curtain walls and membrane structure curtain walls. We also provide ancillary products related to curtain wall systems, including skylights, metal roofs, canopy systems, shading systems, balustrade and breast board systems, and energy-saving aluminum alloy doors and windows.

According to the Synovate Report, as of December 31, 2009, we had the second largest curtain wall production capacity in the world, which enables us to meet market demand on a timely basis and simultaneously undertake multiple large-scale projects. Our four production bases are strategically located in Shenyang, Shanghai, Chengdu and Foshan in China to serve our customers in different regional markets. Our Shenyang production base is responsible for supporting our projects in Northeast China, North China and overseas. Our production bases in Shanghai, Chengdu and Foshan primarily support our projects in East China, West China and South China, respectively. The strategic locations of our production bases enable us to stay close to the regional markets that we believe have the highest demand for curtain walls in China, access well-developed domestic and overseas transportation networks, reduce logistics cost for both material procurement and product delivery, and provide quality after-sales services within a short response time.

We had established an extensive sales and marketing and service network covering 35 countries and regions as of December 31, 2010. We had 34 branch offices or subsidiaries in China covering 30 provinces, autonomous regions and municipalities and 25 branch offices or subsidiaries overseas as of December 31, 2010. Our widely distributed subsidiaries and branch offices allow us to identify market opportunities, closely monitor potential projects, maintain close contact with our customers and business partners, provide timely support to local customers, and better integrate our global operations and services. In particular, we have built a strong foothold in the overseas markets by leveraging on our extensive sales network. For the years ended December 31, 2008, 2009 and 2010, our revenue derived from the overseas market was RMB1,963.5 million, RMB2,726.1 million and RMB3,285.6 million, respectively, representing a CAGR of 29.4%, and the percentage of revenue derived from the overseas market to our total revenue was 33.2%, 38.6% and 35.4%, respectively.

We believe we are an industry leader in the research, development and design of curtain walls and have one of the largest research, development and design teams among all major curtain wall providers in the world, according to the Synovate Report. As of December 31, 2010, our research, development and design team consisted of 632 research and development professionals, including many experts who are well recognized in the curtain wall industry, and 1,546 design professionals. With our headquarters in China and branches in Switzerland, Australia and Japan, our research and development activities are carried out through 12 divisions categorized by the geographic markets on which their respective research and development is focused. Since our inception, we have been continuously developing products and technologies that we believe represent the technology and application trends of the industry and have been providing innovative customized curtain wall solutions to enhance our competitiveness. With leading research, development and design capabilities, we have successfully completed, or won bids for, a number of sophisticated, high-tech and large-scale curtain wall projects around the world, including the following:

Project Name (Location, Completion Year)	**Features**
Expo 2010 Shanghai China — Theme Pavilion (China, 2009)	A classic example of a "green" building through the application of ecologically friendly curtain walls with a total area of approximately 15,000 square meters
National Stadium of China (also know as the "Bird's Nest") (China, 2007)........	The largest ETFE stretching membrane structure project in the world in terms of project area (approximately 38,500 square meters) with a technologically challenging design and installation process
China National Swimming Center (also known as the "Water Cube") (China, 2006)........	The largest ETFE aired membrane structure project in the world in terms of project area (approximately 104,388 square meters)

Project Name (Location, Completion Year)	Features
Beijing New Poly Plaza (China, 2006)	The largest concaved segment cable net glass wall in the world in terms of both single curtain wall area (approximately 5,400 square meters) and span (approximately 60 meters)
Shenzhen Jingji Financial Center (China, 2011 (expected))	Unitized curtain wall with hyperboloid segment for the tallest building (approximately 439 meters) in Shenzhen, China
Federation Tower (Russia, 2011 (expected))	Energy-saving unitized curtain wall with double curved surface for the building (approximately 509 meters) which is expected to be the tallest in Europe upon completion
Airrail Center Frankfurt (Germany, 2010)	Energy-saving unitized curtain wall with double curved surface for the largest single building (128,000 square meters) in Europe
The Legacy at Millennium Park (United States, 2009)	Unitized curtain wall with a maximum shifting capability of approximately 25 millimeters
COCOON Tower (Japan, 2008)	Unitized curtain wall with the largest unit panel in the world (with a unit area of approximately 23.1 square meters); in 2008, the building received the Emporis Skyscraper Gold Award, a prominent award for architectural excellence in the design of buildings and their functionality

The tables below set forth our geographical revenue breakdown for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
China						
East China	1,336,950	22.6	1,704,120	24.1	2,085,631	22.5
Northeast China	949,106	16.0	964,735	13.7	1,230,962	13.3
North China	748,847	12.7	724,110	10.2	1,051,480	11.4
West China	576,906	9.8	584,221	8.3	870,868	9.4
South China	335,930	5.7	358,681	5.1	736,353	8.0
Subtotal	3,947,739	66.8	4,335,867	61.4	5,975,294	64.6
Overseas(1)						
Middle east	606,120	10.3	1,004,060	14.2	1,371,855	14.8
Europe	604,455	10.2	675,113	9.6	600,427	6.5
Australia	290,115	4.9	589,846	8.4	791,382	8.5
Asia(2)	233,135	3.9	250,642	3.5	364,797	3.9
United States	229,469	3.9	177,340	2.5	86,466	0.9
Other regions	233	0.0	29,136	0.4	70,691	0.8
Subtotal	1,963,527	33.2	2,726,137	38.6	3,285,618	35.4
Total	5,911,266	100.0	7,062,004	100.0	9,260,912	100.0

Notes:

(1) For the revenue breakdown by overseas countries, please see Section C Note 11 (c) (i) of the Accountants' Report included in Appendix I to this prospectus.

(2) Asia as used herein excludes China and the Middle East.

With our comprehensive product portfolio, strategically located production bases, extensive sales and marketing network, leading research, development and design capabilities and our reputation for completing landmark projects, we have become a predominant industry leader both domestically and internationally. We have achieved fast and stable growth in our revenue and profit during the Track Record Period. Our revenue for each of the years ended December 31, 2008, 2009 and 2010 was approximately RMB5,911.3 million, RMB7,062.0 million and RMB9,260.9 million, respectively, representing a CAGR of 25.2%. Our net profit attributable to shareholders for each of the years ended December 31, 2008, 2009 and 2010 was approximately RMB327.8 million, RMB660.5 million and RMB806.1 million, respectively, representing a CAGR of 56.8%.

We completed a total of 513 projects during the Track Record Period, comprising 123, 155 and 235 projects for the years ended December 31, 2008, 2009 and 2010, respectively. Among these 513 projects we completed during the Track Record Period, there were 406 projects in China and 107 projects overseas. We were awarded a total of 612 projects during the Track Record Period, comprising 171, 189 and 252 projects for the years ended December 31, 2008, 2009 and 2010, respectively. Among these 612 projects we were awarded during the Track Record Period, there were 480 projects in China and 132 projects overseas. As of December 31, 2010, we had a total of 461 projects in progress, comprising 379 projects located in China and 82 projects overseas. We had a total of 28 uncommenced projects as of December 31, 2010, comprising 19 located in China and 9 projects overseas. Our backlog reached RMB14,331.3 million in total, including RMB7,444.4 million in China and RMB6,886.9 million overseas, as of December 31, 2010. The tables below set forth the number of completed projects, newly awarded projects, projects in progress and uncommenced projects by region, and the recognized revenue, value of new contract and value of backlog by region.

	China	Middle East	Europe	Australia	United States	Asia(5)	Other regions	Total
Number of completed projects (1)								
2008	112	2	7	–	–	2	–	123
2009	125	3	9	3	2	12	1	155
2010	169	9	10	17	12	17	1	235
Total	406	14	26	20	14	31	2	513
Number of newly awarded projects(2)								
2008	127	10	11	11	5	7	–	171
2009	158	9	3	10	2	6	1	189
2010	195	14	10	13	2	17	1	252
Total	480	33	24	34	9	30	2	612
Number of projects in progress (3)								
2008	330	18	21	16	13	23	1	422
2009	353	21	17	22	13	20	1	447
2010	379	29	14	18	3	17	1	461
Number of uncommenced projects (4)								
2008	9	–	2	1	–	4	–	16
2009	19	3	–	2	–	1	–	25
2010	19	–	3	2	–	4	–	28

Notes:

(1) Completed projects refer to projects for which 100% of their revenue has been recognized for accounting purposes as of the end of the relevant periods indicated, but not prior to the beginning of such periods.

(2) Newly awarded projects refer to projects for which we were awarded a contract during the relevant periods indicated.

(3) Projects in progress refer to projects for which we have commenced work but have recognized only part of the revenue for accounting purposes as of the end of the relevant periods indicated. The portion of contract value for projects in progress which has not been realized is deemed as part of our backlog.

(4) Uncommenced projects refer to projects for which we were awarded a contract but have not commenced work and no revenue has been recognized as of the end of the relevant periods indicated. The contract value for uncommenced projects is deemed as part of our backlog.

(5) Asia as used herein excludes China and the Middle East.

	China	Middle East	Europe	Australia	United States	Asia[(4)]	Other regions	Total
				(RMB million)				
Recognized revenue[(1)]								
2008	3,947.7	606.1	604.5	290.1	229.5	233.1	0.3	5,911.3
2009	4,335.9	1,004.1	675.1	589.8	177.3	250.6	29.2	7,062.0
2010	5,975.3	1,371.9	600.4	791.4	86.5	364.8	70.6	9,260.9
Value of new contracts[(2)]								
2008	4,760.0	3,277.2	1,152.7	876.2	342.5	349.1	–	10,757.7
2009	5,354.6	1,111.9	262.5	637.2	7.1	229.0	46.8	7,649.1
2010	6,577.0	2,488.3	464.7	617.7	50.1	758.9	148.0	11,104.7
Value of backlog[(3)]								
2008	5,824.0	2,727.7	1,532.0	1,136.8	361.0	295.5	23.4	11,900.4
2009	6,842.7	2,835.7	1,119.3	1,184.2	190.6	273.9	41.0	12,487.5
2010	7,444.4	3,952.1	983.6	1,010.5	154.2	668.0	118.5	14,331.3

Notes:

(1) Recognized revenue refers to the revenue recognized in the periods indicated.

(2) Value of new contracts refers to the value of contracts for the new projects we were awarded during the relevant periods indicated.

(3) Value of backlog refers to the portion of contract value that has not been realized with respect to projects that have not been 100% completed according to their schedule of completion as of the end of the relevant periods indicated. The value of backlog consists of: (i) the portion of contract value for projects in progress which has not been realized, and (ii) the contract value for projects for which we have been awarded a contract but have not commenced work and for which no revenue has been recognized, as of the end of the relevant periods indicated.

(4) Asia as used herein excludes China and the Middle East.

The principal raw materials that are used for the fabrication and production of our curtain wall products include aluminum extrusions, glass, steel and sealant. Among these raw materials, the costs of aluminum extrusions are largely dependent on the price of aluminum, which have fluctuated significantly in the past. During the tendering process for curtain wall projects, in order to secure a reasonable gross margin for each project we undertake, we take into account fluctuations in the price of aluminum by reference to its estimated future price at the expected time of commencements of such project. After we have been awarded the curtain wall project, we generally are not entitled to adjustments to the contract price and thus cannot pass the increased material costs onto our customers due to price fluctuations. However, we started to hedge the risk of aluminum price fluctuations through aluminum future contracts in 2008. By hedging a substantial portion of aluminum extrusions to be actually purchased by us, we have been able to partially mitigate the risks relating to aluminum price fluctuations. The average prices of aluminum quoted on the Shanghai Futures Exchange for each of the three years ended December 31, 2008, 2009 and 2010 were RMB17,026, RMB13,922 and RMB15,900 per ton, respectively. As of February 28, 2011, the average price of aluminum quoted on the Shanghai Futures Exchange was RMB16,815 per ton. During the Track Record Period, the increase in aluminum price generally contributed to the increase in our costs of sales, the increase in the cost of aluminum extrusions as a proportion of our total cost of materials, and the decrease in our gross profit margin, and vice versa. Our costs of aluminum extrusions for each of the years ended December 31, 2008, 2009 and 2010 were RMB1,025.5 million, RMB983.0 million and RMB1,442.5 million, respectively, representing 38.5%, 34.3% and 37.3% of our cost of materials, respectively. During the corresponding periods, our gross profit margin was 19.4%, 23.5% and 22.4%, respectively.

We had a negative operating cashflow of RMB306.6 million for the year ended December 31, 2010. This was primarily because, as compared with other years, we produced a higher proportion of unitized curtain wall products in 2010, which generally require more working capital as compared with other products. In addition, we had certain sizable projects which were newly commenced in the second half of 2010 and, at the end of 2010, a substantial percentage of these projects had been completed but had not yet reached the milestones for progress billing in accordance with the relevant contract terms. Therefore, these projects recorded a significant gross amount due from customers for contract work, which also substantially contributed to our overall higher balance of gross amount due from customers for contract work at the end of 2010 compared with that at the end of 2009.

We had net current liabilities in the amount of RMB53.1 million and RMB268.2 million as of December 31, 2009 and 2010, respectively. Our net current liabilities in the amount of RMB268.2 million as of December 31, 2010 included the balance of a HK$820.0 million bridge loan we obtained to finance our Reorganization in November 2010. We plan to repay the bridge loan in full with the proceeds from the Global Offering, after which our Directors expect that we will have a net current assets position.

We currently fund our working capital requirements through a combination of cash inflow from our operations, bank borrowings and capital contributions from our Shareholders. As of February 28, 2011, we had unutilized banking facilities in the amount of RMB215.0 million. Taking into account the estimated net proceeds from the Global Offering, banking facilities available to us and cash flows from our operations, our Directors have confirmed that we have sufficient working capital for our operations for at least the next 12 months from the date of this prospectus. The basis of our Directors' conclusion includes, but is not limited to, (i) the forecast of the contract value of newly awarded curtain wall projects according to the assessment of our ability and market development capacity, (ii) the progress forecast of our curtain wall projects according to the circumstances of different regional markets, (iii) the assumption that the bridge loan borrowed from Standard Chartered Bank (Hong Kong) Limited will be repaid after obtaining the proceeds from the Global Offering, (iv) the assumption that there will be no material changes in our ability to manage our inventory, trade and bills receivables and trade and bills payables, and no material changes in the payment terms in our newly awarded contracts, and (v) the assumption that there will be no material change in our operating environment in the countries in which we have business activities.

OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

- A predominant leader in the domestic and global curtain wall markets with a comprehensive product offering, proven track record and solid reputation
- Leading research, development and design capabilities and advanced technologies
- Strategically located production bases with strong processing capacity
- Extensive sales and marketing network around the world
- High-quality production and installation through a stringent and comprehensive quality control system
- Full range of high-quality and timely services throughout the project cycle
- Experienced and dedicated management team with strategic vision

OUR STRATEGY

We aim to strengthen our leading position in the global curtain wall industry through the following strategies:

- Further expand our production facilities to support our growth
- Further increase our market share in existing markets and penetrate markets with growth potential
- Further strengthen our leading research and development capabilities to capture business opportunities and increase our profitability
- Enhance vertical integration in our production chain to reduce raw material cost and ensure product quality

SUMMARY FINANCIAL INFORMATION

The following tables summarize our consolidated financial information during the Track Record Period. The summary of consolidated balance sheets as of December 31, 2008, 2009 and 2010 and the summary of consolidated income statements and the summary of consolidated cash flow statements for the years ended December 31, 2008, 2009 and 2010 included in the following tables are derived from, and should be read in conjunction with, our consolidated financial information and the notes thereto included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRSs.

Summary Consolidated Income Statements Data

	Years ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Turnover	5,911,266	7,062,004	9,260,912
Cost of sales	(4,762,991)	(5,405,315)	(7,186,741)
Gross profit	1,148,275	1,656,689	2,074,171
Other revenue	19,228	25,753	18,132
Other net income/(loss)	12,838	(3,548)	119
Selling expenses	(155,905)	(193,610)	(230,054)
Administrative expenses	(532,548)	(613,855)	(776,206)
Profit from operations	491,888	871,429	1,086,162
Finance costs	(112,941)	(41,889)	(84,805)
Profit before taxation	378,947	829,540	1,001,357
Income tax	(54,287)	(181,709)	(214,140)
Profit for the year	324,660	647,831	787,217
Attributable to:			
Equity shareholders of the Company	327,841	660,546	806,132
Non-controlling interests	(3,181)	(12,715)	(18,915)
Profit for the year	324,660	647,831	787,217
Earnings per share			
– Basic and diluted (RMB)	0.07	0.15	0.18

Summary Consolidated Balance Sheets Data

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Assets			
Non-current assets	1,041,909	1,158,849	1,484,633
Current assets	4,026,138	4,324,730	5,384,543
Total assets	5,068,047	5,483,579	6,869,176
Liabilities			
Current liabilities	3,546,918	4,377,850	5,652,710
Non-current liabilities	327,588	88,018	349,788
Total liabilities	3,874,506	4,465,868	6,002,498
Total equity	1,193,541	1,017,711	866,678

Summary Consolidated Cash Flow Statements Data

	Years ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	788,371	551,363	(306,641)
Net cash used in investing activities	(227,535)	(167,558)	(168,160)
Net cash (used in)/generated from financing activities	(90,205)	(437,970)	300,431
Net increase/(decrease) in cash and cash equivalents	470,631	(54,165)	(174,370)
Cash and cash equivalents at the beginning of the year	292,356	737,631	705,905
Effect of foreign exchange rate changes	(25,356)	22,439	2,188
Cash and cash equivalents at the end of the year	737,631	705,905	533,723

PROFIT FORECAST FOR THE SIX MONTHS ENDING JUNE 30, 2011

We have prepared the following profit forecast for the six months ending June 30, 2011 on the bases described in Appendix III to this prospectus. You should read the bases in Appendix III to this prospectus when you analyze our profit forecast for the six months ending June 30, 2011. Pursuant to Rule 11.18 of the Listing Rules, we have undertaken to the Stock Exchange that the interim financial statements of the Group for the six months ending June 30, 2011 will be audited.

Forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011(1)(2)(3) . . . . not less than RMB410.5 million (equivalent to approximately HK$488.5 million)

Unaudited pro forma forecasted earnings per Share(4) . . . . not less than RMB0.068 (equivalent to approximately HK$0.081)

Notes:

(1) The bases and assumptions on which the above profit forecast for the six months ending June 30, 2011 has been prepared are summarized in Appendix III to this prospectus.

(2) The forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 is primarily based on the forecasted turnover of the Group for the six months ending June 30, 2011. The forecasted turnover of the Group for the six months ending June 30, 2011 is based on the forecasted percentage of completion of each project up to June 30, 2011. The percentage of completion of each project is forecasted by the respective project manager for the relevant projects. The respective project managers made such forecasts based on the progress requirements as stipulated in the relevant construction contracts entered into by the Group and the respective project managers have also considered the historical performance of those projects up to February 28, 2011.

(3) The forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 has been prepared by the Directors on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 1 of Section C of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(4) The calculation of the unaudited pro forma forecasted earnings per Share is based on the forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 assuming the Global Offering and the conversion of Series A Preferred Shares had been completed on January 1, 2011, and a total of 6,000,000,000 Shares were in issue during the six months ending June 30, 2011. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option and the Share Option Scheme.

The following table illustrates the sensitivity of forecasted consolidated profit attributable to equity shareholders of the Company to the changes of the forecasted purchase cost of aluminum extrusions for the six months ending June 30, 2011, without considering the effect of aluminum futures contracts we have entered into.

	5% increase in the forecasted purchase cost of aluminum extrusion	10% increase in the forecasted purchase cost of aluminum extrusion	5% decrease in the forecasted purchase cost of aluminum extrusion	10% decrease in the forecasted purchase cost of aluminum extrusion
(Decrease) / increase in forecasted consolidated profit attributable to equity shareholders of the Company (RMB'000) ...	(24,423)	(48,846)	24,423	48,846
Forecasted consolidated profit attributable to equity shareholders of the company (RMB'000)	386,115	361,692	434,961	459,384

OFFER STATISTICS

We have prepared the following offer statistics on the basis of hypothetical Offer Prices, assuming no exercise of the Over-allotment Option.

	Based on Offer Price per Share of HK$1.92	Based on Offer Price per Share of HK$2.78
Market capitalization of our Shares(1)	**HK$11,520 million**	**HK$16,680 million**
Prospective price/earnings multiple: on a pro forma fully diluted basis(2)	12.0 times	17.4 times
Adjusted net tangible asset value per Share(3)	RMB0.59 (HK$0.70)	RMB0.76 (HK$0.90)

Notes:

(1) The calculation of our market capitalization upon completion of the Global Offering is based on the assumption that 6,000,000,000 Shares will be in issue and outstanding immediately following the completion of the Global Offering.

(2) Our prospective price/earnings multiple on a pro forma fully diluted basis is based on the high- and low-end of the indicative offer price range, the earnings for the year ended December 31, 2010 and the assumed number of shares outstanding as set forth in note (1) above.

(3) The adjusted net tangible asset value per Share is calculated after the adjustments referred to in the section entitled "Unaudited Pro Forma Financial Information — A. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets" in Appendix II attached to this prospectus and on the basis of a total of 6,000,000,000 Shares in issue immediately following the Global Offering.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$2.35 per share, being the mid point of the indicative Offer Price range, and no exercise of the Over-allotment Option) will be approximately HK$3,372.0 million. We currently intend to apply these net proceeds in the following manner:

- approximately 40% or HK$1,348.8 million, for expansion of our production capacity, including acquisition of land use rights, construction of production facilities and purchase of equipment, which is expected to increase (i) our annual production capacity for curtain walls by 9.6 million square meters, (ii) our annual production capacity for aluminum alloy doors and windows by 1.5 million square meters, (iii) our annual production capacity for glass by 4.0 million square meters, and (iv) our annual production capacity for aluminum extrusions by 250,000 tons. For details of our expansion plans, including the details of the acquisition of relevant land, please see the section entitled "Business – Production Facilities" in this prospectus;

- approximately 30% or HK$1,011.6 million, for repayment of our existing debts, which primarily include the outstanding amount of a HK$820.0 million bridge loan. For details of our bridge loan facility, please see the section entitled "History and Reorganization – Reorganization – (e) Introduction of Financial Investor – Bridge Loan Facility" in this prospectus;

- approximately 10% or HK$337.2 million, for investment in research and development, including recruitment of research, development and design professionals and purchase of materials and equipment for experiment;

- approximately 10% or HK$337.2 million, for expanding our sales and marketing network; and

- approximately 10% or HK$337.2 million, for working capital and other general corporate purposes.

The additional net proceeds that we will receive if the Over-allotment Option is exercised in full will be approximately HK$510.2 million (assuming the Offer Price at the mid-point of the stated Offer Price range of HK$2.35). If the Over-allotment Option is exercised in full, our Directors intend to use all the additional net proceeds proportionately as earmarked above.

If the Offer Price is fixed at HK$2.78, being the high end of the stated Offer Share range, our net proceeds will be (i) increased by approximately HK$622.4 million, assuming the Over-allotment Option is not exercised; and (ii) increased by approximately HK$715.7 million, assuming the Over-allotment Option is exercised in full. Our Directors currently intend to use all the additional net proceeds proportionately as earmarked above.

If the Offer Price is fixed at HK$1.92, being the low end of the stated Offer Price range, our net proceeds will instead be (i) decreased by approximately HK$622.4 million, assuming the Over-allotment Option is not exercised; and (ii) decreased by approximately HK$715.7 million, assuming the Over-allotment Option is exercised in full. Our Directors currently intend to reduce our use of proceeds proportionately as earmarked above.

To the extent that the net proceeds to us from the Global Offering are not immediately applied to the above purposes, we will deposit the net proceeds into short-term demand deposits and/or money market instruments.

DIVIDEND POLICY

For the years ended December 31, 2008, 2009 and 2010, we declared and settled dividends in the amount of RMB115.8 million, RMB818.2 million and nil, respectively. After the Listing, we intend to distribute approximately 20% to 30% of our net profits attributable to shareholders in each financial year as dividends. However, the distribution of dividends shall be formulated by our Board of Directors and is subject to Shareholder's approval at our general meeting. The amount of dividends actually distributed to our Shareholders will also depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant at such time.

In addition, the payment and amount of any dividends declared will be subject to our Articles of Association and the relevant laws and regulations. Our Articles of Association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserves set aside from profits which our Directors determine is no longer needed. Subject to the approval of our Shareholders, dividends may also be declared and paid out of our share premium account in accordance with the Companies Law. Future dividend payments will also depend upon the availability of dividends received from our subsidiary companies in China. PRC laws require that dividends be paid only out of the net profits calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign investment enterprises to set aside part of their net profits as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiary companies may also be restricted if they incur debts or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiary companies may enter into in the future.

RISK FACTORS

Risks Relating to Our Business

- We are heavily dependent on the performance of the construction and real estate industries, which are cyclical and could be significantly affected by fluctuations in economic conditions

- We may not be successful in maintaining our current market position or implementing our market expansion plan

- We face significant and increasing competition in the markets in which we operate, and failure to compete efficiently could materially and adversely affect our business

- If we are unable to accurately estimate and control our project costs, we may incur losses

- Our curtain wall projects may be delayed

- We may not be able to secure adequate raw materials in a timely manner and are subject to the fluctuations in the prices of raw material supplies, particularly aluminum extrusions

- We receive payments for our curtain wall projects in stages, and any default or delay in payments from our customers may affect our cash flow and results of operations

- If we fail to meet the requirements of our project contracts or quality standards of our products, we may face litigation, incur penalties and additional costs and experience delays or difficulties in receiving payments, which may adversely affect our business and reputation

- We record our revenues and profits on the basis of our best estimates at the relevant times, which are subject to inherent uncertainties and subsequent adjustments

- Our backlog may not be indicative of our future results of operations

- The growth rate of our new contract value in the Track Record Period may not be indicative of the growth rate of our new contract value in future

- If we are unable to successfully manage our working capital or acquire adequate funding to finance our expansion, our operations could be adversely affected

- We are subject to extensive government regulation and are required to obtain various permits, licenses, approvals, certificates and qualifications to conduct our curtain wall business

- We face risks associated with our international operations and, if we are unable to effectively manage these risks, they could impair our ability to operate our business in overseas markets

- We rely on certain key personnel and recruit professionals from a limited pool of qualified candidates who have experience in our business, and loss of these key personnel or failure to recruit and retain qualified professionals could have a material and adverse effect on our results of operations

- We may be unable to successfully expand our production facilities as we have planned, or such expansion may result in over-capacity

- We may be unable to keep up with the changes in the market needs or technological developments in the curtain wall industry

- We may not be able to protect our trademarks and other intellectual property rights, which could have a material and adverse impact on our business

- Failure to maintain our reputation and brand name could materially and adversely affect our business, financial condition and results of operations

- The trust arrangement between Mr. Kang and Goldenwin in relation to the 25% equity interest in Shenyang Yuanda which was transferred to us is not documented by any formal legal agreement

- We are currently involved in certain material legal proceedings and may be a party to various other legal proceedings and investigations from time to time and we cannot assure you that such legal proceedings and investigations will not have a material adverse impact on our business

- We have not obtained the land use rights certificates or building ownership certificates for some of our properties and have not completed the required procedures for some of our facilities or properties under construction, and may be required to seek alternative premises for some of our leased properties

- We may be subject to tax adjustments imposed by the relevant overseas tax authorities

- We may not be able to detect and prevent fraud or other misconduct which may be committed by our employees or third parties

- We rely on contract workers sourced from labor agencies and installation services providers for the installation of curtain walls and may be adversely affected by their availability, performance and implementation of relevant safety and environmental protection measures

- We directly or indirectly engage labor for the production and installation of curtain walls, and such laborers may launch industrial action or strikes to demand higher wages or shorter working hours

- The continued fluctuations of the exchange rates of foreign currencies against Renminbi could adversely impact our profitability and results of operations

- Extraordinary events such as epidemics, natural disasters, political unrest and terrorist attacks could significantly delay, or even prevent us from completing, our projects

- Our operations in the Middle East and adjacent countries are subject to the risk arising from the political instability and other uncertainties that could impair our ability to operate or expand our business in these areas

- We are subject to inherent risks in the construction industry such as industrial accidents, fire, personal injury, and suspension of water and electricity supplies, which may adversely affect our reputation and results of operations

- We are exposed to environmental liabilities and may have to incur significant capital expenditure if additional or stricter laws and regulations are passed in relation to environmental protection

- Our insurance coverage is limited and we may be required to bear all or a certain portion of the financial consequences of any successful defective product claims or workers' compensation claims made against us, which could have a material and adverse effect on our results of operations and financial condition

- We may be exposed to infringement or misappropriation claims related to intellectual property rights by third parties

- Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of our other Shareholders

- Dividends declared in the past may not be indicative of our dividend policy in the future

Risks Relating to China

- Our operations may be adversely affected by changes in the economic, political and regulatory environment in China

- Changes in governmental policies, rules and regulations in China may have a significant impact on our business, financial condition and results of operations

- Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China may limit the legal protection available to you

- It may be difficult to effect service of process upon us or our Directors or executive officers who reside in mainland China or to enforce against them in mainland China any judgments obtained from non-PRC courts

- Our labor costs may increase with the enforcement of the Labor Contract Law and other labor-related regulations in China

- We rely principally on dividends paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business

- We may be deemed a PRC resident enterprise under the new PRC Corporate Income Tax Law and related implementation rules, and be subject to PRC taxation on our worldwide income

- Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws

- Restriction on currency conversion may limit our ability to utilize our revenue and funds effectively

- Government control of foreign exchange transactions may affect our ability to finance our PRC subsidiaries

- We face taxation uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies

- Regulations relating to offshore investment activities by PRC residents may limit our ability to contribute capital into or provide loans to our PRC subsidiaries, limit our subsidiaries' ability to pay dividends or distribute profits to us, or otherwise adversely affect us

- Any changes in the PRC governmental policies regarding foreign investments in China may adversely affect our business, financial condition and results of operations

Risks Relating to the Global Offering

- There has been no prior public market for our Shares and their liquidity and market price may be volatile, which could result in substantial losses for investors subscribing for or purchasing our Shares pursuant to the Global Offering

- As the Offer Price is higher than our net tangible book value per Share, you will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

- We cannot guarantee the accuracy of facts, forecasts and other statistics derived from various official government publications with respect to various jurisdictions contained in this prospectus

- You may face difficulties in enforcing your shareholder's rights because we are incorporated in the Cayman Islands, and the Cayman Islands laws relating to the protection of minority shareholders may differ in some respects from the laws of Hong Kong or other jurisdictions

- Future issues, offers or sales of our Shares may adversely affect the prevailing market price of our Shares

LEGAL PROCEEDINGS AND MATERIAL CLAIMS

We are currently involved in certain material legal proceedings in the ordinary course of our business as described below:

- ***India***. We have an arbitration pending in New Delhi, India, which arose out of the curtain wall project we undertook for the development of Delhi International Airport in April 2008. In June 2008, we subcontracted certain work to Alupro Building Systems Pvt. Ltd. ("Alupro"), which subsequently failed to meet not only the project's quality requirements but also the project schedule. As a result, we had to rectify Alupro's work and sustained other damages. Alupro has initiated arbitration against us for various damages. We have denied all of Alupro's claims and made a counterclaim in a total amount of approximately 800.6 million Indian Rupees (approximately RMB117.6 million). Our local legal counsel has advised us that, in the event the result of the arbitration is unfavorable to us, we may be liable for damages of up to a maximum of approximately 248.0 million Indian Rupees (approximately RMB36.4 million) with 12% interest and approximately 1,162.8 million Indian Rupees (approximately RMB170.7 million) without interest. Based on the advice of our local legal counsel, our Directors believe that we have a strong case in the arbitration.

- ***United States***. We are involved in proceedings that arose out of a curtain wall project we undertook in Bellevue, Washington, in the United States in October 2007. For this project, we subcontracted the curtain wall installation work to North American Curtainwall, LLC ("NAC"), which subsequently ceased all work on the project. As a result, we were forced to take over the remaining portions of NAC's work and pay or resolve claims and liens filed by NAC's unpaid suppliers, subcontractors and labor unions. NAC has made a claim against us for the unpaid contract price (with adjustments) and sued us in the Superior Court of Washington for King County. We commenced arbitration proceedings against NAC to recover approximately US$1.8 million (approximately RMB11.8 million) in damages caused by NAC, and NAC has filed a counterclaim for the same amount as it had asserted in their initial claim against us. Our local legal counsel has advised us that, in the event the result of the arbitration is unfavorable to us, we may be liable to damages of up to a maximum of approximately US$2.0 million (approximately RMB13.1 million) with an award of attorney's fees and arbitration expenses. Based on the advice of our local legal counsel, our Directors believe that we have a strong case in the arbitration.

- ***Kuwait***. We are involved in a lawsuit that arose out of an agreement we entered into with Al Jawad Trading & Contracting Co. ("Al Jawad") in April 2004 in order to develop curtain wall business in Kuwait through Al Jawad. Pursuant to the agreement and related arrangements, we would supply curtain wall products to Al Jawad for the curtain wall projects which Al Jawad would secure for developing our business in Kuwait. During the term of the agreement, we discovered that Al Jawad was in numerous defaults and breaches of its obligations under the agreement. We notified Al Jawad of our decision to terminate the agreement several times in 2008 and 2009 and did not renew the agreement after its expiration in April 2009. Al Jawad has sued us in Kuwait for damages amounting to a total of approximately 11.2 million Kuwaiti dinars (approximately RMB264.7 million), alleging that, among other things, (i) we did not provide quotations in a standard manner and often changed our quotations at the final stages when bidding for projects, as a result of which Al Jawad failed to secure certain projects and consequently incurred losses, (ii) we often provided quotations directly to the local customers without the consent of Al Jawad, which is in violation of the laws in Kuwait, and (iii) A1 Jawad incurred various losses as it had spent considerable financial resources in providing, among others, assembly plants, workmen's accommodation and offices to us, in Kuwait as well as in other Arab countries, and undertaken additional works for multiple projects for which it should receive compensation from us. We have denied all such claims and have initiated counterclaims against Al Jawad. Based on the advice of our local legal counsel, our Directors believe that we have a strong case in both our defense and counterclaim in the proceedings.

- ***Germany***. We initiated a lawsuit that arose out of a curtain wall project we undertook in Wiesbaden, Germany, pursuant to the contract we entered into with Bilfinger Berger Hochbau GmbH ("BB"), the property owner and main contractor, in March 2008. During the construction, problems with the installation of curtain wall arose, which would have led to possible delay of the entire construction project. To address these issues, we and BB entered into a supplemental contract for BB to provide us with further supporting services. However, we have been unable to reach a final agreement with BB on the amount of our final invoice. We have sued BB in Germany for the unpaid contract price in an amount of approximately 2.0 million Euros (approximately RMB18.9 million) (with a potential to increase it to approximately 2.5 million Euros (approximately RMB23.7 million)), with interest. BB has made a counterclaim in an amount of approximately 6.1 million Euros (approximately RMB57.8 million) primarily for the supporting services they provided. Based on the advice of our local legal counsel, our Directors believe that it is probable that we will obtain a favorable result against BB in the proceedings.

Based on the advice of our local legal counsel in the respective jurisdictions, our Directors believe that we have a strong case in each of the above legal proceedings and, therefore, no provision has been made for the related claims. As of the Latest Practicable Date, our aggregate exposure to liabilities as a result of the legal proceedings in which we were involved, including the above four material legal proceedings, was approximately RMB548.8 million, representing approximately 63.3% of our net assets value as of December 31, 2010, for which no provision had been made. For more details of the above legal proceedings, please see the section entitled "Business – Legal Proceedings and Material Claims" in this prospectus.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

"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 that is used in connection with the Hong Kong Public Offering
"Articles of Association" or "Articles"	our articles of association conditionally adopted on April 12, 2011 to take effect on the Listing Date
"Associate"	has the meaning ascribed to it under the Listing Rules
"Best Outlook"	Best Outlook Limited, a company incorporated in the BVI, a Controlling Shareholder and a company wholly owned by Mr. Kang
"Board" or "Board of Directors"	the board of Directors from time to time
"Brilliant Elevator"	Shenyang Brilliant Elevator Co., Ltd. (瀋陽博林特電梯有限公司), a company incorporated in China and a subsidiary of Yuanda Group
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
"BOCI"	BOCI Asia Limited
"BVI"	British Virgin Islands
"CAGR"	compound annual growth rate
"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 — Further information about our company and our subsidiaries — Resolutions in writing of our shareholders passed on April 12, 2011" in Appendix VII to this prospectus
"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 participant or a 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 and, except where the context otherwise requires and only for the purpose of this prospectus, references in this prospectus to China or the PRC exclude Hong Kong, Macau and Taiwan
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Yuanda China Holdings Limited, a company incorporated as an exempted company with limited liability in the Cayman Islands on February 26, 2010
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees (as a group), our controlling shareholders (as defined in the Listing Rules)
"Deed of Non-competition"	a deed of non-competition dated April 12, 2011, given by each of the Controlling Shareholders in favor of us
"Deutsche Bank"	Deutsche Bank AG, Hong Kong Branch
"Director(s)"	the director(s) of our Company
"East China"	the region of China comprising Shanghai, and Jiangsu, Zhejiang, Anhui and Jiangxi provinces
"EUR" or "Euro"	the euro, the lawful currency of the euro zone
"FAI"	fixed assets investment
"GDP"	gross domestic product, with all references to GDP growth rates to real, as opposed to nominal, rates of GDP growth
"GFA"	gross floor area

"Global Offering"	the Hong Kong Public Offering and the International Offering
"Green application form"	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
"Group"	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were the subsidiaries of our Company at the time
"HK$'' or "Hong Kong dollars" 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 Offer Shares"	150,000,000 newly issued Shares offered by us for subscription in the Hong Kong Public Offering, subject to reallocation as described in the section entitled "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offering of Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section entitled "Structure of the Global Offering") for cash at the Offer Price and on and subject to the terms and conditions described in this prospectus and the Application Forms
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the section entitled "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated April 19, 2011 relating to the Hong Kong Public Offering entered into among us, Mr. Kang, Best Outlook and Neo Pioneer, the Joint Global Coordinators and the Hong Kong Underwriters
"IFRSs"	International Financial Reporting Standards
"independent third party/parties"	person(s) or company/companies which is(are) not a connected person of our Company

"INR" or "Indian Rupee"	the Indian Rupee, the lawful currency of India
"International Offer Shares"	1,350,000,000 newly issued Shares offered by us pursuant to the International Offering, together with any additional Shares offered pursuant to any exercise of the Over-allotment Option, subject to reallocation as described in the section entitled "Structure of the Global Offering" in this prospectus
"International Offering"	the offering of International Offer Shares to QIBs in the United States in reliance on Rule 144A or another exemption under the U.S. Securities Act, and outside the United States in reliance on Regulation S, as further described in the section entitled "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering and parties to the International Underwriting Agreement as described in the section entitled "Underwriting — International Offering" in this prospectus
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering to be entered into among us, Mr. Kang, Best Outlook and Neo Pioneer, the Joint Global Coordinators and the International Underwriters on or around the Price Determination Date
"Joint Bookrunners"	Deutsche Bank, J.P. Morgan Asia Pacific, Standard Chartered and BOCI, for the Hong Kong Public Offering, and Deutsche Bank, J.P. Morgan and Standard Chartered and BOCI, for the International Offering
"Joint Global Coordinators"	Deutsche Bank, J.P. Morgan Asia Pacific, Standard Chartered and BOCI
"Joint Lead Managers"	Deutsche Bank, J.P. Morgan Asia Pacific and Standard Chartered and BOCI, for the Hong Kong Public Offering, and Deutsche Bank, J.P. Morgan, Standard Chartered and BOCI, for the International Offering
"Joint Sponsors"	Deutsche Bank and J.P. Morgan Asia Pacific
"J.P. Morgan"	J.P. Morgan Securities Ltd.
"J.P. Morgan Asia Pacific"	J.P. Morgan Securities (Asia Pacific) Limited
"KWD" or "Kuwaiti dinar"	the Kuwaiti dinar, the lawful currency of Kuwait
"Latest Practicable Date"	April 13, 2011, being the latest practicable date for ascertaining certain information in this prospectus prior to its publication

"Listing"	the listing of our Shares on the Stock Exchange
"Listing Date"	the date, expected to be on or about May 6, 2011, on which our Shares are listed on the Stock Exchange and from which dealings in our Shares are permitted to take place on the 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
"Long Thrive"	Long Thrive Limited, a company incorporated in the BVI which is owned by certain of our management personnel and Ms. Kang
"Macau"	the Macau Special Administrative Region of China
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	our memorandum of association of the Company, as supplemented, amended or otherwise modified from time to time
"Ministry of Finance"	The Ministry of Finance of the People's Republic of China (中華人民共和國財政部)
"MOFCOM"	The Ministry of Commerce of the People's Republic of China (中華人民共和國商務部)
"Mr. Kang"	Mr. Kang Baohua, our chairman, executive Director and Controlling Shareholder
"Ms. Kang"	Ms. Kang Fengxian, the sister of Mr. Kang
"Neo Pioneer"	Neo Pioneer Limited, a company incorporated in the BVI, which is wholly owned by Mr. Kang to hold Shares set aside by Mr. Kang for our planned share award scheme
"North China"	the region of China comprising Beijing, Tianjin, and Hebei and Shanxi provinces

"Northeast China"	the region of China comprising Liaoning, Jilin, Heilongjiang, Shandong, Henan and Inner Mongolia provinces or autonomous region
"NPC" or "National People's Congress"	PRC 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 price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined as further described in the section entitled "Structure of the Global Offering — Pricing of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, together, where relevant, with any additional Shares to be issued pursuant to any exercise of the Over-allotment Option
"Over-allotment Option"	the option we will grant to the International Underwriters, exercisable by the Stabilizing Manager (upon consultation with the Joint Global Coordinators) on behalf of the International Underwriters pursuant to the International Underwriting Agreement at any time from the date of the International Underwriting Agreement until 30 days after the last date for lodging of applications under the Hong Kong Public Offering, to require us to allot and issue up to an aggregate of 225,000,000 additional Shares representing 15% of the initial Offer Shares, at the Offer Price, to among other things, cover over-allocations in the International Offering, if any
"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	PRC Company Law (中華人民共和國公司法), as enacted by the NPC on December 29, 1993 and effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
"PRC Government"	the central government of China and its political subdivisions, (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"Price Determination Date"	the date, expected to be on or around April 28, 2011, on which the Offer Price will be fixed for the purposes of the Global Offering
"QIB"	a "qualified institutional buyer" within the meaning of Rule 144A

"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganization"	the reorganization arrangements we have undergone in preparation for the listing of Shares on the Stock Exchange, as described in the sections entitled "History and Reorganization" in this prospectus and "Statutory and General Information — Further information about our company and our subsidiaries — Corporate Reorganization" in Appendix VII attached to this prospectus
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of China
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	PRC State Administration of Foreign Exchange (中華人民共和國國家外匯管理局)
"SAIC"	PRC State Administration for Industry and Commerce (中華人民共和國國家工商行政管理總局)
"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 Option Scheme"	the share option scheme we conditionally adopted on April 12, 2011, the principal terms of which are summarized in the section entitled "Statutory and General Information — Other Information — Share Option Scheme" in Appendix VII attached to this prospectus
"Shareholders"	holders of Shares
"Shares"	ordinary shares in our share capital with a nominal value of HK$0.10 each
"Shenyang Yuanda"	Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. (瀋陽遠大鋁業工程有限公司), a company incorporated in China, our wholly owned subsidiary
"South China"	the region of China comprising Guangdong, Hunan, Fujian, Hainan and Guangxi provinces or autonomous region
"sq.m."	square meter
"Stabilizing Manager"	Deutsche Bank

"Standard Chartered"	Standard Chartered Securities (Hong Kong) Limited
"State Council"	State Council of China (中華人民共和國國務院)
"State Administration of Taxation"	State Administration of Taxation of China (中華人民共和國稅務總局)
"Stock Borrowing Agreement"	a stock borrowing and lending agreement expected to be entered into between Best Outlook and Deutsche Bank pursuant to which Best Outlook agreed to lend up to an aggregate of 225,000,000 Shares to Deutsche Bank on the terms set out therein, further details of which are set out in the section headed "Structure of the Global Offering – Stock Borrowing"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Listing Rules
"Synovate Report"	a report prepared by Synovate Ltd. on the global curtain wall market in general, and the curtain wall market of China, the United States, the United Kingdom, the United Arab Emirates, Australia and Russia in particular, which was commissioned by us
"Track Record Period"	the period comprising our three financial years ended December 31, 2010
"Transferees (as a group)"	Tian Shouliang, Guo Zhongshan, Wu Qingguo, Si Zuobao, Wang Yijun, Wang Lihui, Zhuang Yuguang, Yan Lianxue, Li Qi, Xiong Yudi, Li Dawei, Geng Bin and Ms. Kang
"UAE"	the United Arab Emirates
"UK"	the United Kingdom
"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 and possessions and all areas subject to its jurisdiction
"U.S. or Canadian Person"	any national or resident of the U.S. or Canada, or any corporation, pension, profit-sharing or other trust or other entity organized under the laws of the U.S. or Canada or of any political subdivision thereof (other than a branch located outside the U.S. and Canada of any U.S. or Canadian Person), and shall include any U.S. or Canadian branch of a person who is otherwise not a U.S. or Canadian Person

"US$" or "U.S. dollars"	U.S. dollars, the lawful currency of the United States
"U.S. Exchange Act"	the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"we," "us" or "our"	Yuanda China Holdings Limited, a company incorporated as an exempted company with limited liability in the Cayman Islands on February 26, 2010 and, unless the context otherwise requires, all of its subsidiaries, or where the context refers to any time prior to its incorporation, the business in which the predecessors of its present subsidiaries were engaged and which were subsequently assumed by such subsidiaries pursuant to the Reorganization
"Well Galaxy"	Well Galaxy Limited, a company incorporated in the BVI, our wholly owned subsidiary
"West China"	the region of China comprising Chongqing, and Sichuan, Yunnan, Guizhou, Hubei, Shaanxi, Ningxia, Gansu, Qinghai and Xinjiang provinces or autonomous regions
"White Form eIPO"	the application process for Hong Kong Offer Shares to be issued in the applicant's own name by submitting online through the designated website **www.eipo.com.hk**
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited
"Yuanda Group"	Shenyang Yuanda Aluminium Industry Group Ltd. (瀋陽遠大鋁業集團有限公司), a company incorporated in China and owned by Mr. Kang
"Yuanda Hong Kong"	Yuanda (Hong Kong) Holdings Limited, a company incorporated in Hong Kong, our wholly owned subsidiary
"Yuanda Singapore"	Yuanda Aluminium Industry Engineering (Singapore) Pte. Ltd., a company incorporated in Singapore, a wholly owned subsidiary of Yuanda Group

Unless expressly stated or the context otherwise requires, all data in this prospectus are as of the date of this prospectus.

Unless otherwise specified, all references to any shareholdings in our company assume no exercise of the Over-allotment Option.

If there is any inconsistency between the official Chinese names of the PRC laws or regulations or the PRC government authorities or the PRC entities mentioned in this prospectus and their English translations, the Chinese version shall prevail. English translations of official Chinese names are for identification purposes only.

This glossary of technical terms contains explanations of certain technical terms used in this prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"3mm fluorocarbon coating aluminum panel"	a 3mm-thick aluminum panel with a static fluorocarbon resin coating
"active breathing double-skin curtain wall"	a double-skin curtain wall system to realize the orderly air flow between the double skins by using mechanical ventilation devices
"attributable project area"	as used in this prospectus, the total area of the curtain wall completed by us: (i) attributable project area for a completed project refers to the total area of the curtain wall completed by us, and the corresponding percentage refers to the percentage of total curtain wall area of the project attributable to us; (ii) attributable project area for a project in progress refers to the total area of the curtain wall to be completed by us pursuant to the project contract, as adjusted by the actual construction of the project, if necessary, and the corresponding percentage refers to the percentage of the total curtain wall area of the project attributable to us; and (iii) attributable project area for an uncommenced project refers to the total area of the curtain wall to be completed by us pursuant to the project contract, and the corresponding percentage refers to the percentage of the total curtain wall area of the project attributable to us
"back anchor granite curtain wall"	a curtain wall system composed of natural building stones as the surface panel, and where the back of the surface panel is fixed on the frame by a special anchor
"basket-weaved unitized curtain wall"	a unitized curtain wall system with basket weave pattern, which looks like longitude and woof interlacing together
"cantilever laminated glass fin"	a decorative component made of laminated glass cantilevering the curtain wall surface
"concaved segment cable net glass curtain wall"	a type of point-fixing curtain wall system, the supporting structure of which is composed of horizontal and vertical steel tensioned cables to form a single plane cable net, and of which glass surface is a triangular pyramid which is concaved inwards at the vertex joint of three slants
"curved unitized curtain wall"	a type of unitized curtain wall, the appearance of which forms a round curved columnar shape

"displacement ability"	the ability of relative displacement of curtain wall units or components under load while not causing permanent deformation or damaging the structure safety and function
"double insulated energy-saving photovoltaic glass"	a type of insulated glass component which has two enclosed air interlayers, with one piece of the glass component installed with solar cell or solar film
"double insulated energy-saving unitized glass wall"	a unitized curtain wall system, the panel of which is composed of insulated glass with two air-insulating layers
"double silver coated Low-E insulating glass unit filled with argon"	a type of insulated glass component with one surface coated with double silver Low-E film and with the enclosed interlayer between the double glass filled with argon
"double silver coated Low-E tempered insulating glass unit"	insulated glass composed of tempered glass, where one piece of glass is coated with double silver Low-E film on one side
"double-skin curtain wall"	a combined curtain wall system composed of interior and exterior skins active or natural air cycles in between
"double-skin curtain wall with multi-colored laminated glass fin"	a double-skin curtain wall system with multi-colored laminated glass panels fabricated and installed on its exterior surface as decorative components
"ETFE"	ethylene tetrafluoroethylene, a type of plastic designed to have high corrosion resistance and strength over a wide temperature range
"exposed frame curtain wall"	a stick curtain wall system, the frame of which is exposed on the outer surface of the panel
"exposed frame stick curtain wall system"	a curtain wall system formed through the installation and assembly of mullion, transom and glazing panel on site in proper order, the frame component of which is exposed on the outer surface of the panel
"exterior cycle double-skin curtain wall"	a type of double-skin curtain wall with a closed interior skin, and of which exterior skin curtains air inlets and outlets which uses air natural convection or forced air ventilation to enable air circulation between the double skins
"fire stop curtain wall"	a special curtain wall system, which satisfies certain level of fire stop requirement in the building fire stop specification

"fish-scaled unitized glass wall"	a unitized curtain wall system, with one unitized panel piled on certain part of another down to form a fish-scaled shape curtain wall
"french outward turning window"	a type of window of which bottom frame is close to the interior floor of the building and opens outward
"glass-fin-supporting point-fixing glass wall"	a curtain wall system composed of glazing panels, point-fixing supporting components and supporting glass fins, whereby the glass fin is perpendicular to the glazing panel, and the glazing panel is fixed on the glass fin through point-fixing supporting components
"granite and GRC panel curtain wall"	a stick curtain wall system composed of natural building granite and glass-fiber reinforced concrete panel
"intelligent control"	a type of control mechanism for the motor-controlled sun-shading louver system, which usually comprises of a signal sensor, central controller and louver driving device, whereby the central controller gives the orders to the louver driving device in response to the light intensity and light angle, which are transmitted by the signal sensor, so as to adjust the angles of louvers instantly in order to achieve the desired level of shade
"interior cycle double-skin curtain wall"	a type of double-skin curtain wall with a closed exterior skin, and of which interior skin contains air inlets and outlets to enable internal air circulation
"laminated insulating glass unit"	a type of insulated glass component composed of at least one piece of laminated glass
"large-angle multi-chamber drainage system design"	a type of system design for the tilt unitized curtain wall transoms which forms the inner-higher and outer-lower drainage slope on the unit transoms which causes the rain or condensation water accumulated in the multi-chamber mullions to be drained out of the building along the drainage slope of the transoms
"LEED"	Leadership in Energy & Environmental Design, a "green" building certification system established by U.S. Green Building Council, which provides third-party verification of building performance based on buildings location and environment, water efficiency, energy saving and reduction of air pollution, construction materials, and indoor environmental quality
"Low-E glass"	a type of coated glass with one surface coated with low-emission film

"motor-controlled glass louver system"	a type sun-shading louver system which contains glass blades linked with multiple blades, and which is controlled by an electrical motor to regulate the shading angle
"PC panel" or "polycarbonate panel"	a type of panel mainly composed of polycarbonate and extruded by a co-extrusion technique
"perforated aluminum panel"	an aluminum curtain wall panel perforated with customized holes in the desired shape, quantity and location
"perforated stainless steel sheet"	a curtain wall stainless steel sheet perforated with customized holes in the desired shape, quantity and location
"segment unitized curtain wall"	a type of unitized curtain wall system of which horizontally adjacent units are connected at an angle to form successive segment unitized curtain wall systems
"semi-hidden unitized curtain wall"	a type of unitized curtain wall, with either its vertical or horizontal frame visible on the exterior surface
"serrated glass and aluminum panel mixed curtain wall"	a type of installed stick curtain wall with surface material composed of glass and aluminum panels interlaced together at a certain angle which shows its serrated form on a horizontal level
"single building"	individual building in an architectural complex
"single cable glass curtain wall" or "Single cable net point-fixing glass curtain wall"	a point-fixing curtain wall system whose supporting structure is composed of horizontal and vertical tensioned steel cables to form a single plane cable net structure and of which glazing panels is connected with cable nets through point-fixing supporting components
"steel structure cable point-fixing glass curtain wall"	a point-fixing glass curtain wall system with steel structure beams as its main supporting component and cables as supplementary supporting components, and of which glazing panels are connected to the supporting structure by point-fixing supporting components
"steel truss point-fixing glass curtain wall"	a point-fixing curtain wall system, in which the steel structural truss is used as the supporting structure of its glazing panels which are connected with the truss through point-fixing supporting components
"stick structure silicone glass curtain wall"	a curtain wall system of which frame components are fully hidden under the exterior surface of its glazing panels, which is formed through the installation and assembly of mullion, transom and glazing panels on site

"structure silicone unitized curtain wall"	a curtain wall system of which stick components are fully hidden under the exterior surface of its glassing panels, which is made by first factory assembling mullion, transom and glazing panels to form complete units, and then connecting the units with each other on site
"tempered laminated glass unit"	a type of glass composed of two or more pieces of tempered glass affixed together through the middle film between them using heat and pressure
"tempered Low-E insulating glass"	a type of insulated glass component composed of tempered glass, which has a single surface of glass coated with low-emission film
"T-shaped steel structure silicone glass curtain wall"	a curtain wall system of which mullion and transom are made of T-shaped steel and whose frame components are completely hidden under the outer surface of its glazing panels
"U- shaped glass curtain wall"	a unitized curtain wall system in which the panels adopt the U-form glass components
"vertical motor-controlled sun-shading louver system"	a sun-shading louver system in which blades revolve around a vertical axis and are controlled by an electrical motor to regulate the shading angle
"XIR membrane"	a type of functional membrane, which is mainly compounded into the film layer of laminated glass to constitute the glass component and which potentially reduces the transmission rate of solar energy whilst ensuring the visible light transmission rate to be at least 70%

This prospectus contains forward-looking statements, including, without limitation, words and expressions such as "expect," "believe," "plan," "intend," "project," "anticipate," "seek," "may," "will," "would" and "could" or similar words or statements, in particular, in the sections entitled "Business" and "Financial Information" in this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

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. These forward-looking statements reflecting our current views with respect to future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus, and the following:

- economic and market conditions in China and overseas;
- performance of the construction and real estate industries;
- competition from other curtain wall companies;
- our future debt levels and capital needs;
- our expansion and capital expenditures plans;
- our business and operating strategies and our ability to implement such strategies;
- the completion and commencement of operation of our planned production facilities;
- our ability to meet construction schedules;
- our ability to maintain and expand our customer base;
- cost, fluctuations in the price and availability of raw materials;
- regulations and restrictions, including tax laws and environmental regulations, particularly those regulations related to our operations;
- exchange rate fluctuations and restrictions; and
- factors beyond our control such as catastrophic losses from fires, floods, windstorms, earthquakes, diseases or other adverse weather conditions or natural disasters.

We caution you that, 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. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any 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 the intentions of our Company or any of our directors are made as of the date of this prospectus. Any such intentions may potentially change in light of future developments.

You should carefully read and consider all of the information in this prospectus, including the material risks and uncertainties described below before deciding to make any investment in our Shares. Our business, financial conditions or results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks and uncertainties and you may lose all or part of your investment as a result.

RISKS RELATING TO OUR BUSINESS

We are heavily dependent on the performance of the construction and real estate industries, which are cyclical and could be significantly affected by fluctuations in economic conditions

As most of our customers are property developers or main contractors of public infrastructure and commercial buildings, our business and prospects heavily depend on the performance of the construction and real estate industries, which are cyclical and could be significantly affected by fluctuations in economic conditions. An economic downturn in China or any overseas market where we operate could materially and adversely affect our business, financial condition and results of operations.

The global market and economic conditions in 2008 and 2009 were unprecedented and led most major economies into recession during this period. Continued concerns over the systemic impact of potential long-term and widespread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets contributed to increased market volatility and diminished expectations for economic growth around the world.

As a result of the global financial crisis, financing became less available or more expensive, which, together with the subsequent slowdown of the worldwide economy, caused a reduction in the number of property development projects in many overseas countries and regions where we operate. The slowdown of overseas property development and construction sector has in turn contributed to a lower demand for our curtain wall products and services overseas. As a result, five of our overseas projects with a total contract value of approximately RMB665.5 million were cancelled from 2008 to 2010. In addition, the number of new contracts awarded in the European and U.S. markets declined in 2009 as compared with 2008.

The slowdown of the worldwide economy also adversely affected the PRC economy, with the PRC's gross domestic product growth rate decreasing by 0.5 percentage point from 9.6% in 2008 to 9.1% in 2009. To stimulate economic growth, since November 2008, the PRC government has announced a series of economic stimulus plans and initiatives to, among other things, commit resources to fund infrastructure projects. Therefore, the adverse impact of global macroeconomic conditions on our PRC curtain wall market was limited. However, we cannot assure you that such plans and initiatives will continue to be in place or be effective in sustaining the economic growth or preventing another economic downturn or they will benefit us.

Any recurrence of the global financial crisis may cause a further decline in the economies of China and other countries, which may materially and adversely affect the construction and real properties industries and lead to a decrease in the general demand for our curtain wall products and services. Accordingly, our results of operations, financial condition and business prospect may be materially and adversely affected.

We may not be successful in maintaining our current market position or implementing our market expansion plan

We intend to maintain our current market position and continue to expand into new markets, particularly overseas markets, through extending our sales and marketing network and establishing new production facilities. As a result, we are subject to all of the risks that are specific to the local curtain wall markets and the risks inherent in the unforeseen costs and expenses, challenges, complications, and delays encountered in connection with market expansion.

Our global operations and market expansion may be hindered by risks including but not limited to cultural differences, instability or changes in the political, regulatory or economic environment, lack of understanding of the local business environment, financial and management system or legal system, differences in legal burdens in complying with local laws and regulations, differences in the licensing regime, the tendering regime, and payment practices, stringent product liability and warranty requirements, potentially adverse tax consequences, competition within the local market and volatility in currency exchange rates.

Maintaining our current market position and implementing our market expansion plan has resulted in, and will continue to result in, substantial demands on our resources. Managing our expansion will require, among other things:

- continued enhancement of our research and development capabilities;
- successful hiring and training of personnel;
- increased marketing and service activities;
- management of our sales network;
- sufficient liquidity;
- effective and efficient financial and management control;
- effective quality control;
- effective cost control;
- management of our suppliers to leverage on our purchasing power;
- ability to maintain and strengthen market recognition;
- ability to meet construction schedules; and
- adjustment to the evolving construction and real estate industries.

There is no assurance that we will be able to successfully maintain or expand our market coverage or grow our business successfully after deploying our management and financial resources, particularly in the overseas markets. Any failure in maintaining our current market position or implementing our market expansion plan could materially and adversely affect our business, financial condition and results of operations.

We face significant and increasing competition in the markets in which we operate, and failure to compete efficiently could materially and adversely affect our business

We operate in a highly competitive industry in which our competitors include a number of global and China-based companies that provide products and services similar to ours. Some of our international competitors may have stronger brand names, greater access to capital, longer operating histories, longer or more established relationships with their customers, and greater marketing and other resources than we do. Due to the evolving markets in which we compete, additional competitors with significant market presence and financial resources may enter those markets, and thereby intensify the competition. These competitors may be able to reduce our market share by adopting more aggressive pricing policies than we can or by developing technology and services that gain wider market acceptance than our products do. Existing and potential competitors may also develop relationships with our customers in a manner that could significantly harm our ability to sell and market. If we fail to maintain or improve our market position or fail to respond successfully to changes in the competitive landscape, our business, financial condition and results of operations may be materially and adversely affected.

If we are unable to accurately estimate and control our project costs, we may incur losses

Substantially all of our revenues are derived from fixed-price contracts, with prices being determined by reference to our bids and substantially agreed to at the time a project is awarded to us. We are typically responsible for all of our own costs, and our ability to achieve our target profitability on any project is largely dependent on our ability to accurately estimate and control these costs. Cost overruns may result in a lower profit or even a loss on a project. The amount of total costs we incur on a project is affected by a variety of factors, including, among other things, fluctuations in the price of raw materials, variations in labor costs over the term of a contract and changes in project scope or conditions. Although some of our contracts provide for pricing adjustments if certain specified events occur, these adjustment provisions may not adequately protect us in the event of a cost overrun. If our costs for a project exceed the contracted price and any price adjustment provisions in the relevant contract do not cover the cost overrun, we may incur losses, which could materially and adversely affect our financial condition and results of operations.

Our curtain wall projects may be delayed

Our curtain wall projects may be delayed due to various factors beyond our control, including the construction progress of the underlying buildings. As part of the construction work of the underlying buildings, the schedules of our curtain wall installation have to fit into, and heavily depend on, the overall construction schedules of the underlying buildings. However, the construction progress of the underlying buildings may experience unexpected difficulties as a result of weather conditions, financing difficulties, liquidity of the main contractors or property developers, availability of sufficient labor force, regulatory approval processes, government requirements, changes in the design of the buildings or curtain wall products, and other factors.

If our curtain wall projects are delayed, we may not be able to recognize our revenue or receive payment from our customers as expected, and our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to secure adequate raw materials in a timely manner and are subject to the fluctuations in the prices of raw material supplies, particularly aluminum extrusions

The main raw materials used to manufacture our curtain wall products include aluminum extrusions, glass, steel and sealants, which in total accounted for approximately 77.1%, 75.9% and 77.1% of our raw materials costs for the years ended December 31, 2008, 2009 and 2010, respectively. Our top five suppliers, in aggregate, accounted for approximately 22.3%, 30.5% and 18.3% of our raw material costs for the years ended December 31, 2008, 2009 and 2010, respectively. We cannot assure you that we will be able to secure adequate supplies of raw materials to meet all of our future production needs at commercially reasonable prices or that our suppliers will deliver raw materials pursuant to supply agreements or in a timely manner. As a result, our costs may increase or we may be unable to meet project schedules, which could harm our reputation or require us to compensate our customers.

Furthermore, our raw materials, particularly aluminum extrusions, are subject to price fluctuations. The prices of aluminum extrusions largely depends on the prices of aluminum, which have fluctuated significantly in the past. Aluminum extrusions accounted for approximately 38.5%, 34.3% and 37.3% of our raw materials costs for the years ended December 31, 2008, 2009 and 2010, respectively. We tender for projects based on our estimate of the price of aluminum at the time we purchase the aluminum extrusions. There is a time lag between the time we submit our tender and the time we purchase aluminum extrusions for the purpose of the relevant project, if our tender is successful. The price of aluminum extrusions may vary significantly during the time lag. Although we started to hedge the risk of aluminum price fluctuations through aluminum future contracts in 2008, we cannot assure you that our hedging strategy will be able to fully protect us from unfavorable aluminum price movements. Except for limited situations where we are entitled to price adjustment pursuant to our contracts, we may not be able to pass the increase in the raw material costs to our customers, which could materially and adversely affect our financial condition and results of operations.

We receive payments for our curtain wall projects in stages, and any default or delay in payments from our customers may affect our cash flow and results of operations

We receive payments for our curtain wall projects in stages upon achieving certain project milestones. In addition, consistent with industry practice, our contracts usually also provide that our customers are entitled to withhold a certain percentage, normally 3% to 5%, of the total contract price for a period, normally one to two years, after the completion of the project to guarantee our work quality.

Our customers are primarily main contractors and property developers who are subject to the credit risks of their customers and the financial risks of their development projects not being able to proceed according to budget, or being delayed or terminated. We may encounter difficulties in collecting payments from those customers who are having financial difficulties or experiencing delays to their projects which are beyond our control. The collection process might be time-consuming and administratively cumbersome. As a result of defaults in payment from our customers, we wrote off trade receivables in a total amount of RMB1.8 million, RMB6.2 million and RMB1.5 million during the years ended December 31, 2008, 2009 and 2010, respectively, representing 0.03%, 0.09% and 0.02% of our revenue during the corresponding periods.

We cannot assure you that our customers in the future will not subsequently default in, or delay, their payment obligations to us. Any failure to collect all or a portion of the payment obligations owed to us will put pressure on our cash flow position and our ability to meet our working capital requirements, which could materially and adversely affect our business, financial conditions and results of operations.

If we fail to meet the requirements of our project contracts or quality standards of our products, we may face litigation, incur penalties and additional costs and experience delays or difficulties in receiving payments, which may adversely affect our business and reputation

We are typically required to complete each project according to a fixed schedule by an agreed date as stated in the relevant contracts. If we fail to complete a project in a timely manner resulting in a breach of our contractual obligations, we may be liable to compensate our customers for losses or damages caused by the delay. Although we did not make any compensation to third parties due to delay of curtain wall projects during the Track Record Period, we cannot assure you that we will not be required to make such compensation in the future. Any delay in the completion of a project, whether or not caused by us, could also lead to additional costs being incurred, including costs to hire additional manpower and to provide temporary storage for assembled products. Any failure on our part to complete a project in a timely manner could harm our reputation in the industry and hinder our ability to win future contracts and, as a result, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we may be liable to compensate our customers for any losses sustained by them if any of our employees, contract workers or installation service providers do not complete projects in accordance with the terms specified in the relevant contracts. Although we were not required to compensate any third parties due to work defects during the Track Record Period, we cannot assure you that we will not be required to do so in the future. As most of our projects require tailor-made curtain wall components, any use of unsuitable materials would result in extra costs being incurred on our part due to additional materials and labor being required to rectify such errors. Any such work defects could also have a negative impact on our reputation, which could hinder our ability to win future contracts. Moreover, a severe technical defect could lead to personal injury or property damage, which could result in litigation and liability for damages. These litigation costs, together with the payment of damages, could adversely affect our profitability and financial performance.

We record our revenues and profits on the basis of our best estimates at the relevant times, which are subject to inherent uncertainties and subsequent adjustments

We measure and recognize our revenues and profits using the percentage-of-completion method of accounting, pursuant to which revenues and profits are recognized ratably over the life of a contract, based generally on the progress at the proportion of costs incurred to date to the estimated total costs expected to be incurred for the entire project. Revisions to estimated total costs are made when the relevant amounts can be reasonably estimated. Although we use our best efforts to estimate the progress towards completion of our projects under construction, the uncertainties inherent in the estimating process mean that actual costs may vary materially from estimates, which could result in adjustments to our revenues or profits in subsequent fiscal periods and such adjustments could be material.

Our backlog may not be indicative of our future results of operations

As of December 31, 2010, we had contract backlog in the amount of approximately RMB14,331.3 million, which represents our estimate of the unrealized contract value of projects in progress and the total contract value of uncommenced projects. However, this figure is based on the assumption that the relevant contracts will be performed in full in accordance with their terms. Many of our contracts do not provide for a fixed amount of work to be performed and are subject to modification or termination by the customers. The termination or modification of any one or more sizeable contracts may have a substantial and immediate effect on our backlog. It is common practice for building developers to include a termination clause in the contract that allows the developer to terminate a project without incurring additional compensation or payment to the contractor or subcontractor, other than payment for the value of work done and costs already incurred at the time of the notice of termination. Our projects in progress and uncommenced projects may also remain in our backlog for an extended period of time. We cannot guarantee that the amount estimated in our backlog will be realized in a timely fashion, or at all, or that, even if they are realized, will result in profits. You should not place undue reliance on our backlog information presented in this prospectus as an indicator of our future earnings.

The growth rate of our new contract value in the Track Record Period may not be indicative of the growth rate of our new contract value in future

Our new contract value, which refers to the value of contracts for the new projects we were awarded during the relevant periods, was RMB10,757.7 million, RMB7,649.1 million and RMB11,104.7 million for the years ended December 31, 2008, 2009 and 2010, respectively. We anticipate a significant expansion of our business operations over the next few years. However, our growth will depend on a number of factors, many of which are beyond our control, including but not limited to global economic conditions, macroeconomic policies of the PRC government, the level of competition in the curtain wall industry, and changes in market demand. We cannot assure you that we will be able to maintain our historically high growth rate and, to the extent that we experience any significant decrease in demand for our products or increase in competition, our growth, financial condition and results of operations may be materially and adversely affected. You should not rely on our past growth rate of our new contract value in the Track Record Period as an indication of our growth rate of our new contract value in the future.

If we are unable to successfully manage our working capital or acquire adequate funding to finance our expansion, our operations could be adversely affected

We receive a certain percentage, normally 10% to 30%, of the total contract price from our customers upon signing the contract, and then receive further payments in stages upon achieving certain project milestones. In addition, 3% to 5% of the total contract price is normally retained by our customers after completion of the relevant project for one to two years to ensure that we perform our work satisfactorily. We incur costs associated with a project on an ongoing basis from the beginning of the project, which may be before we receive the corresponding payments from our customers. Our customers may also default on their payment obligations to us.

Although we seek to manage our working capital, we cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. As a result, there could be a period during which we experience net cash outflow for a particular project. Moreover, we had negative operating cashflow for the year ended December 31, 2010 and had net current liabilities as of December 31, 2009 and 2010. We currently fund our working capital requirements through a combination of cash inflow from our operations, bank borrowings and capital contributions from our Shareholders. Our gearing ratio, as calculated by dividing our interest bearing debts by our total equity, was relatively high during the Track Record Period, amounting to 73.3%, 70.7% and 210.9% as of December 31, 2008, 2009 and 2010, respectively. For more details, please see the section entitled "Financial Information – Indebtedness and Contingent Liabilities – Borrowings" in this prospectus. As we further expand our business, our requirements for working capital and other payments, such as capital expenditures, will increase. We cannot assure you that we will be able to generate sufficient cash inflow from our operations or obtain adequate debt or equity financing at reasonable costs, or at all, to meet such requirements. If we fail to successfully manage our working capital or acquire adequate funding to finance our expansion, our ability to pay our suppliers and employees and otherwise fund our operations and expansion could be impaired, and our business, financial condition and results of operations may be materially and adversely affected.

We are subject to extensive government regulation and are required to obtain various permits, licenses, approvals, certificates and qualifications to conduct our curtain wall business

It is a prerequisite for us to obtain certain permits, licenses, certificates and qualifications from various governmental or regulatory authorities in order to conduct our business. In order to acquire or maintain such permits, licenses, certificates and qualifications, we must comply with the conditions imposed by the governments in various jurisdictions where we operate. These permits, licenses, certificates and qualifications are subject to periodic review and renewal by the relevant government authorities. In addition, if there are any subsequent modifications of, or additions or new restrictions to, the current compliance standards, this would impose an additional burden on us to maintain our compliance status. If we fail to meet any of the conditions required to maintain our permits, licenses, certificates and qualifications, or if we are found to be in non-compliance by such authorities, they could be temporarily suspended or even revoked, or their renewal could be delayed, and we could be subject to fines or other sanctions. Any of such events occurring in the future may have a material and adverse effect on our operations.

We face risks associated with our international operations and, if we are unable to effectively manage these risks, they could impair our ability to operate our business in overseas markets

We have been providing curtain wall products and services in numerous countries and regions outside of China, including in countries and regions that are subject to rapid changes in the economic, political and regulatory environment, which are beyond our control. For the years ended December 31, 2008, 2009 and 2010, our revenue generated from overseas markets accounted for approximately 33.2%, 38.6% and 35.4%, respectively, of our total revenue.

We intend to continue exploring the overseas market and expect our revenue from overseas to continue to increase. As a result, we are exposed to various risks associated with changes in the economic, political and regulatory environment in the countries or regions in which we operate. In particular, we face a number of challenges as a result of our international operations and overseas expansion strategy, including:

- fluctuations in currency exchange rates;
- inflation in markets in which we procure labor and materials locally;
- our limited track record and client referral network in new markets;
- difficulties in identifying, and establishing good business relationships with local installation service providers and other business partners who are knowledgeable about, and can function effectively in, overseas markets;
- difficulties in recruiting and managing skilled labor, particularly given language and cultural barriers, applicable labor laws and varying market practices;
- increased liabilities and risks associated with quality control for our overseas projects, particularly if any assembly activities need to be performed at the project site;
- increased costs and complexities associated with the logistics of transporting our products overseas, as well as managing and coordinating projects simultaneously in different countries;
- difficulties and costs relating to obtaining requisite licenses and regulatory approvals, and complying with the different commercial and legal requirements of the overseas jurisdictions in which we operate;
- increased litigation risk in litigious jurisdictions that our business expanded or will expand into;
- inability to obtain, maintain or enforce our contractual and intellectual property rights; and
- trade barriers such as tariffs, taxes and other restrictions and expenses, which could increase our costs and expenses and make us less competitive in some countries.

If we are unable to effectively manage the above-mentioned risks, such failure could impair our ability to operate or expand our business and could adversely and materially affect our business, financial condition and results of operations.

We rely on certain key personnel and recruit professionals from a limited pool of qualified candidates who have experience in our business, and loss of these key personnel or failure to recruit and retain qualified professionals could have a material and adverse effect on our results of operations

Our future success heavily depends on the continuing services of our executive directors and members of our senior management team. Most members of our senior management team have over 13 years of experience in the curtain wall industry and have been with us since 1997. As competition for experienced senior management and key personnel in the curtain wall industry is intense, we cannot assure you that we will be able to retain the services of our senior executives or key personnel, or attract and retain high-quality senior executives or key personnel in the future. If one or more of our senior executives or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, and our business may be disrupted and our financial condition and results of operations may be materially and adversely affected. Moreover, if any member of our senior management team or any of our other key personnel joins a competitor or begins a competing business, we may lose customers, other key professionals or staff members.

Furthermore, as our business continues to grow, we will need to recruit and train additional qualified personnel. There is a limited pool of qualified candidates who have the skills, know-how and experience required for our business. As the quality of our design and engineering is a key differentiating factor when we compete with our competitors, we face intense competition for qualified candidates from our competitors. We cannot assure you that we will be able to retain our existing designers, technicians and project managers and recruit additional qualified professionals to support our future operations and growth. Any failure to do so may adversely affect our business and growth.

In addition, as a large part of our operations is labor intensive, we require a large number of skilled workers. Due to the skills required in operating some of our equipment and the installation of curtain wall products, it takes time for a new worker to attain the necessary skills. Skilled workers are not easily replaceable. Occasionally in the past, we have experienced constraints in this regard. Although we have not sustained material loss of profits or customers as a result of labor constraints in the past, we cannot assure you it will not occur in the future. We may have to offer better compensation and other benefits to hire or contract and retain sufficient skilled workers to sustain or grow our business operations, which will increase our costs and may materially and adversely affect our results of operations.

We may be unable to successfully expand our production facilities as we have planned, or such expansion may result in over-capacity

To support our growing operations, we intend to construct new production facilities both in China and overseas. We are currently in the process of expanding our existing production bases and plan to construct new production facilities in Tianjin, China, and the Middle East. Both our Tianjin production facility and the Middle East production facility are expected to commence operations by 2013. For further details of our processing capacity expansion plans, see the section entitled "Business — Production Facilities" in this prospectus.

Our processing capacity expansion plans described above involve the installation of new equipment and assembly of new production lines. We cannot assure you that our processing capacity expansion plans will be successfully implemented without delay or at all. Any failure or delay in implementing any part of these plans may result in a lack of processing capacity to support our growth and market expansion, which in turn could materially and adversely affect our business, financial condition and results of operations.

On the other hand, we cannot assure you that our expanded processing capacity will meet our anticipated production objectives due to factors beyond our control, such as natural disasters, inadequate infrastructures and changes in demand. Our sales may not grow at the same rate as the increase in our processing capacity, which may result in over-capacity in our production facilities. Any such over-capacity could increase our cost of sales and also materially and adversely affect our business, financial condition and results of operations.

We may be unable to keep up with the changes in the market needs or technological developments in the curtain wall industry

Our competitiveness in the curtain wall market depends in large part on our ability to develop new curtain wall products and techniques so that we are able to continuously tailor our products to meet our customers' needs. We devote significant financial and human resources to the research and development of new products and techniques, which are subject to continuous evolution and changes. There is no assurance that such products or techniques developed will be well accepted by the market, or such products or techniques can be developed and put into market in a timely manner or at all. In the event that we are unable to develop new products and techniques that meet the needs of our customers or that our competitors have developed new and more advanced products and techniques, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to protect our trademarks and other intellectual property rights, which could have a material and adverse impact on our business

We have registered our trademarks in a number of countries and regions. As of the Latest Practicable Date, we had registered 58 patents in China or overseas relating to our curtain wall products which are still in force. We are also in the process of applying for registration of additional patents in China. We believe our trademarks and other intellectual property rights are important to our success. Existing laws in China offer limited protection for our intellectual property rights. We rely upon a combination of patents, copyrights and trademarks, trade secrets, confidentiality policies, non-disclosure and other contractual arrangements to protect our intellectual property rights. We cannot assure you that we will be able to detect any unauthorized use of, or take appropriate, adequate and timely actions to enforce, our intellectual property rights. Consequently, we may not be able to effectively prevent unauthorized use of our trademarks or patents in other countries where such trademarks and patents are not registered. Historically, China has not protected intellectual property rights to the same extent as has the United States or Hong Kong. The measures we take to protect our intellectual property rights may not be adequate and monitoring and preventing unauthorized use is difficult. The protection of our intellectual properties may be compromised as a result of (i) expiration of the protection period of our registered intellectual property rights, (ii) infringement by others of our intellectual property rights including counterfeiting our products, or (iii) refusal by relevant regulatory authorities to approve our pending patent applications. Furthermore, the application of laws governing intellectual property rights in China and abroad is uncertain and evolving, and could involve substantial risks to us. If we are unable to adequately protect our trademarks and other intellectual property rights, this may have a negative impact on our reputation and our business may be materially and adversely affected.

Failure to maintain our reputation and brand names could materially and adversely affect our business, financial condition and results of operations

We believe that the reputation and brand name that we have built up over the years play a significant role in enabling us to attract customers and secure projects. The promotion and enhancement of our reputation and brand name depend largely on our ability to provide quality and timely service to our customers. If we fail to do so or our customers no longer perceive our products and services to be of high quality, our brand name and reputation could be adversely affected which will in turn materially and adversely affect our business, financial condition and results of operations.

Due to the nature of our operations, our employees or contract workers may be involved in accidents resulting in casualties from time to time. In the past, there were accidents which occurred in connection with the construction of our curtain wall projects, which resulted in a total of 14 fatalities during the Track Record Period and up to the Latest Practicable Date. We were subject to certain administrative penalties imposed by the relevant governmental authorities in connection with these accidents, including the suspension from participating in the tendering process in Beijing for one month and a fine of RMB130,000 as a result of an accident in May 2010 that led to one fatality. For more information, see the section entitled "Business – Labor, Health and Safety Matters" in this prospectus. Past, existing and future negative publicity, media coverage or allegations on such accidents, whether or not accurate, may have a material adverse effect on our reputation and brand name. Although we have implemented safety policies, measures and procedures which we deem adequate on our construction sites, we cannot assure you that there will not be any further negative publicity, media coverage or allegations related to our safety management, which could materially and adversely affect our business, financial position and results of operations.

The trust arrangement between Mr. Kang and Goldenwin in relation to the 25% equity interest in Shengyang Yuanda which was transferred to us is not documented by any formal legal agreement

In June 2002, Yuanda Singapore acquired a 25% equity interest in Shenyang Yuanda from Goldenwin Company Limited ("Goldenwin"), which was subsequently transferred to us in November 2010 pursuant to the Reorganization. Goldenwin was a company incorporated in Hong Kong by two individuals (the "Goldenwin Shareholders") who are not related to our Group, and who were the only shareholders and directors of Goldenwin at all material times. Goldenwin subscribed for a 25% equity interest in Shenyang Yuanda in April 1993 which it held on trust for Mr. Kang based on and as evidenced by various correspondence and communications between Mr. Kang and the Goldenwin Shareholders. There was however no formal written agreement between Mr. Kang and Goldenwin documenting this trust arrangement.

Due to Goldenwin's failure to submit annual returns and pay the requisite annual registration fees, Goldenwin was struck off in August 1997 and was eventually dissolved. Not aware of this dissolution, Mr. Kang procured Goldenwin to transfer its 25% equity interest in Shenyang Yuanda to Yuanda Singapore in June 2002.

Under Hong Kong laws, all property and rights whatsoever vested in or held on trust for Goldenwin immediately before the dissolution, excluding property held by Goldenwin on trust for a third party, shall be deemed to be bona vacantia. Mr. Kang, after consultation with his retained senior counsel, considered that, on a balance of probabilities, (i) Goldenwin at all material times held the 25% equity interest in Shenyang Yuanda as trustee for Mr. Kang, (ii) Goldenwin's interest in Shenyang Yuanda should not be deemed to be bona vacantia, and (iii) the dissolution of Goldenwin would not affect Mr. Kang's beneficial ownership in the relevant interest. Based on Mr. Kang's views following consultation with his retained senior counsel as noted above, the confirmation provided by Mr. Kang that there was a bona fide intention to transfer the equity interests in Shenyang Yuanda, and the confirmation letter issued by the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation dated January 11, 2011, which states that the various changes of the 25% equity interest originally held by Goldenwin following its dissolution in 1997 (including the transfer from Goldenwin to Yuanda Singapore in 2002) is legal and valid, our PRC legal counsel has confirmed that the transfer of the 25% equity interest in Shenyang Yuanda from Goldenwin to Yuanda Singapore would not be affected by the dissolution of Goldenwin and will continue to be effective.

However, we cannot assure you that our ownership in the 25% equity interest in Shenyang Yuanda initially held by Goldenwin will not be challenged by any third parties in the future. Such challenge, if successful, would materially and adversely affect our corporate structure and results of operations. For further details on the 25% equity interest in Shenyang Yuanda initially held by Goldenwin and indemnities given by Mr. Kang and Best Outlook, please refer to the section entitled "History and Reorganization – Reorganization – Transfer of interest in Shenyang Yuanda by Goldenwin" and the section entitled "D. Other Information – 2. Tax and other indemnities" in Appendix VII to this prospectus.

We are currently involved in certain material legal proceedings and may be a party to various other legal proceedings and investigations from time to time and we cannot assure you that such legal proceedings and investigations will not have a material adverse impact on our business

We are currently involved in a number of legal proceedings, including four material legal proceedings arising out of the curtain wall projects we undertook in the ordinary course of our business in India, the United States, Kuwait and Germany. In each of the legal proceedings in India, the United States and Germany, we are subject to claims of up to approximately 1,410.8 million Indian Rupees (approximately RMB207.1 million), US$2.0 million (approximately RMB13.1 million), and 6.1 million Euros (approximately RMB57.8 million), respectively, excluding interests, attorney fees and costs. In the legal proceeding in Kuwait, we are sued for our termination of an agreement, which could potentially expose us to liabilities amounting to approximately 11.2 million Kuwaiti dinar (approximately RMB264.7 million). Further details pertaining to the above-mentioned material legal proceedings are set out in the section entitled "Business — Legal Proceedings and Material Claims" in this prospectus. As of the Latest Practicable Date, our aggregate exposure to liabilities as a result of the legal proceedings in which we were involved, including the above four material legal proceedings, was approximately RMB548.8 million, representing approximately 63.3% of our net assets value as of December 31, 2010, for which no provision had been made. There is no assurance that any of these proceedings will be resolved in our favor.

Due to the nature of our business, we may become involved in claims, legal proceedings and investigations relating to, among other things, warranty, indemnification or liability claims, contractual disputes with customers or subcontractors, labor disputes, workers' compensation, and safety, environmental or other legal requirements. In particular, we may have disputes with local subcontractors we engage for installation of our curtain products overseas due to various factors beyond our control. We may also be subject to claims for personal injury and property damage arising from our projects. Legal proceedings and investigations can be time-consuming, expensive, and may divert our management's attention away from the operation of our business. Moreover, we may be involved in legal proceedings and investigations in foreign jurisdictions where our projects are located and we may not be familiar with the judicial procedures in such jurisdictions. Legal proceedings and investigations in foreign jurisdictions may be more expensive and unpredictable as compared with Hong Kong. The legal proceedings and investigations to which we are a party or may in the future become a party may have a material and adverse impact on our business. For example, we are involved in an anti-dumping investigation conducted by the U.S. Department of Commerce on the aluminium extrusions imported from China. In the event we are found to have breached any anti-dumping regulation pursuant to the anti-dumping investigation, we may be subject to antidumping and countervailing duties. For more information, see the section entitled "Business – Legal Proceedings and Material Claims" in this prospectus.

We have not obtained the land use rights certificates or building ownership certificates for some of our properties and have not completed the required procedures for some of our facilities or properties under construction, and may be required to seek alternative premises for some of our leased properties

As of February 28, 2011, we owned 14 parcels of land with a total site area of approximately 1,346,141 square meters and 113 buildings or units with a total GFA of approximately 699,406 square meters. Among these properties, we do not have the relevant title certificates for two parcels of land with an aggregate site area of approximately 82,149 square meters and 24 buildings or units with an aggregate GFA of approximately 103,253 square meters due to various title defects or for other reasons. In addition, among the buildings and units for which we have building title certificates, 23 buildings or units with a total GFA of 45,595 square meters are located on land for which we have not obtained land use rights. For detailed information, please refer to the section entitled "Business – Properties" in this prospectus. We are in the process of applying for the relevant land use rights and building ownership certificates for the properties we hold and we plan to cooperate closely with the local land and property management authorities to expedite such applications. In addition, we intend to complete construction of a new production base in Chengdu by May 2013 and dispose all of our properties in Dongling district, Shenyang in the near future. However, we may not be able to obtain certificates for all of these properties and we may not be able to complete the construction of the new Chengdu production base or dispose our properties in Dongling district as planned. If we are required to relocate our operations on the affected properties, we may incur additional costs as a result of such relocation.

As of February 28, 2011, we leased five parcels of land with a site area of approximately 90,740 square meters and 14 buildings or units with a total GFA of approximately 12,677 square meters in China for residential, production and office purposes. Among these properties leased in China, the land and nine buildings or units leased in China with a total GFA of approximately 10,442 square meters were leased from lessors who were not able to provide the title certificates or documents evidencing the authorization or consent of the owners of such properties. As of February 28, 2011, we leased one parcel of land with a site area of approximately 740 square meters and 57 buildings or units with a total GFA of approximately 32,181 square meters overseas for residential, warehouse and office purposes. Among these properties leased overseas, 18 buildings or units with a total GFA of approximately 6,226 square meters were leased from lessors who were not able to provide the title certificates or documents evidencing the authorization or consent of the owners of such properties. In addition, our lease agreements for a parcel of land with a site area of approximately 7,333 square metres and 11 buildings or units with a total GFA of approximately 4,377 square meters have expired and are in the process of being renewed. As a result, some of our leases may be invalid. If any of our leases is terminated as a result of challenges by third parties or if we fail to renew them, we may be forced to relocate our operations on the affected properties and incur additional costs associated therewith.

As of February 28, 2011, we had three buildings under construction, occupying a total site area of approximately 85,601 square meters with an estimated total aggregate GFA of approximately 48,035 square meters upon completion. We currently do not have the land use right certificates or construction works planning permit for these properties. We are currently in the process of applying for the relevant land use right certificates and have applied to the relevant authorities in order to complete all the procedures required for the application of the relevant construction works planning permit. However, the failure to complete any of these procedures in a timely manner may subject us to the risks of suspension of construction, fines, demolition of properties, and forfeiture of properties and related income. As a result, our results of operations and financial position may be adversely affected.

We may be subject to tax adjustments imposed by the relevant overseas tax authorities

We conduct our curtain wall business around the world through our subsidiaries located in many countries and regions. In the ordinary course of our business, our subsidiaries in China produce curtain wall products in our production bases in China and sell such products to our overseas subsidiaries which undertake curtain wall projects in their respective markets.

Under the laws and regulations of many jurisdictions, the tax authorities typically require intra-group transactions to be carried out on an arm's length basis. While we endeavor to comply with all relevant laws and regulations, we cannot assure you that all relevant tax authorities will deem all our intra-group transactions as being conducted on an arm's length basis by relevant government authorities. If any tax authority challenges any of our intra-group transactions and holds that such intra-group transaction was not conducted on an arm's length basis, we may be subject to tax adjustments imposed by such tax authority. As a result, our business, financial position and results of operation may be adversely affected.

We may not be able to detect and prevent fraud or other misconduct which may be committed by our employees or third parties

Fraud and other misconduct which may be committed by our employees or third parties can be difficult to prevent or deter despite our internal controls and corporate governance practices. Such illegal actions could subject us to financial losses and harm our business and operations. In addition to potential financial losses, improper acts of our employees or third parties could subject us to third party claims and regulatory investigations, in relation to the investigation as described below or otherwise.

One of our employees together with three employees of Yuanda Group are currently involved in an investigation on suspected bribery, infringement of commercial secrets and unfair competition offences in Beijing. This investigation, which commenced in March 2010, is still ongoing and had not led to any formal prosecution or charges against any of these individuals, our Directors, or our Group and its other employees as of the Latest Practicable Date. Liaoning Jingheng Law Firm, the PRC legal counsel to the above four individuals under investigation, has advised that the investigation is not related to our Company or any of our Directors. Nevertheless, we cannot assure you that this investigation or a similar investigation in the future will not expand to include investigations against us, our Directors or senior management. Further details of this investigation are set forth in the section entitled "Business — Legal Proceedings and Material Claims — Investigation against an employee" in this prospectus. Any fraud or other misconduct committed by our employees or third parties, whether involving past acts or future acts, could have an adverse effect on our reputation, business, financial condition and results of operations.

We rely on contract workers sourced from labor agencies and installation services providers for the installation of curtain walls and may be adversely affected by their availability, performance and implementation of relevant safety and environmental protection measures

We usually engage contract workers sourced from labor agencies for projects in China, and outsource installation services in the countries or regions which do not allow import of labor, for the installation of curtain walls. We may face difficulties in completing our projects if we are unable to engage qualified contract workers or installation services providers. If contract workers or installation services providers deliver substandard work, the quality of our project and our reputation may be materially and adversely affected and we may be exposed to litigation and damages claims.

If our contract workers or installation services providers violate any laws, rules or regulations or their actions or omissions cause property damage or personal injuries, we may be exposed to prosecution by the relevant government authorities and may be liable to claims for personal injury and damage to properties. Although we supervise our contract workers and conduct regular visits to our installation services providers, working sites, we cannot assure you that there would not be any violation of laws, rules and regulations by our contract workers or installation services, including the relevant safety and environmental protection measures.

In addition, we face a number of further challenges relating to our installation services providers. We may be unable to identify suitable installation services providers in particular markets, or to agree on mutually satisfactory terms with them, which would limit our ability to execute projects in those markets. By outsourcing a portion of our work, we also assume responsibility for the performance of our installation services providers in the relevant projects. We may also be required to indemnify our customers for any damages caused by our installation services providers. As our installation services providers are independent entities, we may not be able to monitor their performance as thoroughly and effectively as our own operations.

If any of our installation services providers fails to carry out their contractual obligations for any reason, including insolvency or labor disputes, we could be forced to incur significant additional costs to perform their obligations. Moreover, any defective work carried out by our installation services providers could have a negative impact on our reputation, even if we are not at fault, and could hinder our ability to win future contracts. If any of the foregoing events occurs, our business, financial condition and results of operations could be adversely and materially affected.

We directly or indirectly engage labor for the production and installation of curtain walls, and such laborers may launch industrial action or strikes to demand higher wages or shorter working hours

As we directly or indirectly engage labor for the production and installation of curtain walls, we may be subject to labor disputes which are beyond our control. Construction work is usually split into various different trades. Each trade requires highly skilled labor of its own and may not be substituted by labor of other trades. We are therefore exposed to the risk that some trade unions may launch industrial actions or even strikes to demand higher wages and shorter working hours. If we meet their demands, we will incur additional labor costs or, if not, there is a risk that the labor strikes may potentially led to claims against us by our customers for the delays in completion of our contracts. In either case, these industrial actions or strikes may have a material and adverse impact on our profitability and results of operations.

The continued fluctuations of the exchange rates of foreign currencies against Renminbi could adversely impact our profitability and results of operations

We conduct our curtain wall business both in China and overseas. For overseas projects, our contract prices are normally denominated and settled in foreign currencies. Our installation work is generally carried out by contract workers and, to a lesser extent, installation services providers. A majority of these contract workers and installation services providers are hired from China and paid in Renminbi. In addition, a majority of the raw materials are procured from China and paid for in Renminbi. As such, our revenue or expenses for our overseas operations are subject to the risks of continued fluctuations in the exchange rates of foreign currencies, which may have a material and adverse effect on our business, financial condition and results of operations.

The value of Renminbi depends, to a large extent, on domestic and international economic, financial and political developments and the PRC government's policies, as well as supply and demand in the local and international markets. The Renminbi exchange rates could fluctuate significantly against the U.S. dollar or any other foreign currency. For example, the Renminbi had appreciated against the U.S. dollar by 25.4% from July 21, 2005, the date on which the PRC government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies, to December 31, 2010. Appreciation of Renminbi against foreign currencies could result in less revenue and cashflow from our overseas projects in terms of Renminbi and depreciation of our assets dominated in foreign currencies, which could in turn lead to significant foreign exchange losses. Depreciation of Renminbi against foreign currencies could decrease the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. For the year ended December 31, 2009, our foreign exchange gains amounted to RMB36.7 million. For the years ended December 31, 2008 and 2010, our foreign exchange losses amounted to RMB40.7 million and RMB5.2 million, respectively. We cannot predict future exchange rate fluctuations. Although we started to hedge against the risk of appreciation of the Renminbi against the U.S. dollar in 2009, we cannot assure you that such hedging measures will be effective or fully protect us. The appreciation of the Renminbi against the U.S. dollar and other foreign currencies may have a material and adverse impact on our business, financial condition and results of operations.

Extraordinary events such as epidemics, natural disasters, political unrest and terrorist attacks could significantly delay, or even prevent us from completing, our projects

Certain regions in the world, including the cities where we operate, are susceptible to epidemics such as Severe Acute Respiratory Syndrome, or SARS, avian influenza or swine influenza. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in various countries and regions. A recurrence of SARS, avian influenza or swine influenza or an outbreak of any other epidemics, especially in the cities where we have operations, may result in material disruptions to our curtain wall projects, and our sales and marketing, which in turn could materially and adversely affect our financial condition and results of operations.

Other extraordinary events, including political unrest, terrorist attacks and natural disasters such as earthquakes, snowstorms and hurricanes, could significantly delay our project progress if they occur at a location near to that of our projects, our suppliers or our curtain wall production facilities. Such events may cause personnel casualties, loss of inventory, work disruptions and delays and damages to the buildings under construction or our production facilities. We typically remain obligated to perform our services after a natural disaster or terrorist action unless the contract contains a clause that relieves us of our contractual obligations upon the occurrence such extraordinary events. If we are not able to react quickly upon the occurrence of these types of extraordinary events and our operations are disrupted significantly, and the insurance policies we maintained for the contracts are not adequate to cover all the losses, our business, financial condition and results of operations may be materially and adversely affected.

Our operations in the Middle East and adjacent countries are subject to the risks arising from the political instability and other uncertainties that could impair our ability to operate or expand our business in these areas

We conduct an increasing portion of our business in the Middle East, which has been an important market for us outside China. For the years ended December 31, 2008, 2009 and 2010, we derived 10.3%, 14.2% and 14.8% of our revenue from projects in the Middle East, respectively. Our operations and earnings may be affected to varying degrees in the future by the political instability and other uncertainties in the Middle East and adjacent countries, including war or other armed conflict, civil unrest, acts of terrorism, imposition of exchange controls, sanctions relating to specific countries, forced divestiture of assets, restrictions on production, governmental activities which limit or disrupt markets, expropriation, nationalization, renegotiation or nullification of existing contracts, changes in law or tax policy, and lack of a well-developed legal system which makes it difficult to enforce our contractual rights.

In particular, mass protests against the government have spread from Tunisia to other Middle East and adjacent African countries since December 2010. Such protests, which have led to riots in some of the affected countries, as well as regime change in Tunisia and Egypt and civil war in Libya, may further exacerbate the level of political instability in this region. As of the Latest Practicable Date, our only curtain wall project in Libya had been suspended, but not terminated, and our on-site workers for this project in Libya had been evacuated and brought back to China. We provide curtain wall products for this project without undertaking any installation works. As of December 31, 2010, we had completed 19% of this project, which has a total contract value of approximately 16.3 million Euros (approximately RMB154.4 million). As of the Latest Practicable Date, we had not incurred any losses as a result of the suspension of the project, but had accumulated inventories and delivered curtain wall products for this project with costs amounting to approximately RMB1.1 million for which we had not received payment. If the current situation in Libya continues or exacerbates, we may be unable to collect the above payment and may thus incur losses of up to a maximum amount of approximately RMB1.1 million.

Although none of our other projects in the Middle East and adjacent countries have been delayed or suspended due to the current political situation in these countries, we cannot assure you that they will not occur in the future. As of December 31, 2010, the total net assets of our subsidiaries and branch offices located in the Middle East and adjacent countries were approximately RMB73.4 million. To the extent that our business in these areas is affected by unexpected and adverse political developments or other conditions, we may experience further disruptions to our projects, losses of assets and personnel, and other indirect losses, which could materially and adversely affect our business and results of operations.

In addition, we currently conduct our curtain wall business in each of Kuwait and Qatar through joint ventures with local partners in which we hold a 49% equity interest as local laws do not allow foreign companies to own a majority interest in local operating companies. Through contractual arrangements with local partners in each of Kuwait and Qatar, we are able to control and operate the operating companies in Kuwait and Qatar and capture the economic interests from their operations. For detailed information about our arrangements with these local partners, see the section entitled "History and Reorganization – Reorganization – Arrangements in Kuwait and Qatar" in this prospectus. The total contract value of new contracts attributable to our operations in Kuwait and Qatar during the Track Record Period was RMB195.1 million and RMB311.8 million, respectively, representing approximately 0.7% and 1.1%, of the total contract value of new contracts of our Group during the Track Record Period respectively.

As our operations in Kuwait and Qatar are dependent on the cooperation of the local partners, we have undertaken and started to introduce further measures, including using our best efforts to amend the terms of the existing contractual arrangements, to better protect the interests of the Company in each of Kuwait and Qatar. We cannot assure you that we will be able to amend such agreements at commercial terms acceptable to us. If we fail to reach agreement with the respective local partners on such additional measures, or if our arrangements with these local partners for these joint ventures are terminated for any reason, or if the contractual arrangements with local partners are successfully challenged by third parties or local partners, our operations in these countries may be interrupted. In such event, we will need to find replacements in order to continue our operations. We cannot assure you that we will be able to find other local partners for replacements in a timely manner or at all. If we fail to find a replacement for our existing local partners, our results of operations may be adversely affected.

We are subject to inherent risks in the construction industry such as industrial accidents, fire, personal injury, and suspension of water and electricity supplies, which may adversely affect our reputation and results of operations

We usually commence the installation of curtain wall products after the main contractor has substantially completed the construction of the relevant building. We carry out our installation work when other subcontractors are still carrying out their respective work at the same construction site. We are subject to other construction risks such as industrial accidents, fire, personal injury, suspension of water and electricity supplies, which may not only affect our work progress but may also pose risks to our properties located on the construction site.

Due to the nature of our business, we engage or may engage in highly dangerous work at times, including operations conducted high above ground level. Despite compliance with the requisite safety requirements and standards, we are subject to practical risks surrounding these activities, such as the risk of equipment failure. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment, any of which could result in us being liable for damages to third parties.

We may also be subject to claims arising from defects in our certain wall products. If we fail to adequately protect ourselves against these potential liabilities, we may be forced to incur substantial costs which could have a material and adverse effect on our financial condition and results of operations. Furthermore, any harm caused by our operations could damage our reputation and relationships with regulators and other customers, which may materially hinder our ability to win new contracts.

We are exposed to environmental liabilities and may have to incur significant capital expenditure if additional or stricter laws and regulations are passed in relation to environmental protection

Under the relevant PRC environmental laws and regulations, the construction, expansion and operation of our production facilities are subject to certain environmental permits and other relevant PRC government environmental approvals. The failure to obtain such permits or approvals may subject us to fines and penalties imposed by the relevant PRC government and we may be required to suspend the use of production facilities or vacate the premises. In addition, as our production processes generate noise, waste water and other industrial wastes, we are also required to comply with applicable national and local environmental regulations. If we fail to comply with present or future applicable environmental regulations, we may be required to pay substantial fines, suspend production or cease operations. Any failure by us to control the use or to restrict adequately the discharge of hazardous substances could subject us to potentially significant monetary damages and fines or suspensions in our business operations, which would have a material adverse effect on our business and results of operations.

In addition, we cannot assure you that future changes in PRC environmental protection laws and regulations will not impose costly compliance requirements on us or otherwise subject us to future liabilities. As China is experiencing substantial issues with environmental pollution, it is likely that the national, provincial and local governmental agencies will adopt regulations setting forth stricter pollution controls and requirements in the future. Any such regulation applicable to the manufacture of our products may require us to incur significant capital expenditure and increase our operating costs.

Moreover, as we plan to establish production facilities overseas, any such production facilities will be subject to the applicable environmental laws and regulations of the relevant overseas jurisdictions. Any failure to comply with such laws and regulations may also subject us to sanctions by the relevant government, which may materially and adversely affect our business, financial condition and results of operations.

Our insurance coverage is limited and we may be required to bear all or a certain portion of the financial consequences of any successful defective product claims or workers' compensation claims made against us, which could have a material and adverse effect on our results of operations and financial condition

We generally do not maintain any defective product or business disruption insurance policies. We generally rely on the umbrella insurance policies for the buildings in which our curtain wall products are installed to cover matters such as workers' compensation claims and we only maintain separate workers' compensation policies in a limited number of instances where we are legally or contractually required to do so. We cannot assure you that the developers or main contractors for our projects will maintain or continue to maintain an umbrella workers' compensation policy that would adequately indemnify us for any related losses or liabilities that we may experience in connection with our work on that project. Moreover, we cannot assure you that we can successfully collect any payouts made under such umbrella insurance policies from our customers. If a defective product or workers' compensation claim is successfully made against us, or if we experience any business disruption, we may have to bear the full amount of any monetary damages ordered against us as well as the costs of any related litigation or arbitration proceedings, which could have a material and adverse effect on our reputation, business, financial condition and results of operations.

We may be exposed to infringement or misappropriation claims related to intellectual property rights by third parties

Our success largely depends on our ability to use and develop our technology, know-how and product designs without infringing the intellectual property rights of third parties. We may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. The holders of patents and other intellectual property rights potentially relevant to our product offerings may be unknown to us or may otherwise make it difficult for us to acquire a license on commercially acceptable terms. There may also be technologies licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by third parties which may damage our ability to rely on such technologies. In addition, although we endeavor to ensure that companies that work with us possess appropriate intellectual property rights or licenses, we cannot fully avoid the risks of intellectual property rights infringement created by suppliers of materials used in our products or by companies we work with in cooperative research and development activities. Our current or potential competitors, many of which have substantial resources and have made substantial investments in competing technologies, may have obtained or may obtain patents that will prevent, limit or interfere with our ability to make, use or sell our products in China or other countries. The defense of intellectual property claims, including patent infringement suits, and related legal and administrative proceedings can be both costly and time consuming, and may significantly divert the efforts and resources of our technical and management personnel. Furthermore, an adverse determination in any such litigation or other proceedings to which we may become a party could cause us to:

- pay damage awards;
- seek licenses from third parties;
- pay additional ongoing royalties;
- redesign our products; or
- be restricted by injunctions.

These factors could effectively prevent us from pursuing some or all of our business and result in our end-user customers or potential end-user customers deferring, cancelling or limiting their purchase or use of our products, which may have a material and adverse effect on our business, financial condition and results of operations.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of our other Shareholders

Immediately after the Global Offering, our Controlling Shareholders will own in aggregate approximately 70.1% of our Shares (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Share Option Scheme). The interests of our Controlling Shareholders may differ from the interests of our other Shareholders.

Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Without the consent of our Controlling Shareholders, we may be prevented from entering into transactions that could be beneficial to us. In addition, such Controlling Shareholders are also the controlling shareholders of, or may otherwise participate in the management of, certain other companies that are outside of our Group. We cannot assure you that they will act in our interests or that conflicts of interest will be resolved in our favor.

Dividends declared in the past may not be indicative of our dividend policy in the future

For the years ended December 31, 2008, 2009 and 2010, we declared and settled dividends in the amount of RMB115.8 million, RMB818.2 million and nil, respectively. Dividends paid or declared by us in the past may not be indicative of our dividend policy in the future. Our Board has an absolute discretion to recommend any dividend for any year, subject to our Articles of Association, the relevant laws and regulations and our Shareholders' approvals at our general meeting. There is no assurance that dividends of any amount will be declared or distributed in any year.

RISKS RELATING TO CHINA

Our operations may be adversely affected by changes in the economic, political and regulatory environment in China

We conduct a majority of our curtain wall business in China. Accordingly, our results of operations, financial condition, and future prospects are linked to a significant degree to economic, political and social conditions in China. The PRC economy differs from the economies of most developed countries in many respects, for example:

- the amount and degree of government involvement;
- growth rate and degree of development;
- uniformity in the implementation and enforcement of laws;
- content and control of other capital investment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. In addition, the PRC government continues to play a significant role in regulating industries and the economy through policy measures. We cannot predict whether changes in PRC economic, political or social conditions and in PRC laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental in nature and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments of the reform measures. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. These actions, as well as future actions and policies of the PRC government, could cause a decrease in the overall level of economic activity, and in turn have a material and adverse impact on our business and financial condition.

Changes in governmental policies, rules and regulations in China may have a significant impact on our business, financial condition and results of operations

Currently, our business and operations in the PRC entail the procurement of licenses and permits from the relevant authorities. Thus, our business and operations in the PRC are subject to the PRC government rules and regulations. Any changes in such government rules and regulations may have a negative impact on our business, financial condition and results of operations. Difficulties or failure in obtaining the required permits, licenses and certificates will result in our inability to continue our business in the PRC. Accordingly, our business, financial condition and results of operations will be adversely affected.

Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China may limit the legal protection available to you

Our business and operations in China are governed by the PRC legal system. The PRC legal system is based on the PRC constitution and is made up of written laws, regulations, rules and directives. In the event of a breach of any of the foregoing due to an act or omission by our PRC subsidiary, they will be subject to prescribed penalties.

The PRC legal system is a civil law system based on written statutes, and prior court decisions have little, if any, precedential value and can only be used as a reference. Additionally, PRC written laws are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. The PRC government is still in the process of developing its legal system so as to meet the needs of investors and to encourage foreign investment. As a result, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations and the interpretation, implementation and enforcement thereof, are still at an experimental stage and are, therefore, subject to changes. Depending on the discretion of governmental agencies or how an application or case is presented to such agencies, we may receive less favorable interpretations of laws and regulations than our competitors. Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and previous court decisions in China do not have any binding effect on subsequent cases. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as in the other more developed jurisdictions and it may be difficult to obtain swift enforcement of the laws in China, or to obtain enforcement of a judgment by a court of another jurisdiction.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in mainland China or to enforce against them in mainland China any judgments obtained from non-PRC courts

We are incorporated in the Cayman Islands. Almost all of our executive Directors and executive officers reside within mainland China, and substantially all of our assets and substantially all of the assets of those persons are located within mainland China. Therefore, it may be difficult for investors to effect service of process upon us or those persons inside mainland China or to enforce against us or them in mainland China any judgments obtained from non-PRC courts.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

Our labor costs may increase with the enforcement of the Labor Contract Law and other labor-related regulations in China

The PRC Labor Contract Law (《中華人民共和國勞動合同法》) became effective and was implemented on January 1, 2008. This new labor law and its implementing rules have reinforced the protection for employees, who, under the existing PRC Labor Law, have certain rights, such as the right to have written labor contracts, the right to enter into labor contracts with no fixed terms under specific circumstances, the right to receive overtime wages when working overtime and the right to terminate or alter terms in the labor contracts. In addition, the Labor Contract Law and its implementing rules have amended the existing PRC Labor Law and added some clauses that could increase labor costs. As a result of the requirements imposed by the Labor Contract Law, our historical labor costs may not be indicative of our labor costs going forward.

As the Labor Contract Law and its implementing rules are relatively new, there remains certain uncertainty as to their interpretation and application by the PRC government. However, with the enforcement of the Labor Contract Law and other labor-related regulations in China, our labor costs may increase, which may materially and adversely affect our business and results of operations.

We rely principally on dividends paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business

We are a holding company and rely principally on dividends paid by our subsidiaries for cash requirements, including the funds necessary to service any debt we may incur. If any of our subsidiaries incurs debt in its own name, the instruments governing the debt may restrict dividends or other distributions on its equity interest to us. Furthermore, applicable PRC laws, rules and regulations permit payment of dividends by our PRC subsidiaries on a consolidated basis only out of their retained earnings, if any, determined in accordance with the PRC accounting standards. Our PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on the PRC accounting standards each year for their reserve fund in accordance with the requirements of relevant laws and provisions in their respective articles of associations. As a result, our PRC subsidiaries may be restricted in their ability to transfer any portion of their net income to us in the form of dividends. Any limitation on the ability of our subsidiaries to pay dividends to us could materially adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

Under the new PRC Corporate Income Tax Law and its implementation regulations, PRC income tax at the rate of 10% is applicable to dividends paid by PRC enterprises to "non-resident enterprises" (enterprises that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business) subject to the application of any relevant income tax treaty that China has entered into, which provides for a lower withholding tax rate. A company incorporated in Hong Kong may be subject to withholding tax at a rate of 5% (after obtaining approval from the relevant tax authorities) on dividends it receives from its PRC subsidiaries if it holds a 25% or more interest in the PRC subsidiary at the time of the distribution and is the beneficial owner of the dividend. If we or our non-PRC subsidiaries are considered "non-resident enterprises," any dividend that we or any such non-PRC subsidiary receive from our PRC subsidiaries may be subject to PRC taxation at the 10% rate (or the lower treaty rate).

Furthermore, pursuant to the Provisional Measures for the Administration of Withholding of Enterprise Income Tax for Non-resident Enterprises (《非居民企業所得税源泉扣繳管理暫行辦法》), or the Measures, promulgated in January 2009, entities in China which have direct obligation to make the following types of payments to a non-resident enterprise must withhold income taxes for the non-resident enterprise: income from equity investment (including dividends and other return on investment), interest, rent, royalties, and income from assignment of property as well as other income subject to enterprise income taxes received by non-resident enterprises. The relevant tax withholder which enters a business contract or agreement relating to any income as prescribed in the Measures with a non-resident enterprise for the first time must apply to the competent tax authority for the withholding tax registration within 30 days of the date of conclusion of the contract and must also comply with other continuing filing and recording requirements subsequently. Where the relevant tax withholder fails to withhold tax according to the relevant rules or is unable to perform its obligation of withholding, the non-resident enterprise must, within seven days of the date of payment or due payment by the relevant tax withholder, file an enterprise income tax return with the competent tax authority of the place where the income is derived. Failure to perform the obligations of withholding or payment properly or at all by the relevant tax withholder or the non-resident enterprise may result in fines and other penalties.

We may be deemed a PRC resident enterprise under the new PRC Corporate Income Tax Law and related implementation rules, and be subject to PRC taxation on our worldwide income

We are a Cayman Islands holding company with a majority of our operations conducted through our operating subsidiaries in China. Under the new PRC Corporate Income Tax Law that took effect on January 1, 2008, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" for PRC tax law purposes and will generally be subject to the uniform 25% enterprise income tax rate as to their global income. Under the implementation regulations issued by the State Council relating to the new PRC Corporate Income Tax Law, a "de facto management body" is defined as the body that has the significant and overall management control over the business, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation promulgated a circular to clarify the definition of "de facto management bodies" for enterprises incorporated overseas with controlling shareholders being PRC enterprises. It, however, remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by a PRC individual resident as is in our case. Although we have not been, and are currently not, treated as a PRC resident enterprise by the relevant PRC tax authorities, substantially all of our management is currently based in China and will remain in China. As a result, we may be treated as a PRC resident enterprise for PRC enterprise income tax purposes and subject to the uniform 25% enterprise income tax as to our global income in the future. You should also read the risk factor entitled "— Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws" below. If we are treated as such a PRC resident enterprise under the PRC tax law, we could face adverse tax consequences.

Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws

Under the new PRC Corporate Income Tax Law and its implementation regulations issued by the State Council, to the extent such dividends for earnings derived since January 1, 2008 are sourced within China and we are considered a "resident enterprise" for PRC tax law purposes, then PRC income tax at the rate of 10% is applicable to dividends payable by us to investors that are "non-resident enterprises" so long as any such "non-resident enterprise" investor does not have an establishment or place of business in China or, despite the existence of such establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China. A lower withholding tax rate may apply if such "non-resident enterprise" is incorporated in a jurisdiction that has entered into an income tax treaty or agreement with China that allows a lower withholding. Similarly, any gain realized on the transfer of the Shares by such "non-resident enterprise" investors is also subject to a 10% PRC income tax if such gain is regarded as income derived from sources within China and we are considered a "resident enterprise" in China. If we are required under the new tax law to withhold PRC income tax on our dividends payable to our foreign shareholders who are "non-resident enterprises," or if you are required to pay PRC income tax on the transfer of our Shares, the value of your investment in our Shares may be materially adversely affected. It is unclear whether, if we are considered a PRC "resident enterprise," holders of our Shares might be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or regions.

Restriction on currency conversion may limit our ability to utilize our revenue and funds effectively

The PRC government imposes controls on the conversion of Renminbi into foreign currencies and, in certain cases, the remittance of foreign currencies out of China. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other amounts to us, or to satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current-account items, including profit distributions, interest payments and operation-related expenditures, may be remitted in foreign currencies without prior approval from the relevant foreign exchange administration authorities by complying with certain procedural requirements. However, we cannot assure you that the PRC government will not take further measures in the future to restrict access to foreign currencies for current account transactions. Strict control applies to capital account transactions. Pre-approval or registration is required where Renminbi is to be converted into foreign currency and remitted out of China to pay for capital expenses. We cannot assure you that we will be able to obtain these approvals on a timely basis, or at all.

Government control of foreign exchange transactions may affect our ability to finance our PRC subsidiaries

Subsequent to this Global Offering, we have the choice, as permitted by the PRC foreign investment regulations, to invest our net proceeds from this Global Offering in the form of registered capital of our PRC subsidiaries to finance our operations. Our choice of investment is affected by the relevant PRC regulations with respect to capital-account and current-account foreign exchange transactions in China. In addition, the transfer of funds from us to our subsidiaries in China is subject to registration with or approval by PRC governmental authorities. On August 29, 2008, SAFE promulgated Circular 142, a notice regulating the conversion by a foreign-invested company of foreign currency-denominated capital contribution into Renminbi by restricting how the converted Renminbi may be used. The notice requires that the Renminbi converted from the foreign currency-denominated capital contribution of a foreign-invested company may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments, nor, except in the case of foreign investment property enterprises, can the Renminbi be used for acquisition of non-self-occupied property in China unless otherwise provided by laws and regulations. In addition, SAFE strengthened its oversight of the flow and use of Renminbi funds converted from the foreign currency-denominated capital of a foreign-invested company. The use of such Renminbi may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within the company's approved business scope. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the related foreign exchange rules.

These limitations on the flow of funds from us to our PRC subsidiaries could restrict our ability to act in response to changing market conditions, which could adversely affect their liquidity and their ability to fund their working capital and expansion projects.

We face taxation uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises (《關於加强非居民企業轉讓所得企業所得稅管理的通知》), or Circular 698, issued by the State Administration of Taxation on December 10, 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly through disposing of the equity interests of an overseas holding company, or Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the foreign investor shall report this Indirect Transfer to the competent tax authority of the PRC resident enterprise. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of avoiding PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at a rate of up to 10%. Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

There is uncertainty as to the application of Circular 698. For example, while the term "Indirect Transfer" is not clearly defined, it is understood that the relevant PRC tax authorities may have jurisdiction regarding requests for information over a wide range of foreign entities having no direct contact with China. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated how to calculate the effective tax rates in foreign tax jurisdictions, and the process and format of the reporting of an Indirect Transfer to the competent tax authority of the relevant PRC resident enterprise. In addition, there are not any formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to avoid PRC tax. Since January 1, 2008, we have been involved in one transaction which should be taxed under Circular 698, which is the transfer of 25% equity interest in Shenyang Yuanda from Yuanda Singapore to Yuanda Hong Kong in November 2010. In accordance with Circular 698, we withheld and paid tax, on behalf of Yuanda Singapore, amounting to a total of RMB5.2 million in connection with the transfer. In the future, we may become at risk of being taxed under Circular 698 if we carry out any overseas equity transfers which indirectly involves the transfer of equity interests in PRC resident enterprises in the future and we may be required to spend valuable resources to comply with Circular 698 or to establish that we should not be taxed under Circular 698, which may have a material adverse effect on our financial condition and results of operations.

Regulations relating to offshore investment activities by PRC residents may limit our ability to contribute capital into or provide loans to our PRC subsidiaries, limit our subsidiaries' ability to pay dividends or distribute profits to us, or otherwise adversely affect us

Pursuant to SAFE's Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司境外融資及返程投資外滙管理有關問題的通知》) ("Circular No. 75"), issued on October 21, 2005, (i) a PRC resident, including a PRC resident natural person or a PRC company, must register with the local branch of SAFE before he establishes or controls an overseas special purpose vehicle ("SPV") for the purpose of overseas equity financing (including convertible debt financing); (ii) when a PRC resident contributes his assets of or equity interests in a domestic enterprise into a SPV, or engages in overseas financing after contributing such assets or equity interests into a SPV, such PRC resident must register his interest in the SPV and the change thereof with the local branch of SAFE; and (iii) when the SPV undergoes a material event outside of China, such as a change in share capital or merger and acquisition, the PRC resident must, within 30 days from the occurrence of such event, register such change with the local branch of SAFE.

SAFE subsequently provided further guidance to its local branches with respect to the operational process for SAFE registration under Circular No. 75, which standardized more specific and stringent supervision on the registration relating to Circular No. 75. If the PRC resident fails to make the required initial SAFE registration or update the previously filed registration, the PRC subsidiaries of the SPV established or controlled by the PRC resident may be prohibited from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the SPV, and the SPV may also be prohibited from injecting additional capital into its PRC subsidiaries. Our current Shareholders have already completed the relevant foreign exchange registrations required under Circular No. 75. In light of the changes in our shareholding structure due to the recent investment by the Financial Investor, our current Shareholders who are PRC residents have already applied for the relevant registrations for such changes in accordance with Circular No. 75. The Company's PRC legal counsel are not aware of any substantial legal impediments arising from such procedures. However, we cannot assure you that all of our Shareholders who are PRC residents will remain in compliance with the relevant SAFE regulations to make or update any applicable registrations or comply with other requirements required by these rules or other related rules in the future. The failure or inability of our PRC control persons to make any required registrations or comply with other requirements may limit our ability to contribute additional capital into or provide loans to our PRC subsidiaries (including using the proceeds from this offering), limit our PRC subsidiaries' ability to pay dividends or otherwise distribute profits to us, or otherwise adversely affect us.

Any changes in the PRC governmental policies regarding foreign investments in China may adversely affect our business, financial condition and results of operations

Foreign-invested enterprises are subject to foreign investment policies and laws in the PRC. Under the Foreign Investment Catalogue that came into effect on December 1, 2007, we do not fall under the prohibited or the restricted categories of business. There is no assurance that we will not fall under such categories subsequent to any change in the foreign investment policies and laws or that we will not be subject to more stringent restrictions on our operation and business, which may adversely affect our operational business, financial condition and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and their liquidity and market price may be volatile, which could result in substantial losses for investors subscribing for or purchasing our Shares pursuant to the Global Offering

Prior to the Global Offering, there was no public market for our Shares. The initial issue price range for our Shares was the result of negotiations among us and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Furthermore, the price and trading volume of our Shares may be volatile. Factors such as the following may affect the volume and price at which our Shares will trade:

- actual or anticipated fluctuations in our results of operations;
- announcements of new curtain wall projects by us or our competitors;
- reduction of or restriction on financing for the construction and real estate industries;
- news regarding recruitment or loss of key personnel by us or our competitors;

- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding Shares or sales or perceived sales of additional Shares by us, the Controlling Shareholders or other Shareholders.

You should note that the stock prices of companies in the construction and real estate industries have experienced wide fluctuations. Such wide market fluctuations may adversely affect the market price of our Shares.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. For instance, during the global economic downturn and financial market crisis begun around the middle of 2008, the global stock markets witnessed drastic price drops with heavy unprecedented selling pressure. Many stocks fell to a fraction of their highs in 2007. These market fluctuations may also materially and adversely affect the market price of our Shares.

As the Offer Price is higher than our net tangible book value per Share, you will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

The Offer Price of the Shares is higher than the net tangible book value per share issued to existing holders of our Shares. Therefore, you and other purchasers of the Shares in the Global Offering will experience an immediate dilution in pro forma net tangible book value and existing holders of our Shares will receive an increase in net tangible book value per share of their Shares. If we issue additional Shares or equity-linked securities in the future, you and other purchasers of our Shares may experience further dilution in the net tangible assets book value per Share if we issue additional Shares at a price lower than the net tangible assets book value per Share at the time of their issuance.

We cannot guarantee the accuracy of facts, forecasts and other statistics derived from various official government publications with respect to various jurisdictions contained in this prospectus

Facts, forecasts and other statistics in this prospectus relating to various jurisdictions in which we have operations and the curtain wall industry have been derived from various official government publications. However, we cannot guarantee the quality or reliability of the source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters or any of our or their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled. We have, however, exercised reasonable care in the reproduction and extraction of such facts, forecasts and statistics from the relevant official government publications for the purpose of inclusion in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts, forecasts and statistics in this prospectus may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Furthermore, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to such jurisdictions and the curtain wall industry contained in this prospectus.

You may face difficulties in enforcing your shareholder's rights because we are incorporated in the Cayman Islands, and the Cayman Islands laws relating to the protection of minority shareholders may differ in some respects from the laws of Hong Kong or other jurisdictions

Our corporate affairs are governed by our Memorandum of Association and the Articles and by the Companies Law and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedents in existence in Hong Kong and other jurisdictions. Such differences may mean that the remedies available to our minority shareholders may be different from those they would have under the laws of Hong Kong or other jurisdictions. Please see the section entitled "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix VI to this prospectus.

Future issues, offers or sales of our Shares may adversely affect the prevailing market price of our Shares

Future issue of the Shares by our Company or the disposal of the Shares by any of our Shareholders or the perception that such issues or sale may occur, may negatively impact the prevailing market price of the Shares. Moreover, future sales or perceived sales of a substantial amount of our Shares or other securities relating to our Shares, could adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. Our Shareholders may experience dilution in their holdings in the event we issue additional securities in future offerings. The Shares held by the Controlling Shareholders are subject to certain lock-up undertakings for a period of up to six months after the Listing Date. Details of such lock-up undertakings are set out in the paragraph entitled "Undertakings" in the section entitled "Underwriting" in this prospectus. We cannot give any assurance that they will not dispose of their Shares they may own now or in the future.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must ordinarily be resident in Hong Kong.

The center of our operations is currently located in China. We do not presently, and do not contemplate immediately after Listing that we will, have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. Therefore, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules and the following arrangements have been made for maintaining regular and effective communication with the Stock Exchange:

(i) We have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Hong Kong Stock Exchange and ensure that we comply with the Listing Rules at all times. The two authorized representatives are Mr. Tian Shouliang (an executive Director) and Mr. Wong Yuk (our company secretary). Mr. Tian Shouliang holds a valid travel document to visit Hong Kong, and Mr. Wong Yuk is a Hong Kong resident. As such, each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the authorized representatives is authorized to communicate on our behalf with the Stock Exchange.

(ii) We will appoint Guotai Junan Capital Limited as our compliance advisor upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, which will have access at all times to our authorized representatives, our Directors and our other senior management, and will act as the alternate channel of communication with the Stock Exchange when our authorized representatives are not available.

(iii) Each of the authorized representatives has the means to contact our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance communication between the Stock Exchange, the authorized representatives and our Directors, we have implemented a policy whereby (a) each Director will provide his mobile phone number, office phone number, facsimile number and email address to the authorized representatives; (b) in the event that a Director expects to travel and be out of the office, he will provide the phone number of the place of his accommodation to the authorized representatives; and (c) all the Directors will provide their mobile phone numbers, office phone numbers, facsimile numbers and email addresses to the Stock Exchange.

(iv) Meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our authorized representatives and compliance advisor.

(v) In addition, our Directors who are not ordinarily resident in Hong Kong possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, if required.

CONNECTED TRANSACTIONS

The Company has applied to the Stock Exchange for a waiver from strict compliance with the relevant requirements of Chapter 14A of the Listing Rules for the non-exempted continuing connected transactions of our Company. Please refer to the section headed "Connected Transactions" in this prospectus for further details of such waivers.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules of Hong Kong (as amended) and the Listing Rules for the purpose of giving information with regard to the Company. 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.

UNDERWRITING

The Global Offering comprises the Hong Kong Public Offering of initially 150,000,000 Offer Shares and the International Offering of initially 1,350,000,000 Offer Shares subject, in each case, to re-allocation on the basis described in the section entitled "Structure of the Global Offering" in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option.

This prospectus is published solely in connection with the Hong Kong Public Offering which forms part of the Global Offering. The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten, subject to the Offer Price being agreed upon between the Company and the Joint Global Coordinators (on behalf of the Underwriters), by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement on a conditional basis. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering. The International Offering will be fully underwritten, subject to the Offer Price being agreed upon between the Company and the Joint Global Coordinators (on behalf of the Underwriters), by the International Underwriters under the terms of the International Underwriting Agreement. The Global Offering is managed by the Joint Global Coordinators.

The Offer Price is expected to be fixed by agreement among the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around April 28, 2011 and, in any event, not later than May 4, 2011. If, for any reason, the Offer Price is not agreed among us and the Joint Global Coordinators (on behalf of the Underwriters) by May 4, 2011, the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please see the section entitled "Underwriting" in this prospectus.

RESTRICTIONS ON SALE OF OFFER SHARES

We offer the Hong Kong 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 the Application Forms.

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

No action has been taken to permit an offering of the Hong Kong Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales 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 pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any Shares which may be issued upon the exercise of any options granted under the Share Option Scheme. None of our Shares or loan capital of our Company is listed on or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek such listing or permission to deal in our Shares on any other stock exchange.

OUR SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day after a trading transaction. You should seek advice from your stockbroker or other professional advisors for details of such settlement arrangements as such arrangements will affect your rights and interests.

We have made all necessary arrangements for our Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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 or disposing of, and dealing in, our Shares (or exercising rights attaching to them) under the laws of Hong Kong and the place of your operations, domicile, residence, citizenship or incorporation. We emphasize that none of the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, Underwriters, us, any of our or their respective directors or any other person or party involved in the Global Offering accepts responsibility for your tax effects or liabilities resulting from your subscription for, purchasing, holding or disposing of, or dealing in, our Shares or your exercise of any rights attaching to our Shares.

HONG KONG REGISTER OF MEMBERS AND STAMP DUTY

All Shares issued by us pursuant to applications made in the Hong Kong Public Offering will be registered on our register of members to be maintained in Hong Kong. Our Company's principal register of members will be maintained in our Company's principal share registrar in the Cayman Islands. Our register of members will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited.

No stamp duty is payable by applicants in the Global Offering.

Dealings in the Shares registered in the our Company's register of members of our Company maintained in Hong Kong will be subject to Hong Kong stamp duty. Only Shares registered on our Hong Kong register of members may be traded on the Stock Exchange.

OVER-ALLOTMENT AND STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to slow and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager or any person acting for it may over-allocate or effect transactions with a view to stabilizing or maintaining the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the commencement of trading in the Shares on the Stock Exchange. Such transactions may be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to do this. Such stabilization, if commenced, will be conducted at the absolute discretion of the Stabilizing Manager or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period.

The Stabilizing Manager or any person acting for it may take all or any of the following stabilizing actions in Hong Kong during the stabilization period:

(i) purchase, or agree to purchase, any of the Offer Shares or offer or attempt to do so for the sole purpose of preventing or minimizing any reduction in the market price of the Offer Shares;

(ii) in connection with any action described in paragraph (i) above;

  (A) (1) over-allocate the Offer Shares; or

    (2) sell or agree to sell the Offer Shares so as to establish a short position in them, for the sole purpose of preventing or minimizing any reduction in the market price of the Offer Shares;

  (B) exercise the Over-allotment Option (upon consultation with the other Joint Global Coordinators) and purchase or subscribe for or agree to purchase or subscribe for the Offer Shares in order to close out any position established under paragraph (A) above;

(C) sell or agree to sell any of the Offer Shares acquired by it in the course of the stabilizing action referred to in paragraphs (i) above in order to liquidate any position that has been established by such action; or

(D) offer or attempt to do anything as described in paragraphs (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Stabilizing Manager or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Offer Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilizing Manager or any person acting for it and selling in the open market, which may include a decline in the market price of the Offer Shares.

Stabilization cannot be used to support the price of the Offer Shares for longer than the stabilization period, which begins on the day on which trading of the Offer Shares commences on the Stock Exchange and ends on the earlier of the thirtieth day after the last day for lodging of applications under the Hong Kong Public Offering or the commencement of trading of the Offer Shares. The stabilization period is expected to expire on May 27, 2011. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore their market price, could fall.

Any stabilizing action taken by the Stabilizing Manager or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilization period. Stabilizing bids or market purchases affected in the course of the stabilization action may be made at any price at or below the Offer Price and can therefore be done at a price below the price the investor has paid in acquiring the Offer Shares.

In connection with the Global Offering, the Stabilizing Manager may over-allocate up to and not more than an aggregate of 225,000,000 additional Shares and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means. In particular, for the purpose of covering such over-allocations, the Stabilizing Manager may borrow up to 225,000,000 Shares from the Controlling Shareholder, equivalent to the maximum number of Shares to be issued on a full exercise of the Over-allotment Option, under a stock borrowing agreement.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for Hong Kong Offer Shares is set out in the section entitled "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Hong Kong Public Offering, the International Offering and the Global Offering, including its conditions, are set out in the section entitled "Structure of the Global Offering" in this prospectus.

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in U.S. dollars, Hong Kong dollars, Euros, Indian Rupees, and Kuwaiti dinar have been translated, for the purpose of illustration only, into Renminbi in this prospectus at the following rates:

RMB1.00: HK$1.19
RMB1.00: INR6.81
US$1.00: RMB6.53
EUR1.00: RMB9.47
KWD1.00: RMB23.63

No representation is made that any amounts in Renminbi, U.S. dollars, Hong Kong dollars, Euros, Indian Rupees, or Kuwaiti dinar can be or could have been at the relevant dates converted at the above rates or any other rates at all.

ROUNDING

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Kang Baohua (康寶華)	121, No. 43, Building 429 47 Huanghebei Avenue Huanggu District Shenyang, the PRC	Chinese
Tian Shouliang (田守良)	No. 1-4, Yinshan Road Yu Hong District Shenyang, PRC	Chinese
Guo Zhongshan (郭忠山)	No. 97, 1-15-2 Huang He South Avenue Huang Gu District Shenyang, PRC	Chinese
Wang Yijun (王義君)	No. 28 Jia, 2-352 Ba Wang Si Street Da Dong District Shenyang, PRC	Chinese
Si Zuobao (思作寶)	Room 501, No. 5 Lane 555 Gubei Road Shanghai, PRC	Chinese
Wu Qingguo (吳慶國)	1-1-27-2, Liyuan Apartment No. 69-1 Nan San Ma Road Heping District Shenyang, PRC	Chinese
Wang Lihui (王立輝)	No. 138-12, 1-6-3 Ning Shan Zhong Road Huang Gu District Shenyang, PRC	Chinese
Wang Deqiang (王德強)	1-4-1 No. 15 Huangpujiang Street Huang Gu District Shenyang, PRC	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Poon Chiu Kwok (潘昭國)	Flat C, 49th Floor Tower 8, The Belcher's 89 Pok Fu Lam Road Hong Kong	Chinese
Woo Kar Tung, Raymond (胡家棟)	Flat 1B, Block 12, Braemar Hill Mansions North Point, Hong Kong	Chinese
Pang Chung Fai, Benny (彭中輝)	House 9, Repulse Bay Heights, 3 Belleview Drive, Repulse Bay, Hong Kong	Chinese

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors *(in alphabetical order)*	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
	J.P. Morgan Securities (Asia Pacific) Limited 28th Floor, Chater House 8 Connaught Road Central Central Hong Kong
Joint Global Coordinators	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
	J.P. Morgan Securities (Asia Pacific) Limited 28th Floor, Chater House 8 Connaught Road Central Central Hong Kong
	Standard Chartered Securities (Hong Kong) Limited 15/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

Joint Bookrunners and Joint Lead Managers

Hong Kong Public Offering:

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28th Floor, Chater House
8 Connaught Road Central
Central
Hong Kong

Standard Chartered Securities (Hong Kong) Limited
15/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

International Offering:

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Standard Chartered Securities (Hong Kong) Limited
15/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
Auditors and Reporting Accountants	KPMG *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road, Central Hong Kong
Legal Advisors to our Company	*as to Hong Kong and U.S. law:* Sidley Austin Level 39, Two International Finance Centre 8 Finance Street Central Hong Kong *as to PRC law:* Jingtian & Gongcheng 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District Beijing 100025 China *as to Cayman Islands law:* Conyers Dill & Pearman Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Legal Advisors to the Underwriters	*as to Hong Kong and U.S. law:* Herbert Smith 23rd Floor, Gloucester Tower 15 Queen's Road Central Central Hong Kong *as to PRC law:* Commerce & Finance Law Offices 6/F, NCI Tower A12, Jianguomenwai Avenue Beijing 100022 China

Property Valuer	Jones Lang LaSalle Sallmanns Limited 6/F, Three Pacific Place 1 Queen's Road East Hong Kong
Receiving Bankers	Standard Chartered Bank (Hong Kong) Limited 15th Floor, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong Kowloon Hong Kong
	Bank of China (Hong Kong) Limited 1 Garden Road, Central Hong Kong

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters in China	20, Street 13 Shenyang Economic & Technological Development Area Shenyang 110027 China
Place of Business in Hong Kong	Unit 1203-1205 Prosperity Millennia Plaza 663 King's Road, North Point Hong Kong
Company's Website	www.yuandacn.com (information contained in this website does not form part of this prospectus)
Company Secretary	Wong Yuk, *HKICPA, FCCA*
Authorized Representatives	Tian Shouliang No. 21-6, 2-30-1, Wen Yi Road Shen He District Shenyang, PRC Wong Yuk 30K, Block 9, Beverly Garden Tseung Kwan O, N.T. Hong Kong
Audit Committee	Poon Chiu Kwok *(Chairman)* Woo Kar Tung, Raymond Pang Chung Fai, Benny
Nomination Committee	Kang Baohua *(Chairman)* Poon Chiu Kwok Pang Chung Fai, Benny
Remuneration Committee	Tian Shouliang *(Chairman)* Pang Chung Fai, Benny Woo Kar Tung, Raymond
Compliance Advisor	Guotai Junan Capital Limited

Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Bankers	China Construction Bank, Shenyang Dongling Subbranch 103A, Wanliutang Road Dongling District, Shenyang PRC
	Industrial and Commercial Bank of China Limited, Shenyang Yu Hong Subbranch 76A, Huanghebei Street Yuhong District, Shenyang PRC
	Bank of China, Shenyang Nanhu Subbranch 219 Qingnian Street Shenhe District, Shenyang PRC
	The Export-Import Bank of China, Dalian Branch 19/F, International Finance Building 15 Renmin Road Zhongshan District, Dalian PRC
Principal Share Registrar and Transfer Office	Butterfield Fulcrum Group (Cayman) Limited Butterfield House, 68 Fort Street P.O. Box 609 Grand Cayman KY1-1107 Cayman Islands

This section contains certain information which is derived from official government publications and industry sources. While we believe that the sources of this information are appropriate sources for such information and have exercised reasonable care in compiling and reproducing such information from official government publications and industry sources and 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. The information has not been independently verified by us nor by our Joint Sponsors, our Joint Global Coordinators, any of the Underwriters, or any of our directors, officers, representatives or affiliates, or any party involved in the Global Offering. The information from official government publications and industry sources may not be consistent with information available from other sources within or outside China. We, the Joint Sponsors, the Joint Global Coordinators, the Underwriters, or any of our or their respective directors, officers, representatives or affiliates, or any party involved in the Global Offering, do not make any representation as to the accuracy, completeness or fairness of such information from official government publications and industry sources and, accordingly, you should not unduly rely on such information.

OVERVIEW

Introduction of Curtain Wall Systems

A curtain wall system is a building facade system that hangs on the structure of a building to protect its occupants from natural discomforts. It is characterized by being non-load bearing and is generally made of aluminum, glass, granite and other cladding materials.

Curtain wall systems are widely used for offices, public or functional buildings, hotels, shopping centers and residential buildings. The popularity of curtain wall systems stems from its reduced construction period and cost, lightweight nature, simplification of temporary construction and strong performance as follows:

- Reduction of construction period and cost. By fabricating construction materials in a factory during the early stages of construction, it is possible to reduce the duration of the entire construction process and cost through the immediate installation of construction materials after the structure is completed.

- Lightweight. Lighter than other exterior materials such as cast-in-place concrete, brick and others, curtain wall systems reduce the weight of the building and saves considerable costs required for the foundation or structure of the building.

- Simplification of temporary construction. Curtain wall systems allow work to be implemented without large scaffolding, making it possible to simplify temporary construction.

- Strong performance. Curtain wall systems have an excellent control function as a filter to adjust and isolate flows from all the external forces that influence the indoor conditions.

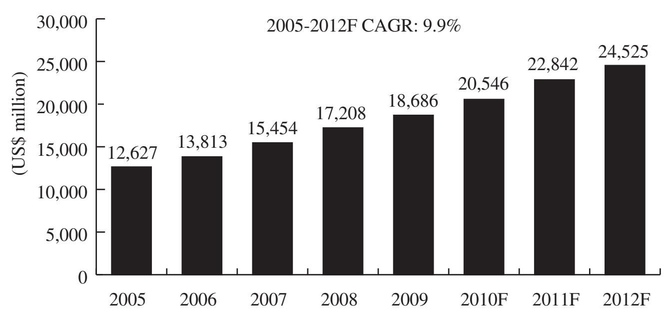
The curtain wall industry has witnessed three generations of products. The first generation of curtain walls refers to those applied from the early to late 1970s, which were mostly stick curtain walls composed of a variety of components assembled onsite, with individual mullions and rails forming a supporting grid for curtain wall panels.

The second generation of curtain walls refers to those applied from early 1980s to mid 1990s, which are represented by unitized curtain walls, a type of frame-supporting curtain wall composed of modulated panels that are fabricated in factories and delivered to construction sites in one piece for installation. The development of the unitized system of the second generation greatly reduced construction costs.

The third generation of curtain walls refers to those applied from the mid 1990s onwards, the majority of which are unitized curtain walls characterized by energy efficiency, the use of new technologies or diverse functions. Technologies to allow in daylight to reduce heating costs and shading technologies to reduce cooling costs are in demand throughout the world due to environmental concerns. The development of new energy-efficient technologies, such as triple-glazed curtain walls and solar-control glass, are expected to continue to shape the industry. In addition, the demands of architects will continue to influence the industry, as many have sought features such as photovoltaic curtain walls, as well as glasses of differing colors, sizes, materials, coatings and quality levels.

Global Curtain Wall Industry Overview

The following chart illustrates the total market size of the global curtain wall industry for the periods specified.

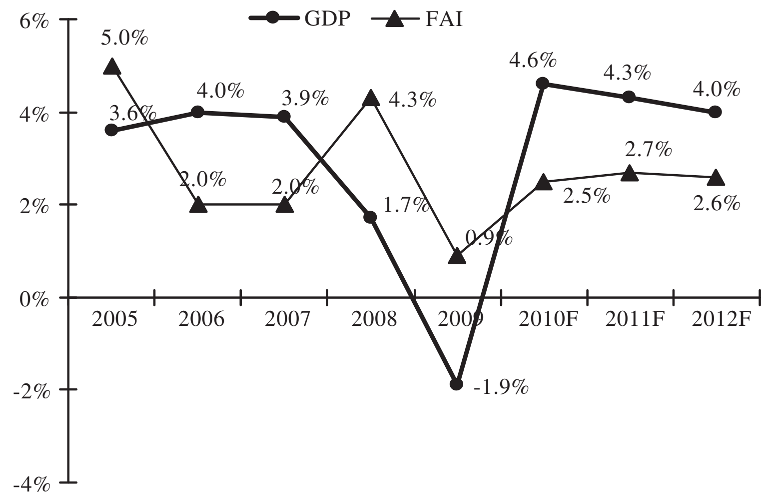


Source: Synovate Report

The global gross output of the curtain wall market increased from approximately US$12.6 billion in 2005 to approximately US$18.7 billion in 2009 at a CAGR of 10.3%. Moreover, it is expected to further increase to approximately US$24.5 billion in 2012, representing a CAGR of 9.5% from 2009 to 2012.

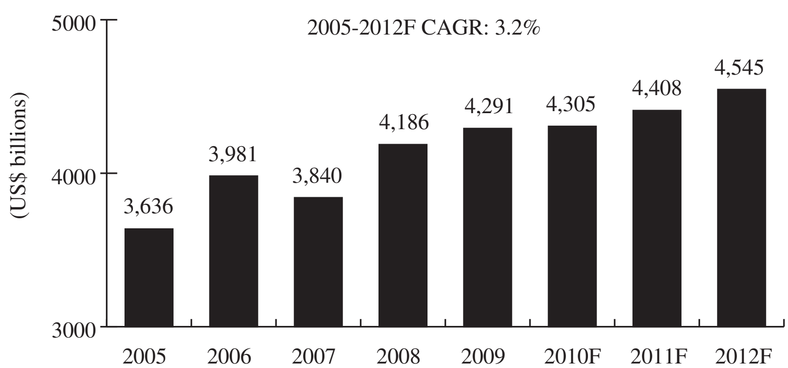
The curtain wall market is primarily driven by the world economy in general and the construction industry in particular. Specifically, the growth of the world economy drives fixed assets investment, including construction of various public facilities, commercial buildings and high-end residential buildings, which in turn drives the market demand for curtain walls. Such construction has provided the foundation for the growth of the curtain wall market.

The following charts illustrate global GDP and FAI for the periods specified.



Source: The World Bank; International Monetary Fund; Synovate Report

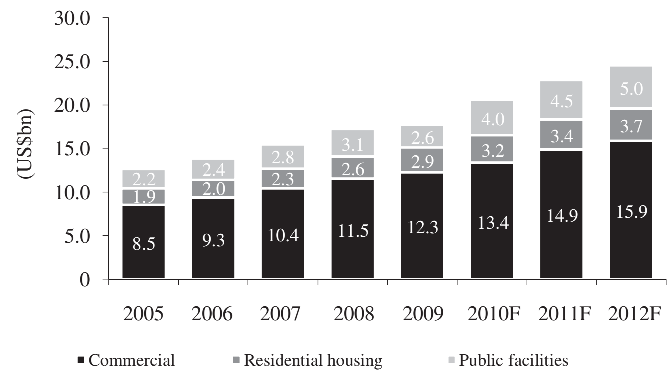
The following chart illustrates the total market size of the global construction industry for the periods specified.



Source: Synovate Report

The curtain wall market can be divided into public facilities, commercial buildings and residential buildings. Public facilities include government buildings, schools, libraries, stadiums, public transportation buildings and other government projects. Commercial buildings primarily include office buildings, hotels, shopping centers, casinos and exhibition and convention centers.

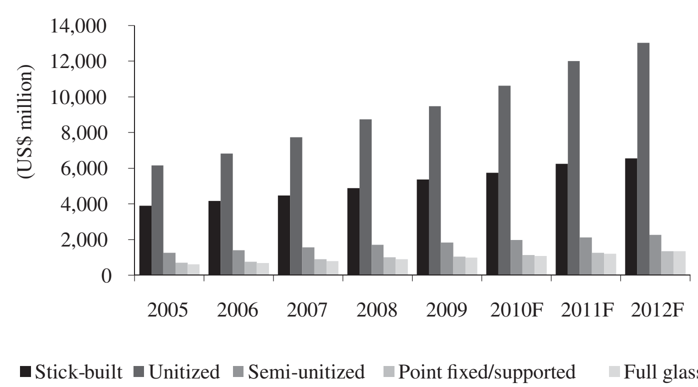
The following chart illustrates the market segmentation of the global curtain wall industry by building type for the periods specified.



Source: Synovate Report

The output of the public facilities segment accounted for approximately 17.6% of the whole curtain wall industry in 2005 and is expected to increase to approximately 20.2% in 2012, while that of the commercial building segment is expected to decrease from approximately 67.4% in 2005 to approximately 64.7% in 2012. The faster growth in the demand in the curtain wall of public facilities is attributable to the increasing investment by governments in the construction of public facilities. The public facilities segment for the curtain wall industry is expected to grow faster than commercial and residential segments at a CAGR of 24.5% from 2009 to 2012.

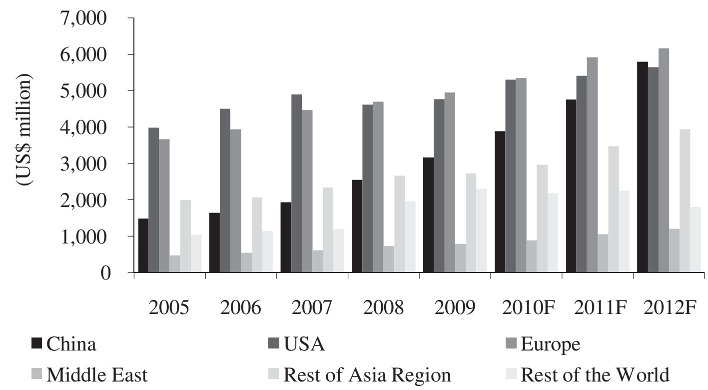
In terms of structure, market demand has been shifting slowly from stick-built to unitized structures, which rely less on skilled labor, provide more consistent quality, and are more capable of offering advanced technological products. The following chart illustrates the market segmentation of the global curtain wall industry by product type for the periods specified.



Source: Synovate Report

The market share of unitized curtain wall structures in the total market increased from approximately 48.7% in 2005 to 50.7% in 2009 and is expected to increase to approximately 53.1% in 2012. On the other hand, the market share of stick-built curtain wall structures decreased from approximately 30.9% in 2005 to approximately 28.7% in 2009 and is expected to further decrease to approximately 26.7% in 2012.

The following chart illustrates the market segmentation of the global curtain wall industry by countries and regions for the periods specified.



Source: Synovate Report

Europe and the United States are currently the two largest regional markets for curtain walls, which accounted for approximately 26.5% and approximately 25.5% of global curtain wall market in 2009.

China has shown the fastest growth in demand for curtain walls compared to the rest of the world at a CAGR of 15.6% from 2005 to 2009, accounting for approximately 16.9% of the global curtain wall market in 2009. This strong growth is mainly driven by the overall growth of the PRC economy and its construction industry. In particular, rapid urbanization in China has contributed significantly to such growth. The PRC curtain wall market is expected to further grow at a CAGR of 20.9% from 2009 to 2012.

The table below sets out the top five global curtain wall manufacturing and contracting companies in 2009.

Rank	**Name of Curtain Wall Players**	**Headquarters Location**	**Sales Revenue (US$ million)**	**Share in Sales Revenue (%)**
1	Permasteelisa S.p.A	Italy	1,145	6.13%
2	Shenyang Yuanda	China	1,066	5.71%
3	Schüco International KG.	Germany	900	4.82%
4	Apogee Enterprises Inc	United States	852	4.56%
5	Beijing Jangho Curtain Wall Co., Ltd	China	616	3.30%

Source: Synovate Report (The rankings and market shares are estimated based on the research findings of curtain wall companies that have an annual revenue of RMB50 million or above)

Future Global Development Trends

The trend of lowering costs for air-conditioning and heating is expected to continue to be the main driver for the development of the curtain wall industry in the near future, resulting in improvements in energy efficiency and sustainability. "Green" buildings are already very popular in more developed areas such as the United States and Europe, and are starting to be more popular in Asia, the Middle East, and Latin America. Architects have also demanded high-transparency of glass to allow in light while maintaining heat resistance. It is expected that the demand for the high performance curtain wall systems with energy-saving functions and solar-control glass will increase in the near future in order to increase sustainability and energy efficiency. This is the case for triple-glazed curtain wall structures in particular, as they are more energy-efficient and have a lower U-value than double-glazed structures. Thin glass is important for triple-glazed curtain walls structure in order to reduce weight. Solar-control glass can also allow more visible light to pass into buildings, providing illumination and desirable architectural features.

The curtain wall market is architect-driven and is expected to focus on the needs and expectations of architects over the next three years. There is currently a growing demand from architects for photovoltaic curtain wall systems of different colors and sizes, as well as larger glass sizes in different colors. In order to differentiate between building designs, architects also focus on the quality and variety of materials and coatings used for curtain wall products. At the same time, cost effectiveness is a key concern in the market for both developers and end-users, including cost effectiveness related to future energy consumption.

Disaster-resistant curtain wall systems are also expected to be in demand in the near future. The prevention of water leakage (mainly caused by rainwater) and cracking of glass are also areas on which future technological enhancement may focus.

While Europe and the United States will continue to lead the global trends in new curtain wall products and applications, developing countries in Asia, particularly China and the Middle East, are expected to continue to be the engines of global curtain wall market demand for new products and applications in the near future. In this section below, we have provided separate industry information for the curtain wall markets of China, the United States, the United Kingdom and the United Arab Emirates.

Global Entry Barriers

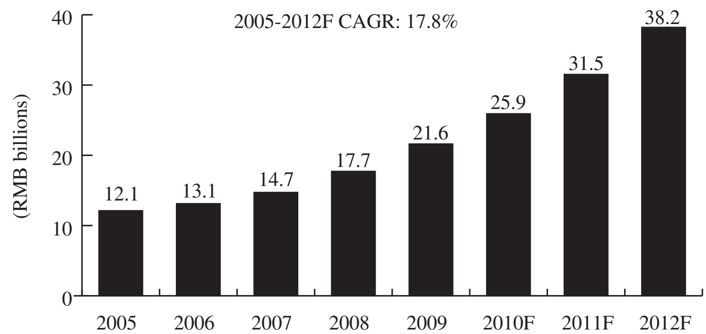
There are substantial barriers to entering the curtain wall industry due to the large initial investment and strong financial capability required to set up and operate a manufacturing business equipped with advanced technology and research and development capabilities.

Setting up and operating a curtain wall business requires significant investment and financial support to pay for the technology, equipment, specialists, and factory production facilities. As materials and labor costs become increasingly expensive, the investment required in the curtain wall industry becomes higher. As credit has tightened after the global financial crisis, financing projects by borrowing has become much more difficult. As a result, curtain wall manufacturers that possess strong financial capabilities are best positioned to capture future growth opportunities.

The curtain wall industry is a technology-intensive industry, and competitors must be well equipped to meet the specifications and requirements of a variety of projects. It is therefore important for competitors to possess the technological capabilities to serve high-end projects which require particular functionality in the curtain walls, such as membrane structures and energy-saving functions.

CHINA

The following chart illustrates the total market size of the PRC curtain wall industry for the periods specified.



Source: Synovate Report

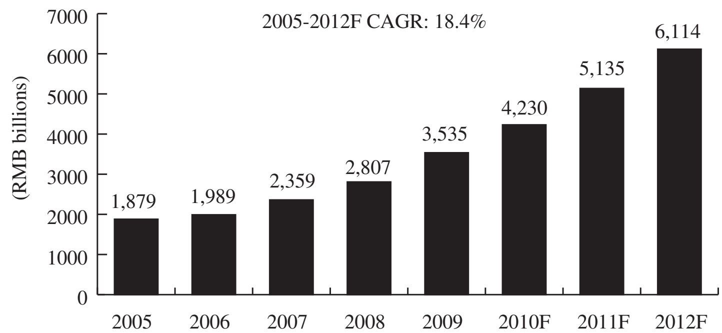
Note: The total market value only includes those curtain wall companies with a total annual revenue of RMB50 million and above.

The PRC curtain wall market has grown dramatically from approximately RMB12.1 billion in 2005 to approximately RMB21.6 billion in 2009 at a CAGR of 15.6%. Such growth was mainly driven by:

- Rapid urbanization which leads to continued growth in the construction sector;
- PRC government's policies to boost the development of infrastructure and construction;
- Demand from public events including the Beijing 2008 Olympic Games, the Expo 2010 Shanghai China and the 16th Asian Games in Guangzhou;
- Strong consumer and business confidence which drives the growth of commercial activities; and
- Increased demand for high-rise buildings

It is expected that the PRC curtain wall market will grow further from 2009 to 2012, with a CAGR of 20.9% and reach a total market size of approximately RMB38.2 billion in 2012. In addition to the drivers above, demand for energy efficiency is also expected to become a major driver of the growth of the PRC construction and curtain wall industry in the future. According to the Synovate Report, it is expected that the PRC government will allocate funds to renovate the existing curtain walls of public buildings in a total area of approximately 200 million square meters to switch to energy-saving curtain walls, and it is estimated that there will be an increase in demand of approximately 10 million square meters annually by 2020.

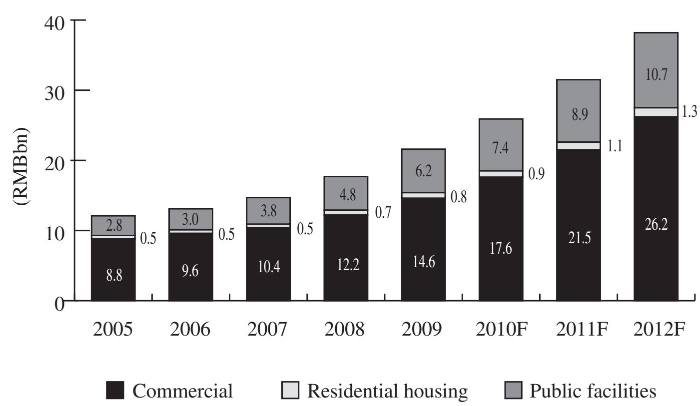
The following chart illustrates the total market size of the PRC construction industry for the periods specified.



Source: Synovate Report

The PRC construction industry grew at a CAGR of 17.1% from 2005 to 2009. Investors in China have increasingly focused on the property sector and the PRC government has emphasized infrastructure investments. Additionally, the ongoing urbanization of central and western China has created significant demand for construction, and is expected to continue for at least the next three years. It is expected that the total market size of the construction industry in China will continue to grow at a CAGR of about 20.0% from 2009 to 2012.

The following chart illustrates the PRC curtain wall market size by building types for the periods specified.



Source: Synovate Report

Commercial buildings are the largest market segment of curtain wall products and applications in China, accounting for approximately 67.6% of the total curtain wall market in 2009. It grew at a CAGR of 13.5% from 2005 to 2009 and is expected to grow at a CAGR of 21.5% from 2009 to 2012. As both domestic and foreign companies are expected to set up or further expand their operations in the major cities in China, more commercial skyscrapers with extensive use of curtain walls, which are necessary components of such skyscrapers, are expected to be built in the future.

The demand for curtain walls for public facilities grew significantly between 2005 to 2009, with a CAGR of 22.0% in market value. The market size for public facilities is expected to increase to approximately 28.0% of the total curtain wall market by 2012. The main drivers for the increasing use of curtain wall in public facilities are the PRC government's policies to boost the development of public infrastructure and large international events that require the construction of more public facilities, such as the Beijing 2008 Olympic Games, Expo 2010 Shanghai China and the 16th Asian Games in Guangzhou in 2010.

The table below sets forth the top five curtain wall manufacturing and contracting companies in China in 2009.

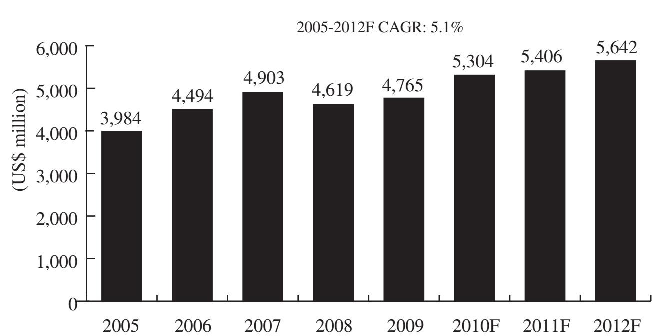
Rank	Name of Curtain Wall Players	Headquarters Location	Sales Revenue (US$ million) Worldwide	Sales Revenue (US$ million) in China	Share in Sales Revenue in China (%)
1	Shenyang Yuanda	Shenyang	1,066	658	20.8%
2	Beijing Jangho Curtain Wall Co., Ltd. 北京江河幕牆股份有限公司	Beijing	616	306	9.7%
3	Shanghai Meite curtain wall Co., Ltd. 上海美特幕牆有限公司	Shanghai	309	278	8.8%
4	Zhejiang Zhongnan Construction Group Co., Ltd. 浙江中南建設集團有限公司	Hangzhou	294	265	8.4%
5	Shenzhen Keyuan Construction Group Co. Ltd. 深圳市科源建設集團有限公司	Shenzhen	210	210	6.6%

Source: Synovate Report (The rankings and market shares are estimated based on the research findings of curtain wall companies that have an annual revenue of RMB50 million or above)

The top five curtain wall manufacturers had an aggregate total sales revenue of approximately US$1,717 million in China in 2009, representing a combined 54.3% share of the total PRC curtain wall market.

UNITED STATES

The following chart illustrates the total market size of the U.S. curtain wall industry for the periods specified.



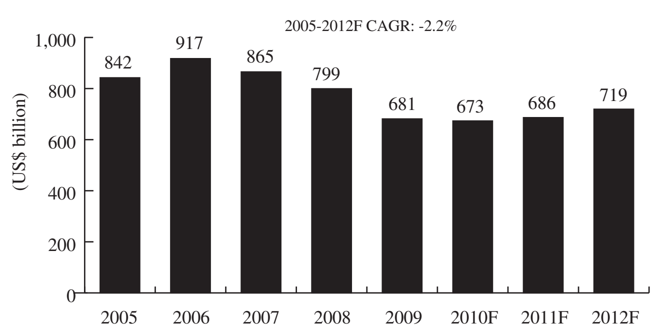
Source: Synovate Report

The U.S. curtain wall market has grown from approximately US$4.0 billion in 2005 to approximately US$4.8 billion in 2009 at a CAGR of 4.6%. The U.S. curtain wall market is primarily driven by (i) the recovering global economy; (ii) easing measures undertaken by the U.S. government which are expected to result in increased investment in construction; and (iii) boosted spending on energy-efficient construction as part of the stimulus package adopted after the financial crisis in 2008.

Demand for curtain walls in the United States was traditionally led by commercial buildings. Driven by the growth of the tourism industry and property markets before 2008, the demand for curtain walls for the commercial building segment grew to a peak and reached approximately US$3.1 billion in 2007. Since 2008, the credit and financial crisis seriously affected the curtain wall market for commercial buildings. In 2009, demand for curtain walls for the commercial segment fell to approximately US$2.8 billion, representing a decline of approximately 9.3% from 2007. The drop in demand was due to an increase in commercial building vacancy rates and widespread business failures which caused investments in the curtain wall construction for commercial buildings to decline, as well as the tightening of the credit market which lowered the turnover rate of capital and caused developers and investors to either cut down or postpone expenditures on the curtain wall construction.

Supported by government stimulus measures, public facilities were less affected by the downturn and showed positive growth in 2010. Federal and state government support was the core factor offsetting the effects of the financial crisis. Part of the funding from the stimulus package was invested in the curtain wall industry through the construction of public facilities, including the renovation of government buildings, hospitals and stadiums.

The following chart illustrates the total market size of the U.S. construction industry for the periods specified.

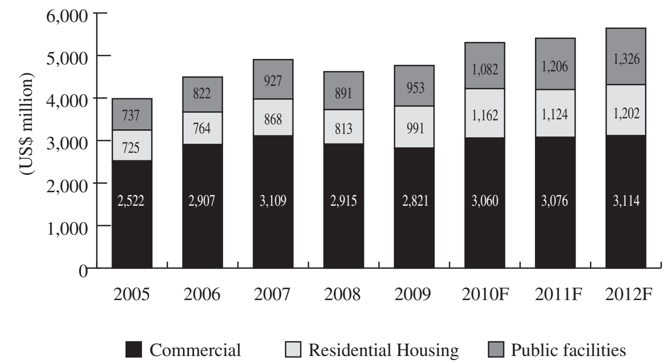


Source: Synovate Report

The U.S. construction industry declined at a CAGR of 5.2% from 2005 to 2009. The downward trend of the U.S. construction market began in 2007 with a sharp drop in residential housing construction, mainly due to the weak consumer spending, mortgage crisis and credit crunch. The financial crisis and recession which started in late 2008 and ran through 2009 caused a significant reduction in all types of construction in the United States.

The decline of the U.S. construction market has continued through 2010, despite recovery in most other sectors of the U.S. economy. According to the Synovate Report, it is estimated that the output value of the U.S. construction industry will decrease slightly in 2010 by approximately 1.1% from 2009. It is expected that the U.S. construction market will recover slowly in 2011 and 2012 at estimated growth rates of approximately 1.9% and 4.8%, respectively.

The following chart illustrates the market segmentation of the U.S. curtain wall industry by building type for the periods specified.



Source: Synovate Report

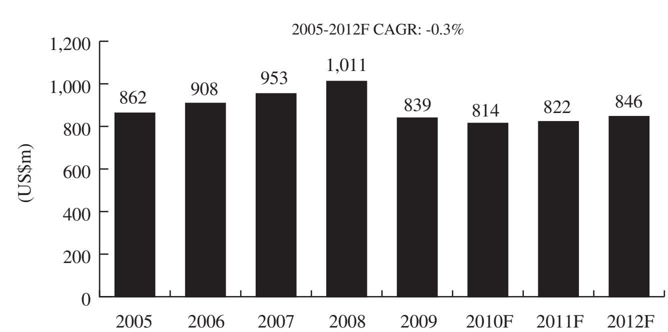
The commercial building segment is the key market for curtain wall products and applications in the United States. In 2009, the commercial building segment was worth approximately US$2,820.8 million and accounted for approximately 59.2% of the overall curtain wall market in the United States. It is expected that this share will decline to approximately 55.2% by 2012.

The residential housing segment is the second largest market for curtain wall products in the United States. In 2009, it was worth approximately US$991.1 million and accounted for approximately 20.8% of the overall curtain wall market in the United States. It is expected that this share will rise to approximately 21.3% by 2012.

The public facilities segment is also a very important market for curtain wall products and applications in the United States. In 2009, the public facilities segment was worth approximately US$953.0 million and accounted for approximately 20.0% of the overall curtain wall market in the United States. It is expected that this share will rise to approximately 23.5% by 2012.

UNITED KINGDOM

The following chart illustrates the total market size of the UK curtain wall industry for the periods specified.



Source: Synovate Report

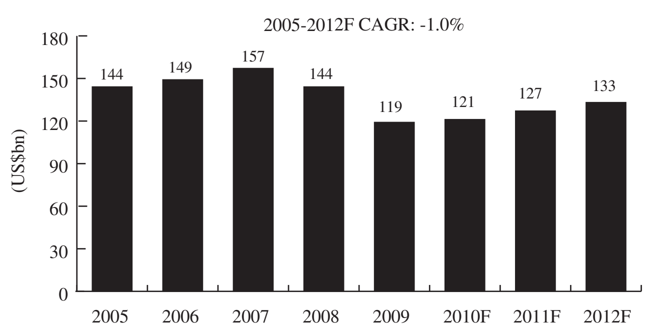
The UK curtain wall market has decreased from approximately US$862 million in 2005 to approximately US$839 million in 2009 at a CAGR of 0.7%.

According to the Synovate Report, the major growth drivers for the UK curtain wall market include (i) the recovery of the UK economy and the improvement of the financial system, (ii) the improvement in investor confidence, (iii) the upcoming London 2012 Olympic Games, and (iv) the quantitative easing measures undertaken by the U.S. government which are expected to increase the flow of investment funds into the United Kingdom.

From 2005 to 2008, every segment of the curtain wall industry recorded strong growth, especially the commercial and residential segments. However, the growth momentum changed after the financial crisis in 2008. A sharp drop in demand was seen in every building segment in 2009. As a strong rebound in the UK economy has yet to materialize, the overall curtain wall market in the United Kingdom is expected to remain weak. Growth is expected to be driven by the revival of postponed and delayed curtain wall projects, renewed public sector construction and the resumption of renovations and maintenance for curtain walls.

Many high-rise and large-area office and mixed-use buildings in the United Kingdom will not start construction until 2011, which indicates that demand for customized curtain walls is unlikely to improve until late 2012. It is estimated that the residential and public facilities segments of the curtain wall industry will slightly improve in 2010 and return to their pre-crisis levels by 2012. The CAGRs for residential and public facilities segments from 2009 to 2012 are expected to be 0.9% and 9.4%, respectively.

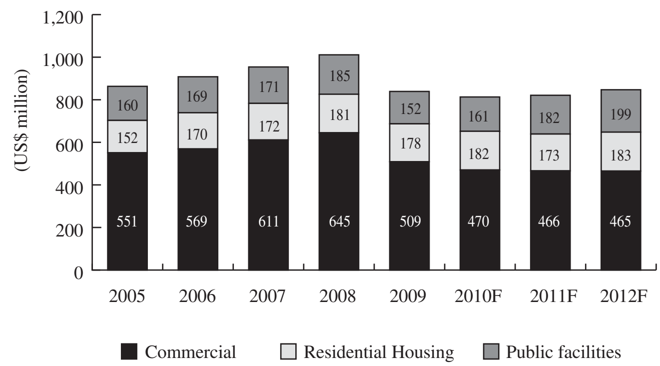
The following chart illustrates the total market size of the UK construction industry for the periods specified.



Source: Synovate Report

The UK construction industry declined at a CAGR of 4.6% from 2005 to 2009. The decline is mainly due to the overall decline in the UK economy, and the construction market in particular is highly sensitive. A recovery in the UK construction industry is expected, however, when the United Kingdom emerges from the recession.

The following chart illustrates the market segmentation of the UK curtain wall industry by building type for the periods indicated.



Source: Synovate Report

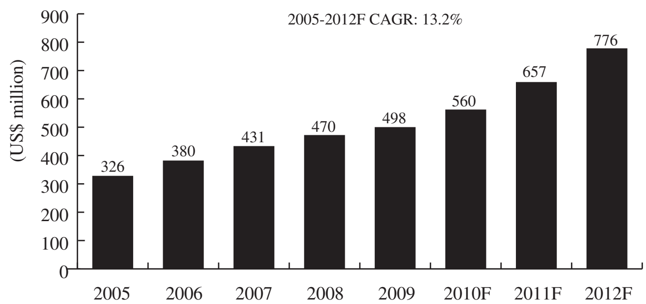
The commercial building segment is the key market for curtain wall products and applications in the United Kingdom. Although the commercial building segment experienced strong growth before the global financial crisis in 2008, it decreased sharply as a result of the crisis. In 2009, the commercial building segment was worth approximately US$509 million and accounted for approximately 60.7% of the overall curtain wall market in the United Kingdom. It is expected that this share will decline to approximately 54.9% by 2012.

The residential housing segment is the second largest market for curtain wall products in the United Kingdom. In 2009, it was worth approximately US$177.8 million and accounted for approximately 21.2% of the overall curtain wall market in the United Kingdom. It is expected that this share will rise to approximately 21.6% by 2012.

The public facilities segment is also a very important market for curtain wall products and applications in the United Kingdom. In 2009, the public facilities segment was worth approximately US$151.8 million and accounted for approximately 18.1% of the overall curtain wall market in the United Kingdom. It is expected that this share will rise to approximately 23.5% by 2012.

UNITED ARAB EMIRATES

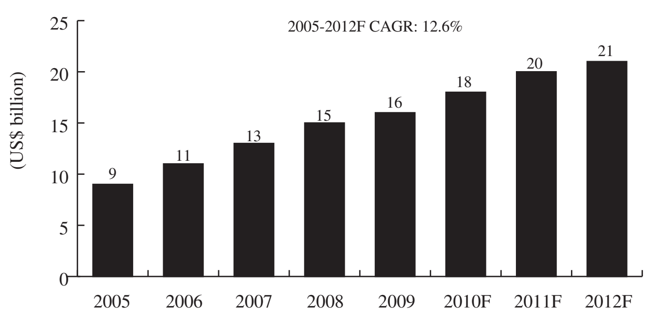
The following chart illustrates the total market size of the UAE curtain wall industry for the periods specified.



Source: Synovate Report

The UAE curtain wall market grew significantly from approximately US$326.4 million in 2005 to approximately US$498.0 million in 2009 at a CAGR of approximately 11.1%. According to the Synovate Report, the major growth drivers in the UAE curtain wall market include (i) an increase in government expenditure on infrastructure, (ii) a decline in price of raw materials, and (iii) a clear regulatory environment relating to private investments in infrastructure and the Dubai World debt restructuring proposals which have boosted private investors' confidence and encouraged investment in properties and other construction projects.

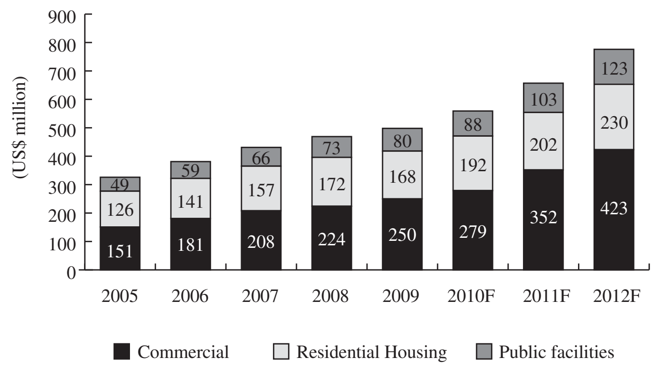
The following chart illustrates the total market size of the UAE construction industry for the periods specified.



Source: Synovate Report

The UAE construction industry grew at a CAGR of approximately 15.2% from 2005 to 2009 in value. UAE's construction industry has grown significantly benefiting from the decade-long oil boom and surge in investment. Growth from 2005 to 2009 was partially driven by the residential sector of the construction industry as rising house prices in earlier years attracted consumer spending and investment in properties and other construction activities. It is expected that growth will be sustained given major infrastructure spending in Abu Dhabi and the strength of the commercial and residential construction sector. It is expected that the UAE's total gross construction output will continue to grow at a CAGR of 9.3% from 2009 to 2012.

The following chart illustrates the UAE curtain wall market size by building types for the periods specified.



Source: Synovate Report

The commercial building segment is the key market for curtain wall products and applications in the UAE. In 2009, the commercial building segment was worth approximately US$250.0 million and accounted for approximately 50.2% of the overall curtain wall market in the UAE. This share is expected to increase to approximately 54.5% by 2012.

The residential housing segment is the second largest market for curtain wall products in the UAE. In 2009, it was worth approximately US$168.3 million and accounted for approximately 33.8% of the overall curtain wall products and applications in the UAE. This share is expected to decrease to approximately 29.6% by 2012.

The public facilities segment is also a significant market for curtain wall products and applications in the UAE. In 2009, the public facilities segment was worth approximately US$79.7 million and accounted for approximately 16.0% of the overall curtain wall market in the UAE. This share is expected to remain relatively stable at approximately 15.9% for 2012.

SOURCES OF INFORMATION

In connection with the Global Offering, we have engaged Synovate Ltd., an independent third party, to conduct a study of the global curtain wall market in general, and the curtain wall markets of China, the United States, the United Kingdom and the UAE in particular. Synovate Ltd. is a research institute founded in 2003 and the market research arm of Aegis Group plc, a media communications company listed on the London Stock Exchange. We have included certain information from the Synovate Report in this prospectus because we believe such information facilitates an understanding of the curtain wall market for potential investors. The Synovate Report was prepared based on (i) desk research of government statistics, commercial databases and reports, media news, online sources, Synovate Ltd.'s in-house database, and (ii) in-depth interviews with curtain wall manufacturers and contractors, real estate investors and developers, quantity surveyors and industry experts. We have agreed to pay a total of HK$1,456,000 in fees for the preparation of the Synovate Report.

HISTORY AND DEVELOPMENT

Our Group's history began with the establishment of Shenyang Yuanda, our principal operating subsidiary, in China on April 17, 1993 by Shenyang Modern Aluminum Limited (which was subsequently renamed as Yuanda Group) and Goldenwin Company Limited, a company incorporated in Hong Kong. At the time of its establishment, 75% of the registered capital of Shenyang Yuanda was held by Shenyang Modern Aluminum Limited and the remaining 25% was held by Goldenwin Company Limited on trust for Mr. Kang. In 2002, Goldenwin Company Limited transferred its 25% interest in the registered capital of Shenyang Yuanda to Yuanda Singapore, a wholly owned subsidiary of the Yuanda Group, for a consideration of US$900,000. Please refer to the section entitled "Reorganization — Transfer of interest in Shenyang Yuanda by Goldenwin" in this prospectus for further details about such transfer. Following completion of the transfer and until the commencement of the Reorganization, 75% of the registered capital of Shenyang Yuanda was held by the Yuanda Group and the remaining 25% was held by Yuanda Singapore.

The development of our domestic business

At the time of its establishment in 1993, Shenyang Yuanda was engaged in engineering design, production and installation of aluminum skylight, aluminum alloy windows and doors, curtain walls and stainless steel products. In 1994, Shenyang Yuanda contracted for the Industrial and Commercial Bank Building in Shenyang. Our successful completion of this project was a significant milestone in our development, as it served to confirm our ability to contract for large and complex curtain wall works in China. For the next few years, we gradually built our name as a leading supplier in Northeast China for high quality curtain wall systems. In 1997, we received the Luban Award (魯班獎), China's national award for construction excellence in projects for the first time, in relation to Beijing Xidan International Building, a project which was undertaken by us. Since then, we have won over 40 of such awards for projects undertaken in China.

From the time of the establishment of Shenyang Yuanda in 1993 until 1997, our base of operations was in Shenyang, China. In March 1998, we established Shanghai Yuanda which marked the beginning of the development of our regional sales network and manufacturing plants to cover the market in China. Since the establishment of Shanghai Yuanda in 1998, we now have four strategically located manufacturing plants in Shenyang, Shanghai, Chengdu and Foshan in China to serve our customers in different regional markets. As of December 31, 2010, our sales network had also expanded to 34 branch offices or subsidiaries in China covering 30 provinces, autonomous regions and municipalities.

Ever since our inception, we have been committed to building our research and development team and improving our product offerings. As of December 31, 2010, our research, development and design team, which we believe is one of the largest in the global curtain wall industry, consisted of 632 research and development professionals and 1,546 design professionals. With the efforts of our professional research and development team, we launched 81 new curtain wall products into the market during the Track Record Period. On the basis of the structure of traditional curtain wall products, we have developed various products by applying more complex design, new material or advanced technology to serve different functions, such as environmental protection, energy conservation and intelligent control. Such products include double-skin curtain walls, photovoltaic curtain walls, ecologically friendly curtain walls, video curtain walls and membrane structure curtain walls. Our comprehensive product offering lays out a solid foundation for us to expand our business in both China and overseas markets.

Over the years, we have completed some of the most prestigious buildings in China, including the Theme Pavilion of Expo 2010 Shanghai China, the China National Swimming Center (also known as the “Water Cube”), the National Stadium of China (also known as the “Bird’s Nest”), the Beijing New Poly Plaza and the Yueyang Plaza in Shanghai. Please also refer to the section entitled “Business” in this prospectus for more information on the projects that we have completed.

The development of our global business

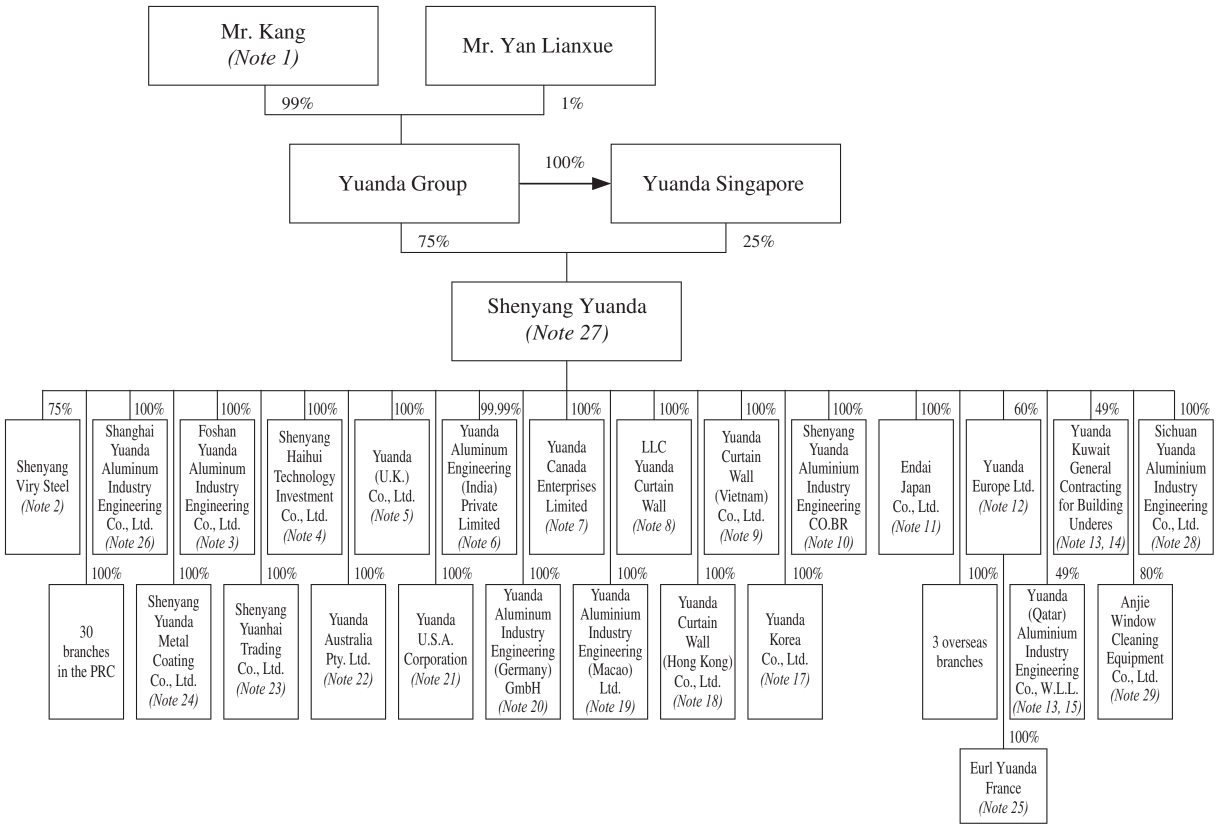
In 2000, we contracted for the Excalibur Building in Singapore, the first project which we undertook overseas and one which marked our next phase of development to become a global company in the curtain wall industry. In 2002, we established our first overseas branch in the United Kingdom, followed by a branch in Macao in 2006, and branches in Australia, the United States and Dubai in 2007. As of December 31, 2010, we have an extensive sales and marketing and service network covering 35 countries and regions.

The overseas market made up approximately 33.2%, 38.6% and 35.4% of our revenue for the years ended December 31, 2008, 2009 and 2010, respectively. The projects that we have undertaken overseas included some of the most prestigious and landmark projects around the world, including the Airrail Center Frankfurt, the Russian Federation Tower, the Executive Towers at Dubai Business Bay, the COCOON Tower in Tokyo and the Legacy at the Millennium Park in Chicago.

After approximately 18 years of development, we are now the second largest manufacturer of curtain walls in the world and the largest in China as measured by sales revenue in 2009 according to the Synovate Report and a leading global provider of one-stop solutions for curtain wall systems mainly focusing on public facility and commercial building segments. During the Track Record Period, we successfully completed 513 projects worldwide. See the section entitled “Business” in this prospectus for more information on our Company and our operations.

REORGANIZATION

In early 2010, we commenced the Reorganization in preparation for the Global Offering. The corporate structure of the Group immediately prior to the Reorganization was as follows:



Notes:

1. In January 2004, as part of the incentive package for the management of the Group and in recognition of the Transferees' contributions to our development, Mr. Kang verbally agreed, at his own discretion, to transfer an aggregate of RMB42,337,981 in the then registered capital of Shenyang Yuanda, equivalent to approximately 20.6% of the registered capital of Shenyang Yuanda, to the Transferees for an aggregate consideration of RMB42,337,981. Under the arrangement between Mr. Kang and the Transferees, in the event of a reorganization involving Shenyang Yuanda, the Transferees will be entitled to the same shareholding interest in the relevant equivalent company after the reorganization. The Transferees comprise six of our Directors, namely: Tian Shouliang, Guo Zhongshan, Wu Qingguo, Si Zuobao, Wang Yijun and Wang Lihui, and six employees of Shenyang Yuanda or its holding company, Yuanda Group, at the relevant time in January 2004, namely: Zhuang Yuguang, Yan Lianxue, Li Qi, Xiong Yudi, Li Dawei and Geng Bin, and Ms. Kang. Li Qi, Xiong Yudi, Li Dawei and Geng Bin are currently employees of the Group, and Zhuang Yuguang and Yan Lianxue are employees of the Yuanda Group. The largest percentage interest in Shenyang Yuanda held by any one of the Transferees was 5.3% immediately prior to the Reorganization.

   As the arrangement between Mr. Kang and the Transferees had not previously been documented and there was no correspondence or written communication to evidence the arrangement, on October 5, 2010, Mr. Kang and the Transferees signed a confirmation to record their understandings and arrangements with respect to the transfers. The transfers were made by Mr. Kang as his recognition and acknowledgment of the contributions that the Transferees have made to the development of the Group. The transfers provided the Transferees with an opportunity to take a personal interest in our Company with a view to achieving the objective of motivating the Transferees to optimize their performance for the benefit of our development, and to retain or otherwise maintain ongoing relationships with the Transferees whose contributions will be beneficial to our long-term development. The Transferees are incentivised by the arrangement by, amongst others, the fact that, as Shareholders, they will be able to benefit from the increase in value of their respective interests in the Company through the Company's future growth and development. Pursuant to the terms of the arrangement between Mr. Kang and the Transferees, the effective transfers of the beneficial interests in the equity interests in Shenyang Yuanda took place in January 2004. In order to reduce the administrative burden of having to register the transfers and revise the articles of association of Shenyang Yuanda, the Transferees had agreed for Mr. Kang to hold their interests on their behalf. The Transferees had also authorized Mr. Kang to administer their interests, including the exercise of their respective shareholding rights, which include the exercise of voting rights at shareholders' meetings, the receipt of dividends and contribution of capital, in Shenyang Yuanda. Before 2005, Shenyang Yuanda had not declared any dividends. Shenyang Yuanda declared dividends in 2005, 2006, 2008 and 2009 to, among others, set off and settle the current accounts with Mr. Kang. Such dividends have been fully settled by Shenyang Yuanda. Since it was not necessary to set off and settle any current account with Mr. Kang in 2007, no dividend was declared by Shenyang Yuanda that year. Pursuant to the arrangement between Mr. Kang and the Transferees, Mr. Kang would hold the dividends which the Transferees were entitled to receive from Shenyang Yuanda amounting to an aggregate of RMB200,357,000, being the dividends attributable to the Transferees' equity interests in Shenyang Yuanda, on behalf of the Transferees. The reason that Mr. Kang held the dividends on behalf of the Transferees was because he still held the legal titles in the equity interests in Shenyang Yuanda through the Yuanda Group until the Reorganization.

Pursuant to the Reorganization, the Transferees' interests in Shenyang Yuanda were exchanged for Shares in our Company on November 11, 2010 when Best Outlook transferred an aggregate of 2,068 Shares, representing approximately 20.68% interest in the issued share capital of our Company at that time to Long Thrive, an entity established by the Transferees to hold Shares in our Company. The consideration in the amount of RMB42,337,981 due from the Transferees to Mr. Kang for the transfers were set off and fully settled against part of the dividends held by Mr. Kang upon completion of the transfer of Shares in our Company by Best Outlook to Long Thrive on November 11, 2010. In order to assist Mr. Kang to complete the Reorganisation, the Transferees further agreed to lend the balance of the dividends to Mr. Kang and have Mr. Kang to hold such dividends on their behalf until after Listing. Mr. Kang will settle the outstanding balance through future dividends that he would receive from our Company.

The transfer price was based on the registered capital of Shenyang Yuanda and no guaranteed discount to the Offer Price was offered to the Transferees. The transfer price represents approximately HK$0.23 per Share, and represents a discount of approximately 90.2% to the mid-point of the indicative offer price range of HK$2.35, on the basis of our enlarged share capital immediately upon completion of the Global Offering and the Capitalization Issue, assuming no exercise of the Over-Allotment Option and the options granted under the Share Option Scheme. The Transferees were not granted any special rights in connection with the transfers. Details of the interests of the Transferees held by Mr. Kang on behalf of the Transferees at the time of the transfer in 2004 were as follows:

Name of Transferee	Registered Capital in Shenyang Yuanda transferred	Approximate percentage in the Registered Capital of Shenyang Yuanda
	RMB	
Tian Shouliang	3,084,558	1.5%
Guo Zhongshan	3,084,558	1.5%
Wu Qingguo	2,467,646	1.2%
Si Zuobao	3,084,558	1.5%
Wang Yijun	3,084,558	1.5%
Wang Lihui	1,758,909	0.9%
Zhuang Yuguang	10,967,316	5.3%
Yan Lianxue	4,112,744	2.0%
Xiong Yudi	2,056,372	1.0%
Li Dawei	1,850,735	0.9%
Li Qi	1,439,460	0.7%
Geng Bin	1,233,823	0.6%
Ms. Kang	4,112,744	2.0%

Under the aforesaid arrangements, Mr. Kang held beneficial interests representing approximately 20.68% of the registered capital of Shenyang Yuanda on behalf of the Transferees since January 2004. As advised by our PRC legal counsel, such arrangements between the Transferees and Mr. Kang, to which the PRC laws are applicable, were legal and valid.

Such arrangements have been eliminated as part of our Reorganization. Pursuant to the Reorganization, the interests in Shenyang Yuanda held by the Transferees were exchanged for Shares in our Company which the Transferees hold through Long Thrive. Upon completion of the Global Offering and the Capitalization Issue but without taking into effect any Shares that may be issued pursuant to the Over-allotment Option or upon the exercise of the options granted under the Share Option Scheme, the Transferees will, through Long Thrive, hold approximately 14.52% of the issued share capital of our Company. The Transferees confirmed that they are not holding shares in Long Thrive on behalf of any third parties. Given the relationships between the Transferees and Mr. Kang, the Transferees and Mr. Kang should be considered as a "closely allied group of shareholders" under Rule 14.45 of the Listing Rules, the Transferees should not be considered as members of the public under Rule 8.24 of the Listing Rules and the Shares held by Long Thrive will not be counted towards the public float of our Company.

As the transfers were made to the Transferees to reward their past contributions to the development of the Group, the Transferees will not transfer, sell or otherwise dispose of their Shares within a period of six months from the Listing Date.

2. The remaining 25% interest was held by Viry S.A., an independent third party.

3. Foshan Yuanda Aluminum Industry Engineering Co., Ltd. is principally engaged in the provision of products and services to companies of our Group.

4. Shenyang Haihui Technology Investment Co., Ltd. is principally engaged in the provision of products and services to companies of our Group.

5. Yuanda (U.K.) Co., Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

6. The remaining 0.01% interest was held by Wu Xu, an independent third party. Yuanda Aluminum Engineering (India) Private Limited is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

7. Yuanda Canada Enterprises Limited is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

8. LLC Yuanda Curtain Wall is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

9. Yuanda Curtain Wall (Vietnam) Co., Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

10. Shenyang Yuanda Aluminum Industry Engineering CO.BR is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

11. Endai Japan Co., Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

12. The remaining 40% interest was held by Peter Tschudin, an independent third party. Yuanda Europe Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

13. There are agreements ("Incorporation Agreements") with respect to the other 51% equity interest in place between Shenyang Yuanda and the holders of such 51% equity interest of each of Yuanda Kuwait General Contracting for Building Underes ("Yuanda Kuwait") and Yuanda (Qatar) Aluminium Industry Engineering Co., W.L.L. ("Yuanda Qatar") respectively. Each of Yuanda Kuwait and Yuanda Qatar has been accounted for as a subsidiary of the Group. Please refer to the paragraph entitled "Arrangements in Kuwait and Qatar" in this section of the prospectus for further details.

14. The remaining 51% interest was held by Mohamed Tareq Al Essa, an independent third party. Mohamed Tareq Al Essa only acts as a facilitator for the Company and is not involved in the operation and management of Yuanda Kuwait. Yuanda Kuwait is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

15. The remaining 51% interest was held by Ahmed Omar Bbhaa Ahmed, an independent third party. Ahmed Omar Bbhaa Ahmed only acts as a facilitator for the Company and is not involved in the operation and management of Yuanda Qatar. Yuanda Qatar is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

16. The remaining 1% interest was held by Zhong Yuan, an independent third party, P.T. Shenyang Yuanda Aluminium Industry Engineering was established in Indonesia on October 13, 2010. P.T. Shenyang Yuanda Aluminium Industry Engineering is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

17. Yuanda Korea Co., Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

18. Yuanda Curtain Wall (Hong Kong) Co., Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

19. Yuanda Aluminium Industry Engineering (Macao) Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

20. Yuanda Aluminium Industry Engineering (Germany) GmbH is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

21. Yuanda U.S.A. Corporation is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

22. Yuanda Australia Pty. Ltd. is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

23. Shenyang Yuanhai Trading Co., Ltd. is principally engaged in the trading of sealant.

24. Shenyang Yuanda Metal Coating Co., Ltd. is principally engaged in the planting and coating of metals.

25. Eurl Yuanda France is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

26. Shanghai Yuanda Aluminum Industry Engineering Co., Ltd. is principally engaged in the design, procurement, production, sale and installation of curtain wall systems.

27. Shenyang Yuanda is principally engaged in the design, procurement, production, sale and installation of curtain wall systems.

28. Sichuan Yuanda Aluminium Industry Engineering Co., Ltd. was dissolved on November 30, 2010.

29. The remaining 20% interest was held by Zhuang Yuguang, one of the Transferees. Anjie Window Cleaning Equipment Co., Ltd. was dissolved on December 29, 2010.

30. Yuanda Curtain Wall (Singapore) Pte. Ltd. was established in Singapore on December 27, 2010. It is principally engaged in the design, procurement, assembly, sale and installation of curtain wall systems.

Transfer of interest in Shenyang Yuanda by Goldenwin

Goldenwin was a company incorporated in Hong Kong on September 3, 1992. At all material times, the only shareholders and directors of Goldenwin were two individuals and each held one of the two issued shares in Goldenwin. The two shareholders and directors of Goldenwin were friends of Ms. Kang and were introduced to Mr. Kang by Ms. Kang. The Directors confirmed that, to their best knowledge and information, each of the two shareholders of Goldenwin is independent of and not connected with the Company and its connected persons. In April 1993, Goldenwin and Shenyang Modern Aluminum Limited (which was subsequently renamed as Yuanda Group) established Shenyang Yuanda. At the time of its establishment, Goldenwin held a 25% equity interest in Shenyang Yuanda on trust for Mr. Kang, based on and as evidenced by the capital contributions made by Mr. Kang and various correspondence and communications between Mr.

Kang and one of the Shareholders of Goldenwin. The two shareholders of Goldenwin entered into such arrangement as a favor to Mr. Kang.

The main reason why Mr. Kang entered into the trust arrangement with Goldenwin was that there were few curtain wall manufacturers in the PRC in the early 1990s and Mr. Kang had, in the early 1990s, wanted to set up a Sino-foreign joint venture with the belief that it could enhance the profile of Shenyang Yuanda and facilitate its expansion and development in the curtain wall business. As Mr. Kang was based in the PRC and it was then difficult to obtain overseas travel permits to visit Hong Kong and Mr. Kang had no knowledge on how to establish a Hong Kong company to act as the joint venture partner of Yuanda Group in relation to Shenyang Yuanda, Mr. Kang considered that it would be more convenient to seek help from the two shareholders of Goldenwin and entered into the trust arrangement with Goldenwin for it to hold a 25% interest in Shenyang Yuanda. At the time the trust arrangement was entered into in 1993, Mr. Kang, being a PRC resident, was not familiar with the documentation requirements in setting up a trust in Hong Kong. In this connection, no formal trust deed was entered into in 1993 when the trust arrangement was established. Although there was no formal written agreement between Goldenwin and Mr. Kang documenting the trust arrangement, there are various documents which support the existence of such an arrangement between the parties. Mr. Kang was advised by his retained senior counsel that a bare trust or a resulting trust has been established and that Goldenwin has at all material times held the 25% interest in Shenyang Yuanda on behalf of Mr. Kang. A resulting trust is a trust implied by law that a person who holds title or possession to the property was intended by agreement as implied by the circumstances with the intended owner to hold the property on trust for the intended owner. Thus, the holder to the legal title of the property is considered a trustee of a resulting trust for the proper owner as beneficiary. As advised by our PRC legal counsel, the trust arrangement does not contravene the PRC laws which were applicable at the time such arrangement was entered into.

On August 22, 1997, Goldenwin was struck off from the register of companies under section 290A(3) of the Companies Ordinance due to its failure to submit annual returns and the failure to pay the requisite annual registration fees. Pursuant to a notice published in the Gazette on August 22, 1997, Goldenwin was dissolved pursuant to section 290A of the Companies Ordinance from the date of publication of the notice.

As Mr. Kang was not responsible for the maintenance of Goldenwin and he had no official capacity in Goldenwin, Mr. Kang was not aware that Goldenwin was struck off in 1997. Not aware of its dissolution, Mr. Kang procured Goldenwin to enter into a sale and purchase agreement dated June 18, 2002 to transfer its 25% interest in Shenyang Yuanda to Yuanda Singapore for a consideration of US$900,000. The sale and purchase agreement was signed by one of the directors of Goldenwin in her capacity as a director of Goldenwin. Considering the transfer as an internal reorganization, no consideration was paid by Yuanda Singapore to Goldenwin and the transfer was approved by the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation (瀋陽市東陵區對外經濟貿易合作局) on July 1, 2002. The renewed business license of Shenyang Yuanda was issued on July 24, 2002 and the transfer was completed on the same date. Mr. Kang became aware in July 2004 that Goldenwin had been struck off when he was considering the use of Goldenwin to conduct business in Hong Kong and asked his advisers at that time to check the scope of business of Goldenwin. Yuanda Singapore's interest in Shenyang Yuanda was transferred to us in November 2010 pursuant to the Reorganization.

In accordance with section 290B of the Companies Ordinance, where a company is dissolved under section 290A of the Companies Ordinance, which is the case for Goldenwin, all property and rights whatsoever vested in or held on trust for the company immediately before the dissolution shall be deemed to be bona vacantia and shall accordingly belong to the Hong Kong government. Such rights include leasehold property but not property held by the company on trust for any other person. The effect of the provisions of the Companies Ordinance is that, upon the dissolution of Goldenwin, all the properties of Goldenwin would pass to the Hong Kong government under section 290A of the Companies Ordinance, except for any property of Goldenwin which has been held on trust for a third party.

In light of the dissolution of Goldenwin pursuant to section 290A of the Companies Ordinance prior to its transfer of the 25% interest in Shenyang Yuanda to Yuanda Singapore, Mr. Kang has sought counsel opinion on whether the relevant interest of Goldenwin in Shenyang Yuanda would be deemed bona vacantia and would have been passed to the Hong Kong government upon its dissolution. Following consultation with his retained senior counsel, Mr. Kang considered that on a balance of probabilities (i) Goldenwin at all material times held the 25% equity interest in Shenyang Yuanda as trustee for Mr. Kang, (ii) Goldenwin's interest in Shenyang Yuanda should not be deemed to be bona vacantia, and (iii) the dissolution of Goldenwin would not affect Mr. Kang's beneficial ownership in the relevant interest of Shenyang Yuanda, based on the following:

(a) the reason given by Mr. Kang for establishing the trust at the relevant time is not uncommon and is understandable;

(b) the board minutes of Yuanda Singapore in relation to the transfer of the 25% interest had expressly and clearly referred to the trust in question and was further signed by two directors of Yuanda Singapore other than Mr. Kang;

(c) the capital contributed by Goldenwin to the capital of Shenyang Yuanda was corroborated by bank slips as being funded by Mr. Kang;

(d) the tenor of a letter dated September 7, 1993 from one of the directors of Goldenwin to Mr. Kang shows that they did not claim any beneficial interest in Shenyang Yuanda and supports the existence of a trust; and

(e) the fact that no payment was made by Yuanda Singapore to Goldenwin for the transfer supports the interest was held in trust by Goldenwin for Mr. Kang.

On January 11, 2011, the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation (瀋陽市東陵區對外貿易經濟合作局) issued a confirmation letter to Shenyang Yuanda confirming that the various changes of the 25% equity interest in Shenyang Yuanda originally held by Goldenwin following its dissolution in 1997 (including the transfer from Goldenwin to Yuanda Singapore in 2002) remain legal and valid. At the time of the transfer of the 25% equity interest in Shenyang Yuanda from Goldenwin to Yuanda Singapore in 2002, the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation was the competent approval authority for approving the changes of Shenyang Yuanda, and also the original authority for the approval of the transfer. As such, the Company's PRC legal counsel is of the view that the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation is a competent and appropriate authority to issue the relevant confirmation letter. Based on:

(i) the confirmation of Mr. Kang, following his consultation with his retained senior counsel, that, on a balance of probabilities, (a) Goldenwin at all material times held the 25% interest in Shenyang Yuanda for Mr. Kang, (b) Goldenwin's interest in Shenyang Yuanda should not be deemed to be bona vacantia, and (c) the dissolution of Goldenwin would not affect Mr. Kang's beneficial ownership in the relevant interest of Shenyang Yuanda;

(ii) the confirmation provided by Mr. Kang that there was a bona fide intention to transfer the equity interests in Shenyang Yuanda; and

(iii) the confirmation letter issued by the Shenyang Dongling District Commission of Foreign Trade and Economic Cooperation dated January 11, 2011, which states that the various changes of the 25% equity interest originally held by Goldenwin following Goldenwin's dissolution in 1997 (including the transfer from Goldenwin to Yuanda Singapore in 2002) remain legal and valid,

our PRC legal counsel confirms that the transfer of the 25% equity interest in Shenyang Yuanda from Goldenwin to Yuanda Singapore would not be affected by the dissolution of Goldenwin and will continue to be effective. The non-disclosure of the trust arrangement does not affect the validity of the legal structure of Shenyang Yuanda as a FIE, and in turn its subsequent conversion into a wholly foreign-owned enterprise. As Shenyang Yuanda was established as a FIE in 1993, before the implementation of the M&A Rules, the acquisition of the entire equity interest of Shenyang Yuanda by Yuanda Hong Kong is not subject to the M&A Rules. The parties involved would not be personally liable in the event that the non-disclosure is challenged by the relevant PRC authorities. Notwithstanding that the Company does not consider that such transfer of the 25% interest in Shenyang Yuanda would be challenged by third parties, the Company cannot rule out all possibilities of challenges by third parties in the future. Such challenge, if successful, would materially and adversely affect our corporate structure and results of operations. Mr. Kang and Best Outlook have, on April 12, 2011, entered into a deed of indemnity with and in favor of our Company, pursuant to which they have agreed to provide indemnities on a joint and several basis in respect of, among others, any fines, liabilities or claims arising from our ownership in the 25% equity interest in Shenyang Yuanda.

Arrangements in Kuwait and Qatar

We own only 49% of the equity interests of our operating companies, Yuanda Kuwait General Contracting for Building Underes ("Yuanda Kuwait") and Yuanda (Qatar) Aluminium Industry Engineering Co., W.L.L. ("Yuanda Qatar"), in Kuwait and Qatar respectively, as both Kuwait and Qatar laws do not allow foreign companies to own a majority interest in a local operating company. We had no operation in Qatar prior to the establishment of Yuanda Qatar and prior to the establishment of Yuanda Kuwait, we supplied products to a local company for projects it undertook in Kuwait.

Yuanda Kuwait

Under Kuwait law, we are not allowed to own a majority interest in the local operating company. In order to enable us to govern and control the financial and operation of Yuanda Kuwait and capture its entire economic interest from its operations, we entered into an agreement on March 30, 2009 (the "Kuwait Incorporation Agreement") with Mr. Mohamed Tareq Al Essa (the "Kuwait Local Partner"), an independent third party. Pursuant to the Kuwait Incorporation Agreement, the Kuwait Local Partner agreed to be the facilitator of Shenyang Yuanda in relation to the conduct of its business in Kuwait. Yuanda Kuwait was established pursuant to the Kuwait Incorporation Agreement and is held as to 51% by the Kuwait Local Partner and as to 49% by Shenyang Yuanda.

We entered into the Kuwait Incorporation Agreement as part of the procedures/formalities with regard to the governance of Yuanda Kuwait as required under Kuwait law, and to ensure that the articles of association of Yuanda Kuwait are in compliance with the local laws in Kuwait. The present arrangement enables us to govern and control the financial and operation of Yuanda Kuwait and capture its entire economic interest from its operations, as pursuant to the Kuwait Incorporation Agreement, the Kuwait Local Partner has declared that:

- all the capital and assets belong to Shenyang Yuanda;
- he has no share (and hence no voting rights) or the right to get any share in Yuanda Kuwait or any entitlement to the profit of Yuanda Kuwait;
- he is not involved in the day-to-day operation of Yuanda Kuwait, save for assisting Yuanda Kuwait with coordination with the local government authorities;
- all works in relation to tendering execution of contracts and collection of proceeds are carried out by Yuanda Kuwait under the management of Shenyang Yuanda;
- he would not be held liable for any losses; and
- the above terms in the Kuwait Incorporation Agreement is irrevocable for three years effective from the date of signing and will be automatically renewed for a similar period unless and until terminated by both parties with a notice at least 90 days in advance.

Through the above arrangement, we are able to control the operation of Yuanda Kuwait. As advised by our legal advisors as to Kuwait law, the Kuwait Incorporation Agreement is legal, valid and binding to its parties and constitutes legally binding and enforceable obligations against the Kuwait Local Partner under Kuwait law and is in compliance with the laws and regulations of Kuwait. In the event of a dispute between Shenyang Yuanda and the Kuwait Local Partner on the rights of Yuanda Kuwait, the said agreement secures Shenyang Yuanda's rights with regard to the capital and assets and all profits of Yuanda Kuwait.

Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Kuwait into its consolidated financial statements as a wholly owned subsidiary during the Track Record Period as set out in the Appendix I to this prospectus. The reporting accountants of the Group confirmed that the consolidation of Yuanda Kuwait as a wholly owned subsidiary is in compliance with the relevant accounting standards.

Given that the Kuwait Local Partner is not involved in the day-to-day operations of Yuanda Kuwait and that he has already declared under the Kuwait Incorporation Agreement that all the capital and assets of Yuanda Kuwait belong to Shenyang Yuanda, we consider that we are able to effectively operate and conduct the business of Yuanda Kuwait under the present arrangement. Notwithstanding this, we have undertaken and started to introduce further measures, including using our best efforts to amend the terms of the Kuwait Incorporation Agreement, by entering into supplemental agreements that would include, among others, provisions that the Kuwait Local Partner will not transfer any of its shares in Yuanda Kuwait without our prior written consent, it will vote for any resolutions of Yuanda Kuwait in accordance with our instruction, and if there shall be any change to the Kuwait laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Kuwait, it will promptly transfer its relevant interest in Yuanda Kuwait to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable us to become the majority shareholder in Yuanda Kuwait. These measures are being introduced to better protect the interests of the Company.

The Kuwait Incorporation Agreement has a term of 3 years and will remain valid until March 29, 2012 and may be automatically renewed for a similar period unless and until terminated by both parties with a 90 days' advance written notice.

If the above additional measures cannot be implemented, there will not be any legal consequences to the Company arising solely as a result of our failure to enter into the supplemental agreements to implement these additional measures. However, in order to better protect our interests, we will search for a replacement for our existing local partner who is willing to enter into a cooperation agreement with us that will contain the terms of the abovementioned additional measures which are in line with the requirements of the Stock Exchange. If the arrangement with the Kuwait Local Partner is terminated, we will not be able to contract for any new projects until a new local partner is found to hold a majority interest in the local operating company. As we believe that a local partner who acts as a facilitator for foreign businesses is common and readily available in Kuwait, we do not expect that we would have any significant difficulties in finding a replacement if our arrangement with the local partner with respect to the management of Yuanda Kuwait is terminated. If for any reasons we fail to find a replacement for our existing local partner, we will suspend the operations of Yuanda Kuwait. We will disclose any measures implemented as discussed above and/or the replacement of our existing local partner in the annual reports of our Company in future.

As at December 31, 2010, the net asset value of Yuanda Kuwait was RMB18.5 million. The total contract value of new contracts attributable to our operations in Kuwait during the Track Record Period was RMB195.1 million, representing approximately 0.7% of the total contract value of new contracts of our Group during the Track Record Period. Yuanda Kuwait was established in 2009. The revenue for Yuanda Kuwait for the years ended December 31, 2009 and 2010 were nil and RMB4.9 million, respectively, representing approximately 0% and 0.1% of the total revenue of the Group for the years ended December 31, 2009 and 2010, respectively. Yuanda Kuwait returned a loss of RMB1.7 million and RMB3.4 million for the two years ended December 31, 2009 and 2010, respectively. Under the present circumstances and assuming no material changes to the current market environment, our Directors expect that the profit contribution from Yuanda Kuwait to the Group will be less than 1% after Listing. Thus, even if for any reasons we fail to find a replacement local partner and are forced to suspend our operations in Kuwait, our Directors believe that such suspension would not have a material adverse effect on our operation and financial positions.

Yuanda Qatar

Under Qatar law, we are not allowed to own a majority interest in the local operating company. In order to enable us to govern and control the financial and operation of Yuanda Qatar and capture its entire economic interest from its operations, we have entered into the memorandum of association of Yuanda Qatar dated January 20, 2008 (the "Qatar Articles") with Mr. Ahmed Omar Bbhaa Ahmed (the "Qatar Local Partner"), an independent third party, and an agreement dated September 16, 2007 (the "Qatar Incorporation Agreement") entered into between Shenyang Yuanda and Actrade for Trading & Contracting, a company of which the Qatar Local Partner was the authorized signatory with respect to the governing of the operation of Yuanda Qatar.

Pursuant to the Qatar Articles and the Qatar Incorporation Agreement, Yuanda Qatar was established and held as to 51% by the Qatar Local Partner and as to 49% by Shenyang Yuanda. Pursuant to the Qatar Articles:

- representatives of Shenyang Yuanda are responsible for managing the company during the entire term of its existence;
- profits of the company will be distributed as to 95% to Shenyang Yuanda and as to 5% to the Qatar Local Partner;

The Qatar Articles were supplemented by the Qatar Incorporation Agreement pursuant to which it was agreed that:

- the Qatar Local Partner will facilitate Shenyang Yuanda to conduct business in Qatar;
- instead of receiving dividends from Yuanda Qatar, the Qatar Local Partner will be paid an annual service fee of US$40,000 plus a scalable commission calculated based on 1% to 5% of the contract value of projects Yuanda Qatar won with the assistance of the Qatar Local Partner;
- the dividends declared by Yuanda Qatar may be used to offset and settle any service fees due or payable to the Qatar Local Partner;
- save for assisting Yuanda Qatar with coordination with the local government authorities, the Qatar Local Partner is not involved in the day-to-day operations of Yuanda Qatar;
- all works in relation to tendering, execution of contracts and collection of proceeds are carried out by Yuanda Qatar under the management of Shenyang Yuanda.

As advised by our legal advisors as to Qatar law, subject to the Qatar Articles, the Qatar Incorporation Agreement is legal, valid, binding and enforceable under Qatar law, and as the Qatar Incorporation Agreement and the Qatar Articles are related to the same subject matter, the Qatar Incorporation Agreement is considered to be an explanatory to the Qatar Articles under Qatar law. Our legal advisors as to Qatar law has further advised that the Qatar Articles is a validly binding and legally enforceable document and constitutes legal, valid, binding and enforceable obligations of the parties thereto with respect to the governance of the affairs of Yuanda Qatar and is in compliance with the relevant laws and regulations of Qatar and the Qatar Incorporation Agreement is enforceable against the Qatar Local Partner.

We entered into this arrangement in Qatar in order to enable us to control and operate Yuanda Qatar and capture the economic interest from its operations, and these are supported by the following terms in the Qatar Articles and the Qatar Incorporation Agreement:

- the representatives from Shenyang Yuanda are entitled to similar responsibilities and authorities in Yuanda Qatar as board members in other subsidiaries of Shenyang Yuanda;

- the representatives from Shenyang Yuanda are responsible for managing Yuanda Qatar during the entire term of its existence and they may not be removed without the approval from Shenyang Yuanda;

- resolutions of the shareholders of Yuanda Qatar will only be valid by approval from a majority of the shareholders holding 75% of the shares in Yuanda Qatar;

- Yuanda Qatar is managed exclusively by Shenyang Yuanda and its representatives for the period of its existence. Shenyang Yuanda and its representatives shall have full and absolute authority and exclusive right to manage and operate the business of Yuanda Qatar. Such powers are irrevocable and the Qatar partner may not intervene in managing the company or bind or commit Yuanda Qatar in any way whatsoever except with prior written consent from Shenyang Yuanda.

- Pursuant to the Qatar Articles, the profits of Yuanda Qatar will be distributed as to 95% to Shenyang Yuanda and as to 5% the Qatar Local Partner, while the dividends declared by Shenyang Yuanda may be used to offset and settle any service fees due or payable under the management of Shenyang Yuanda under the Qatar Incorporation Agreement.

Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Qatar into its consolidated financial statement as a wholly owned subsidiary during the Track Record Period as set out in the Appendix I to this prospectus and the reporting accountants of the Group confirmed that the consolidation of Yuanda Qatar as a wholly owned subsidiary is in compliance with the relevant accounting standards.

Given that the Qatar Local Partner is not involved in the day-to-day operations of Yuanda Qatar and the Qatar Articles have clearly stipulated that Yuanda Qatar is to be managed by representatives from Shenyang Yuanda and that the Qatar Local Partner cannot unilaterally amend the Qatar Articles, we consider that we are able to effectively operate and conduct the business of Yuanda Qatar under the present arrangement. Notwithstanding this, we have undertaken and started to introduce further measures, including using our best efforts to amend the terms of the Qatar Incorporation Agreement, by entering into supplemental agreements that would include, among others, provisions that the Qatar Local Partner will not transfer any of its shares in Yuanda Qatar without our prior written consent, it will vote for any resolutions of Yuanda Qatar in accordance with our instruction, and if there shall be any change to the Qatar laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Qatar, it will promptly transfer its relevant interest in Yuanda Qatar to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable us to become the majority shareholder in Yuanda Qatar. These measures are being introduced to better protect the interests of the Company.

The Qatar Incorporation Agreement has an irrevocable term of 3 years and will be renewed automatically for a similar period unless and until terminated by both parties giving six months notice in advance. The current terms of the Qatar Incorporation Agreement will remain valid until September 15, 2013.

If the above additional measures cannot be implemented, there will not be any legal consequences to the Company arising solely as result of the failure to enter into the supplemental agreements to implement these measures. However, in order to better protect our interests, we will search for a replacement local partner who is willing to enter into a cooperation agreement with us that will contain the terms of the abovementioned additional measures which are in line with the requirements of the Stock Exchange. If our arrangement with the Qatar Local Partner is terminated, Yuanda Qatar will not be able to contract for any new projects until a new local partner is found to hold a majority interest. As we believe that a local partner who acts as a facilitator for foreign businesses is common and readily available in Qatar, we do not expect that we would have any difficulties in finding a replacement if our arrangement with the local partner with respect to the management of Yuanda Qatar is terminated. If for any reasons we fail to find a replacement for the existing local partners, we will suspend the operations of Yuanda Qatar. We will disclose any measures implemented as disclosed above and/or the replacement of the local partners in the future annual reports of our Company.

As at December 31, 2010, the net liabilities of Yuanda Qatar was RMB5.7 million. The total contract value of new contracts attributable to our operations in Qatar during the Track Record Period was RMB311.8 million, representing approximately 1.1% of the total contract value of new contracts of our Group during the Track Record Period. The revenue for Yuanda Qatar for the three years ended December 31, 2008, 2009 and 2010 were nil, RMB9.7 million and RMB77.2 million, representing approximately 0%, 0.1% and 0.8% of the total revenue of the Group for the three years ended December 31, 2008, 2009 and 2010. Yuanda Qatar recorded a loss of RMB0.3 million, RMB5.9 million and RMB4.0 million for the three years ended December 31, 2008, 2009 and 2010, respectively. Under the present circumstances and assuming no material changes to the current market environment, our Directors expect that the profit contribution from Yuanda Qatar to the Group will be less than 1% after Listing. Thus, even if for any reasons that we fail to find a replacement local partner and is forced to suspend our operations in Qatar, our Directors believe that such suspension would not have a material adverse effect on our operation and financial positions.

(a) Establishment of Overseas Shareholding Structure

As part of the Reorganization, the following companies were established:

1. Best Outlook

Best Outlook was incorporated on February 11, 2010 in the BVI to hold Mr. Kang's interests in our Company. On February 26, 2010, one share of US$1.00 was allotted and issued to Mr. Kang.

2. Neo Pioneer

Neo Pioneer was incorporated in the BVI on February 25, 2010 as a holding company for Mr. Kang to set aside some of his Shares for the planned share award scheme of our Company. On August 23, 2010, one share of US$1.00 was allotted and issued to Mr. Kang.

It is the intention of Mr. Kang to set up a share award scheme where he could reward certain of our executives and employees for their contributions to the development of our Group with Shares from his personal interest. As of the Latest Practicable Date, the terms of the share award scheme have not been fixed and no Shares have been granted by Mr. Kang under this planned scheme.

3. Long Thrive

Long Thrive was incorporated in the BVI on October 28, 2010 as a holding company to hold the interests of the Transferees in our Company. On November 8, 2010, an aggregate of 20,550 shares of US$1.00 each were allotted and issued to the Transferees.

4. Our Company

Our Company was incorporated on February 26, 2010 in the Cayman Islands to be the ultimate holding company for all of the Group's operating subsidiaries. At the time of its incorporation, one subscriber Share was transferred to Mr. Kang. On April 6, 2010, Mr. Kang transferred the one Share he held in our Company to Best Outlook. After such transfer, Best Outlook became our sole shareholder.

On November 10, 2010, Best Outlook subscribed for an additional 9,999 Shares and our issued share capital was increased to 10,000 Shares of HK$0.10 each.

5. Well Galaxy

Well Galaxy was incorporated in the BVI on February 25, 2010, as a holding company for the Group's interests. On February 26, 2010, one share of US$1.00 was allotted and issued to our Company.

6. Yuanda Hong Kong

Yuanda Hong Kong was incorporated in Hong Kong on March 23, 2010 as an intermediate holding company for the Group's interests. On March 24, 2010, one subscriber share of HK$1.00 was transferred to Well Galaxy.

(b) Disposal of Shenyang Viry Steel

Shenyang Viry Steel and Glass Structure Engineering Co., Ltd. (瀋陽萬端鋼玻結構工程有限公司) ("Shenyang Viry Steel") is a Sino-foreign joint venture established by Shenyang Yuanda and Viry S.A., on October 10, 2002. Viry S.A. is a French construction firm which is primarily engaged in the construction business in France and other countries. Save for its equity interest in Shenyang Viry Steel, it is independent of and not connected with our Company or any of our connected persons. Shenyang Viry Steel was owned as to 75% by Shenyang Yuanda and as to 25% by Viry SA. Shenyang Viry Steel was primarily engaged in the design, manufacture and installation of steel and aluminum sky light, curtain walls and doors and windows. During the years ended December 31, 2008 and 2009, it recorded losses of approximately RMB3.35 million and RMB1.04 million, respectively. The company had suspended its operations since 2008. On April 14, 2010, we entered into a sale and purchase agreement with Yuanda Group, pursuant to which we transferred the 75% interest we held in Shenyang Viry Steel to Yuanda Group for a consideration of RMB7.5 million, equivalent to the registered capital contributed by us. The reason for the disposal was that the joint venture partner is no longer actively participating in the joint venture and the company has suspended all operations since 2008. As the dissolution process of the joint venture is time consuming and cumbersome, the Directors are of the view that it would be in our interests to dispose of this company to Yuanda Group so that we can be released from the burden of overseeing the negotiations with the joint venture partner on its dissolution.

(c) Transfer of Shares by Best Outlook

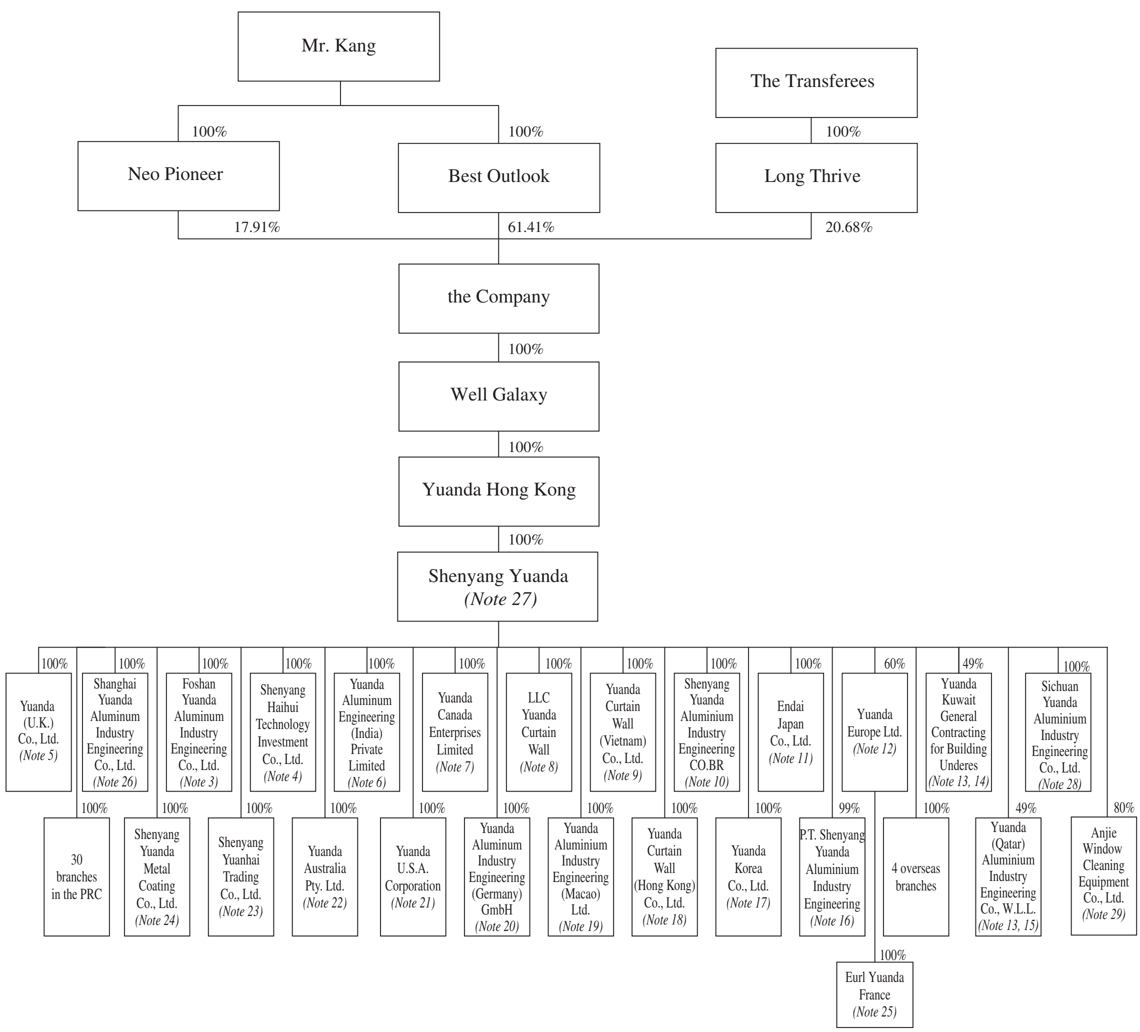
As part of the reorganization of Mr. Kang's shareholding structure in our Company as well as to eliminate the arrangements between Mr. Kang and the Transferees in relation to the registered capital in Shenyang Yuanda, on November 11, 2010, Best Outlook transferred 1,791 Shares to Neo Pioneer and 2,068 Shares to Long Thrive. Upon completion of the transfers, our issued share capital was held as to 61.41% by Best Outlook, as to 17.91% by Neo Pioneer and as to 20.68% by Long Thrive.

(d) Restructuring of Shenyang Yuanda

On November 12, 2010, Yuanda Group and Yuanda Singapore transferred their respective 75% interest and 25% interest in the registered capital of Shenyang Yuanda to Yuanda Hong Kong for an aggregate consideration of RMB1,312,609,500, which was determined with reference to the net asset value of the relevant interests in Shenyang Yuanda as of December 31, 2009.

The transfers above were approved by the Shenyang Economic and Technological Development Zone Commission of Foreign Trade and Economic Cooperation (瀋陽經濟技術開發區對外貿易經濟合作局) on November 13, 2010 and the corporate form of Shenyang Yuanda was converted from a Sino-foreign equity joint venture into a wholly foreign-owned enterprise.

After completion of the restructuring of Shenyang Yuanda, we became the ultimate holding company holding all the operating subsidiaries of the Group. The corporate structure of our Group after completion of the Reorganization was as follows:



Notes: For details on our subsidiaries, please refer to the notes on pages 94-96 of this Prospectus.

The transfer of the 20.68% interest in our Company from Best Outlook to Long Thrive was completed on November 11, 2010.

As the transfers of the respective 75% and 25% interests in Shenyang Yuanda by Yuanda Group and Yuanda Singapore to Yuanda Hong Kong have already been approved by the Shenyang Economic and Technological Development Zone Commission of Foreign Trade and Economic Cooperation and registered by the Shenyang Administrative Bureau for Industry and Commerce and Shenyang Yuanda has accordingly obtained the updated certificate of approval and business license, our PRC legal counsel confirms that such transfers were legal and valid.

PRC legal compliance

According to the "Provisions on the Takeover of Domestic Enterprises by Foreign Investors" (the "M&A Rules") jointly issued by MOFCOM, the State-Owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the China Securities Regulatory Commission ("CSRC"), SAIC and SAFE on August 8, 2006, effective as of September 8, 2006 and further amended on June 22, 2009, where a domestic natural person intends to take over his/her related domestic company in the name of an offshore company which he/she lawfully established or controls, the takeover shall be subject to the examination and approval of MOFCOM; and where a domestic natural person holds equity interest in a domestic company through an offshore special purpose company, any transaction involving the overseas listing of that special purpose company shall be subject to approval by the CSRC.

As advised by our PRC legal counsel, Jingtian & Gongcheng, the M&A Rules do not apply to us for the following reason:

According to Article 2 of the M&A Rules, "takeover of a domestic enterprise by a foreign investor" is defined as a situation where the purchase of shareholder equity in a domestic-funded enterprise (a "domestic company") is made by foreign investor(s); or the subscription of additional capital during a domestic company capital increment by foreign investor(s) which converts such domestic company into a foreign investment enterprise ("FIE"); or the establishment of a FIE by foreign investor(s) used for the purchase of assets of domestic enterprises through negotiations where the use of such assets is for the business operations of the FIE, or the assets from a negotiated asset acquisition in domestic enterprise by foreign investor(s) are used to invest in the establishment of a FIE that will also use the same assets for their business operations.

On the basis that Shenyang Yuanda was established as a Sino-foreign equity joint venture in 1993, before the implementation of the M&A Rules, the legal nature of the transfer to Yuanda Hong Kong of the entire equity interests in Shenyang Yuanda formally held by its domestic and foreign shareholders was a transfer of equity in a FIE. Accordingly, the acquisition of the entire equity interest of Shenyang Yuanda by Yuanda Hong Kong did not constitute a "takeover of a domestic enterprise by a foreign investor" as defined in the M&A Rules, and did not require the approval of MOFCOM. Further, for the same reason, the governmental approval procedure, including the approval by the CSRC, as stated in the M&A Rules, is also not applicable to the Listing. Thus, we are not required to obtain the CSRC's approval in respect of the Listing.

(e) Introduction of Financial Investor

On November 19, 2010, we entered into a subscription agreement with Standard Chartered Private Equity (Mauritius) III Limited (the "Financial Investor"), an independent third party, pursuant to which the Financial Investor agreed to subscribe for 685 series A redeemable convertible preference shares ("Preferred Shares") in our Company for an aggregate subscription price of US$50 million. The Financial Investor is a subsidiary of Standard Chartered plc, an international bank, which is independent of and not connected with us or any of our connected persons. On November 19, 2010, we passed resolutions to redesignate and reclassify our authorized capital of HK$380,000 divided into 3,800,000 shares of HK$0.10 each into 3,799,315 ordinary shares of HK$0.10 each and 685 Preferred Shares of HK$0.10 each, and we received the proceeds from the Financial Investor in relation to the subscription of the Preferred Shares on November 22, 2010.

The price that the Financial Investor paid for the Preferred Shares represents a subscription price of approximately HK$1.32 per Share, and represents a discount of approximately 43.8% to the mid-point of the indicative offer price range of HK$1.92 to HK$2.78, on the basis of our enlarged share capital immediately upon completion of the Global Offering and the Capitalization Issue, but before the exercise of the Over-Allotment Option. The subscription price was not based on any guaranteed discount to the Offer Price and was arrived at after arm's length negotiations between the Financial Investor and us after taking into consideration the timing of the subscription and the illiquidity of our Shares as a private company when the subscription agreement was entered into.

The issue of the Preferred Shares to the Financial Investor enabled us to complete the Reorganization. The proceeds from the subscription have been used to fund our purchase of the equity interest of Shenyang Yuanda.

On November 19, 2010, our Controlling Shareholders and Neo Pioneer entered into an investors' agreement ("Investors Agreement") with the Financial Investor. The Investors Agreement will terminate on the earlier of (a) the Listing; (b) the parties agreeing in writing to terminate the Investors Agreement; and (c) liquidation, administration, winding-up, bankruptcy or dissolution of our Company, or in respect of any party, it ceases to hold any interest in the Shares or equivalent shares in our Company. Upon termination of the Investors Agreement, all special rights of the Financial Investor will cease.

A brief summary of the terms of the Preference Shares and the subscription agreement and Investors Agreement are set out below:–

Rights of the Series A Preferred Shares

The Preferred Shares confer on its holders (the "Preferred Shareholders"), on parity with each other and with the holders of the Shares, the right to receive the same rate of dividends payable to the holder of a Share.

In the event of a liquidation, the assets of the Company available for distribution shall be applied in paying the Preferred Shareholders in priority to payment to the holders of any other class of shares of the Company. Preferred Shareholders shall also be entitled to share pari passu with the holders of the ordinary shares of the Company in any surplus assets of the Company existing after the payment as referred above to the Preferred Shareholders. If the assets and funds legally available for payment or distribution among the Preferred Shareholders are insufficient to permit the payment of the full amounts due to such holders, the entire assets and funds of the Company legally available for distribution shall be paid and distributed rateably among the Preferred Shareholders in proportion to the number of Preferred Shares held by each such holder.

The Preferred Shareholders are entitled to appoint one Director to the Board.

Conversion of Preferred Shares

The Preferred Shares shall be converted into fully paid ordinary shares of our Company when (a) the Preferred Shareholder serves a conversion notice to the Company; or (b) automatically upon the occurrence of an initial public offering and listing of and permission to deal in the Shares on the Stock Exchange, the New York Stock Exchange, NASDAQ Stock Exchange or such other internationally recognized securities exchange, in respect of which our pre-IPO market capitalization shall not be less than US$1,000 million (the "Qualified IPO"), in each case, in accordance with the following formula:

$$A = B/C$$

where:

"A" is the number of ordinary shares of the Company converted from each Preferred Share;

"B" is the subscription price per Preferred Share, which is US$72,992.70; and

"C" is the "**Conversion Price**" effective on the relevant conversion date. The Conversion Price initially is the subscription price per Preferred Share and will be subject to adjustment pursuant to any consolidation or sub-division or other capital reorganisation on the share capital of the Company. If and whenever the Company shall issue any Shares credited as fully paid to its Shareholders, as a bonus issue or otherwise, by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price shall be adjusted accordingly.

Based on the Offer Price range of HK$1.92 to HK$2.78, the Global Offering will be a Qualified IPO.

The ordinary shares issued upon conversion of the Preferred Shares shall be fully paid and shall rank pari passu in all respects with Shares in issue on the relevant conversion date. Such Shares are not subject to any lock-up and given the interest of the Financial Investor in our Company immediately upon completion of the Global Offering and the Capitalization Issue (before the exercise of the Over-allotment Option) will only be approximately 4.91%, the Financial Investor will not be a substantial shareholder of our Company and the Shares it held will be included as part of the public float of our Company.

Financial Investor Put Option

In the event of default by any of Mr. Kang, Best Outlook, Neo Pioneer or any Group Company under any of the documents relating to the subscription of the Preferred Shares, the Investors Agreement or the associated loan facility described in more details below, the Financial Investor shall have the right to exercise an option requiring Mr. Kang, Best Outlook and Neo Pioneer, on a joint and several basis, to purchase all the Preferred Shares held by the Financial Investor (the "Option Shares") for an amount equal to a return on the subscription price of the Option Shares calculated at an internal rate of return of 12% per annum from the date of the completion of the subscription to the date on which the put option price is received by the Financial Investor.

Earn-out Shares

Under the Investors Agreement, Best Outlook has provided a profit guarantee in respect of 2009 to the Financial Investor, as the audited accounts of the Group prepared in accordance with IFRS for the year ended December 31, 2009 was not available at the time of the signing of the Investors Agreement. Pursuant to the terms of the Investors Agreement, if the consolidated net profits of the Group before revaluation and other non-recurring income and after deduction of tax, as set out in the audited consolidated accounts of the Group for the year ended December 31, 2009 (the "2009 NPAT") is less than RMB662,656,000 (the "Guaranteed NPAT"), Best Outlook shall transfer to the Financial Investor, on payment of US$1.00, such number of Shares (the "Earn-out Shares") such that the total percentage of holding of Shares and any securities or obligations which are convertible into or exchangeable for Shares ("Share Equivalents") by the Financial Investor in the Company following such transfer shall equal to the total percentage holding of Share Equivalents by the Financial Investor in the Company immediately prior to such transfer multiplying by the following factor:

$$\frac{\text{Guaranteed NPAT}}{\text{2009 NPAT}}$$

As the 2009 NPAT was RMB647,831,000, which is less than the Guaranteed NPAT of RMB662,656,000, an aggregate of 15 Earn-out Shares would need to be transferred by Best Outlook to the Financial Investor. After completion of the transfer of the Earn-out Shares on March 9, 2011, the Financial Investor is interested in 685 Preferred Shares and 15 Shares, representing approximately 6.55% of the issued share capital of our Company as of the Latest Practicable Date.

Consent Matters

Prior to the Listing and as long as the Investors Agreement is still effective, the Company and the Board have provided covenants not to take certain actions without prior consent of the Financial Investor, except for the Reorganization for the purpose of the Qualified IPO. These matters include, among others:

- any form of reorganization of any company within our Group (a "Group Company") which may result in a change of control to such company;

- the liquidation, administration, winding-up, bankruptcy or dissolution of any Group Company which, as of the date of the Investors Agreement or at any time within the 12 months prior to such liquidation, administration, winding-up, bankruptcy or dissolution, contributes to the total revenue of the Group in excess of RMB450 million;

- the incorporation of a new subsidiary or the acquisition of any company or the establishment of any branch or representative office involving a capital commitment or consideration in excess of RMB100 million;

- unless previously arranged, establishment of any joint venture, partnership, or other similar arrangement otherwise than in connection with the principal business of the Group involving a capital commitment or consideration in excess of RMB100 million;

- any change in the share or equity capital of any Group Company;

- cessation of any business operation which contributes to the total revenue of the Group in excess of RMB450 million;

- sale or disposal of any assets or property (other than in the ordinary and usual course of business), of a value per transaction of more than RMB100 million;

- the incurring of new indebtedness in the nature of borrowings of an aggregate amount of more than RMB800 million within a 12-month period;

- carry out any transactions with the Controlling Shareholders or any of their respective associates, of an aggregate amount in excess of RMB25 million within a three-month period; or

- the creation of any charge or other security over any assets or property of any Group Company (other than in relation to the loan facility described in the section "Bridge Loan Facility" below).

Information Rights

We will provide the Financial Investor with the latest financial information of our Group and the management accounts of Shenyang Yuanda and such other information as the Financial Investor may reasonably require.

Bridge Loan Facility

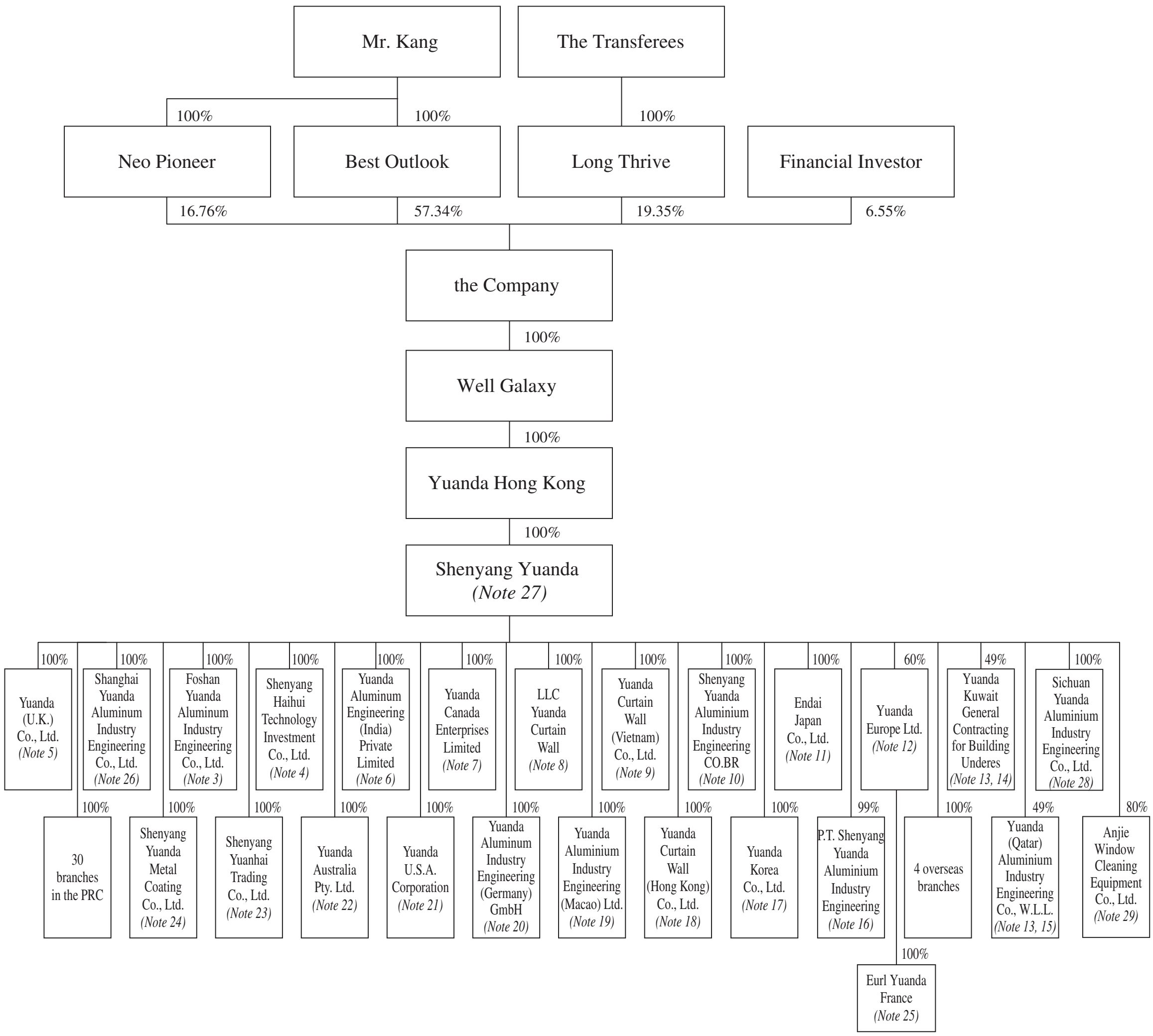
On November 19, 2010, we as borrower, Well Galaxy and Yuanda Hong Kong as guarantors, and Standard Chartered Bank (Hong Kong) Limited (the "Lender") as lender entered into a bridge loan facility agreement (the "Loan Agreement") pursuant to which the Lender made available to us a bridge loan facility in the amount of HK$820 million (the "Loan") to finance our Reorganization. The Lender is a licensed bank in Hong Kong and is independent of and not connected with us or any of our connected persons.

The Loan bears interest at HIBOR plus 2.5% per annum for the period from the date of the Loan Agreement to and including the date falling six months thereafter, and HIBOR plus 3.5% for the period after the date falling six months after the date of the Loan Agreement.

Save for the occurrence of a mandatory prepayment event described below, the Loan is repayable by us in full on the date which is 12 months after the date of the Loan Agreement (the "Repayment Date"). If, at any time prior to the Repayment Date, Mr. Kang owns directly or indirectly less than 51% of the issued share capital in our Company, or otherwise ceases to control us, or our Shares are listed on the Stock Exchange, the Loan shall become immediately repayable.

As security for the Loan, we have granted a charge in respect of our shares in Well Galaxy and Yuanda Hong Kong, the funds deposited in the account opened for the purpose of the Loan Agreement and our rights under loans to our subsidiaries, and each of Best Outlook, Neo Pioneer and Long Thrive have charged their interests in our Company, in favor of the Lender as security for the Loan. Such charges on our Shares will be immediately released upon Listing.

After completion of the equity investment by the Financial Investor, the corporate structure of our Group was as follows:



Notes: For details on our subsidiaries, please refer to the Notes on pages 94-96 of this Prospectus.

In light of the changes in our shareholding structure due to the investment by the Financial Investor, our current Shareholders who are PRC residents have already applied for the relevant registrations for such changes in accordance with Circular No. 75. The Company's PRC legal counsel are not aware of any substantial legal impediments arising from such procedures.

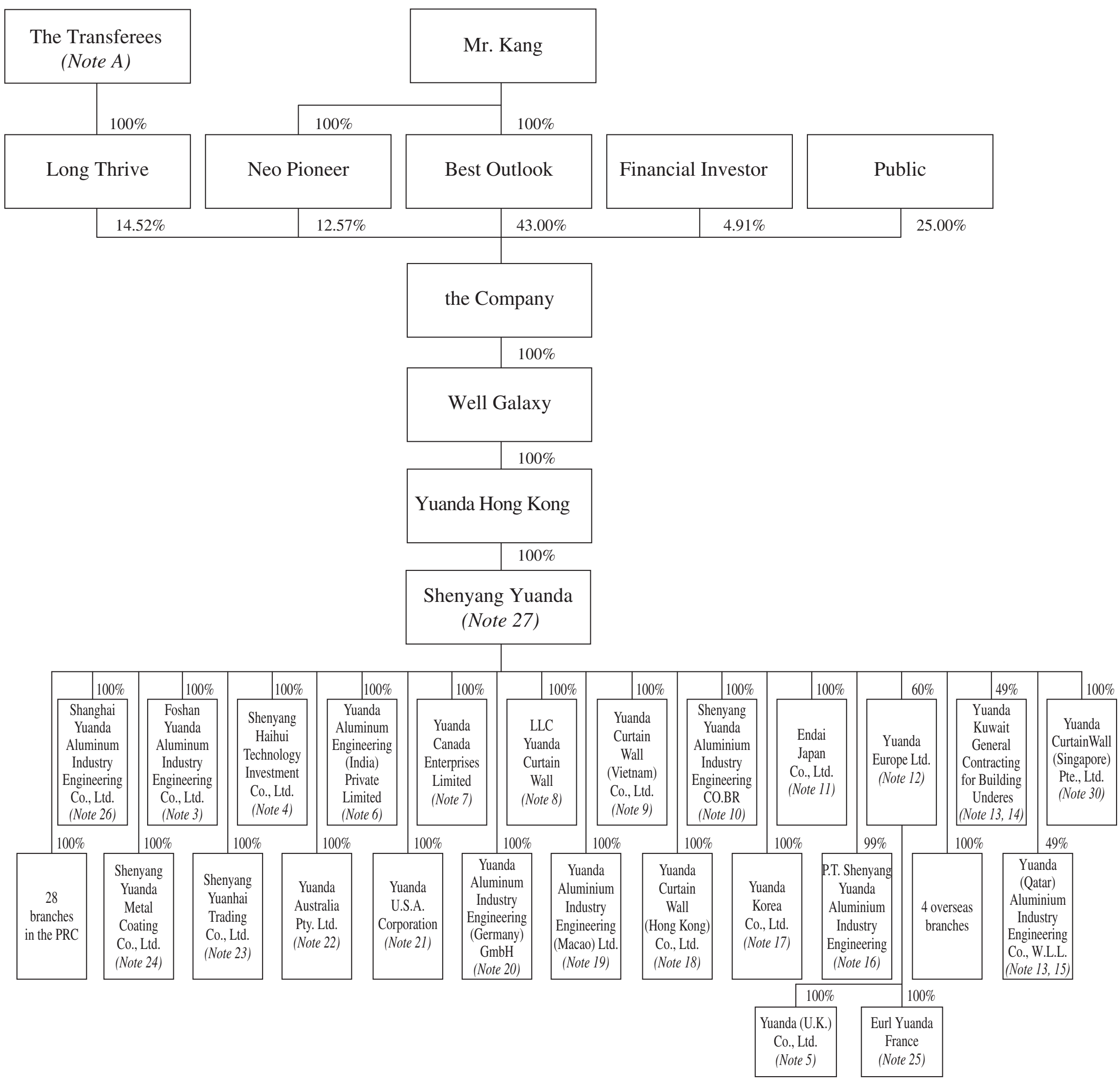
(f) Reorganization of Yuanda (U.K.) Co. Ltd.

As part of our internal reorganization, Shenyang Yuanda transferred its entire interest in Yuanda (U.K.) Co. Ltd. to Yuanda Europe Ltd. on December 31, 2010.

(g) Capitalization Issue

Immediately prior to the Listing and conditional upon the Stock Exchange granting approval for the Listing, and the share premium account of our Company being credited as a result of the Global Offering, an amount of HK$449,998,931.50 from the share premium account of our Company will be capitalized for the paying up of a total of 4,499,989,315 Shares for allotment and issue to the shareholders of our Company whose names appeared on the register of the members of our Company at the close of business on the date the Capitalization Issue was approved by the Shareholders on a pro rata basis.

The following chart sets forth our corporate and shareholding structure immediately upon completion of the Global Offering and the Capitalization Issue but without taking into effect any Shares that may be issued pursuant to the Over-allotment Option or that are to be issued upon the exercise of the options granted under the Share Option Scheme.



Notes: For details on our subsidiaries, please refer to the Notes on pages 94-96 of this Prospectus.

A. *The effective shareholding of the Transferees in our Company upon completion of the Global Offering and the Capitalization Issue but before the exercise of the Over-allotment Option will be as follows:*

Name of Transferee	Effective shareholding in our Company
Tian Shouliang	1.06%
Guo Zhongshan	1.06%
Wu Qingguo	0.85%
Si Zuabao	1.06%
Wang Yijun	1.06%
Wang Lihui	0.60%
Zhuang Yuguang	3.75%
Yan Lianxue	1.41%
Li Qi	0.49%
Xiong Yudi	0.71%
Li Dawei	0.64%
Geng Bin	0.42%
Ms. Kang	1.41%
	14.52%

OVERVIEW

We are the second largest manufacturer of curtain walls in the world, and the largest in China, as measured by revenue in 2009 according to the Synovate Report commissioned by us. Our market share in the global curtain wall market and the PRC curtain wall market in terms of revenue in 2009 was 5.7% and 20.8%, respectively, according to the Synovate Report. While industry data for our market ranking and market share in 2010 are currently unavailable, based on our actual revenue in 2010 and the estimated global and PRC curtain wall market size in 2010 as set out in the Synovate Report, we believe that we have maintained a similar market share in the global and PRC curtain wall markets in terms of revenue in 2010. Further, based on our estimated market share in 2010 and the assumption that our competitors' respective market shares in 2010 remained similar to those in 2009, we also believe that our market ranking in the global and PRC curtain wall market, respectively, in terms of revenue in 2010 remained similar to that in 2009. As a leading global provider of one-stop solutions for curtain wall systems, we mainly focus on public facilities and commercial buildings. During the Track Record Period, we successfully completed 513 projects worldwide, including many landmark projects renowned in the world, such as the Theme Pavilion of Expo 2010 Shanghai China, the China National Swimming Center (also known as the "Water Cube"), the National Stadium of China (also known as the "Bird's Nest"), the Airrail Center Frankfurt, the COCOON Tower and the Executive Towers at Business Bay. With our four strategically located production bases and our extensive global sales network, we had undertaken curtain wall projects in 35 countries and regions as of December 31, 2010. We have a strong research, development and design team that is committed to developing new and innovative curtain wall products and technologies and providing customized curtain wall solutions that can best meet customers' needs. We believe that, as a predominant leader in the curtain wall industry, we are well positioned to capture growth opportunities both in China and overseas.

We provide our customers with integrated curtain wall solutions that are customized to meet the technical specifications and performance requirements of their projects. Our one-stop curtain wall solution services include the design of curtain wall systems, procurement of materials, fabrication and assembly of curtain wall products, performance testing, installation of products at construction sites, and after-sales services. Our curtain wall solutions are mainly for office buildings, hotels, shopping centers, casinos, exhibition halls, airports and stadiums. We believe we are a leading curtain wall provider with a comprehensive product portfolio. We have further developed various curtain wall products by using more complex designs, new materials and advanced technologies to serve different functions, such as environmental protection, energy conservation and intelligent control. Such products include double-skin curtain walls, photovoltaic curtain walls, ecologically friendly curtain walls, video curtain walls and membrane structure curtain walls. We also provide ancillary products related to curtain wall systems, including skylights, metal roofs, canopy systems, shading systems, balustrade and breast board systems, and energy-saving aluminum alloy doors and windows.

According to the Synovate Report, as of December 31, 2009, we had the second largest curtain wall production capacity in the world, which enables us to meet market demand on a timely basis and simultaneously undertake multiple large-scale projects. Our four production bases are strategically located in Shenyang, Shanghai, Chengdu and Foshan in China to serve our customers in different regional markets. Our Shenyang production base is responsible for supporting our projects in Northeast China, North China and overseas. Our production bases in Shanghai, Chengdu and Foshan primarily support our projects in East China, West China and South China, respectively. The strategic locations of our production bases enable us to stay close to the regional markets that we believe have the highest demand for curtain walls in China, access well-developed domestic and overseas transportation networks, reduce logistics cost for both material procurement and product delivery, and provide quality after-sales services within a short response time.

We had established an extensive sales and marketing and service network covering 35 countries and regions as of December 31, 2010. We had 34 branch offices or subsidiaries in China covering 30 provinces, autonomous regions and municipalities and 25 branch offices or subsidiaries overseas as of December 31, 2010. Our widely distributed subsidiaries and branch offices allow us to identify market opportunities, closely monitor potential projects, maintain close contact with our customers and business partners, provide timely support to local customers, and better integrate our global operations and services. In particular, we have built a strong foothold in the overseas markets by leveraging on our extensive sales network. For the years ended December 31, 2008, 2009 and 2010, our revenue derived from the overseas market was RMB1,963.5 million, RMB2,726.1 million and RMB3,285.6 million, respectively, representing a CAGR of 29.4%, and the percentage of revenue derived from the overseas market to our total revenue was 33.2%, 38.6% and 35.4%, respectively.

We believe we are an industry leader in the research, development and design of curtain walls and have one of the largest research, development and design teams among all major curtain wall providers in the world, according to the Synovate Report. As of December 31, 2010, our research, development and design team consisted of 632 research and development professionals, including many experts who are well recognized in the curtain wall industry, and 1,546 design professionals. With our headquarters in China and branches in Switzerland, Australia and Japan, our research and development activities are carried out through 12 divisions categorized by the geographic markets on which their respective research and development is focused. Since our inception, we have been continuously developing products and technologies that we believe represent the technology and application trends of the industry and have been providing innovative customized curtain wall solutions to enhance our competitiveness. With leading research, development and design capabilities, we have successfully completed, or won bids for, a number of sophisticated, high-tech and large-scale curtain wall projects around the world, including the following:

Project Name (Location, Completion Year)	Features
Expo 2010 Shanghai China — Theme Pavilion (China, 2009)	A classic example of a "green" building through the application of ecologically friendly curtain walls with a total area of approximately 15,000 square meters
National Stadium of China (also know as the "Bird's Nest") (China, 2007)	The largest ETFE stretching membrane structure project in the world in terms of project area (approximately 38,500 square meters) with a technologically challenging design and installation process
China National Swimming Center (also known as the "Water Cube") (China, 2006)	The largest ETFE aired membrane structure project in the world in terms of project area (approximately 104,388 square meters)
Beijing New Poly Plaza (China, 2006)	The largest concaved segment cable net glass wall in the world in terms of both single curtain wall area (approximately 5,400 square meters) and span (approximately 60 meters)
Shenzhen Jingji Financial Center (China, 2011 (expected))	Unitized curtain wall with hyperboloid segment for the tallest building (approximately 439 meters) in Shenzhen, China
Federation Tower (Russia, 2011 (expected))	Energy-saving unitized curtain wall with double curved surface for the building (approximately 509 meters) which is expected to be the tallest in Europe upon completion
Airrail Center Frankfurt (Germany, 2010)	Energy-saving unitized curtain wall with double curved surface for the largest single building (128,000 square meters) in Europe
The Legacy at Millennium Park (United States, 2009)	Unitized curtain wall with a maximum shifting capability of approximately 25 millimeters

Project Name (Location, Completion Year)	**Features**
COCOON Tower (Japan, 2008)	Unitized curtain wall with the largest unit panel in the world (with a unit area of approximately 23.1 square meters); in 2008, the building received the Emporis Skyscraper Gold Award, a prominent award for architectural excellence in the design of buildings and their functionality

The tables below set forth our geographical revenue and sales volume breakdown for the periods indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
China						
East China	1,336,950	22.6	1,704,120	24.1	2,085,631	22.5
Northeast China	949,106	16.0	964,735	13.7	1,230,962	13.3
North China	748,847	12.7	724,110	10.2	1,051,480	11.4
West China	576,906	9.8	584,221	8.3	870,868	9.4
South China	335,930	5.7	358,681	5.1	736,353	8.0
Subtotal	3,947,739	66.8	4,335,867	61.4	5,975,294	64.6
Overseas[(1)]						
Middle east	606,120	10.3	1,004,060	14.2	1,371,855	14.8
Europe	604,455	10.2	675,113	9.6	600,427	6.5
Australia	290,115	4.9	589,846	8.4	791,382	8.5
Asia[(2)]	233,135	3.9	250,642	3.5	364,797	3.9
United States	229,469	3.9	177,340	2.5	86,466	0.9
Other regions	233	0.0	29,136	0.4	70,691	0.8
Subtotal	1,963,527	33.2	2,726,137	38.6	3,285,618	35.4
Total	5,911,266	100.0	7,062,004	100.0	9,260,912	100.0

Notes:

(1) For the revenue breakdown by overseas countries, please see Section C Note 11 (c) (i) of the Accountants' Report included in Appendix I to this prospectus.

(2) Asia as used herein excludes China and the Middle East.

With our comprehensive product portfolio, strategically located production bases, extensive sales and marketing network, leading research, development and design capabilities and our reputation for completing landmark projects, we have become a predominant industry leader both domestically and internationally. We have achieved fast and stable growth in our revenue and profit during the Track Record Period. Our revenue for each of the years ended December 31, 2008, 2009 and 2010 was approximately RMB5,911.3 million, RMB7,062.0 million and RMB9,260.9 million, respectively, representing a CAGR of 25.2%. Our net profit attributable to shareholders for each of the years ended December 31, 2008, 2009 and 2010 was approximately RMB327.8 million, RMB660.5 million and RMB806.1 million, respectively, representing a CAGR of 56.8%.

We completed a total of 513 projects during the Track Record Period, comprising 123, 155 and 235 projects for the years ended December 31, 2008, 2009 and 2010, respectively. Among these 513 projects we completed during the Track Record Period, there were 406 projects in China and 107 projects overseas. We were awarded a total of 612 projects during the Track Record Period, comprising 171, 189 and 252 projects for the years ended December 31, 2008, 2009 and 2010, respectively. Among these 612 projects we were awarded during the Track Record Period, there were 480 projects in China and 132 projects overseas. As of December 31, 2010, we had a total of 461 projects in progress, comprising 379 projects located in China and 82 projects overseas. We had a total of 28 uncommenced projects as of December 31, 2010, comprising 19 located in China and 9 projects overseas. Our backlog reached RMB14,331.3 million in total, including RMB7,444.4 million in China and RMB6,886.9 million overseas, as of December 31, 2010. The tables below set forth the number of completed projects, newly awarded projects, projects in progress and uncommenced projects by region, and the recognized revenue, value of new contract and value of backlog by region.

	China	Middle East	Europe	Australia	United States	Asia[5]	Other regions	Total
Number of completed projects [1]								
2008	112	2	7	–	–	2	–	123
2009	125	3	9	3	2	12	1	155
2010	169	9	10	17	12	17	1	235
Total	406	14	26	20	14	31	2	513
Number of newly awarded projects[2]								
2008	127	10	11	11	5	7	–	171
2009	158	9	3	10	2	6	1	189
2010	195	14	10	13	2	17	1	252
Total	480	33	24	34	9	30	2	612
Number of projects in progress [3]								
2008	330	18	21	16	13	23	1	422
2009	353	21	17	22	13	20	1	447
2010	379	29	14	18	3	17	1	461
Number of uncommenced projects [4]								
2008	9	–	2	1	–	4	–	16
2009	19	3	–	2	–	1	–	25
2010	19	–	3	2	–	4	–	28

Notes:

(1) Completed projects refer to projects for which 100% of their revenue has been recognized for accounting purposes as of the end of the relevant periods indicated, but not prior to the beginning of such periods.

(2) Newly awarded projects refer to projects for which we were awarded a contract during the relevant periods indicated.

(3) Projects in progress refer to projects for which we have commenced work but have recognized only part of the revenue for accounting purposes as of the end of the relevant periods indicated. The portion of contract value for projects in progress which has not been realized is deemed as part of our backlog.

(4) Uncommenced projects refer to projects for which we were awarded a contract but have not commenced work and no revenue has been recognized as of the end of the relevant periods indicated. The contract value for uncommenced projects is deemed as part of our backlog.

(5) Asia as used herein excludes China and the Middle East.

	China	Middle East	Europe	Australia	United States	Asia(4)	Other regions	Total
	(RMB million)							
Recognized revenue(1)								
2008	3,947.7	606.1	604.5	290.1	229.5	233.1	0.3	5,911.3
2009	4,335.9	1,004.1	675.1	589.8	177.3	250.6	29.2	7,062.0
2010	5,975.3	1,371.9	600.4	791.4	86.5	364.8	70.6	9,260.9
Value of new contracts(2)								
2008	4,760.0	3,277.2	1,152.7	876.2	342.5	349.1	–	10,757.7
2009	5,354.6	1,111.9	262.5	637.2	7.1	229.0	46.8	7,649.1
2010	6,577.0	2,488.3	464.7	617.7	50.1	758.9	148.0	11,104.7
Value of backlog(3)								
2008	5,824.0	2,727.7	1,532.0	1,136.8	361.0	295.5	23.4	11,900.4
2009	6,842.7	2,835.7	1,119.3	1,184.2	190.6	273.9	41.0	12,487.5
2010	7,444.4	3,952.1	983.6	1,010.5	154.2	668.0	118.5	14,331.3

Notes:

(1) Recognized revenue refers to the revenue recognized in the periods indicated.

(2) Value of new contracts refers to the value of contracts for the new projects we were awarded during the relevant periods indicated.

(3) Value of backlog refers to the portion of contract value that has not been realized with respect to projects that have not been 100% completed according to their schedule of completion as of the end of the relevant periods indicated. The value of backlog consists of: (i) the portion of contract value for projects in progress which has not been realized, and (ii) the contract value for projects for which we have been awarded a contract but have not commenced work and for which no revenue has been recognized, as of the end of the relevant periods indicated.

(4) Asia as used herein excludes China and the Middle East.

The principal raw materials that are used for the fabrication and production of our curtain wall products include aluminum extrusions, glass, steel and sealant. Among these raw materials, the costs of aluminum extrusions are largely dependent on the price of aluminum, which have fluctuated significantly in the past. During the tendering process for curtain wall projects, in order to secure a reasonable gross margin for each project we undertake, we take into account fluctuations in the price of aluminum by reference to its estimated future price at the expected time of commencements of such project. After we have been awarded the curtain wall project, we generally are not entitled to adjustments to the contract price and thus cannot pass the increased material costs onto our customers due to price fluctuations. However, we started to hedge the risk of aluminum price fluctuations through aluminum future contracts in 2008. By hedging a substantial portion of aluminum extrusions to be actually purchased by us, we have been able to partially mitigate the risks relating to aluminum price fluctuations. The average prices of aluminum quoted on the Shanghai Futures Exchange for each of the three years ended December 31, 2008, 2009 and 2010 were RMB17,026, RMB13,922 and RMB15,900 per ton, respectively. As of February 28, 2011, the average price of aluminum quoted on the Shanghai Futures Exchange was RMB16,815 per ton. During the Track Record Period, the increase in aluminum price generally contributed to the increase in our costs of sales, the increase in the cost of aluminum extrusions as a proportion of our total cost of materials, and the decrease in our gross profit margin, and vice versa. Our costs of aluminum extrusions for each of the years ended December 31, 2008, 2009 and 2010 were RMB1,025.5 million, RMB983.0 million and RMB1,442.5 million, respectively, representing 38.5%, 34.3% and 37.3% of our cost of materials, respectively. During the corresponding periods, our gross profit margin was 19.4%, 23.5% and 22.4%, respectively.

We had a negative operating cashflow of RMB306.6 million for the year ended December 31, 2010. This was primarily because, as compared with other years, we produced a higher proportion of unitized curtain wall products in 2010, which generally require more working capital as compared with other products. In addition, we had certain sizable projects which were newly commenced in the second half of 2010 and, at the end of 2010, a substantial percentage of these projects had been completed but had not yet reached the milestones for progress billing in accordance with the relevant contract terms. Therefore, these projects recorded a significant gross amount due from customers for contract work, which also substantially contributed to our overall higher balance of gross amount due from customers for contract work at the end of 2010 compared with that at the end of 2009.

We had net current liabilities in the amount of RMB53.1 million and RMB268.2 million as of December 31, 2009 and 2010, respectively. Our net current liabilities in the amount of RMB268.2 million as of December 31, 2010 included the balance of a HK$820.0 million bridge loan we obtained to finance our Reorganization in November 2010. We plan to repay the bridge loan in full with the proceeds from the Global Offering, after which our Directors expect that we will have a net current assets position.

We currently fund our working capital requirements through a combination of cash inflow from our operations, bank borrowings and capital contributions from our Shareholders. As of February 28, 2011, we had unutilized banking facilities in the amount of RMB215.0 million. Taking into account the estimated net proceeds from the Global Offering, banking facilities available to us and cash flows from our operations, our Directors have confirmed that we have sufficient working capital for our operations for at least the next 12 months from the date of this prospectus. The basis of our Directors' conclusion includes, but is not limited to, (i) the forecast of the contract value of newly awarded curtain wall projects according to the assessment of our ability and market development capacity, (ii) the progress forecast of our curtain wall projects according to the circumstances of different regional markets, (iii) the assumption that the bridge loan borrowed from Standard Chartered Bank (Hong Kong) Limited will be repaid after obtaining the proceeds from the Global Offering, (iv) the assumption that there will be no material changes in our ability to manage our inventory, trade and bills receivables and trade and bills payables, and no material changes in the payment terms in our newly awarded contracts, and (v) the assumption that there will be no material change in our operating environment in the countries in which we have business activities.

OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

A predominant leader in the domestic and global curtain wall markets with a comprehensive product offering, proven track record and solid reputation

We are the second largest manufacturer of curtain walls in the world, and the largest in China, as measured by revenue in 2009 according to the Synovate Report commissioned by us. Our market shares in the global curtain wall market and the PRC curtain wall market in terms of revenue in 2009 was 5.7% and 20.8%, respectively, according to the Synovate Report. We have experienced rapid growth during the Track Record Period. From 2008 to 2010, our revenue grew from RMB5,911.3 million to RMB9,260.9 million, representing a CAGR of approximately 25.2%. During the Track Record Period, we completed 513 curtain wall projects. As of December 31, 2010, we had 461 curtain wall projects in progress and 28 uncommenced curtain wall projects.

We provide comprehensive product offerings, including both conventional products and products with more advanced technology applications, which enable us to meet the different needs of our customers. In particular, we have developed a series of energy-saving and environmentally friendly products, including double-skin curtain walls and photovoltaic curtain walls. We believe these products are responsive to market demand and represent the current industry trend. We have also incorporated various intelligent control technologies into our curtain wall products, such as the shading system we developed that can automatically adjust its position in response to the sun's path.

We have a proven track record in completing some of the most sophisticated, high-tech and large-scale curtain wall projects around the world, including the Theme Pavilion of Expo 2010 Shanghai China, the China National Swimming Center (also known as the "Water Cube"), the National Stadium of China (also known as the "Bird's Nest"), the Beijing New Poly Plaza, the Executive Towers at Business Bay, the Airrail Center Frankfurt and the COCOON Tower. See the section entitled "— Our Projects — Completed Projects" in this prospectus for more information about these projects. Through such projects, we have established a solid reputation in the curtain wall industry, which have facilitated our winning of new complex and landmark projects and maintaining long-term relationships with our clients. In October 2010, our trademark "CNYD" was recognized as one of the Famous Trademarks of China (中國馳名商標) by the State Administration of Industry and Commerce. In March 2008, we were named the Customers' Top Choice of Curtain Wall Enterprise (用戶首選幕牆品牌企業) by Alwindoor.com (中國幕牆網) based on its industry survey.

The global curtain wall industry grew at a CAGR of 10.3% from 2005 to 2009 in terms of market value and such growth is expected to continue as a result of global economic development. The curtain wall industry in China grew at a CAGR of 15.6% from 2005 to 2009 in terms of market value. In China, economic growth has been fueled by rapid urbanization, which is expected to continue and benefit the curtain wall industry in particular. For more details, see the section entitled "Industry Overview" in this prospectus.

We believe our market leadership, comprehensive product portfolio, proven track record and solid reputation in the industry have well positioned us to capture opportunities arising from the fast-growing curtain wall market both in China and overseas and will continue to serve as a platform to strengthen our existing market and expand into new markets.

Leading research, development and design capabilities and advanced technologies

We believe the functionality, quality and design of a curtain wall system are among the key factors that our customers take into consideration when they purchase curtain wall products. With our leading research, development and design capabilities, we are able to provide high-quality and customized design services and undertake challenging projects by applying innovative solutions and advanced technologies.

We have one of the largest research, development and design teams among all major curtain wall providers in the world. We had 632 research and development professionals and 1,546 design professionals as of December 31, 2010. With headquarters in China and branches in Switzerland, Australia and Japan, our large, experienced and international research, development and design team enables us to simultaneously develop and design curtain wall systems for numerous projects in different countries and regions. Our research, development and design team has a panel consisting of eight experts, each of whom is well recognized in both the international and domestic curtain wall industry, who on average have more than 12 years of experience in the curtain wall industry.

Our research, development and design team mainly focuses on developing cutting-edge products and technologies that represent the latest industry trends, developing innovative integrated solutions tailored to customers' needs, improving existing products, enhancing production efficiency and reducing costs. Centrally managed and supervised by the research and development center at our headquarters, our research and development activities are carried out through 12 divisions categorized by the geographic markets on which their respective research and development work is focused. We are thereby able to address the particular requirements and specific needs of different projects with customized designs and develop products and technologies that can meet the market demands in different geographic areas.

Through our research and development, we have acquired industry-leading technologies in various areas, particularly for energy conservation, environmental protection and application of new systems, and have applied them extensively in our products. During the Track Record Period, we launched 81 new curtain wall products into the market. As of the Latest Practicable Date, our research and development team had successfully registered 58 patents in China or overseas for various curtain wall products and technologies which are still in force. For example, with respect to double-skin curtain walls, we have developed a full product portfolio with energy-saving and environmentally friendly features including interior cycle double-skin curtain walls and exterior cycle double-skin curtain walls. With respect to photovoltaic curtain walls, we have developed a complete set of technology and technical know-how as well as a full product portfolio. With respect to video curtain walls, we have successfully developed a curtain wall system integrating LED technology. We believe we are a market leader in providing curtain wall solutions with the application of new materials and advanced technologies, and intend to further strengthen our leading position through continued research and development.

We are committed to developing new and innovative curtain wall products and technologies to be used in our curtain wall projects. As of December 31, 2010, we had completed the design for a series of research and development projects, including photovoltaic double-skin curtain wall, photothermal unitized curtain wall, energy-saving unitized curtain wall for high latitude and cold areas, intelligent umbrella sun-shading system for elevation, and single frame natural ventilation double-skin energy-saving curtain wall system.

Strategically located production bases with strong processing capacity

According to the Synovate Report, as of December 31, 2009, we had the second largest curtain wall production capacities in the world, which enables us to meet market demand on a timely basis and to simultaneously undertake multiple large-scale projects. For the year ended December 31, 2010, our production capacity was approximately 10.0 million square meters.

We have four production bases strategically located in Shenyang, Shanghai, Chengdu and Foshan in China to serve our customers in different regional markets. Our Shenyang production base is responsible for supporting our projects in Northeast China, North China and overseas. Our production bases in Shanghai, Chengdu and Foshan are primarily responsible for supporting our projects in East China, South China and West China, respectively. As our four production bases are located in different regions of China with easy access to well-developed transportation networks, we are able to accelerate procurement process, reduce product delivery time and transportation costs and improve logistical efficiency for projects in China. The location of our production bases in China also provides us with cost advantages, particularly in labor costs, for our projects overseas.

We use industry-leading equipment for fabrication and assembly of curtain walls. We import the majority of such equipment from Germany, Italy, Austria and Japan. Such equipment generally has much lower processing deviation or processing time for fabricating curtain wall products as compared with traditional machinery, and has enabled us to significantly improve processing efficiency and enhance quality control.

In our production bases, we have set up auxiliary plants to provide common auxiliary parts and components for, or auxiliary processing of, our curtain wall products, including the production of steel parts, standard stainless steel parts and sealing joint strips, as well as spray processing. Our auxiliary plants have not only significantly increased the efficiency in processing and fabricating curtain wall products but also substantially lowered our material or processing costs as compared with external procurement or outsourcing.

Extensive sales and marketing network around the world

With our extensive sales and marketing and service network worldwide, we had undertaken curtain wall projects in 35 countries and regions as of December 31, 2010. Our subsidiaries and branch offices, which are strategically located globally, allow us to closely identify and monitor potential opportunities, maintain close contacts with our customers and business partners, provide timely support to local customers, and fully integrate our global operations and services.

In China, we have established five regional divisions responsible for sales and marketing in their respective geographic areas, which together fully cover China: East China, North China, South China, Northeast China, and West China. As of December 31, 2010, we had 34 branch offices or subsidiaries in China, covering 30 provinces, autonomous regions or municipalities. For the overseas market, we have also established seven regional divisions responsible for: the United Arab Emirates, Saudi Arabia, Persian Gulf area (excluding the United Arab Emirates and Saudi Arabia), the Russian Federation, the Americas and Africa, Australia and Singapore, and Europe. In order to better understand the local market and improve communication with local customers, we had established 25 overseas branches and subsidiaries as of December 31, 2010.

We conduct our business primarily through direct sales in order to maintain direct access to our customers, improve profitability by reducing sales intermediaries and protect our market reputation. Relying on the strong support of our research and development team with branches worldwide, we provide our customers with customized pre-sale services. We have established a three-tier sales and marketing system comprising our headquarters, regional divisions and local branches, which has significantly improved our ability to make decisions in a timely manner. Our headquarters is responsible for our overall strategy, planning and supervision of sales. Our regional divisions, which are responsible for implementing regional strategic plans approved by our headquarters, have significant discretion in making independent marketing and sales decisions. Our local branches are responsible for marketing, sales and construction of our awarded projects. With our three-tier sales system, we believe we are able to share resources among our group, effectively expand our market share and quickly respond to market changes.

We believe that our extensive sales and marketing network will facilitate our plan to solidify our leading market position in existing markets, further penetrate into second- and third-tier cities in China, and expand into new overseas markets such as Africa and South America.

High-quality production and installation through a stringent and comprehensive quality control system

We implement stringent quality control measures throughout the fabrication and assembly of curtain wall products and on-site product installation in order to provide products of the highest quality to our customers. We strictly apply mandatory PRC standards, industry standards and our own enterprise product standards. In addition, in the relevant countries or regions, if local laws require or at our customers request, we will apply other standards, such as standards adopted in the United States, the United Kingdom, Europe, Japan or Australia.

We have established a comprehensive quality control system certified under ISO 9001 to ensure every step from material procurement to after-sales maintenance of our curtain wall products complies with ISO 9001 standards, which allows us to achieve consistent product quality. In particular, we conduct quality inspections upon receipt of raw materials, at the fabrication stage, assembly stage, and on the finished products. We also conduct quality inspections for product installation at different stages in the installation.

At our Shenyang production base, we have our own curtain wall testing center, which has been accredited by the China National Accreditation Service for Conforming Assessment ("CNAS") (中國合格評定國家認可委員會). Through CNAS's multilateral agreement with the members of International Laboratory Accreditation ("ILAC"), our product testing is also recognized by all ILAC members around the world. Our testing center is equipped with computerized digital control systems to automatically collect and process data and generate evaluation results for the testing of air-tightness, resistance to wind pressure, water-proofness and plane deformation. To ensure the quality of our curtain wall projects, we have established procedures to effectively manage and supervise the installation of curtain walls for our projects worldwide. We conduct installation primarily by engaging workers sourced from licensed labor agencies with which we have a long history of cooperation on a contract basis, and outsource installation services only in countries where we cannot export labor to install curtain walls. We send our own project managers to conduct on-site supervision to closely monitor and ensure the quality of all of our project installations.

As a result of the above, we have been widely recognized by our customers as a leading provider of high-quality curtain wall products and installation services in the industry, which we believe has been critical in enabling us to win new projects.

Full range of high-quality and timely services throughout the project cycle

We provide our customers with a full range of services including research, development and design services, price evaluation, fabrication and assembly of curtain wall products, installation of curtain walls, and after-sales services, in all cases tailored to these customers' specific requirements.

Before and during the tendering process, our sales and research and development staff maintains close contact with the property owners and architects in order to fully understand their specific requirements and ideas for a project. We explain the curtain wall technology to them, provide preliminary curtain wall design, answer their technical and commercial questions, and eventually develop an integrated solution specifically tailored to the project, including selection of materials and making of sample products. With the strong support of our research and development team, we have been able to provide integrated solutions for technically sophisticated projects, such as the COCOON Tower, the Water Cube, and the Theme Pavilion of Expo 2010 Shanghai China.

When installing curtain wall products, our project managers keep close contact with the property owners and general contractors to timely resolve any issues that may arise during construction. After a curtain wall project is completed, our customers can, through our hotline, reach our after-sales service departments with specialized service staff in major cities both in China and overseas. After receiving a request for repair, our service staff is generally able to arrive at the site within 48 hours, issue a report 12 hours after inspection and, depending upon the circumstances of the services requested, complete the repairs within a short period of time.

We provide professional maintenance services to our customers after completion of our projects. As part of our standard after-sales service package, we conduct inspection of the curtain walls we have installed upon request, with a focus on glass, sealing strips, sealant and other parts of curtain wall products that are susceptible to wear and tear or damage. We also provide our customers with information for curtain wall maintenance and regular inspection and repair upon request.

Experienced and dedicated management team with strategic vision

We are led by an experienced and dedicated management team, which has strong technical expertise and substantial experience in, and in-depth knowledge of, the curtain wall industry worldwide. Most members of our senior management have over 13 years of experience in the curtain wall industry and have been with us since 1997.

We believe our management's strategic vision and our efficient management model are the keys to our long-term success. Under the collective leadership of our management team, we have successfully built up our leading research, development and design capabilities, developed a series of innovative curtain wall products and technologies to capture market opportunities, and established a well-regarded reputation through our proven track record. After 18 years of development, we have grown from a local business in Shenyang to the second largest manufacturer of curtain walls in the world, and the largest in China, as measured by revenue in 2009 according to the Synovate Report. As of December 31, 2010, we had undertaken curtain wall projects in 35 countries or regions.

We are committed to retaining and recruiting talented people and providing our key management and technical staff with professional development opportunities as well as attractive compensation packages. Most of our senior management members have been granted an equity interest in us by Mr. Kang as part of the incentive package and in recognition of their contribution to our development. Moreover, it is also the intention of Mr. Kang to further set up a share award scheme where he could reward certain of our executives and employees for their contributions to our development by awarding them with Shares from his personal interest after the Listing. For more information, please refer to the section entitled "History and Reorganization — Reorganization" in this prospectus.

OUR BUSINESS STRATEGIES

We aim to strengthen our leading position in the curtain wall industry both in China and overseas through the business strategies described below. We intend to fund each of these strategies with cash generated from our operations, the net proceeds from the Global Offering and, when necessary, bank borrowings.

Further expand our production facilities to support our growth

We intend to continue to expand our production facilities in order to meet market demand for our products, capture market opportunities arising from the curtain wall market and gain additional market share both in China and overseas. The planned expansion of our existing production bases and our planned new production bases are expected to significantly increase our production scale and enable us to undertake more projects simultaneously.

We have commenced the expansion of our existing production base in Shanghai and intend to expand our existing production bases in Chengdu and Foshan to meet the growing market demand in East China, West China and South China, respectively. We completed the construction of the new production facilities in Shanghai with a GFA of approximately 71,503 square meters in 2010. We expect to complete construction of one new plant in our Chengdu production base and one new plant in our Foshan production base by May 2013.

In order to support our growth in Northeast China together with our Shenyang production base, we are constructing a new production base in Anshan, China. Our Anshan production base, which has an aggregate site area of approximately 55,482 square meters, is expected to have workshops with a GFA of approximately 32,186 square metres upon completion by December 2012.

Moreover, to facilitate our growth in North China and the Middle East, we plan to construct two new production bases for curtain wall products in Tianjin and the Middle East. We currently lease plants in Beijing to assemble curtain wall products fabricated in our Shenyang production base to meet the requirements of our projects in North China. As our current production, assembly and transportation arrangement are not expected to meet our expected business growth in this area, we plan to establish a new production base in Tianjin with an aggregate site area of approximately 133,000 square meters. We intend to terminate our lease of the current assembly plants in Beijing after the completion of our Tianjin production base, which is expected to take place in December 2013.

Currently all curtain wall products required for our projects in the Middle East are fabricated and assembled in our Shenyang production base. We expect our business in the Middle East to continue to grow in the future. Accordingly, we plan to acquire land in the Middle East with an aggregate site area of approximately 100,000 square meters to establish a new production base, which is expected to be completed by December 2013 in order to stay close to our customers, lower transportation and tariff cost, enhance our after-sale services, and expand our market share in the Middle East.

In addition, to meet increasing market demand, we plan to construct a new facility for the production of aluminum alloy doors and windows in Shenyang, which is expected to be completed by December 2013. We believe this production facility, which is expected to have a total GFA of approximately 65,826 square meters, will further enhance our overall competitiveness in the curtain wall industry. For more information about our production bases, see the section entitled "Business — Production Facilities" in this prospectus.

Further increase our market share in existing markets and penetrate markets with growth potential

We intend to further strengthen our position in existing markets and continue to penetrate into new markets through extending our sales and marketing network around the world.

In the domestic market, we plan to strengthen our overall leading position to further expand our market share. We currently have five regional divisions in China, including 34 branch offices or subsidiaries, and plan to establish approximately 10 more branch offices or subsidiaries within the next five years to refine regional market segmentation, strengthen market penetration, enhance resource support and facilitate sales and marketing management in regional markets. Each of our regional divisions has its own management, sales and design team and focuses on its own geographical areas. Supervised by our headquarters, our regional divisions are authorized, with certain limitations, to make business decisions independently, which enables us to stay on top of the market, respond quickly to market changes, and capture more business opportunities.

In the overseas market, we plan to strengthen our competitive advantage in the Middle East, Europe, Japan, South Korea, Australia and the United States to increase our market share through further market segmentation and enhancement of local operation. In particular, we plan to establish a new production base in the Middle East to lower our operation cost and facilitate our expansion in this region. Meanwhile, we intend to explore the markets in Africa, South America and other areas that we believe have significant growth potential. For example, as Brazil will host the Rio de Janeiro 2016 Olympics and the 2014 World Cup, we intend to take the opportunities to expand our market share in Brazil. In order to facilitate our expansion, we plan to continuously increase the number of our branch offices, recruit more sales persons who are familiar with local markets, develop more new products featuring energy-saving and environmental protection functions as well as provide more customized products at competitive prices in line with local market demands.

We believe that, with the expansion of our sales and marketing network, we will further strengthen our leading market position, increase our market share and improve customer satisfaction. We aim to increase our market share in the global curtain wall market to 10% and in the curtain wall market in China to 35% in the next five years.

Further strengthen our leading research and development capabilities to capture business opportunities and increase our profitability

We have been committed to investing in research and development and will continue to do so. We have been increasing our research and development expenditure over the years, incurring approximately RMB121.4 million, RMB136.4 million and RMB200.8 million, representing 2.1%, 1.9% and 2.2% of our total revenue in 2008, 2009 and 2010, respectively. We intend to continue our effort in research and development and expect our research and development expenses will constitute approximately 1.5% to 2% of our total revenue each year.

We introduced 81 new curtain wall products into the market during the Track Record Period and will continue to capitalize on our research and development strengths to develop new technologies and products in line with industry trends. Our research and development will be focused on: (i) utilization of renewable energy and the development and application of energy-saving and environmentally friendly high-performance curtain walls, (ii) the development and application of new curtain wall materials and production processes, including cooperation with suppliers of raw materials, and (iii) transformation, application and commercialization of research and development results. We believe the energy-saving and environmentally friendly curtain wall products provide high value-added and represent the future trend of curtain wall application.

To facilitate our research and development efforts, we plan to increase approximately 10% of our research and development professionals each year for the next five years and at the same time increase the percentage of our overseas research and development professionals. We believe that, through continued investment in research and development, we can develop new curtain wall products and technologies that adapt to market trends and demands and capture more opportunities in the growing curtain wall market both domestically and globally.

Enhance vertical integration in our production chain to reduce raw material cost and ensure product quality

The principal materials we use for the fabrication and production of our curtain wall products include aluminum extrusions, glass, steel and sealant, which in aggregate accounted for 77.1%, 75.9% and 77.1%, respectively, of our cost of materials for the years ended December 31, 2008, 2009 and 2010, respectively. During the Track Record Period, we sourced aluminum extrusions, glass, steel and sealant mainly from external parties. We believe the in-house production of these raw materials will give us a high degree of vertical integration in our production process, which will reduce our reliance on the external sourcing of key raw materials, allow us to better control costs and quality as well as ensure the timely delivery of our products. Therefore, we plan to begin producing aluminum extrusions either by ourselves or through joint ventures with international business partners. We are currently negotiating with several potential joint venture partners to explore the possibilities to establish a joint venture for the production of aluminum extrusions. The planned production facilities, upon completion, are expected to have an annual production capacity of 250,000 tons of aluminum extrusions.

In August 2010, we signed a memorandum of understanding with an international glass company to establish a joint venture to manufacture glass in Shenyang. Pursuant to the memorandum of understanding, we will hold a 49% equity interest in the joint venture. The planned production facilities of the joint venture are expected to have an annual processing capacity of 1.0 million square meters of glass upon completion of its Phase I in December 2012 and 4.0 million square meters of glass upon completion of its Phase II in August 2013. However, this memorandum of understanding is not legally binding except for the terms on confidentiality, exclusive negotiation and dispute resolution. As we had not entered into any definitive joint venture agreement with the international glass company as of the Latest Practicable Date, the commercial terms for the joint venture, including the commencement date of production, are uncertain. In the future, we may further increase our vertical integration in our production chain through acquisition or construction of new facilities.

OUR PRINCIPAL PRODUCTS

As a global leader in the curtain wall industry, we have developed a variety of curtain wall products comprising both traditional products and products with the application of more complex designs, new materials or advanced technologies to serve different functions. Moreover, we also provide various other products related to curtain walls, including skylights, metal roofs, canopy systems, curtain wall decorative components, curtain wall integration function products, balustrade/breast board systems, and energy saving aluminum doors and windows.

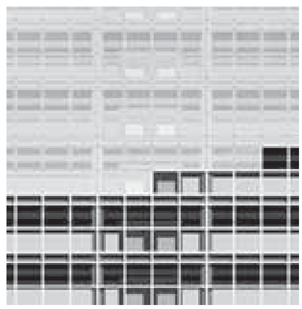
Curtain Wall Products

Curtain walls constitute the exterior wall of a building and are generally made of aluminum extrusions, glass, granite and other cladding materials. We believe we have one of the most comprehensive portfolios of curtain wall products in the world.

All of our curtain wall products can be divided into two styles and each style can be further divided into several categories based on product structure as follows:

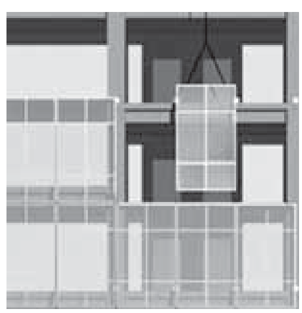
Product Category	Product Description
Frame-Supporting Style	The periphery of curtain wall panels of such curtain walls is supported by metal frames.

Stick Curtain Wall

A stick curtain wall is a type of frame-supporting curtain wall that requires on-site installation of individual framing components to form the supporting grid for curtain wall panels. The panels can be made of various materials, including glass, metal, stone, and artificial materials.

Unitized Curtain Wall

A unitized curtain wall is another type of frame-supporting curtain wall consisting of framing components and panel materials. Such framing components and panel materials are assembled into a single curtain wall unit at our production base. The curtain wall units are then transported to construction sites for installation. The panels can be made of various materials, including glass, metal, stone, and artificial materials.

Semi-unitized Curtain Wall

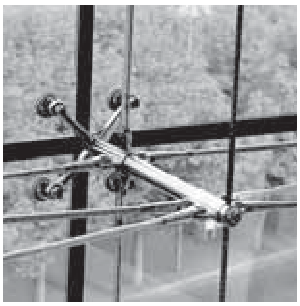

A semi-unitized curtain wall is a type of curtain wall which has the combined features of stick curtain wall and unitized curtain wall. All components of semi-unitized curtain wall except main keels are fabricated and assembled into unitized panels at our production facilities, and then delivered to construction sites to be fixed on main keels for installation.

Product Category	Product Description

Non-frame Style

In non-frame curtain walls, the periphery of the panels is not supported by frames.

Point-Fixing Curtain Wall

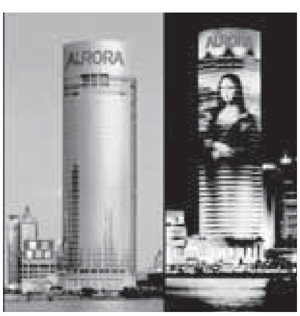
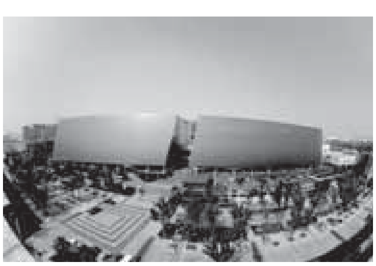


A point-fixing curtain wall is one type of non-frame curtain wall that consists of glass panels, point-fixing components on such panels and their supporting structures.

Full-glass Curtain Wall

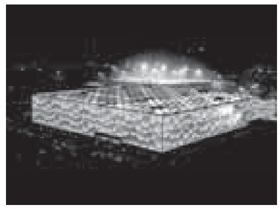
A full-glass curtain wall is another type of non-frame curtain wall where glass panels are connected with each other and eventually connected to the main building through peripheral supporting structures.

Apart from their traditional functions such as enhancing the external appearance of buildings, with the application of new technologies, curtain walls play an important role in facilitating environmental protection and improving energy efficiency and living conditions. Particularly, through intelligent control, curtain walls have significantly improved in terms of safety and functionality. Leveraging our leading research, development and design capabilities and applying more complex designs, advanced technologies and new materials, we have successfully developed various curtain wall products on the basis of the above five basic product structures. Such curtain wall products, which we believe represent the trend in the curtain wall industry, include but are not limited to the following:

Product Category	Product Description
Double-skin Energy-saving Curtain Wall  	A double-skin energy-saving curtain wall is an outer building structure consisting of an outer curtain wall and an inner curtain wall. It is also known as a dynamic ventilation curtain wall, hot-channel curtain wall and respiration curtain wall. Compared with conventional curtain walls, double-skin curtain walls can effectively improve the thermal insulation of the outer building structure, indoor ventilation, sound insulation and daylighting.
Video Curtain Wall  	A video curtain wall is a combination of a curtain wall and LED video control technology. With an LED screen applied to its surface, the curtain wall can achieve various visual and audio effects using the curtain wall's display and audio control system.
Photovoltaic Curtain Wall 	A photovoltaic curtain wall is a type of curtain wall that integrates a photo-voltaic system. Photovoltaic panels are usually installed on the glass of the curtain wall to generate electricity from solar energy.

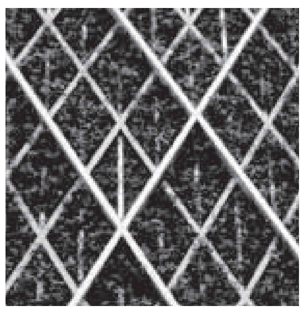
Product Category	Product Description

Membrane Structure Curtain Wall



Membrane structure curtain wall is a type of curtain wall that uses high-performance ETFE membrane as its surface material, including ETFE stretching membrane and ETFE aired membrane. The ETFE membrane has many desirable physical features such as high transparency, light weight, high resistance to aging and long life.

Ecologically Friendly Curtain Wall



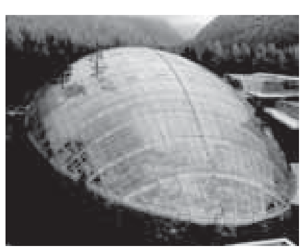
Ecologically friendly curtain wall is a type of ecologically friendly outer building structure that is covered by a botanical layer with a bioclimatic buffering layer. Ecologically friendly curtain walls are designed to achieve resource conservation and reduce pollution.

Other Related Products

We also offer a wide range of other products related to our curtain wall products to cater to the diverse needs of our customers. These products include:

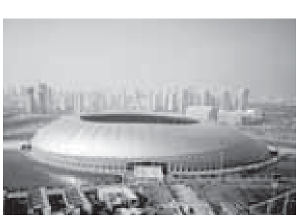
Product Category	Product Description

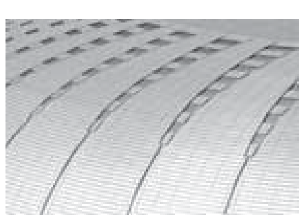
Skylight



A skylight, which consists of transparent panels and its supporting system, is a roof system that has a horizontal angle of less than 75 degrees. It provides natural lighting for the building and serves other related functions. The transparent panels are usually made of glass, polycarbonate sheet and transparent membrane materials.

Metal Roof





Metal roof has panels which are made of metal, such as aluminum alloy panel, titanium-zinc panel, prefabricated steel panel and aluminum panel. The metal roof's supporting system generally adopts a metallic structure, such as steel and aluminum alloy.

Product Category	Product Description

Shading System


A shading system is used to shield a building from excess sunlight. It helps to improve the energy efficiency of a building by reducing the amount of air conditioning required in the building. We have applied intelligent control technology to some of our shading systems, which can automatically adjust its position in response to the sun's path.

Canopy System


A canopy system is the outer structural component of a building which is located at the entrance and exit of the building, serving the function of shielding the building from wind, rain and sunshine. Under the canopy is a semi-open space which is the exchange and transition buffer zone between the inner space and outer space of the building. The canopy system is an important part of a building's outer decoration system, which highlights the whole building.

Balustrade/Breast Board System

A balustrade/breast board system consists of components which are applied to certain parts of the building, serving the functions of safeguarding and decoration. As an independent system, it is usually applied along the edge of the accessible roof, indoor floor edge and balcony.

Energy-saving Aluminum Alloy Doors and Windows

Energy-saving aluminum alloy doors and windows are made of thermal insulation aluminum alloy extrusions and energy-saving glass, all of which can be recycled.

OUR PROJECTS

We divide our projects into three categories based on the status of the project:

- completed projects — referring to projects for which 100% of their revenue has been recognized for accounting purpose as of a point in time;

- projects in progress — referring to projects for which we have commenced work but have recognized only part of the revenue for accounting purpose as of a point in time. The portion of contract value for projects in progress which has not been realized is deemed as part of our backlog; and

- uncommenced projects — referring to projects for which we have been awarded a contract but have not commenced work and no revenue has been recognized as of a point in time. Contract value for uncommenced projects is deemed as part of our backlog.

We completed 513 projects during the Track Record Period. As of December 31, 2010, we had 461 projects in progress and 28 uncommenced projects.

Completed Projects

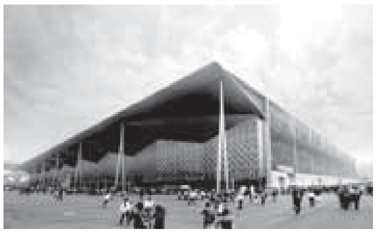
The following table summarizes the curtain wall projects that we have completed during the Track Record Period, as of the end of the periods indicated, but not prior to the beginning of the periods indicated, including both the projects for which we undertook installation of our curtain wall products and the projects for which we only provided curtain wall products without undertaking the installation work:

	China	Middle East	Europe	Australia	U.S.	Asia [1]	Other regions	Total
Number of completed projects								
2008	112	2	7	–	–	2	–	123
2009	125	3	9	3	2	12	1	155
2010	169	9	10	17	12	17	1	235
Total	406	14	26	20	14	31	2	513

Note:

(1) Asia as used herein excludes China and the Middle East.

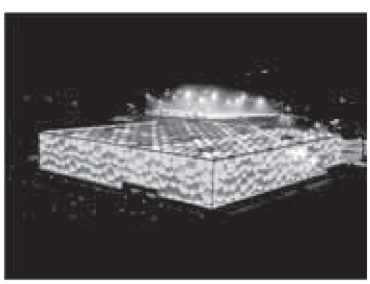
The following sets forth the representative curtain wall projects that we have completed as of December 31, 2010:

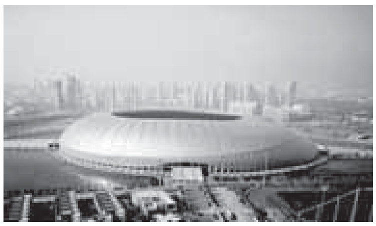
No.	Project Name, Location, Time of Completion, and Attributable Project Area[1]	Project Description
1	Theme Pavilion of Expo 2010 Shanghai China (上海世博主題館)  • Location: Shanghai, China • Time of Completion: September 2009 • Attributable Project Area: Approximately 82,245 m^2 (100%)	• The Theme Pavilion of Expo 2010 Shanghai China is one of the permanent buildings for Expo 2010 Shanghai China. It is the exhibition building with the largest span in Asia. • For the west side and east side of the building, we applied ecologically friendly curtain wall with a total area of approximately 5,000 square meters. For the roof of the building, we applied photovoltaic system with a total area of approximately 30,000 square meters. • The Theme Pavilion is a classic example of a "green" building that epitomizes energy saving, environmental protection and utilization of clean energy.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
2	The Shanghai Expo Centre of Expo 2010 Shanghai China (上海世博中心)  • Location: Shanghai, China • Time of Completion: December 2009 • Attributable Project Area: Approximately 61,000 m^2 (100%)	• The Shanghai Expo Centre is one of the permanent buildings for Expo 2010 Shanghai China. It is the only "green" building in China which both passed the PRC Three-Star Standard for Green Building (中國綠色建築三星級) and the U.S. LEED Platinum Standard. • In this project, we applied segment unitized curtain walls, point-fixing curtain walls, and long-span glass skylights supported by steel structures.

Note:

(1) Attributable project area for a completed project refers to the total area of the curtain wall completed by us. The corresponding percentage refers to the percentage of total curtain wall area of the project attributable to us.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
3	National Stadium of China (also known as the "Bird's Nest") (國家體育場, "鳥巢")  • Location: Beijing, China • Time of Completion: January 2007 • Attributable Project Area: Approximately 38,500 m^2 (100%)	• The National Stadium of China, also known as the "Bird's Nest," was the main stadium of the Beijing 2008 Olympic Games. The main structure of the building consists of bending and twisted steel beams, with its superface shaped like a saddle. • For the roof and internal ring elevation of the building, we applied membrane structures made of transparent ETFE stretching membrane, which consists of 1,038 membrane units square meters. • The Bird's Nest, which applied ETFE stretching membrane with a total area of approximately 38,500 square meters, has the largest curtain wall made of ETFE stretching membrane in terms of project area.
4	China National Swimming Center (also known as the "Water Cube") (國家游泳中心, "水立方")  • Location: Beijing, China • Time of Completion: August 2006 • Attributable Project Area: Approximately 104,388 m^2 (100%)	• The China National Swimming Center, also known as the "Water Cube," is the main swimming facility, and one of the representative buildings, of the Beijing 2008 Olympic Games. The main structure of the building, which is shaped like a cube, consists of polyhedron steel frame. • For the curtain wall and roof of the building, we applied membrane structures made of ETFE aired membrane, which consists of 3,615 aired pillows with a total area of approximately 104,388 square meters. • The curtain wall of the Water Cube is the largest ETFE aired membrane structure project in the world in terms of project area, with complex structure and advanced thermal, optical and acoustical features.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
5	Tianjin Olympics Center (天津奥林匹克中心體育場)  • Location: Tianjin, China • Time of Completion: May 2006 • Attributable Project Area: Approximately 60,990 m^2 (100%)	• The Tianjin Olympics Center, which is shaped like a water drop, was one of the stadiums that hosted the soccer games of the Beijing 2008 Olympic Games. It is one of the landmarks in Tianjin. • For the exterior surface of the building, we applied point-fixing glass curtain walls at the lower part, a honeycomb plate roof curtain wall at the middle and sun plate roofs on the top to form the irregular curved surface of the building.
6	Shenyang Olympics Sports Center Stadium (瀋陽奧林匹克體育中心)  • Location: Shenyang, China • Time of Completion: May 2007 • Attributable Project Area: Approximately 41,931 m^2 (100%)	• The Shenyang Olympics Center consists of the stand, which adopts a steel-reinforced concrete structure, and the roof, which adopts an arched steel structure. It is one of the landmarks in Shenyang. • The outside of the building takes a curved surface with open-type aluminum honeycomb plates as decoration. For the roof and curtain wall of the building, we applied a plate fitting system to overcome the difficulty caused by the irregular curved surface.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
7	Technological Entrepreneurship Center at Southern Sub-center of Chengdu (成都市南部副中心科技創業中心)  • Location: Chengdu, China • Time of Completion: July 2006 • Attributable Project Area: Approximately 79,519 m^2 (100%)	• The Technological Entrepreneurship Center, an important landmark in Chengdu, is a half-round complex consisting of a round-shaped building surrounded by six petal-shaped buildings. • In this project, we applied glass stick curtain walls, aluminum panel curtain walls, stone curtain walls, motor-controlled glass louver systems, skylights, full-glass curtain walls, and aluminum alloy decorative mesh.
8	Shenzhen Vanke Center (深圳萬科中心)  • Location: Shenzhen, China • Time of Completion: August 2009 • Attributable Project Area: Approximately 59,578 m^2 (100%)	• The Shenzhen Vanke Center is a complex of horizontal development with a total length of approximately 1,648 meters for its main structure, incorporating the functions of a conference center, an exhibition hall, a hotel and an office building. It adopts an innovative structure that integrates huge-span steel structures, bridge-stayed cables and steel reinforced concrete structures. • In this project, we applied T-shaped steel structure silicone glass curtain walls and intelligent, motor-controlled sun-shading systems. • The Shenzhen Vanke Center is a multi-function green building for which we have applied for LEED-NC2.2 platinum certification. During the life of the building, it will, to a maximum extent, save resources, reduce energy consumption, protect the environment and reduce pollution.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description

9

Wuxi Shangneng Research and Development Building and Recreation Center
(無錫尚能研發大樓及康樂中心)

- Location: Wuxi, China
- Time of Completion: October 2008
- Attributable Project Area: Approximately 19,787 m^2 (100%)

- The Wuxi Shangneng Research and Development Building and Recreation Center is a building designed to achieve maximum energy saving with the application of photovoltaic curtain wall and high-performance materials. It is the product research and development center of the photovoltaic company Suntech Power Holding Co., Ltd.

- In this project, we applied double-insulation energy-saving photovoltaic glass to form the photovoltaic curtain wall in a total area of approximately 6,000 square meters. The south side of the curtain wall adopts an inclined plane to trap the maximum amount of solar energy by taking into account of the angle of the sunlight. The roof of the building adopts a frame-supporting glass skylight structure. The installed capacity of the photovoltaic curtain wall is approximately 1,000 kilowatts.

- The Wuxi Shangneng Research and Development Center has the largest energy-saving photovoltaic curtain wall in the world in terms of surface area.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description

10 Yueyang Plaza (越洋廣場)

- Location: Shanghai, China
- Time of Completion: September 2007
- Attributable Project Area: Approximately 80,530 m^2 (100%)

- The Yueyang Plaza is a large complex which comprises a grade A office building, a super-five-star boutique hotel and a shopping mall.
- In this project, we applied active breathing double-skin curtain walls, which consists of outer unitized curtain walls, inner glass windows curtain walls, shading systems and ventilation devices.
- The Yueyang Plaza is known for its effective energy-saving and a high-level of user comfort.

11 Beijing New Poly Plaza (北京新保利大廈)

- Location: Beijing, China
- Time of Completion: October 2006
- Attributable Project Area: Approximately 5,400 m^2 (100%)

- The Beijing New Poly Plaza, a large commercial building incorporating multiple innovative technologies in its design and engineering, is acclaimed as a landmark in Beijing.
- For the curtain wall of the building, we applied single-layer tightwire mesh as its supporting structure, which greatly increases the transparency of the curtain wall and improves the appearance of the building. With a height of approximately 90 meters and a span of approximately 60 meters, the single cable glass curtain wall has a total area of approximately 5,400 square meters, representing the cutting-edge curtain wall technology in the world.
- The Beijing New Poly Plaza has the largest concaved segment cable net glass curtain wall in the world, which was also the first of its type in the world, in terms of both single curtain wall area and span.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description

12 Guangzhou Development Center
(廣州發展中心大廈)

- Location: Guangzhou, China
- Time of Completion: September 2005
- Attributable Project Area: Approximately 77,828 m^2 (100%)

- The Guangzhou Development Center is an office building in Guangzhou with a height of approximately 150 meters and a GFA of approximately 78,000 square meters.
- In this project, we applied stick exposed frame glass curtain walls, back anchor granite curtain walls and vertical motor-controlled aluminum sun-shading louver systems.
- The Guangzhou Development Center is the first major project in China that applied the vertical motor-controlled aluminum sun-shading louver system and the first project in China that used sandstone as a curtain wall material.

13 Shanghai Aurora Building
(上海震旦國際大樓)

- Location: Shanghai, China
- Time of Completion: October 2002
- Attributable Project Area: Approximately 34,850 m^2 (100%)

- The Shanghai Aurora Building, with a height of 180 meters, is a multi-function comprehensive commercial building located in the Lujiazui Finance and Trade Zone in Shanghai.
- In this project, we applied structure silicone unitized curtain wall to form a LED video curtain wall system, which has a total area of more than 3,000 square meters covering floors 19 through 33 of the building. As the LEDs are installed on the inner side of the curtain wall glass, the installation does not affect the appearance of the building during the daytime, but can display video programs at night.
- The curtain wall of Shanghai Aurora Building, at the time of its completion, was the largest video curtain wall in China with LEDs installed on the inner side of the curtain wall glass.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
14	The Executive Towers at Business Bay  • Location: Dubai, UAE • Time of Completion: November 2007 • Attributable Project Area: Approximately 407,467 m^2 (84.6%)	• The Executive Towers at Business Bay comprises 11 buildings, the tallest of which has a height of approximately 220 meters. • The exterior surface of the buildings is an integration of glass curtain walls, aluminum plate curtain walls, aluminum alloy doors and winders and blinds. The glass curtain wall adopts exposed frame stick curtain wall systems. • The Executive Towers at Business Bay is the largest overseas curtain wall project undertaken by Chinese curtain wall companies in terms of attributable project area.
15	The Legacy at Millennium Park  • Location: Chicago, United States • Time of Completion: August 2009 • Attributable Project Area: Approximately 36,000 m^2 (100%)	• The Legacy at Millennium Park is a representative building in Chicago with a height of 250 meters. • In this project, we applied unitized structure silicone glass walls with super displacement ability, stick structure silicone glass curtain walls and photovoltaic glass curtain walls.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
16	COCOON Tower  • Location: Tokyo, Japan • Time of Completion: October 2008 • Attributable Project Area: Approximately 22,000 m^2 (100%)	• The COCOON Tower is a super high-rise building with a height of 203 meters. • In this project, we applied unitized curtain walls with the largest panel in the world, an irregular-shaped double curved surface and a complex structure. The curtain wall unit has a weight of 1.5 tons and a size of 6 by 3.85 meters. • The COCOON Tower received the 2008 Emporis Skyscraper Gold Award, which is a prominent award for architectural excellence in the design of buildings and their functionality.
17	Westminster Park Plaza Hotel  • Location: London, United Kingdom • Time of Completion: April 2010 • Attributable Project Area: Approximately 23,400 m^2 (87.5%)	• The Westminster Park Plaza Hotel is a cylinder-shaped building integrating high-quality accommodation, dining, bar and entertainment. • In this project, we applied double-skin curtain walls with multi-colored laminated glass fins, sandstone curtain walls, point-fixing glass curtain walls and skylights.

No.	Project Name, Location, Time of Completion, and Attributable Project Area	Project Description
18	Meydan Racecourse  • Location: Dubai, UAE • Time of Completion: March 2010 • Attributable Project Area: Approximately 147,000 m² (80.9%)	• The Meydan Racecourse, with a length of approximately 970 meters and a height of 68 meters, is the largest racecourse in the world. • In this project, we applied 46 types of curtain wall, most of which are point-fixing curtain walls and full-glass curtain walls. Particularly, we applied irregular glass plates in the curtain wall of the Bubble Restaurant of the Meydan Racecourse to create the appearance of irregular bubbles on the exterior surface of the building.
19	Airrail Center Frankfurt  • Location: Frankfurt, Germany • Time of Completion: December 2010 • Attributable Project Area: Approximately 72,000 m² (56.3%)	• The Airrail Center Frankfurt is a complex integrating hotel, office building, conference center, shopping mall and entertainment facilities. With a length of approximately 660 meters, a width of 65 meters and a height of 34 meters, the building represents the profile of the head of a train. • In this project, we applied segment unitized curtain walls on the south and north sides of the building and applied curved unitized curtain walls on the top of the building. At the east and west ends of the building, we applied double-skin curtain walls. The curtain walls use light blue laminated Low-E insulating glass units, sound insulation film and 3mm aluminum panels for better energy saving and sound insulation.

Projects in Progress

The following table summarizes our curtain wall projects that were in progress as of December 31, 2010:

	China	Middle East	Europe	Australia	United States	Asia[(1)]	Other regions	Total
Number of projects in progress								
As of December 31, 2010	379	29	14	18	3	17	1	461
Unrealized Contract Value of projects in progress (RMB millions)								
As of December 31, 2010	7,141.2	3,952.1	925.6	921.3	154.2	607.5	118.5	13,820.4

Note:

(1) Asia as used herein excludes China and the Middle East.

As of December 31, 2010, we had 461 projects in progress, with a total of RMB13,820.4 million outstanding under our contracts and not yet been recognized as revenue in our financial statements (the "Unrealized Contract Value"). Among these projects, 379 projects and 82 projects are located in China and overseas, respectively, with a total Unrealized Contract Value of RMB7,141.2 million and RMB6,679.2 million, respectively. We compute the Unrealized Contract Value based on the total contract amount of all of our projects in progress as of December 31, 2010, less the aggregate amount of such contract value of each project that had been recognized as revenues in our financial statements as of December 31, 2010.

The following table sets forth our representative curtain wall projects that were in progress as of December 31, 2010:

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[1]	Project Description
1	Taiping Financial Tower (太平金融大廈) • Location: Shanghai, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 50,000 m^2 (100%)	• The Taiping Financial Tower, with a height of 208 meters, is a high-end office building located in the Lujiazui Finance and Trade Zone in Shanghai. • In this project, we applied basket-weaved unitized curtain walls to achieve the unique effect that the building looks like it is being enveloped with braided fabrics.
2	Shenzhen New Oriental Tiandi Plaza (深圳新東方天地廣場) • Location: Shenzhen, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 96,000 m^2 (100%)	• The Shenzhen New Oriental Tiandi Plaza is a large-scale complex consisting of offices, hotels, apartments, and commercial buildings. It includes four towers and a five-story podium. • In this project, for buildings A, B and C, we will apply unitized glass curtain walls with glass fins on the north and south sides; on the east and west sides of the buildings we will apply perforated aluminum panel curtain walls. For building D, we will apply french outward turning windows on the east and west sides; on the north and south sides, we will apply perforated aluminum panel curtain walls.

Note:

(1) Attributable project area for a project in progress refers to the total area of the curtain wall to be completed by us pursuant to the project contract, as adjusted by the actual construction of the project, if necessary. The corresponding percentage refers to the percentage of the total curtain wall area of the project attributable to us.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area(1)	Project Description
3	Shenzhen Jingji Financial Center (深圳市京基金融中心) • Location: Shenzhen, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 92,371 m^2 (100%)	• The Shenzhen Jingji Finance Center, with a height of 441 meters and 98 floors, is the tallest building in Shenzhen, China. • In this project, we applied unitized curtain walls made of dual-pane Low-E glass with a curved shape for its northern side and southern side. LED lights are installed in the decorative bars built in the curtain walls to achieve various lighting effects at night under its central computer control system. • As Shenzhen Jingji Finance Center is located in an area frequently hit by typhoons, we designed its unitized curtain walls to be water-proof and highly wind-resistant.
4	Shenyang Huarun Center (瀋陽華潤中心) • Location: Shenyang, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 74,000 m^2 (100%)	• The Shenyang Huarun Center consists of an office tower and a podium building. • In this project, we applied frame-supporting curtain walls to the podium building and applied unitized curtain walls to the office tower. The curtain walls use double silver coated Low-E tempered insulating glass units with high thermal insulation, 3mm fluorocarbon coating aluminum panels in three colors and stone, in three colors.
5	Southern Asia Fengqing First City (南亞風情第一城) • Location: Kunming, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 102,221 m^2 (100%)	• The Southern Asia Fengqing First City is a large complex consisting of commercial and business buildings in Kunming, Yunnan province. • In this project, we will apply unitized curtain walls, with a combination of glass, stone and metal panels.
6	Chongbin Baoli International Plaza (重賓保利國際廣場) • Location: Chongqing, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 67,100 m^2 (100%)	• The Chongbin Baoli International Plaza is an integrated high-rise public building consisting of five-star hotels, grade-A office space and restaurants with a height of approximately 286.8 meters. It is currently the tallest building in Chongqing. • In this project, we will use Low-E insulating glass and stone materials for its curtain wall.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[1]	Project Description
7	Shenyang Maoye Center (瀋陽茂業中心) • Location: Shenyang, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 68,400 m^2 (100%)	• The Shenyang Maoye Center consists of main towers and podium buildings. Its main tower has a height of approximately 270 meters. • For the main tower, we will apply energy-saving unitized curtain walls. For the podium buildings, we will apply glass fins supporting point-fixing glass wall glass curtain walls, frame-supporting glass curtain walls, stone curtain walls and aluminum sheet curtain walls.
8	Weibang Financial Plaza (維邦金融廣場) • Location: Ordos, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 126,865 m^2 (100%)	• The Weibang Financial Plaza is an integrated commercial, leisure and entertainment complex consisting of five towers and five podiums, with a height of approximately 105 meters. • In this project, we will apply stick curtain walls, with a combination of a variety of colored glass, ceramic panels, clay and aluminum panels to achieve the effects of modern architecture.
9	Qingdao Yuanxiong International Square (青島遠雄國際廣場) • Location: Qingdao, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 61,000 m^2 (100%)	• The Qingdao Yuanxiong International Square is the largest complex in the Shandong province with a height of approximately 222.4 meters, consisting of high-grade office buildings, serviced apartments, five-star hotels, shopping malls and residential areas. • In this project, we will apply unitized curtain walls, Low-E insulating glass, aluminum plates and aluminum alloy blinds.
10	Shanghai Shengda International Finance Center (上海盛大國際金融中心) • Location: Shanghai, China • Completion Date: 2011 • Attributable Project Area: Approximately 110,000 m^2 (100%)	• The Shanghai Shengda International Finance Center, with a height of approximately 168 meters, is located in the Pudong New District in Shanghai. • In this project, we applied various types of curtain walls, including fish-scaled unitized glass curtain walls on the facade of the building, double-skin curtain walls in its lower and upper portions, and the decorative curtain walls made of perforated stainless steel sheets and aluminum plates.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[(1)]	Project Description
11	Headquarters of Microsoft (China) Research & Development Group (微軟(中國)研發集團總部) • Location: Beijing, China • Completion Date: 2011 • Attributable Project Area: Approximately 58,900 m^2 (100%)	• The Headquarters of Microsoft (China) Research & Development Group is located in Beijing Zhongguancun Science and Technology Park, also known as "China's Silicon Valley." • In this project, we applied various types of curtain walls, including unitized double-layer glass curtain walls, unitized single-layer glass curtain walls, glass stick curtain walls, aluminum panel curtain wall, stone curtain walls, aluminum alloy blinds, and shading systems.
12	New Site of Guangzhou TV Station (廣州電視台新址) • Location: Guangzhou, China • Completion Date: 2011 • Attributable Project Area: Approximately 110,000 m^2 (100%)	• The New Site of Guangzhou TV Station consists of two towers, with the taller one having a height of approximately 100 meters. • In this project, we applied various types of curtain walls, including serrated glass and aluminum panel mixed curtain walls, steel structure cable point-fixing glass curtain walls, stick structure silicone curtain walls, point-fixing glass curtain walls, aluminum panel curtain walls), blinds and glass skylights. The curtain walls use tempered Low-E insulating glass units, tempered laminated glass units and XIR membrane for energy-saving.
13	Cross Strait Exchange Center Phase 2 (廈門海峽交流中心二期) • Location: Xiamen, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 40,000 m^2 (100%)	• The Cross Strait Exchange Center is a high-grade office building with a height of approximately 213 meters located in the north wing of Xiamen International Exhibition Center. • In this project, we will apply unitized glass curtain walls, aluminum alloy blinds, stick curtain wall, full-glass curtain walls and glass canopy systems.
14	Shenyang Shengshi Chang'an Business Plaza (瀋陽盛世長安商業廣場) • Location: Shenyang, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 54,593 m^2 (100%)	• The building is planned to adopt a steel and reinforced-concrete structure, with a GFA of approximately 270,000 square meters. • In this project, we plan to apply various types of curtain walls, including exposed frame curtain wall systems, structure silicone unitized curtain walls, semi-hidden unitized curtain walls, aluminum panel curtain wall, stone curtain walls, point-fixing glass curtain walls and point-fixing glass canopies.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[(1)]	Project Description
15	Zhujiang New Town Project D3-7 (珠江新城D3-7項目) • Location: Guangzhou, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 50,329 m^2 (100%)	• The complex includes two towers and a podium building with a GFA of 108,590 square meters. • In the project, we plan to apply unitized glass curtain walls, frame-supporting glass curtain walls, aluminum panel curtain wall, stone curtain walls, aluminum blinds, full-glass curtain walls and canopies.
16	China Construction Bank Building (中環建行) • Location: Central, Hong Kong • Expected Completion Year: 2012 • Attributable Project Area: Approximately 18,650 m^2 (100%)	• The China Construction Bank Building, Hong Kong, is a building integrating the functions of office building, hotel and commercial use. • In this project, we plan to apply unitized curtain walls and frame-supporting curtain walls, white-color glazed Low-E glass with exterior decorative lines. The building has effective energy-saving and daylight-providing features.
17	Tour Carpe Diem • Location: Paris, France • Expected Completion Year: 2011 • Attributable Project Area: Approximately 27,463 m^2 (100%)	• The Tour Carpe Diem is located at the business district of La Défense in Paris, adjacent to the New Arc de Triomphe, the Arc de Triomphe and Champs Elysees. It is an integrated complex consisting of offices and restaurants with a height of approximately 166 meters. • As the north and south wings of the building present shapes similar to gem cutting surfaces, we plan to apply irregular-shaped unitized curtain walls for this project.
18	European Central Bank • Location: Frankfurt, Germany • Expected Completion Year: 2012 • Attributable Project Area: Approximately 7,690 m^2 (6.8%)	• The European Central Bank is likely to be Europe's largest commercial bank, located in Frankfurt, Germany. • We plan to provide steel frame curtain walls, electric steel windows, skylights and surface blinds system for this project.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[1]	Project Description
19	Fiona Stanley Hospital Building B • Location: Perth, Australia • Expected Completion Year: 2012 • Attributable Project Area: Approximately 42,000 m^2 (100%)	• The Fiona Stanley Hospital Building B is a structure that is planned to adopt an aluminum sun-shading profile, with the application of triangular glass panels and composite panels. • In this project, we will apply Australian standard unitized curtain walls and unitized windows. The curtain walls are planned to have inside windows that can be opened, with triangular sun-shading components installed outside.
20	United Tower • Location: Kuwait • Expected Completion Year: 2011 • Attributable Project Area: Approximately 58,400 m^2 (100%)	• United Tower is a high-rise building with a height of approximately 259 meters. • In this project, we applied unitized curtain walls with a hyperbolical surface and LED lighting systems. We also applied 658 pieces of laminated insulating glass unit in three colors, more than 1000 LED lights in different levels of brightness, perforated aluminum panel and PC panel for decoration purposes.
21	Abu Dhabi Investment Council New Headquarters Tower • Location: Abu Dhabi • Expected Completion Year: 2011 • Attributable Project Area: Approximately 67,500 m^2 (100%)	• The Abu Dhabi Investment Council New Headquarters Tower consists of two towers and podium buildings, with a maximum height of approximately 145 meters. • In this project, we applied a large shading system with intelligent controls comprising of a diaphanous screen that envelops a major portion of the buildings in the form of dynamic umbrellas, which open and close in response to the sun's path. This shading system significantly reduces the amount of solar energy trapped and provides a more comfortable internal environment. • The curtain wall of Abu Dhabi Investment Council New Headquarters Tower has a unique design integrating intelligent control, environmental protection and energy conservation.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[1]	Project Description
22	Central Market Redevelopment Project • Location: Abu Dhabi • Expected Completion Year: 2011 • Attributable Project Area: Approximately 178,000 m^2 (100%)	• The Central Market Redevelopment consists of three super high-rise towers and podium buildings, integrating office building, hotel, high-end residence, commercial apartment and shopping mall. With a height of approximately 381 meters, it is the tallest building in Abu Dhabi. • In this project, we applied structure silicone unitized curtain walls to achieve a wavelike appearance on the facade of the buildings. We also applied energy-saving double-skin unitized curtain walls with built-in electric sun-shading curtain to the office buildings, which has high heat-shielding performance.
23	Federation Tower • Location: Moscow, Russia • Expected Completion Year: 2011 • Attributable Project Area: Approximately 120,000 m^2 (92.7%)	• The Federation Tower consists of tower A, tower B and a panoramic lift tower, with a height of approximately 365 meters, 242 meters and 509 meters, respectively. It is expected to be the tallest building in Europe upon completion. • In this project, we applied energy-saving unitized curtain walls with hyperbolical surfaces, point-fixing glass curtain walls and glass skylights with snow-melting function.
24	Sportarena Allmend Luzern • Location: Luzern, Switzerland • Expected Completion Year: 2011 • Attributable Project Area: Approximately 33,000 m^2 (100%)	• The Sportarena Allmend Luzern consists of a stadium, a gymnasium and two residential buildings. • In this project, we will apply double insulated energy-saving unitized glass curtain walls to the two residential buildings and the gymnasium and will apply stick curtain walls to the stadium.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[(1)]	Project Description
25	Lamar Towers • Location: Jeddah, Saudi Arabia • Expected Completion Year: 2012 • Attributable Project Area: Approximately 180,000 m^2 (100%)	• The Lamar Towers, which consists of two towers and a podium building, is located in Jeddah on the Red Sea. With a height of approximately 322 meters, it is the tallest building in Jeddah. • For the two towers, we will apply glass curtain walls in three different colors with multiple V-shaped plane design. For the podium building, we will apply arched and plane glass curtain walls, granite and GRC panel curtain walls. LED lights are built in the decorative bars of the curtain wall units to achieve various lighting effects.
26	Cleveland Clinic Abu Dhabi • Location: Abu Dhabi • Expected Completion Year: 2012 • Attributable Project Area: Approximately 98,476 m^2 (46.3%)	• The Cleveland Clinic Abu Dhabi is located in Sowwah Island, with a height of approximately 124.5 meters, a length of 240 meters and a width of 268.8 meters. It consists of eight buildings. • For Patient Tower, Swing Building and ICU Building, we will apply double-skin curtain wall system. For the other five buildings, we will primarily apply stick glass walls, fire stop curtain walls, U-shaped glass curtain walls, point-fixing skylights and motor-controlled glass louver systems.
27	Pentominium Tower • Location: Dubai • Expected Completion Year: 2013 • Attributable Project Area: Approximately 102,000 m^2 (100%)	• The Pentominium Tower, with a height of approximately 521.23 meters, is the tallest residential building in the world. • In this project, we applied semi-hidden unitized curtain wall systems, stone curtain walls and glass railings systems. • The Pentominium Tower received several 2007 CNBC Arabian Property Awards namely Best Apartment, Best Development, Best Architecture, Best Property, and Best High-Rise Architecture.

No.	Project Name, Location, Expected Completion Year, and Attributable Project Area[1]	Project Description
28	Keangnam Hanoi Landmark Tower • Location: Hanoi, Vietnam • Time of Completion: 2011 • Attributable Project Area: Approximately 95,000 m^2 (100%)	• The Keangnam Hanoi Landmark Tower is a landmark in Hanoi consisting of an office building and two apartment buildings, with a maximum height of 329 meters. • In this project, we applied glass curtain walls to the office building and frame-supporting glass curtain walls to the two apartment buildings.

Uncommenced Projects

The following table summarizes the curtain wall projects for which we had been awarded contract but had not commenced work and no revenue had been recognized as of December 31, 2010:

	China	Middle East	Europe	Australia	United States	Asia[1]	Other regions	Total
Number of uncommenced projects								
As of December 31, 2010	19	–	3	2	–	4	–	28
Total contract value of uncommenced projects (RMB millions)								
As of December 31, 2010	303.2	–	58.0	89.2	–	60.4	–	510.8

Note:

(1) Asia as used herein excludes China and the Middle East.

The total contract value of our uncommenced projects was RMB510.8 million as of December 31, 2010. Among these projects, 19 projects and nine projects are located in China and overseas, respectively, with a total contract value of RMB303.2 million and RMB207.6 million, respectively.

The following table sets forth our representative uncommenced projects as of December 31, 2010:

No.	Project Name, Location, Time of Completion, and Attributable Project Area[1]	Project Description
1.	Changzhou Modern Media Center (常州現代傳媒中心) • Location: Changzhou, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 100,000 m^2 (100%)	• The Changzhou Modern Media Center is a complex integrating the functions of office building, hotel, broadcast and TV facilities, serviced apartment and commercial use. • In the project, we plan to apply unitized curtain walls, stone curtain walls, point-fixing curtain walls, skylights, motor-controlled shading louvres and canopies.
2.	Gate of the Orient Tower (東方之門塔樓) • Location: Suzhou, China • Expected Completion Year: 2012 • Attributable Project Area: Approximately 160,000 m^2 (80%)	• The Gate of the Orient Tower is a skyscraper with an expected height of 278 meters currently under construction. The skyscraper has a distinct structure, consisting of two towers that merge at the top to form an arch. • In this project, we plan to apply unitized glass curtain walls, semi-hidden unitized curtain walls and skylights.
3.	Hopeful Health Forum (匯福健康論壇) • Location: Sanhe, China • Expected Completion Year: 2011 • Attributable Project Area: Approximately 77,375 m^2 (100%)	• The Hopeful Health Forum is a complex integrating the functions of hotel, spa and ancillary facilities for health preservation. • In this project, we plan to apply stone curtain walls and exposed frame curtain walls.
4.	Haikong International Plaza (海控國際廣場) • Location: Haikou, China • Expected Completion Year: 2013 • Attributable Project Area: Approximately 73,184 m^2 (100%)	• The Haikong International Plaza is a 52-level building with its Lower Levels for high-end office use and its Upper Levels for high-end hotel, with a total GFA of approximately 214,000 square meters. • In this project, we plan to apply unitized curtain walls, stick glass curtain walls and U-shaped glass walls.

Notes:

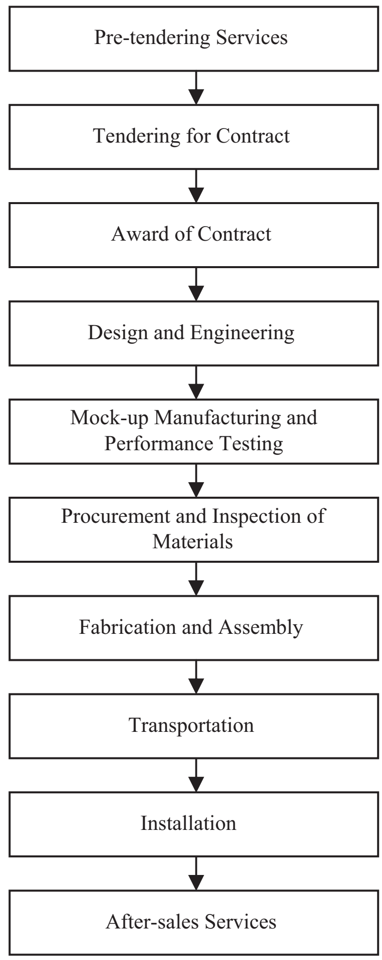
(1) Attributable project area for a uncommenced project refers to the total area of the curtain wall to be completed by us pursuant to the project contract. The corresponding percentage refers to the percentage of the total curtain wall area of the project attributable to us.

No.	Project Name, Location, Time of Completion, and Attributable Project Area(1)	Project Description
5.	Shanghai Tower (上海中心大廈) • Location: Shanghai, China • Expected Completion year: 2014 • Attributable Project Area: approximately 125,000 m^2 (100%)	• The Shanghai Tower is expected to be the tallest building in China and the second tallest building worldwide upon its completion, with an expected total height of approximately 632 meters for the tower and approximately 580 meters for its main structure. Located in Lujiazui Finance and Trade Zone in Shanghai, it is designed to integrate the functions of office building, super-five-star hotel, shopping mall, sightseeing and featured convention facilities. • In this project, we plan to apply large-area curtain walls, stainless steel units, V-shaped glass curtain wall systems and curtain wall supporting systems.
6.	Australia City Central Tower 8 • Location: Adelaide, Australia • Expected Completion Year: 2012 • Attributable Project Area: Approximately 12,600 m^2 (100%)	• The Australia City Central Tower 8 is a commercial development which provides office space, shopping areas, car parking, and other related functions. • In this project, we plan to apply Australian Standard unitized curtain walls.
7.	King Abdullah Petroleum Studies and Research Center • Location: Riyadh, Saudi Arabia • Expected Completion Year: 2012 • Attributable Project Area: Approximately 116,000 m^2 (100%)	• The King Abdullah Petroleum Studies and Research Center is a complex including villas and community buildings. • In this project, we plan to apply exposed frame frame-supporting curtain walls and customized windows systems.

The Unrealized Contract Value of projects in progress and the total contract value of uncommenced projects in aggregate constitute the value of our backlog. As of December 31, 2010, our value of backlog was RMB14,331.3 million.

PROJECT WORKFLOW

We provide our customers with integrated curtain wall solutions. The key steps of our project work flow are as follows:



We have established a comprehensive project management system covering the entire process of curtain wall projects. We track potential curtain wall projects in advance of the tendering process through our information collection and pre-tendering services offered to potential customers. The process from time of award of the contract to completion of installation of the curtain wall products generally takes one to three years. This period varies according to a number of factors, including size of the curtain wall area, technical features and complexity of the curtain wall system, progress of construction of the building, timelines specified by the property developer, timing of approvals and consents for design drawings from relevant building authorities.

Pre-tendering Services

We source potential projects primarily through tenders by invitation, tenders by referral and open tenders. We generally receive invitation for tenders from potential customers and industry professionals who had previously engaged us in other projects or with whom we already have a business relationship. In addition, we attend open tenders based on the information we gathered through our extensive sales and marketing network.

Prior to tendering, we provide various services to our potential customers, including introduction of the curtain wall industry and curtain wall technology, and arrangements for site visits to our production bases, completed projects and projects in progress. We also provide preliminary design and proposals pursuant to our customers' request.

Tendering for Contract

Our sales managers are the main coordinators for tendering, which requires the joint efforts of our different teams, including the proposal design team and the commercial bidding team. The proposal design team, which consists of technical staff, is responsible for the preparation of engineering design papers, structure calculation books, pre-fabrication technology, installation procedures, description of curtain wall's overall performance. The commercial bidding team, which consists of budgeting and quoting staff and sales staff, is responsible for negotiating and setting the tender price.

We have established a set of internal standards and procedures for tendering. In deciding whether to submit a bid, we consider various factors, including the profitability of the project, the profile and prestige of the project, the payment schedule, our competitive advantages, the identities and strengths and weaknesses of our competitors, and maturity of the local market where the project is located. Moreover, we submit bids only for projects that pass our comprehensive risk evaluation, which includes an evaluation of the customers' credibility and credit risk, and the scope and quality of the project and commercial terms.

After we decide to submit a bid, our proposal design team will prepare a preliminary design for the project in response to the technical specifications and performance requirements of the potential customer. Our research and development team will work jointly with the proposal team in preparing the initial design. Based on such design, our commercial bidding team will determine the estimated cost of the project, for our sales manager to provide a preliminary tender price. The general manager of our relevant branch office will set the final range of the tender price, which needs to be approved by the regional general manager.

Award of Contract

Upon submission of tender documents by all bidders pursuant to the customer's schedule, the customer will start the review process to determine its preference or ranking for the bidders. The review is generally based on three main factors: the bidder's capability and track record, the technical design of the bidder's proposal, and the bidder's tender price. Based on the review results and in order of the bidder's ranking, the customer will negotiate with the bidders on the contract terms on a one-to-one basis until it reaches agreement with a bidder.

After a project is awarded to us, we will form a project management team consisting of a project manager, designing staff, planning staff, constructing staff, safety and quality control staff and cost control staff. The project manager will, together with the project management team, determine the construction plan taking into account the circumstances. As the responsible person for the project, the project manager manages the project pursuant to the construction plan and the constructor's requirements.

Design and Engineering

After a project is awarded, our design and engineering staff for the project, who are also members of the management team for this project, will follow the detailed constructing plan to complete their work. Particularly, our design and engineering staff will work closely with the architecture firms and curtain wall consultants of the project (which are usually engaged by property developers, and not by us) to design a proposed curtain wall system, including preparing structural calculation books, design papers, pre-fabrication technology, and installation procedures, as well as providing suggestions on curtain wall's overall performance methods.

Mock-up Manufacturing and Performance Testing

In accordance with our customers' requests and the terms and conditions in the relevant customer contracts, our constructing plans provide for mock-up manufacturing and performance testing, which will be conducted after the relevant designs have been approved by the developer, or the architect or consultant designated by the developer. We generally carry out the mock-up manufacturing of our products and conduct strict performance testing at the testing center recognized by the relevant authorities to ensure compliance with both the regulatory requirement and the requirements of the project. The tests that we perform include structural load, water proofing and air proofing.

At our Shenyang production base, we conduct all performance testing at our own testing center, which has been accredited by CNAS (中國合格評定國家認可委員會). Through CNAS's multilateral agreement with the members of ILAC, our product testing is also recognized by all ILAC members around the world. At our other production bases, we have independent third parties, which have also been accredited by CNAS, to conduct such performance testing.

Procurement and Inspection of Materials

After our mock-up products pass performance testing, we begin the bulk purchases of materials for production, which principally include aluminum extrusions, glass, steel and sealant. In selecting suppliers, we consider a variety of factors, including the suppliers' qualification certification, quality control system, level of production technology and production process, reputation, financial condition and stability, and prices quoted. We conduct strict checks on the quality of the materials that are delivered to our production bases and periodically evaluate our existing suppliers to ensure that the quality of the materials supplied continue to meet our quality control standards. Specifically, we strive to spot check every batch of aluminum extrusions and glass by visual inspection and instrument inspection. We monitor its quality of sealant on an on-going basis during our production process.

Fabrication and Assembly

After we conduct checks on the quality of the materials, we fabricate and assemble the products based on the design drawings up to the stage where the fabricated products are ready to be directly installed at the work sites. We conduct checks on the finished products before packing.

Transportation

With the coordination of our project managers, we typically ship the assembled products to the work sites pursuant to our logistics planning and project progress. In order to facilitate transportation, we also ship curtain wall products to the work sites, or a place nearby, where we assemble the products for installation. We have our own vehicles for short-distance delivery while all long-distance shipments, including shipment overseas, are conducted by third-party logistics companies. In general, we purchase the insurance for all shipments whether undertaken by us or third-party logistics companies.

Installation

The installation process generally involves the fixing of the curtain wall panels or other related products to the building using installation equipment. We generally manage the installation of curtain wall products on our own primarily through contract workers sourced from labor agencies in China with which we typically have a long history of cooperation. We are responsible for training and managing such workers, who are required to conduct simulation installation and pass our test before undertaking the actual installation work. We may engage local contractors to undertake the installation work overseas and provide technical guidance if we are not allowed to temporarily export labor from China to the relevant country or region. In addressing the difficult problems encountered in installation, we will send our team of experts and specialists to the work site to resolve the problems.

For some overseas projects, such as projects in Japan, we currently do not undertake the installation of our curtain wall products. Instead, we only sell our curtain wall products to our customers, who will manage the installation work by themselves or through third parties.

After-sales Services

After completion for our projects, we generally provide our customers with maintenance and alteration services to resolve any problem encountered by our customers in their use of our products and we generally provide our customers a warranty period of up to 10 years. We typically send our staff to the site within 48 hours after receiving our customers' requests.

We have specifically established after-sales departments and internal policies and procedures for the management of after-sale services for our projects. The after-sale services for our projects are generally conducted by our own employees, who are responsible for the after-sales services for their respective geographic areas.

RESEARCH AND DEVELOPMENT

We place great emphasis on research and development with a view to ensuring our leading position in the curtain wall industry. Our research and development is conducted through our own research and development team, which has the capability to develop new curtain wall products and technologies independently. Our research and development efforts are focused on the following areas:

- Develop cutting-edge products and technology that represent the industry trend to maintain our leading position in curtain wall technology, and apply new products and technology to projects, aiming to improve our profitability and focusing on energy-saving and high value-added products. For example, we have successfully developed energy-saving and environmental friendly curtain wall products and applied them in various projects.

- Develop innovative integrated solutions tailored to customers' requirements to enhance our competitiveness on bidding for projects. For example, we won the curtain wall project of the Water Cube in large part because we successfully developed the membrane structure solution for the project.

- Improve existing products, enhance production efficiency and reduce costs, such as through establishment of standard processing procedures, to increase the performance and competitiveness of our products. For example, we have been continuously improving the fabrication and assembly process of our unitized curtain wall products to enhance their performance.

We have received various awards and honors in recognition of our research and development efforts. For example, our ETFE packaged technology of air pillows was certified as a national scientific achievement (國家科技成果鑒定) in 2008, and received a first class ministry-level science and technology award from China State Construction Engineering Corporation (中建總公司科學技術獎一等獎) in 2008; our patent for membrane curtain wall structure received a China Patent Excellence Award (中國專利優秀獎) from the State Intellectual Property Office of the People's Republic of China in 2009, which was the only award for curtain wall enterprises; our DY101 unitized curtain wall received a Gold Prize for the Seventh China Patented New Technology and New Products Exposition (第七屆中國專利新技術新產品博覽會) in 1998.

As of the Latest Practicable Date, our research and development team had successfully registered 58 patents in China or overseas for various curtain wall products and technologies which remain in force. We had also applied for the registration of another 17 patents. We believe our curtain wall technologies are superior in the global market, due in large part to the sophistication of our research and development capabilities.

For the years ended December 31, 2008, 2009 and 2010, we invested approximately RMB121.4 million, RMB136.4 million and RMB200.8 million in our research and development activities, representing approximately 2.1%, 1.9% and 2.2% of our revenue, respectively.

Research and Development Team and Structure

Our research and development center is responsible for the overall management, planning and coordination of the research and development of new curtain wall products and installation techniques. We believe we have the largest research and development team among all curtain wall providers in the world. As of December 31, 2010, our research and development team consisted of 632 research and development professionals, of whom more than 77% are holders of bachelor's degrees or above. We recruit college graduates from all over China and recruit talented engineers around the world.

Included in our research and development team are many experts who are well recognized in the curtain wall industry, including our core members Wang Shuangjun, Peter Tschudin, Anthony Alain and Schüpfer Ives. Mr. Wang, a panel member of the Professional Committee of Curtain Wall, Doors and Windows under the China Construction Metal Structure Association (中國建築金屬結構協會鋁門窗幕牆委員會專家組成員) and senior engineer, is well recognized as a leading expert in the curtain wall industry in China. Mr. Wang has directed a series of landmark projects, including the Water Cube, the Bird's Nest, and the Russian Federation Tower. Mr. Tschudin is an internationally renowned expert with about 40 years of experience in the curtain wall industry. Mr. Alain, the design director of our subsidiary Yuanda Europe Ltd., has about 20 years of experience in the curtain wall industry. Mr. Ives has about 11 years of experience in the curtain wall industry. Mr. Tschudin, Mr. Alain and Mr. Ives have participated in the design of multiple projects and contributed to our market expansion overseas. The above core members of our research and development team, whose expertise and responsibilities are primarily related to the research and development of new curtain wall products and technology, are not our Directors or senior management members, whose key responsibilities are to manage our operations and execute our strategies.

Under the central supervision and coordination of the research and development center, our research and development activities are carried out through 12 divisions categorized by the geographic markets on which their respective research and development work is focused. The research and development of each division is tailored to the specific climate and market requirement in the relevant geographic area. Depending on the needs of each project, our research and development center will assign relevant divisions or research and development staff of different divisions to jointly work on the same project to fully utilize the strengths of our different divisions. The locations and areas of research focus of our 12 divisions are as follows:

No.	Division	Location	Geographic Market for Application of Products and Technology to be Developed	Product Features of Research Focus
1	Northeast China Division	Shenyang, China	Northeast China	high thermal insulation, airtight, and energy-saving
2	Beijing Division	Beijing, China	North China	high thermal insulation, airtight, and energy-saving

No.	Division	Location	Geographic Market for Application of Products and Technology to be Developed	Product Features of Research Focus
3	Shanghai Division	Shanghai, China	East China	resistance to wind pressure, water-proof, energy-saving, low carbon, and ecological friendliness
4	Chengdu Division	Chengdu, China	Southwest China	energy-saving, environmental protection, and combined utilization of solar energy
5	Guangdong Division	Foshan, China	South China	sun-shade and thermal insulation, as well as solar refrigeration technology
6	Europe Division	Shenyang, China; Basel, Switzerland	Europe	energy-saving, environmental protection and clean energy
7	Australia Division	Shenyang, China; Sydney, Australia	Australia	energy-saving, environmental protection and clean energy that are suitable for the climate of Australia
8	Persian Gulf Division	Shenyang, China	Persian Gulf area (excluding United Arab Emirates and Saudi Arabia)	high airtight, energy-saving, environmental protection, sun-shade and comfort
9	Russia Division	Shenyang, China	Russia Federation	high airtight, thermal insulation, and energy-saving
10	Americas –Africa –Japan Division	Shenyang, China; Tokyo, Japan	Japan, North America, South America	high technology, high performance, shock resistance, energy-saving, environmental protection and clean energy
11	United Arab Emirates Division	Shenyang, China	United Arab Emirates	high performance, high airtight, wind- and sand-proof, sun-shade with aesthetic appearance, thermal insulation, energy-saving, and environmental protection
12	Saudi Arabia Division	Shenyang, China	Saudi Arabia	high airtight, thermal insulation, energy-saving, environmental protection, and utilization of solar energy

Research and Development Achievements with Significant Market Impact

Since our inception in 1993, we have been developing new curtain wall products which seek to represent industry trends. Some of these products which have a significant market impact are listed as follows:

Curtain Wall Product[1]	Year Developed	Product Features	Industry Impact and Significance to the Company	Representative Projects
Dual-pane energy-saving photovoltaic curtain wall	2007	Integration of photo-voltaic system into curtain wall to generate electricity from solar energy	It provides a way of applying photo-voltaic technology to curtain wall, promotes the development of renewable energy in the curtain wall industry, and achieves the change from energy-saving to energy-generation in the application of curtain walls.	Wuxi Shangneng Research and Development Building and Recreation Center, Theme Pavilion of Expo 2010 Shanghai China
Membrane structure curtain wall and skylight	2006	High transparency, thermal and sound insulation, and light weight	We are the first in China to apply membrane structure curtain walls and skylights. It provides a way of applying ETFE membranes to curtain walls, and promotes the development of curtain wall technology toward high performance and diversification.	Bird's Nest, Water Cube
Energy-saving double-skin curtain wall	2002	Thermal and sound insulation, energy-saving, environmentally friendly, natural ventilation, and suitable for decoration	We are the first in China to apply energy-saving double-skin curtain walls. It provides a new way of achieving energy saving using a curtain wall.	Shanghai Yueyang Plaza, Microsoft China Research & Development Group Office, Addington Street Hotel, Cleveland Clinic Abu Dhabi
Unitized curtain wall	1997	Fast and convenient installation as a result of assembly of standardized units in factory, and strong shifting capability	We are the first in China to develop unitized curtain walls.	Russia Federation Tower, Cocoon Tower, Central Market Redevelopment, Shanghai Aurora Building

Curtain Wall Product[1]	Year Developed	Product Features	Industry Impact and Significance to the Company	Representative Projects
Frame concealed glass and aluminum curtain wall	1995	Firm structure, evenness of curtain wall surface as well as shock resistance	It is the first generation of high-performance frame concealed curtain walls independently developed in China. It improves the safety of curtain wall and installation efficiency, and stimulates the fast growth of the curtain wall industry in China.	China Construction Bank Shanxi Branch, Industrial and Commercial Bank of China Shenyang Branch

Note:

(1) For each of our curtain wall products listed in the table above, we have registered one or more patents. The details of all our patents, including their validity periods, are set out in "Appendix VII. Statutory and General Information – Information about the Business – Intellectual property rights of the Group – Patents" attached to this prospectus.

Our research and development will be focused on: (i) utilization of renewable energy and the development and application of energy-saving and environmentally friendly curtain walls with high performance, (ii) the development and application of new curtain wall materials and production process, including cooperation with our suppliers of raw materials, and (iii) the transformation, application and commercialization of research and development results. We believe we are a market leader in providing curtain wall solutions with the application of new materials and advance technologies, and will strengthen our leading position through further research and development.

DESIGN

In the execution of the projects after award of contracts, our design staff is responsible for applying our existing products and the new products developed by our research and development personnel for specific projects to the project. They conduct further design development for construction engineering, which includes further development of engineering design papers, structure calculation books, pre-fabrication technology and installation procedures. They also direct our plant production and assembly as well as on-site installation. We have one of the largest design teams among all providers of curtain wall products around the world, which consists of about 1,546 personnel. To ensure project quality, we conduct all design work through our own design team. With the strong support of our design team, we are able to simultaneously conduct design for hundreds of projects.

PRODUCTION FACILITIES

We have four production bases located in Shenyang, Shanghai, Chengdu and Foshan, respectively, with a total site area of 1,374,065 square meters as of December 31, 2010. For the year ended December 31, 2010, our production capacity was approximately 10.0 million square meters.

Set forth below is a summary of certain key information in respect of our existing production bases as of December 31, 2010 and production capacity information during the Track Record Period:

	Existing Production Bases			
	Shenyang	Shanghai	Chengdu	Foshan
Market focus	Northeast China, North China, overseas markets	East China, some overseas markets	West China	South China
Site area (square meters)	1,104,084	159,795	32,740	77,446
Workshop GFA (square meters)	462,571	69,276	11,904	20,221
Year of commencement of production (1)	1993	2000	2000	2005
Production capacity (square meters) (2)/Utilization Rate(3)				
2008	3,000,000/81%	1,500,000/88%	600,000/90%	500,000/79%
2009	5,500,000/58%	2,200,000/89%	750,000/86%	850,000/58%
2010	5,500,000/73%	2,600,000/81%	900,000/105%(4)	1,000,000/91%

Note:

(1) The year of commencement of production refers to the year when we commenced production in the cities indicated.

(2) Production capacity for curtain wall products of our production facility during a time period refers to the maximum amount of standard unitized curtain wall products, in terms of area, such production facility can produce during such period. The estimation of such maximum amount is based on the GFA of the workshops, the number of production employees and the number of relevant production equipment at such production facility, assuming the production is being operated eight hours a day and for 251 days a year. The operation days of a year will be adjusted proportionally for a period shorter than one year.

(3) Utilization rates are estimated primarily according to the actual working time of our production employees as compared with their full working time of eight hours a day and 251 days a year.

(4) The utilization rate was higher than 100% primarily due to a significant amount of overtime for which our production employees at Chengdu production base worked in 2010. As a result, the actual working time of our production employees at Chengdu production base in 2010 exceeded their assumed full working time of eight hours a day and 251 days a year.

Our Directors generally manage our production flow and assess the need for expansion of production facilities based on the utilization of our current production bases, estimated growth of the newly won project contracts and market expansion strategies. We have achieved fast and stable growth in our revenues during the Track Record Period, which were approximately RMB5,911.3 million, RMB7,062.0 million and RMB9,260.9 million, respectively, for the years ended December 31, 2008, 2009 and 2010, representing a CAGR of 25.2%. While we expect such growth to continue, the utilization rate of our Shenyang production base, Shanghai production base, Chengdu production base and Foshan production base reached approximately 73%, 81%, 105% and 91% in 2010, respectively, which are estimated primarily according to the actual working time of our production employees as compared with their full working time of eight hours a day and 251 days a year. Based on the above estimated utilization rate for each of our four existing production bases as well as their contribution to our overall production capacity, the overall utilization rate of our existing production facilities was approximately 80% in 2010.

As such, we intend to further expand our production facilities in anticipation of the increasing market demand for our products and services. Set forth below is a summary of certain key information in respect of our expansion plans.

Curtain Wall Production Bases	Estimated Increase of Annual Production Capacity after Completion	Total Annual Production Capacity after Completion	Expected Completion Date	Capital Expenditure Incurred As of December 31, 2010	Total Planned Capital Expenditure for Expansion
				(RMB million)	(RMB million)
Existing Production Bases					
Shanghai	1,400,000 square meters	4,000,000 square meters	May 2013	135.4	247.4
Chengdu	1,600,000 square meters	2,500,000 square meters	May 2013	–	96.5
Foshan	2,500,000 square meters	3,500,000 square meters	May 2013	–	150.0
Production Base under Construction					
Anshan	1,000,000 square meters	1,000,000 square meters	December 2012	16.3	48.0
Planned Production Bases					
Tianjin	2,500,000 square meters	2,500,000 square meters	December 2013	–	181.0
Middle East	600,000 square meters	600,000 square meters	December 2013	–	120.0
Auxiliary Production Facilities					
Aluminum alloy doors & windows (Shenyang)	1,500,000 square meters	1,500,000 square meters	December 2013	2.0	63.1
Glass joint venture (Shenyang)	4,000,000 square meters(1)	4,000,000 square meters(1)	August 2013	29.0	120.7
Aluminum extrusion	250,000 tons	250,000 tons	N/A(2)	–	120.0

Note:

(1) The annual production capacity is expected to be 1.0 million square meters of glass upon completion of its phase I in 2012 and 4.0 million square meters of glass upon completion of its phase II in 2013.

(2) We plan to produce aluminum extrusions either by ourselves or through joint ventures with international business partners. The completion date for our planned auxiliary production facilities for aluminum extrusions is uncertain because we are currently still negotiating with several potential joint venture partners to explore the possibilities to establish a joint venture for the production of aluminum extrusions.

The total capital expenditures for the above expansion plans are estimated to be approximately RMB1,146.7 million. We intend to use our internal funds, proceeds from the Global Offering and, if necessary, bank borrowings to finance these expansion plans. We are required to obtain the following approvals or permits for each of the above expansion plans: (i) state-owned land use permit; (ii) land use permit; (iii) construction planning permit; (iv) construction permit; and (v) documents related to environmental protection approval. We intend to apply for these approvals and permits in a timely manner according to the progress of our expansion plans.

We use advanced equipment for our curtain production, a majority of which was imported from Germany, Italy, Austria, Japan and United Kingdom. For example, we have purchased various automated machines from a global leading manufacturer of extrusion fabrication equipment, including aluminum extrusion processing center. Such processing center, which is used for drilling and milling aluminum extrusions with computer-controlled program, has a maximum processing deviation less than 0.01

millimeters and takes one-tenth of the time as required by traditional machines to process aluminum extrusions. We have also purchased advanced equipment from renowned Italian suppliers, including sheet metal equipment, thermal bridge machinery, and insulated aluminum extrusion production line. Such production line, which is used to combine insulated aluminum extrusions, has a maximum processing speed of 45 meters per minute and takes one fifth of the time as required by traditional machines to complete the combination.

Shenyang Production Base

Our Shenyang production base has the most comprehensive supporting facilities among our production bases, including eight research and development divisions, our own testing center and auxiliary plants. Our headquarters is also located in Shenyang.

We use our Shenyang production base primarily for the processing, fabrication and assembly of curtain wall products for projects in Northeast China, North China and overseas. It has convenient access to highways and seaports, which greatly facilitates the transportation of our curtain wall products for overseas projects. As of February 28, 2011, the facilities had an aggregate site area of approximately 1,104,084 square meters; and the workshops at our Shenyang production base had a total GFA of approximately 462,571 square meters.

Currently, the majority of our curtain wall products for overseas projects are produced in our Shenyang production base. In order for our Shenyang production base to have sufficient production capacity to meet the growing market demand from overseas as well as better serve our local customers, we are constructing, or plan to construct, new production bases at other strategic locations. Specifically, we are constructing a production base in Anshan, China and plan to construct a production base in Tianjin to support our growth in Northeast China and North China, respectively. In addition, we plan to construct a production base in the Middle East to facilitate our growth in the Middle East and its surrounding area. For more information, see the sections entitled "– Anshan Production Base under Construction," "– Planned Tianjin Production Base" and "Planned Middle East Production Base" in this prospectus. We believe these new production bases will allow us to reduce transportation costs, improve market response time and enhance our after-sales services in these areas.

Shanghai Production Base

We use our Shanghai production base primarily for the processing, fabrication and assembly of curtain wall products for projects in East China and a portion of our projects in Southeast Asia. In order to meet the growing market demand in East China, we are in the process of expanding our Shanghai production base by acquisition of land and new equipment and construction of new production facilities. In connection with the expansion, we have acquired land in Jiading district, Shanghai, from the Shanghai Jiading District Planning and Land Authority for a total price of approximately RMB42.8 million. As of the February 28, 2011, we had completed the construction of the new workshop buildings in our Shanghai production base. As of February 28, 2011, the facilities in Shanghai, which we own, had an aggregate site area of approximately 159,795 square meters; and the workshops at our Shanghai production base had a total GFA of approximately 69,276 square meters. We plan to further expand the production capacities of our Shanghai production base by acquiring more equipment and machinery.

Chengdu Production Base

We use our Chengdu production base primarily for the processing, fabrication and assembly of curtain wall products for projects in West China. As of February 28, 2011, the facilities, which we lease from an independent third party, had an aggregate site area of approximately 32,740 square meters; and the workshops at our Chengdu production base had a total GFA of approximately 11,904 square meters.

In order to meet the growing market demand in West China, we plan to expand our Chengdu production base by acquiring land and new equipment and constructing a new plant. For more information, see the section entitled "– Properties – Owned Properties" in this prospectus. We expect to complete the expansion by the end of 2012.

Foshan Production Base

We use our Foshan production base primarily for the processing, fabrication and assembly of curtain wall products for projects in South China. As of February 28, 2011, the facilities, which we own, had an aggregate site area of approximately 77,446 square meters; and the workshops at our Foshan production base had a total GFA of approximately 20,221 square meters.

In order to meet the growing market demand in South China, we plan to expand our Foshan production base by acquiring land and new equipment and constructing two new plants. We expect to complete the expansion by the end of 2012.

Anshan Production Base under Construction

In order to support our growth in Northeast China together with our Shenyang production base, we are constructing a new production base in Anshan, China. In connection with the expansion, we have acquired land in Anshan Dadaowan Economic and Technological Development Area from the Land and Resources Bureau of Anshan for a total price of approximately RMB23.4 million. Our Anshan production base, which has an aggregate site area of approximately 55,482 square meters, is expected to have workshops with a GFA of approximately 32,186 square meters upon completion by 2011.

Planned Tianjin Production Base

In order to facilitate our growth in North China, we plan to establish a new production base in Tianjin. We currently lease plants in Beijing to assemble our curtain wall products fabricated in our Shenyang production base to meet the requirements of our projects in North China, Inner Mongolia, Shandong province and Henan province. As our current production, assembly and transportation arrangement is not expected to meet the requirement of our business growth in this area, we plan to acquire land in Tianjin with an aggregate site area of 133,000 square meters to establish a new production base, which is expected to commence production by 2013. We intend to move our current assembly plants in Beijing to our Tianjin production base after its completion.

Planned Middle East Production Base

In order to facilitate our growth in the Middle East, we plan to establish a new production base in the Middle East. Currently all the curtain wall products required for our projects in the Middle East are fabricated and assembled in our Shenyang production base. We expect our business in the Middle East to continue to grow and contribute to our revenue generated from overseas markets. To expand our market share, enhance after-sale service, improve market response time, and reduce the risk and cost associated with long-distance transportation, we plan to acquire land in the Middle East with an aggregate site area of 100,000 square meters to establish a new production base. We are currently conducting research and investigation for the site selection and have not determined the country in which we will construct the production base. We plan to construct workshops with a GFA of approximately 40,000 square meters at this new production base, which is expected to commence production by 2013. Our planned Middle East production base will support our operations in the Persian Gulf area, India, Pakistan and the Middle East area.

Auxiliary Production Facilities

In Shenyang, we have set up auxiliary plants in our Shenyang curtain wall production base to provide common auxiliary parts and components for, and auxiliary processing of, our curtain wall products, including the production of steel parts, standard stainless steel parts and sealing joint strips, as well as spray processing. Our auxiliary plants have not only increased the efficiency in processing and fabricating curtain wall products but also lowered our material and processing costs as compared with external procurement or outsourcing.

In order to meet the increasing market demand, we plan to construct a new facility for the production of aluminum alloy doors and windows in Shenyang, which is expected to be completed by 2013. The new facility will be constructed on a parcel of our existing land in Shenyang Economic and Technological Development Area which we previously acquired from Shenyang Planning and Land Resource Bureau for a total price of approximately RMB76.0 million. We believe this production facility, which is expected to have a total GFA of approximately 65,826 square meters, will further enhance our overall competitiveness in the curtain wall industry. The production facilities, upon completion, is expected to have an annual production capacity of 1.5 million square meters of aluminum alloy doors and windows.

In August 2010, we signed a memorandum of understanding with an international glass company to establish a joint venture to manufacture glass in Shenyang, China. Pursuant to the memorandum of understanding, we will hold a 49% equity interest in the joint venture. The planned production facilities of the joint venture are expected to have an annual processing capacity of 1.0 million square meters of glass upon completion of its phase I in 2012 and 4.0 million square meters of glass upon completion of its phase II in 2013. However, this memorandum of understanding is not legally binding except for the terms on confidentiality, exclusive negotiation and dispute resolution. As we have not entered into any definitive joint venture agreement with the international glass company, the commercial terms for the joint venture, including the commencement date of production, are uncertain. In connection with this joint venture plan, we have acquired land in Shenyang Economic and Technological Development Area from Shenyang Planning and Land Resource Bureau for a total price of approximately RMB81.4 million.

Moreover, we are currently negotiating with several potential joint venture partners to explore the possibilities to establish a joint venture for the production of aluminum extrusions. The planned production facilities, upon completion, are expected to have an annual production capacity of 250,000 tons of aluminum extrusions. As of the Latest Practicable Date, we had not made acquisition of land in connection with this plan.

QUALITY CONTROL

We have established strict quality management and control system pursuant to ISO9001 standards, applying the Total Quality Management model. We have also issued a series of documents as our primary standards for quality control, including operation guidelines, process control paper, and penalties for quality control. Our quality control is implemented at every important step of our production and installation process, from inspection of raw materials, fabrication and assembly, logistics to after-sale services. To ensure high quality, products must be fabricated and assembled strictly pursuant to our drawings and technical specifications.

Quality Control Standards

Product standards generally include national mandatory standards, industry standards and enterprise product standards. By reference to national standards and industry standards, we have established our own product standards, which are more stringent than the nationally mandated standards. We strictly implement quality control in the production and installation process pursuant to our product standards. When we work on international projects, according to our customers' requirements, we may apply standards adopted in other relevant jurisdictions. Our quality control standards are provided in our quality brochures, procedure documents and sub-procedure documents, process documents, design documents and operation guidelines.

Quality Control Measures

We implement quality control by focusing on the following five key factors that affect the quality of our curtain wall products and continuously seek to improve our product quality.

- ***Employees.*** We place a great emphasis on our employees' quality-consciousness and technical training. To strengthen our employees' quality-consciousness, we hold various professional training sessions and conduct performance evaluation for our employees.

- ***Equipment.*** We have many precision testing instruments and production equipment. We conduct regular maintenance and calibration pursuant to relevant requirements on our instruments and equipment.

- ***Raw Materials.*** We have established a full set of procedures for raw material inspection and supplier management. We inspect all incoming materials, particularly aluminum extrusions and glass, to ensure that they meet our quality standards and specifications. Materials that do not meet our quality standards and specifications will be rejected and returned to the suppliers. We conduct regular review of our main suppliers to ensure the quality of their supplies meet our requirements.

- ***Rules.*** We have long established rules on production and installation. For example, we have implemented stringent on-site rules to prevent falling of small tools and mitigate the risk of fire incidents arising from welding. We keep detailed quality records for our production and operation to further improve our product quality.

- ***Environment.*** We keep a clean and orderly working environment to increase our employees' work efficiency and reduce the occurrence of quality problems.

We conduct curtain wall installation primarily by using contract workers sourced from labor agencies and, under limited circumstances, through local subcontractors we engage in certain overseas countries or regions. For more details, please see the section entitled "Business – Our Cooperation with Third Parties for Curtain Wall Installation" in this prospectus. To ensure the quality of the installation work conducted through these third parties, we have taken various measures including the following.

- ***Selection of Installation Team***. In selecting labor agencies or overseas local subcontractors for curtain wall installation, we consider various factors to assess the candidates in order to ensure the quality of the installation work. Such factors include the candidates' installation experience, the number of skilled labor they have, their capabilities to carry out projects, their ability to make timely progress payment, their intention to cooperate with us in the long term, and our evaluation of their past performance.

- ***Technology Management***. Our project management personnel will make sure the installation team sufficiently understands the detailed technical and quality requirements for the project. In addition, our project management personnel will work together with the installation team to analyze the issues that surface during sample installation to prevent similar problems in the future.

- ***On-site Inspection***. For every curtain wall project, we have at least one on-site quality and safety controller responsible for the daily supervision of project quality and safety; our regional divisions send quality and safety inspectors to inspect each project in its region on a regular basis, and our headquarter also conducts random inspection on our projects.

- ***Troubleshooting***. Our project management personnel and installation team also conduct regular quality inspections and hold weekly meetings on quality issues. Any quality issues are required to be resolved in a timely manner.

- ***Acceptance Inspection***. We arrange acceptance inspections at different stage of a project and make detailed documentation to ensure project quality and prevent large-scale quality issues.

Performance Tests

We conduct various performance tests on our products before, during and after installation of our curtain wall products to ensure high-quality of our projects.

Before installation

- Safety Test for Curtain Wall Connection. This test is primarily conducted on the pre-embedded piece and cast-in embeds of curtain wall. We first apply for such testing and then select testing samples at construction site with the on-site supervisor's approval. The testing is conducted by professional testing companies, which will issue a testing report to guide us on the next steps to be taken.

- Re-check Testing for Materials: This is a quality test for curtain wall components. The on-site supervisor will select material samples from the construction site to be sent to laboratories for testing for their chemical and physical performance. Such laboratories will provide a testing conclusion pursuant to relevant national and industry standards.

- Testing for Material Compatibility: This is a safety and performance test to confirm whether there is adhesion failure or harmful chemical action between the sealant and the curtain wall components. We provide sample curtain wall components to the manufacturers of relevant sealant, which will conduct the testing and provide us with a written report.

- Performance Testing for Curtain Wall: This is a test to ensure the curtain wall performance during its usage, including four fundamental tests for resistance to wind pressure, water-proofness, air-tightness and plane deformation. Depending upon the circumstances, testing may also be conducted on thermal insulation, sound-proof, shock resistance and optical performance. The performance testing is conducted by national testing laboratories pursuant to the curtain wall drawings and performance index for the relevant projects.

During installation

- Continuity Testing for Lightning Shielding Mesh: This is a test to confirm that the people and properties in the building will not be harmed if curtain walls were to be hit by lightning. The testing will be conducted on every lightning shielding mesh.

- Strength Testing for Structural Adhesive: Structural adhesive is used to bond curtain wall plates and aluminum extrusions. This is a test to be conducted after we apply structural adhesive but before we apply sealant to curtain wall components.

After installation

- On-site Spray-water Testing: This is an on-site test for curtain wall leakage, which will be conducted at every joint cross connection for five minutes by spraying water.

SALES AND MARKETING

We conduct our business primarily through direct sales, which avoids the potential problems associated with agency sales. For most of our sales, both in China and overseas, we provide one-stop services that include system design, curtain wall products, installation and on-site management. For a small portion of our sales in overseas countries that do not allow import of labor, depending on circumstances and the request from the clients, we may either hire third parties locally to conduct installation, or sell only curtain wall products and technology without providing installation and on-site management.

We have established an extensive sales and marketing network to provide our products and services to our customers around the world. Our sales and marketing staff are responsible for information collection, marketing, sales and customer services. They also play an important role in providing support to our existing customers and meeting with prospective customers to assess and understand their requirements so that we can better cater to their needs. During the tendering process, under the centralized management of our management center for project tendering, our research and development team will work jointly with our marketing department in preparation for the initial design. As of December 31, 2010, we had 311 sales and marketing staff.

Geographic Focus

Our sales and marketing department is divided into 12 divisions responsible for the sales and marketing in North China, Northeast China, East China, South China, West China and seven overseas regions, respectively. As of December 31, 2010, our sales and marketing department manages our global network through 34 branch offices or subsidiaries in China and 25 branch offices or subsidiaries overseas.

Our 12 divisions in the sales and marketing department cover the following geographic areas, respectively:

- East China, centering on Shanghai
- North China, centering on Beijing
- South China, centering on Guangzhou and Shenzhen
- West China, centering on Chengdu
- Northeast China, centering on Shenyang
- Americas and Africa
- United Arab Emirates
- Saudi Arabia
- Europe
- Persian Gulf area (excluding the United Arab Emirates and Saudi Arabia), India and Pakistan
- Russian Federation
- Australia and Southeast Asia

We have established a three-tier management model including our headquarters, regional divisions and local branches. Our headquarters, which is responsible for our overall strategies, policies and marketing objectives and incentive compensation plans, appoints the key management members of our regional divisions and directs, monitors and evaluates the operations of our regional divisions. In particular, our headquarters is in charge of establishing our marketing strategies and policies, coordinating the sharing of market resources, researching the curtain wall industry and its competitive landscape, and allocating resources among projects.

Our regional divisions, which are responsible for implementing regional marketing plans approved by our headquarters, have significant discretion to make independent business decisions and directly monitor the operations of our local branches. For example, our regional divisions may formulate competitive tactics, determine the pricing for specific projects within our headquarters' authorization, approve project contracts, and evaluate, promote, hire and dismiss sales staff.

Our local branches, which are responsible for the marketing objectives set by our headquarters and regional divisions, may implement their own operation measures in accordance with the policies set forth by our headquarters and regional divisions. Each of our local branches generally consists of several sales managers and other sales employees who assist the sales managers. Our sales managers, under the direction of the general manager of the local branch, are directly in charge of project sales. Specifically, sales managers are responsible for monitoring projects, liaising and coordinating with customers, implementing approved competitive tactics for specific projects, organizing project tendering, and evaluating and training sales staff. Other sales staff is responsible for gathering market information and assisting sales managers. We determine our sales staff's compensation based on their performance, capability and contribution to our revenue and profit in order to effectively motivate our sales team. Through continuing personal training and development, we have been steadily expanding and strengthening our sales team.

The map below shows our sales network in China:

The map below shows our sales network overseas:

● Countries and regions covered by our sales network(1)

Note:

(1) Sales network refers to markets where we had undertaken curtain wall projects as of December 31, 2010.

Marketing Strategies

Our marketing is primarily based on our close relationships and communications with potential customers and professionals in the curtain wall industry and our continuous collection of potential project information. We collect such information through various channels, including assignment of staff to conduct regular search in their respective designated geographic areas, regular visits to existing and potential customers, and monitoring local and industry news. We also collect information through our established long-term information-sharing relationships with participants in the construction industry, such as architecture firms, main contractors, construction supervisors, curtain wall consultants, and construction material suppliers. Moreover, we endeavor to maintain our relationships with all levels of government, such as urban planning authorities and construction authorities, which are another important channel for acquiring information on potential projects. We keep potential project information in our information management system, which we review and update on an ongoing basis. One or two of our sales and marketing personnel keep contact with each potential customer for such projects and closely track any development.

In addition, we have adopted the following ancillary strategies to improve our marketing results:

- Event and Conference marketing: We hold product development presentation conferences to promote our curtain wall products and services. We also plan and organize marketing activities in connection with events of significant social impact to attract the attention of media, social groups and potential customers. We participate in trade fairs and exhibitions in China and overseas, which provide us with a platform to collect relevant market information and trends and provide us with the opportunity to meet with potential customers.

- Green concept marketing: With our customers' increasing environmental awareness and demand for green products, we use a series of methods to market our curtain wall products such as the inclusion of environmental protection and sustainable energy-saving features in these products.

- Public welfare marketing: We highly prize our social responsibility and actively participate in public welfare activities, such as charity donations. We believe our participation in such activities improves our corporate and brand image.

CUSTOMERS

Our customers are generally the developers and, to a lesser extent, main contractors of property development projects. We have a broad customer base that is distributed in various parts of the world. We maintain long-term relationships with many of our customers, which leads to further business opportunities.

Our largest customer accounted for approximately 3.0%, 5.4% and 3.5% of our revenues for each of the three years ended December 31, 2008, 2009 and 2010, respectively. Our five largest customers together accounted for approximately 11.8%, 15.1% and 9.8% of our revenues for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued share capital, had any interest in any of our five largest customers during the Track Record Period.

Key Terms of Customer Contracts

Generally our contracts contain terms relating to the contract price, the scope of work, the payment terms, retention payments, performance bond requirements and warranty provisions. A summary of the key terms of our contracts in general is set forth below.

- ***Specifications:*** The agreed specifications of the project, such as tightness, noise protection, heat insulation.

- ***Subcontracting:*** Typically, we are not permitted to assign, subcontract or otherwise delegate our obligations under the contract without the main contractor or the property owner's prior written consent.

- ***Payment Terms:*** The contract price typically consists of three parts, namely, the advance payment, progress payment and retention money.

- ***Advance Payments:*** The advance payment is usually made within five to 15 days after the signing of the contract and conditional on our provision of advance payment guarantee letter and the performance bond. For some projects, we may obtain further advance payments before the commencement of the on-site construction work, such as the payments upon the completion of the construction engineering and upon the notice of shipment of our products. The advance payments usually account for around 10% to 30% of the total contract price.

- ***Progress Payments.*** After the commencement of the on-site construction work, the payments are typically made based on the actual progress of the work performed. We submit interim payment applications to contractors at the end of each month in respect of the value of the work we have performed, which is usually required to be confirmed and approved by the project's main contractor and supervisor. Our customers will make such progress payments normally in one month after we bill our customers. Usually, within 30 days after the completion of the project, all of the contract price will be paid to us, except that 3% to 5% of the contract price will be held by the contractor as retention money.

- ***Retention Monies.*** The main contractors will retain, on average, approximately 3% to 5% of the total amount of contract price as the retention money, which usually is released within one to two years after completion of the projects. Within this period, we are required to correct the defects of the work performed, including correct, reconfigure, redesign or re-perform the work or repair, replace or modify the curtain wall provided by us at our own costs to ensure the curtain wall strictly conforms to the terms and conditions of the contract and is free from defects.

- ***Performance Bonds.*** The main contractor usually requires us to provide performance bonds for our projects to ensure due performance of the contract. Under a performance bond, a bank, an insurance company, a credit insurer or a specialist surety company will guarantee the payment to the property owner or the main contractor of an amount generally equal to 10% of the total contract sum. Such performance bonds are generally released upon the due completion by us of the contracted work or by a certain stipulated date.

- ***Completion Terms and Liquidated Damages:*** We are required to substantially complete the work within the schedule and to meet each milestone date. In the event of any delay, the contracts usually provide for liquidated damages calculated in accordance with the delayed period of time.

- ***Effectiveness:*** Our contracts generally take effect as of the date when the contracts are signed and executed.

- ***Adjustment of Contract Price:*** The contract price is generally not subject to adjustment unless (i) our customer changes its project design, in which case we will re-negotiate the contract price, (ii) our customer causes project delay, in which case we may claim for losses and our construction schedule will be postponed accordingly, or (iii) otherwise provided in the contract.

- ***Warranty.*** We generally provide our customers with a warranty period of up to 10 years. The warranty periods may differ for different components of our products. We are typically required to make repairs per our customer's request regardless of the cause of the need for repair. The parties who are liable for project defects are generally required to assume the cost for such repairs.

- ***Insurance.*** We generally participate in our customer's insurance plan or purchase insurance pursuant to our customer's separate request according to the contract. See the section entitled "– Insurance" in this prospectus.

- ***Termination.*** In our project contracts with customers, generally there is no termination clause which allows the property developer or main contractor to terminate a project without incurring additional compensation or payment. If the customers want to terminate the contract, they are usually required to make payment for the work we have already performed. In addition, if the customers want to terminate the contract in the absence of any breach by us, the customers are usually also required to reimburse us for the costs of materials and equipment which we left on the site, reasonable travel expenses for our employees, and certain other costs we have incurred for the curtain wall installation.

SUPPLIES AND SUPPLIERS

The principal materials that are used for the fabrication and production of our curtain wall products include aluminum extrusions, glass, steel and sealant. The cost of aluminum extrusions, glass, steel and sealant accounted for 77.1%, 75.9% and 77.1% of our cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

Selection and Evaluation of Suppliers

We purchase raw materials from a large number of suppliers we select pursuant to our supplier evaluation system. The factors we consider in selecting suppliers primarily include suppliers' strengths and credibility, quality control system, technology, production capacity, supplying capability, management and product price. Based on our evaluation of suppliers according to the above factors, we compile a list of qualified suppliers every year and further divide our qualified suppliers into categories A, B and C based on the evaluation results. To ensure the high quality and timely completion of our curtain projects, we generally purchase only from qualified suppliers on this list for the year, with category A being our most preferred suppliers and category C being our least preferred suppliers.

In addition, we revise our list of qualified suppliers from time to time according to the feedback we receive on the materials provided by suppliers. We provide support to suppliers in lower categories and promote to higher categories those which make improvements. For example, we provide technology consulting or give purchasing preference to suppliers who we believe have the potential to improve their quality of service. For those suppliers who cannot ensure product quality or breach their supply contract with us, we will lower their categorization or remove them from our list of qualified suppliers. Our goal is to maintain our cost competitiveness while ensuring raw material quality in both the domestic and international markets.

Procurement Policy and Procedure

We implement a centralized procurement policy under which we procure the raw materials for several projects at one time. We believe this centralized procurement policy gives us an advantage in procuring raw materials at a price no higher than that of our competitors. For aluminum extrusions and glass, we generally enter into framework agreements with our suppliers on a yearly basis. Pursuant to such framework agreements and depending on the actual needs of our various projects, we further enter into supplier agreements with our suppliers for identical or similar raw materials required by different projects as one package. For sealant, we implement our centralized procurement policy through our subsidiary which also serves as a sales agent for our major sealant suppliers.

In order to ensure high efficiency and regulatory compliance of our procurement, we have specifically established the department for procurement supervision, which is responsible for the selection and evaluation of suppliers as well as price negotiation and contract review. We preserve the sample product provided by each supplier for a specific project to be compared with the products provided by such supplier later to monitor quality consistency. In order to implement our procurement policy, we have adopted the following procedures in procurement:

- ***Open tender***. For raw materials that we generally purchase in large amounts, such as aluminum extrusions and glass, we conduct open tenders among the qualified suppliers who have already entered into framework agreements with us and specify our requirement in the bidding document.

- ***Price comparison***. For raw materials that we generally purchase in relatively small amounts but whose prices fluctuate significantly, such as steel, we compare the prices of such raw materials quoted by multiple suppliers for the best price value when making procurement.

- ***Procurement from a fixed list of suppliers at fixed price***. For raw materials that we generally purchase in relatively low amounts and whose prices remain relatively stable, such as sealant and standard parts and components, we procure them from fixed suppliers at fixed price to ensure quality and encourage suppliers to improve their services.

Aluminum Extrusions

We have annual framework agreements, but do not have any minimum purchase commitment, with our suppliers of aluminum extrusions, who are primarily located in China. Such framework agreements generally provide for the maximum selling prices that can be charged by the suppliers. We further use open tender or enter into agreements with suppliers for the exact amount of aluminum extrusions based on our actual need depending on the progress of our projects. The purchase prices of aluminum extrusions are based on (1) the average of the aluminum prices quoted on the Shanghai Futures Exchange (“SHFE”) for the month preceding the purchase date; (2) the processing charges according to the technical specifications; and (3) transportation fees.

The average prices of aluminum quoted on the SHFE for each of the three years ended December 31, 2008, 2009 and 2010 were RMB17,026 per ton, RMB13,922 per ton and RMB15,900 per ton, respectively. As of February 28, 2011, the average price of aluminum quoted on the SHFE was RMB16,815 per ton. The chart below illustrates the average prices of aluminum quoted on the SHFE during the Track Record Period through February 28, 2011.

Price of Aluminum Quoted on Shanghai Futures Exchange (1-month future contract)

Sources: Shanghai Futures Exchange

We purchase aluminum futures contracts through the SHFE to hedge against fluctuations in the price of aluminum. During the tender process, our bidding price for aluminum is generally determined by reference to aluminum's future price at the expected time of project commencement and the bidding price set by our group, whichever is higher. For uncommenced projects, we make hedging arrangements within 30 days after we receive notification that we have won the project. For aluminum extrusions for which we have fixed the purchase price with our suppliers, we may or may not make hedging arrangements, depending upon the circumstances.

In practice, each of our regional divisions makes its planning requirements for aluminum extrusions in the next three to 12 months on a rolling basis according to the projects' construction schedule in its region and submits such planning to our futures team. Our futures team decides on the volume of aluminum futures contracts to be purchased on the basis of the expected total actual volume of aluminum we need to purchase at the maturity of the corresponding aluminum futures contracts according to the requirement of all our curtain wall projects, taking into account the level of aluminum futures prices at the time. One of our executive Directors is designated to make final approvals on whether to hedge and, if so, the hedging volume and price. All our hedging operations are conducted by our futures team. Generally, our hedging volume will not exceed 80% of the corresponding actual volume of aluminum we will purchase. We will close the position of our corresponding aluminum futures contracts when we actually purchase aluminum in the physical market. As a general principle, we will hedge when we expect the aluminum prices to maintain an upward trend; and we will not hedge when we expect the aluminum prices to maintain a downward trend.

Our aluminum extrusion suppliers may also undertake certain processing of the aluminum that we purchase from them, such as oxidation, spray coating and electrophoresis. The processing fees charged by our suppliers are provided in the purchase agreements and are generally not subject to subsequent adjustments.

The costs of aluminum extrusions for each of the three years ended December 31, 2008, 2009 and 2010 were RMB1,025.5 million, RMB983.0 million and RMB1,442.5 million, respectively. The cost of aluminum extrusions accounted for 38.5%, 34.3% and 37.3% of our cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

Glass

We maintain close relationships with our suppliers of glass, who are primarily located in China. Although we also have annual framework agreements with our suppliers, we purchase glass on a project-by-project basis because the types and features of glass required for each project are different. We purchase glass in accordance with the client's specification and take into account the estimated purchase price of glass we submitted in our tenders.

We usually obtain price quotes from glass suppliers when we tender for a project and will purchase glass through open tender after we have been awarded the project. As such, we are generally not subject to significant price fluctuations between the time when we bid for a project and the time when we place orders for glass.

The costs of glass for each of the years ended December 31, 2008, 2009 and 2010 were RMB585.4 million, RMB712.1 million and RMB907.3 million, respectively. The cost of glass represented 22.0%, 24.8% and 23.4%, respectively, of our overall cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

Steel

We purchase relatively small amounts of structured steel for our curtain wall projects as compared with our purchase of aluminum extrusions and glass. As the prices of structured steel may fluctuate significantly, we compare the prices of structured steel quoted by multiple suppliers for the best price value when making procurement.

The costs of steel for each of the years ended December 31, 2008, 2009 and 2010 were RMB322.3 million, RMB345.7 million and RMB455.3 million, respectively. The cost of steel accounted for 12.1%, 12.1% and 11.8% of our cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

Sealant

We purchase sealant primarily through our subsidiary Shenyang Yuanhai Trading Co., Ltd. (瀋陽遠海貿易有限公司) ("Shenyang Yuanhai") from reputable sealant producers. Shenyang Yuanhai is the entity we established to execute our centralized procurement policy for sealant. The price of sealant, which is one of our major raw materials, is generally stable because Shenyang Yuanhai also serves as sales agent for these sealant producers. As such sales agent, Shenyang Yuanhai has long-term agreement with the sealant producers ranging from one to three years, which provides for the prices during the contract terms.

The costs of sealant for each of the years ended December 31, 2008, 2009 and 2010 were RMB119.4 million, RMB134.5 million and RMB179.1 million, respectively. The costs of sealant represented 4.5%, 4.7% and 4.6% of our cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

Supplier Concentration

We have maintained good relationships with our major suppliers of aluminum extrusions, glass, steel and sealant for more than 10 years. Our largest supplier accounted for approximately 7.8%, 10.3% and 6.7% of our purchase cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively, and our five largest suppliers together accounted for approximately 22.3%, 30.5% and 18.3% of our purchase cost of materials for each of the three years ended December 31, 2008, 2009 and 2010, respectively.

None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued share capital, had any interest in any of our five largest suppliers during the Track Record Period.

INVENTORY MANAGEMENT

We maintain a reasonable minimal inventory level to insure adequate supply and avoid shortage, thus minimizing the total cost of inventory. We communicate our demand forecast with our suppliers and fulfill our orders on time. Furthermore, to manage the risk of temporary supply shortages, we keep a safety stock of five to seven days use of consumables and common raw materials, and 10 to 20 days use of major raw materials. We manage the procurement, storage and dispense of raw materials strictly according to individual projects, material categories, project schedule and production process to optimize our inventory level. We generally ship finished products immediately to work sites.

OUR COOPERATION WITH THIRD PARTIES FOR CURTAIN WALL INSTALLATION

To ensure the quality of the curtain wall projects, we conduct installation primarily by contract workers sourced from labor agencies, which are independent third parties with whom we have a long history of cooperation. We outsource installation services through local subcontractors to conduct curtain wall installation only in countries and regions where we cannot export labor. Our own employees conduct installation work only in case of emergency or for curtain wall maintenance. For the years ended December 31, 2008, 2009 and 2010, we paid a total amount of RMB899.0 million, RMB1,213.8 million and RMB1,609.9 million, respectively, to labor agencies and subcontractors as installation costs.

The contract workers are employees of labor agencies, which are generally responsible for the contract workers' compensation, social insurance and other benefits pursuant to the agreements between the labor agencies and us. We make payment directly to labor agencies rather than the contract workers. The labor agencies dispatch experienced workers to our construction sites, where we conduct further installation training and supervise the whole installation process. Specifically, we require the contract workers to conduct simulation installation and pass our test before they undertake the actual installation work. We evaluate the performance of the workers dispatched by the labor agencies and review our cooperation with these labor agencies on a yearly basis. As of the Latest Practicable Date, we engaged 13 labor agencies, which provided about 14,000 contract workers for the construction of our curtain wall projects.

Our PRC legal counsel has advised that (i) the agreements we entered into with the labor agencies in China are legal, valid, and binding on the parties to the agreements, and (ii) in the event any labor agency violates the PRC labor laws which result in losses of the contract workers, the labor agency and we will be jointly and severally liable. We have gradually established a long-term business relationship with reputable labor agencies which we believe, based on their track record and our observation, have been in compliance with the relevant PRC laws, including labor laws. In the past, on occasions when contract workers incurred losses as a result of the labor agencies' noncompliance with PRC laws, we would generally make all appropriate compensation to the contract workers. Under the relevant PRC laws, we are entitled to contribution or reimbursement from the labor agencies for their share of the damages. As such, we would then request reimbursement from the labor agencies by offsetting the payment due to them for the relevant project installation work. During the Track Record Period and up to the Latest Practicable Date, we had not had any material disputes with our labor agencies arising from their noncompliance with PRC laws.

For our overseas projects located in countries or regions where we are unable to conduct curtain wall installation by contract workers sourced from our PRC labor agencies due to legal or other restriction, we generally engage local subcontractors to conduct the installation work. Pursuant to our agreement with local subcontractors, we generally make a lump-sum payment for the installation services provided by the subcontractor, who is required to supply a sufficient number of skilled labors to ensure the performance of the installation work. We will designate our representative to supervise all on-site matters to ensure the subcontractor's installation work is carried out and completed in a manner satisfactory to us. Specifically, the subcontractor is required to comply with all directions of our on-site representative, all our safety policies and requirements and all safety requirements of applicable governmental authority.

PROPERTIES

We are headquartered in Shenyang, China. As of February 28, 2011, our production facilities, offices buildings, residential units and other ancillary facilities owned or leased a total site area of approximately 1,437,621 square meters with a total GFA of approximately 744,265 square meters. For further details about our properties, please refer to the property valuation report in "Appendix IV — Property Valuation Report" to this prospectus.

Among the properties owned by us, including properties under construction, the properties with defective titles as of February 28, 2011 account for approximately 6.1% of the site area of our land and 26.3% of the GFA of our buildings or units. The Controlling Shareholders have undertaken steps to procure the title documents for our owned properties with defective titles and, if such title documents could not be obtained, the Controlling Shareholder agreed to indemnify us for all the losses and damages arising from such defective titles. Among the properties leased by us, the properties with defective titles as of February 28, 2011 account for 100% of the site area of our leased land and approximately 37.2% of the GFA of the leased buildings or units. As discussed in more details below, we believe the above defective titles in relation to our leased and owned properties will not result in any material adverse effect on our business and operations because, with respect to such properties that are material to our business and operation, we (i) are in the process of completing the necessary procedures to obtain the relevant title documents, for which there will be no substantial legal impediments as advised by our PRC legal counsel, or (ii) have made relevant plans to relocate to other properties, or (iii) have obtained, or are in the process of obtaining, confirmation from the lessors of the properties or other relevant parties to compensate us for damages resulting from the title defects.

Owned properties

As of February 28, 2011, we owned 14 parcels of land with a total site area of approximately 1,346,141 square meters and 113 buildings or units with a total GFA of approximately 699,406 square meters. Among these properties, we do not have the relevant title certificates for two parcels of land with an aggregate site area of approximately 82,149 square meters and 24 buildings or units with an aggregate GFA of approximately 103,253 square meters due to various title defects or for other reasons. In addition, among the buildings and units for which we have building title certificates, 23 buildings or units with a total GFA of 45,595 square meters are located on land for which we have not obtained land use rights.

The title defects or other property issues related to our production bases are set out below.

- To expand our capacity in Shanghai, we have recently completed the construction of our new Shanghai production facilities which have a total GFA of approximately 71,503 square meters. We have already obtained land use right certificates for the new production facilities, but have not yet obtained the building ownership certificates due to the lack of certain permissions required for the construction or use of the relevant buildings. In addition, our one building in Shenyang Economic and Technological Development Zone with a GFA of approximately 1,820 square meters face similar issues. As the actual construction of these buildings in Shenyang and Shanghai was different from the original plans approved by the relevant authorities, we had to apply to the authorities for approval of the changes to the original plans, which led to the delay in obtaining the building ownership certificates. We are in the process of applying to the relevant authorities in order to complete all the procedures required for the construction and use of the relevant buildings and will apply for the building ownership certificates for the relevant properties upon completion of these procedures.

  Under the PRC laws, title defects as described above may be rectified by re-submission of relevant licenses and permits. We believe as long as there is timely submission of the relevant applications subsequent to the construction and use of the land, usually there will be no penalty imposed. Our PRC legal counsel has advised that, after we have submitted the necessary documents for the applications of such licenses and permits to the relevant authorities, and such applications have been approved, there will be no substantial legal impediment to obtaining the outstanding licenses and permits, and that the risks of any additional penalties being imposed in reality is relatively low. We expect to obtain the licenses or permits in relation to the construction plans for the Shanghai and Shenyang production bases in the first half of 2011.

- We have not yet obtained the building title certificate with an aggregate GFA of approximately 4,536 square meters for the properties located at our Chengdu production base. We leased several parcels of collectively owned land of construction use for our Chengdu production base from an independent third party in Chengdu, pursuant to two lease agreements entered into in 1998 and 2004, each of which has a term of 50 years. Under the lease agreements, the lessor has agreed to lease such land to us for the construction of our Chengdu production base, and we will own all the properties we build on such land. We started construction of production facilities on such land in 1999, and our workshops on the land now have a total GFA of approximately 11,904 square meters. The value of the buildings built on the land at our production base is estimated to be approximately RMB13.8 million. Since such buildings are constructed on collectively owned land, it is impossible for us to obtain either the building title certificates or the relevant land use rights under the PRC laws. Since we have not obtained the underlying land use rights, the use of the above properties may not be recognized or protected under the PRC laws. As a result, such properties may be subject to claims of third parties which could lead to repossession of such properties. However the lessor has confirmed in a letter dated December 3, 2010 that the lessor had the right to lease the land, and both parties to the lease agreements had been in compliance with the agreements and our rights to the land and buildings had not been challenged by any government authority or third party. As we intend to expand our production capacity in Chengdu, we plan to acquire a new piece of land for the construction of a new production facility, which is expected to complete by May 2013. We plan to relocate to such new production facility upon its completion and, in such an event, the lease agreements of the current production facility will be terminated accordingly. We are already in the process of negotiating the land grant contract with local government for the new Chengdu production base. If we are compelled to relocate our operations in the Chengdu production base due to the title defects, the relocation of our Chengdu properties is expected to take approximately three months and cost approximately RMB15 million.

- We started our operations in Shenyang in the original production base located in Dongling district, Shenyang and then moved our operation to the current production base located in the Shenyang Economic and Technological Development Zone. We currently do not have relevant title certificates for four buildings in Dongling district with an aggregate GFA of approximately 10,393 square meters due to various reasons. For another nine buildings in Dongling district with an aggregate GFA of approximately 37,380 square meters, we do not hold the land use rights of the land where such properties are located. However, we currently do not have any operation or production on such properties in the Dongling district, and we plan to dispose all of our properties in the Dongling district in the near future. Our Directors are of the view that the lack of the relevant title certificates will not have any material impact on our operations.

We acquired Shenyang Yuanda Electrical Installing Co., Ltd. (瀋陽遠大機電安裝有限公司) from our Yuanda Group in November 2010. Currently, four buildings occupied by Shenyang Yuanda Installing Co., Ltd. in the Shenyang Economic and Technological Development Zone with an aggregate GFA of approximately 14,368 square meters, which are primarily used for production purposes, do not have relevant building ownership certificates. However, we are in the process of applying to the relevant authorities in order to complete all the procedures required for the application of building ownership certificates, which we expect to obtain by October 2011.

Properties under construction

As of February 28, 2011, we had three buildings under construction, occupying a total site area of approximately 85,601 square meters with an estimated total aggregate GFA of approximately 48,035 square meters upon completion. We intend to use these properties for the production of curtain walls and glass respectively. We currently do not have the land use rights certificates and the relevant permissions required for the construction for these properties, but we are in the process of applying for such certificates and permits.

These properties under construction are located in Shenyang and Anshan. For the new buildings located in Shenyang, which have an estimated total GFA of 37,035 square meters and occupy a total site area of 30,118 square meters, as we were unable to reach an agreement with the relevant governmental authorities on certain expenses, the processing of our application for the relevant permits licenses was previously delayed. We have subsequently resolved the expenses-related issue and obtained the relevant land use rights certificate. We are currently making arrangements to obtain the relevant construction permits and licenses in order to complete all the necessary procedures.

The new buildings located in Anshan have an estimated total GFA of 11,000 square meters and occupy a total site area of 55,482 square meters. The underlying land, which we plan to acquire, is one of the several parcels of land to be auctioned by the relevant governmental authorities as one batch. As one of the buyers of the respective parcels of land, we have to comply with the relevant procedures prescribed by such governmental authorities and coordinate with the other buyers to obtain the relevant land use rights. Since it takes time for the governmental authorities to arrange the auctions with a number of different buyers, the entire process has been delayed, and the completion of the land auction is subject to the relevant governmental authorities restarting the process. Therefore, we have been unable to obtain the relevant land use rights or the other requisite licenses for the construction of buildings on the underlying land. Once the relevant governmental authorities restart the auction process, we will immediately proceed to apply for the relevant land use rights and complete the other necessary procedures.

Leased properties

As of February 28, 2011, we leased five parcels of land with a site area of approximately 90,740 square meters and 14 buildings or units with a total GFA of approximately 12,677 square meters in China for residential, production and office purposes. For the buildings or units leased in China, according to the opinion given by our PRC legal counsel, Jingtian & Gongcheng, the relevant lessors have provided title certificates from the property owners under five lease agreements. These lease agreements involve five buildings or units, representing a total GFA of approximately 2,235 square meters. For the leased buildings or units with defective legal title or without consent from property owners, we are requesting the lessors of nine leased buildings or units with an aggregate GFA of approximately 10,442 square meters to provide confirmation letters to compensate us for losses arising from their defective legal title, and we have already received three confirmation letters for three leased buildings. For the land we leased in China, the lessor has not obtained land use rights. We are also requesting the lessor to provide a similar confirmation letter. While not all of our lease agreements in China have been registered with the relevant authorities, our PRC legal counsel has advised us that the absence of such registration does not affect the validity of such lease agreements in China.

As of February 28, 2011, we leased one parcel of land with a site area of approximately 740 square meters and 57 buildings or units with a total GFA of approximately 32,181 square meters outside China for residential, warehouse and office purposes. Among these leased properties, 18 buildings or units with a total GFA of approximately 6,226 square meters were leased from lessors who were not able to provide the title certificates or documents evidencing the authorization or consent of the owners of such properties.

In addition, among the leased properties, our lease agreements for a parcel of land with a site area of approximately 7,333 square metres and 11 buildings and units with an aggregate GFA of approximately 4,377 square meters have expired and are in the process of being renewed.

We are of the view that all of our leased properties in or outside China can, if necessary, be replaced by other comparable alternative premises without material adverse effect on our operations and material additional cost.

INTELLECTUAL PROPERTY

We had registered 58 patents in China or overseas as of the Latest Practicable Date. We have applied to register additional patents in China in order to protect the intellectual property relating to our products and our installation methods. We have also registered our trademarks in a number of countries and regions to protect our brand name. For additional information, please refer to the section entitled "Statutory and General Information – B. Information about the Business – Intellectual property rights of the Group" in Appendix VII to this prospectus.

COMPETITION

We compete with curtain wall providers both in China and overseas. The curtain wall industry is a highly specialized industry with several key players in the world. Factors that customers are likely to consider before engaging curtain wall subcontractors include reputation, track record, quality of design, services and products, efficiency and timeliness in completing the project, and the prices quoted.

We believe we have successfully established our market leading position with our diversified product portfolio, extensive sales network and well-developed service system, strong research, development and design capabilities, renowned brand name and track record of completing some of the most sophisticated, high-tech and large-scale curtain wall projects around the world.

Compared to our competitors in China who generally share the same advantage of low cost of raw materials and labor, we believe we are able to provide products of higher quality and more advanced technology at similar cost and price level, relying on our strong research, development and design capabilities, particularly for public infrastructure and commercial buildings.

With one of the largest research, development and design teams in the world and our comprehensive product offering, we believe we are able to provide quality products and services that meet international standards and compete effectively with leading global curtain wall producers. In addition, we believe we also enjoy pricing advantages over some of our competitors overseas, primarily due to our cost advantages in raw materials and labor.

INSURANCE

We maintain property all-risks insurance, including earthquake insurance, for our production bases and other assets in China. We also maintain public liability insurance as well as employer liability insurance in addition to the mandatory work-related injury insurance for our employees in China. For our contract workers, the relevant labor agency maintains, pursuant to the labor agency agreement, employer's liability insurance to cover accidental injuries for the on-site contract workers outsourced from the labor agency.

For our employees in China dispatched overseas, we maintain PRC employer liability insurance and other insurances customarily carried by similar employers depending on local circumstances. For our overseas employees, we maintain insurance pursuant to relevant employment contracts. For our overseas projects, we usually participate in our customers' insurance plans, which generally include all-risk and third-party liability insurance. Such insurance policies, which are typically purchased by main contractors, generally cover the entire contract period. We also purchase insurance pursuant to our customers' separate request, if any, and according to the circumstances of local markets.

The main contractors or the property owners of a construction project usually obtain the construction project all-risks insurance for the overall construction project, which covers our curtain wall construction work. The construction project all-risks insurance typically covers the damages of equipment, materials and other on-site properties and the third-party liability insurance. The insurance period is from commencement of the construction or arrival of the materials or equipment to the receipt of the completion and inspection certificate of the project or the occupancy or the acceptance and use of the properties.

We believe that our insurance coverage is consistent with industry and regional practice and adequate and appropriate for our operations. For risks related to our insurance, please see the section entitled “Risk Factors — Risks Relating to Our Business — Our insurance coverage is limited and we may be required to bear all or a certain portion of the financial consequences of any successful defective product claims or workers’ compensation claims made against us, which could have a material and adverse effect on our results of operations and financial condition” in this prospectus.

As of the Latest Practicable Date, no incident had occurred as a result of which we would have had to make any significant claims under these insurance policies.

ENVIRONMENTAL MATTERS

We are subject to the environmental laws and regulations of the jurisdictions in which we operate. As our production processes generate noise, waste water and other industrial wastes, we have implemented procedures to treat waste and control noise in our PRC production facilities to comply with applicable PRC laws and regulations:

- ***Waste Water Control***: Waste water generated from our spraying process is gathered and reused in our spraying process in a closed loop after flotation, flocculation, sedimentation and other procedures. We also generate waste water during material pre-treatment in our production. Such waste water is discharged into municipal sewage processing plant after flocculation, sedimentation, sand filtration, carbon filtration and other procedures.

- ***Dust Control***: For dust generated during our sealant processing, we use filters to control and recover dust. For dust generated during our spraying process, we have adopted both filter method and cyclone method to control and recover dust.

- ***Noise Control***: We adopted various measures to control the noise generated from our production process, including implementation of shock absorption, appropriate design of factory layout, and cultivation of plants at our production facilities.

We believe the volume of the wastes we discharge is relatively minor and does not have a material impact on the surrounding environment. During the years ended December 31, 2008, 2009 and 2010, we incurred compliance costs related to environmental rules and regulations applicable to us in an amount of RMB0.5 million, RMB0.2 million and RMB0.8 million, respectively, for disposal of wastes and pollutants and related personnel management fees. We expect to incur annual compliance cost of approximately RMB1.0 million for the next three years for disposal of wastes and pollutants and related personnel management fees. For a summary of the PRC environmental laws and regulations, please refer to the section entitled “Summary of Principal PRC Laws and Regulations – Laws and Regulations Relating to Environment and Safety Issues – Environmental Law” in Appendix V to this prospectus.

We place great importance on compliance with applicable foreign laws and regulations. As we plan to establish production facilities overseas, we will ensure our operation at such production facilities will comply with applicable local laws and regulations.

Our Directors, as advised by our PRC legal counsel based on the confirmations issued by the relevant governmental authorities, have confirmed that we had no violations of applicable environmental laws and regulations during the Track Record Period which are likely to have a material adverse impact on the ordinary course of our business. During the same period, we had not received any material claims against us involving non-compliance with any applicable environmental laws or regulations.

LABOR, HEALTH AND SAFETY MATTERS

We are subject to laws and regulations relating to labor, health and safety of the jurisdictions in which we operate. For a summary of the PRC labor, health and safety laws and regulations, please refer to the section entitled "Summary of Principal PRC Laws and Regulations — Laws and Regulations Relating to Environment and Safety Issues — Labor and Safety Law" in Appendix V to this prospectus. In order to comply with local safety regulations, we always contact the relevant safety authorities before commencing our projects to understand the local safety requirements. We place great emphasis on safety and the avoidance of accidents on construction sites, in relation to which we have established systematic policies, measures and procedures to prevent a wide range of potential hazards. We have implemented safety policies, measures and procedures on our construction sites as follows:

- For every curtain wall project, we have at least one on-site quality and safety controller responsible for daily supervision of project quality and safety; our regional divisions send quality and safety inspectors to inspect each project in their respective regions on a regular basis; and our headquarters also conducts random inspection on our projects;

- We generally require every on-site worker, regardless of whether he is our own employee or a contract worker, to attend at least 40 hours of safety training programs, pass safety test and sign an agreement to comply with safety procedures before conducting installation work on site;

- We hold weekly and monthly meetings to review safety issues and find solutions for safe construction;

- On-site safety manuals are provided to on-site workers and regular safety interviews are arranged for on-site workers to increase their safety awareness;

- We conduct regular inspections on the safety measures for fire prevention, power utilization, and equipment usage;

- We strictly enforce the penalty mechanism which we have established for safe construction to promote accountability for any accident; and

- We have set up emergency plans as guidelines for safely and effectively reacting to various emergencies.

Moreover, prior to the commencement of any project, our project management team will conduct safety evaluation with respect to every construction item of the project and formulate an outline of management plan for safe construction. During the construction of a project, our project management team will further formulate detailed plans in advance according to the specific construction features and construction method of the project, covering the safe operation and inspection of every construction step. Prior to its implementation, such management must be evaluated and approved by our safety management department. Our safety department regularly reviews the new safety procedures in the management plans for safe construction with respect to different projects and incorporates such new procedures into our general safety and quality procedures for broad implementation. We strictly apply the relevant safety requirements and our internal policies and procedures to ensure safety on construction sites.

During the Track Record Period and up to the Latest Practicable Date, there were a total of 14 fatalities that occurred in connection with the construction of our curtain wall projects. Among these 14 fatalities, 13 were caused by our on-site workers' violation of safety procedures and one was caused by an on-site worker's heart attack which led to a fatal fall. None of these accidents led to litigation claims and two of them led to administrative penalties by the relevant governmental authorities. Specifically:

- We received a verbal warning from the safety monitoring authority in Shanghai due to a falling accident in July 2009 that led to one fatality, which was caused by the on-site worker's violation of safety procedures. The verbal warning, which was issued in August 2009 and recorded with the safety monitoring authority, urged us to enhance our on-site safety.

- We were suspended from participating in the tendering process in Beijing for one month and paid a fine of RMB130,000 due to another falling accident in May 2010 that led to one fatality, which was also caused by the on-site worker's violation of safety procedures. As we were in charge of the training, supervision and management of the on-site workers, the relevant authority held us responsible for these workers' safety management. As such, the authority imposed the penalty of suspension pursuant to relevant safety rules. We have made full payment of the fine and resumed our participation in the tendering process in Beijing after the one-month suspension.

The above warning and suspension did not result in any substantive impact on our business and results of operations. In addition, both the warning and the suspension were one-off events and we are no longer subject to the suspension from participating in the tendering process in Beijing. As such, our PRC legal counsel is of the view that, given that the warning was a one-off event and the Company is no longer subject to the suspension, such warning and suspension will not result in any material adverse effect on our business and results of operations.

The workers involved in the above accidents were all sourced from labor agencies, which are independent legal entities. We have purchased insurance covering all these accidents. In each fatality that occurred during the Track Record Period and up to the Latest Practicable Date, we made a payment as death benefit in an amount between RMB200,000 to RMB500,000. These accidents have not had a material adverse effect on our business or results of operation.

In order to prevent the recurrence of similar accidents, we conducted analysis of these accidents after their occurrences. Organized by our safety personnel, our analysis focused on identifying the causes of the incidents, the deficiency in our existing safety procedures that led to the incident, and potential measures that would prevent the recurrence of similar incidents in the future. Based on such analysis, we have been continuously improving our safety policies, measures and procedures on our construction sites as disclosed above. In particular, we have enhanced the training and education for our on-site workers, during which we identify potential on-site risks, stress the importance of on-site safety, and reinforce in them our required measures for personal safety. In light of the safety policies, measures and procedures we have taken on our construction sites, our Directors believe that our existing safety measures are adequate. As such, the Joint Sponsors are of the view that our existing safety measures are adequate.

Due to the nature of our operations, our employees or contract workers may be involved in accidents resulting in casualties from time to time. During the Track Record Period through the Latest Practicable Date, we had not incurred any material liabilities as a result of any accidents involving our employees or contract workers. Our Directors have confirmed that we had no material violations of applicable labor, health and safety laws and regulations during the Track Record Period and up to the Latest Practicable Date except for certain safety violation for which we received administrative penalties as disclosed in the section entitled "Business – Labor, Health and Safety Matters" in this prospectus. During the same period, we had not received any material claims against us relating to labor, health and safety issues.

We maintain mandatory social security insurance policies for our employees in China pursuant to PRC laws. We make contributions to mandatory social security funds for our employees to provide for pension, medical, work-related injury, maternity and unemployment and housing benefits. Our Directors have confirmed that we made all requisite contributions to mandatory social security funds for our domestic employees during the Track Record Period. We also maintain mandatory insurance policies for our overseas employees in accordance with local laws and regulations.

LEGAL PROCEEDINGS AND MATERIAL CLAIMS

As described below, we are currently involved in certain material legal proceedings in the ordinary course of our business, and one of our employees is currently involved in an investigation.

India

We currently have an arbitration pending before the Arbitral Tribunal in New Delhi in India. The arbitration arose out of the curtain wall project we undertook for the development of Delhi International Airport in April 2008. In June 2008, we entered into a subcontract with Alupro Building Systems Pvt. Ltd. ("Alupro"). Under the subcontract, we subcontracted all the work contracted to us by the main contractor to Alupro except for the design and supply of unitized curtain walls, including the installation of curtain walls. However, Alupro failed to meet not only the project's quality requirement but also the project schedules. As a result, we had to rectify Alupro's work and sustained other damages resulting from its delayed and defective work.

Alupro has initiated arbitration proceedings against us for various damages, including (i) a claim for outstanding payments and its share of profits in an amount of approximately 962.8 million Indian Rupees (approximately RMB141.4 million), (ii) a claim for cost of materials lying on-site in an amount of 50 million Indian Rupees (approximately RMB7.3 million), with 12% interest, (iii) a claim for damages related to delay in commencing work in an amount of 198 million Indian Rupees (approximately

RMB29.1 million), with 12% interest, and (iv) a claim for loss of reputation in an amount of 200 million Indian Rupees (approximately RMB29.4 million). We have denied all such claims and made a counterclaim in a total amount of approximately 800.6 million Indian Rupees (approximately RMB117.6 million) for the damages we sustained as a result of Alupro's delayed and defective work. Our local legal counsel has advised us that, in the event the result of the arbitration is unfavorable to us, we may be liable for damages of up to a maximum of approximately 248.0 million Indian Rupees (approximately RMB36.4 million) with 12% interest and approximately 1,162.8 million Indian Rupees (approximately RMB170.7 million) without interest. The arbitration proceedings are expected to complete by November 2011. Based on our local legal counsel's advice, our Directors believe that we have a strong case in the arbitration and, therefore, no provision has been made for the related claims.

United States

We are involved in proceedings that arose out of a curtain wall project we undertook in Bellevue, Washington, in the United States in October 2007. For this project, we entered into a subcontract with North American Curtainwall, LLC ("NAC") for installation of curtain walls. NAC subsequently ceased all work on the project. As a result, we were forced to take over the remaining portions of NAC's work and pay or resolve claims and liens filed by NAC's unpaid suppliers, subcontractors and labor unions.

NAC made a claim against us for unpaid contract price and adjustment in an amount of approximately US$2.0 million (approximately RMB13.1 million) in December 2009 and sued us in the Superior Court of Washington for King County in September 2010. As NAC had also filed liens against the project, we have posted a lien release bond in an amount of approximately US$0.8 million (approximately RMB5.2 million) pursuant to local laws.

In October 2010, we filed for arbitration proceedings against NAC to recover approximately US$1.8 million (approximately RMB11.8 million) for damages we incurred as a result of completing NAC's remaining work, repairing damage to curtain wall units caused by NAC, paying NAC's unpaid suppliers, subcontractors and trade unions and for other damages caused by NAC. In response, NAC filed a counterclaim in the arbitration for the same amount as they had asserted in their initial claim against us, alleging our failure to follow certain crating and sequencing procedures during shipping, additional paint repairs required as a result of our method of shipping and crating, and added caulking work due to our increased caulking requirements. As a result of the arbitration filed by us, all activities in the lawsuit filed by NAC will be stayed pending the conclusion of the arbitration. Our local legal counsel has advised us that, in the event the result of the arbitration is unfavorable to us, we may be liable to damages of up to a maximum of approximately US$2.0 million (approximately RMB13.1 million) with an award of attorney's fees and arbitration expenses. Based on our local legal counsel's advice, our Directors believe that we have a strong case in the arbitration and, therefore, no provision has been made for the related claims.

Kuwait

We are involved in a lawsuit that arose out of an agreement we entered into with Al Jawad Trading & Contracting Co. ("Al Jawad") in April 2004 in order to develop curtain wall business in Kuwait through Al Jawad. Pursuant to the agreement and related arrangements, we would supply curtain wall product to Al Jawad for the curtain wall projects which Al Jawad would secure for developing our business in Kuwait. During the term of the agreement, which is for a period of five years, we found Al Jawad was in numerous defaults and breaches of its obligations under the agreement. We notified Al Jawad of our decision to terminate the agreement several times in 2008 and 2009 and did not renew the agreement after its expiration in April 2009.

Al Jawad has sued us in Kuwait for damages amounting to a total of approximately 11.2 million Kuwaiti dinars (approximately RMB264.7 million), alleging that, among other things, (i) we did not provide quotations in a standard manner and often changed our quotations at the final stages when building for progress, as a result of which Al Jawad failed to secure certain projects and consequently incurred losses, (ii) we often provided quotations directly to the local customers without the consent of Al Jawad, which is in violation of the laws in Kuwait, and (iii) A1 Jawad incurred various losses as it had spent considerable financial resources in providing, among others, assembly plants, workmen's accommodation and offices to us, in Kuwait as well as in other Arab countries, and undertaken additional works for multiple projects for which it should receive compensation from us. We have denied all such claims and have made counterclaims against Al Jawad. Based on our local legal counsel's advice, our Directors believe that we have a strong case in both our defense and counterclaim in the proceedings and, therefore, no provision has been made for the related claims. This lawsuit is currently pending before the court of first instance in Kuwait. We expect it will take approximately one year for the local court to issue its final judgment, subject to further appellate procedures, if any.

Germany

We initiated a lawsuit that arose out of a curtain wall project we undertook in Wiesbaden, Germany pursuant to the contract we entered with Bilfinger Berger Hochbau GmbH ("BB"), the property owner and main contractor, in March 2008. During the construction, problems with the installation of curtain wall arose, which would have led to possible delay of the entire construction project. To address these problems, we and BB entered into a supplement to our contract for BB to provide us with further supporting services on our costs and adjusted the initial contract price. However, we have been unable to reach a final agreement with BB on the amount of our final invoice. As a result, we sued BB in Wiesbaden in June 2010 for unpaid contract price in an amount of approximately 2.0 million Euros (approximately RMB18.9 million) (with a potential to increase it to approximately 2.5 million Euros (approximately RMB23.7 million)), with interest, on the basis that, among others, the costs of BB's supporting services should be capped at the amount agreed in the contract supplement. BB, however, claimed that, among others, the costs of its supporting services exceeded the amounts as agreed in the contract supplement and the amounts provided in the contract supplement were not capped costs in connection with BB's supporting services. Accordingly, BB has made a counterclaim in an amount of approximately 6.1 million Euros (approximately RMB57.8 million) primarily for supporting services.

Based on our local legal counsel's advice, our Directors believe that we have a strong case in the proceedings and, therefore, no provision has been made for the related claims. This lawsuit is currently pending before the district court of Wiesbaden in Germany. We expect it may take a number of years before the local court reaches a final decision on the proceedings, subject to further appellate procedures, if any.

Except as disclosed above, as of the Latest Practicable Date, we were also involved in 35 other legal proceedings, including 31 in China and four overseas, in respect of our curtain wall business. Among the 31 proceedings in China, we were a defendant in two proceedings and a plaintiff in the other 29 proceedings. Among the four proceedings overseas, we were a defendant in one proceeding and a plaintiff in two proceedings, and the other proceeding is an anti-dumping investigation conducted by the U.S. Department of Commerce on the aluminum extrusions imported from China. However, our Directors consider the claim amounts involved in these legal proceedings to be insignificant to us, both individually and in aggregate. As of the Latest Practicable Date, the total expected monetary compensation arising from these legal proceedings, if we were found liable, may amount to approximately RMB4.5 million in China and approximately RMB1.6 million overseas, which were the total amounts of compensation claimed by the parties who were suing us as defendant in these proceedings. In the event we are found to have breached any anti-dumping regulation pursuant to the anti-dumping investigation, we may be subject to antidumping and countervailing duties. Our Directors do not believe it is probable that the courts, arbitrators or other relevant authorities will find against us on, and we have not made provisions for, these remaining legal proceedings. In particular, with respect to the anti-dumping investigation, the U.S. Department of Commerce has issued a final determination in April 2011, which states that finished products containing aluminum extrusions as parts are excluded from the scope of the investigation. Such final determination is subject to further review by the U.S. International Trade Commission. As we export finished curtain wall products containing aluminum extrusions as parts, rather than only aluminum extrusions, to the United States for use in our projects, our Directors believe it is not probable that we will be subject to countervailing duties as a result of such investigation.

Our Directors do not believe we have quality control problems for our projects in light of the above material and immaterial lawsuits or arbitrations involving us. Specifically, each of the four material litigations disclosed above arose from its specific context and was not a result of our quality control problem. The immaterial litigations and arbitrations involving us are generally contract disputes in our ordinary course of business.

Investigation against an employee

In March 2010, Li Dawei, the manager of the Guangzhou Branch of Shenyang Yuanda, together with three employees of the Yuanda Group, were involved in an investigation on suspected bribery, infringement of commercial secrets and unfair competition offences (the "Investigation") in Beijing. The accusation of suspected bribery was soon dropped against the four individuals after the commencement of the Investigation. Li Dawei was accused of providing through his own fund and on his own accord monetary benefits in an aggregate amount of approximately RMB50,000 with the assistance of an employee of the Yuanda Group to an employee of a competitor for certain information in relation to two projects in Guangzhou and Shenzhen, respectively. As confirmed by Li Dawei, the information he obtained in the process was of little value and has not been used for the projects of our Company. Our Directors confirmed that we had never obtained and/or used directly or indirectly the relevant information from Li Dawei and the employee of the Yuanda Group, and our Company was not aware that Li Dawei and the employee of the Yuanda Group had obtained the relevant information from an employee of the competitor until after the commencement of the Investigation. We won the contract in Guangzhou independent of the information obtained by Li Dawei and our Company did not rely on or benefit from any such information in any way whatsoever.

The other two employees of Yuanda Group were accused of (i) in the case of one employee for providing through his own fund and on his own accord monetary benefits, meals and gifts in an aggregate amount of approximately RMB100,000 to an employee of a competitor to induce him to join the Yuanda Group, and (ii) in the case of another employee for providing through his own fund and on his own accord meals and gifts in an aggregate amount of approximately RMB30,000 to an employee of a competitor during a recruitment exercise. In each case, the relevant employee of the competitor involved, who was given monetary benefits, meals and gifts (as appropriate) as inducement, did not join the Yuanda Group.

The Investigation has not progressed beyond the investigation stage to any formal prosecution. After initial investigations, Li Dawei and the three employees of the Yuanda Group were released from custody due to insufficient evidence and placed on bail review in October 2010. As advised by Liaoning Jingheng Law Firm, the PRC legal counsel to Li Dawei and the three accused persons, "bail review" under PRC law means that either (i) there is insufficient evidence to prove the case, and the accused person may be detained for a period of time although there is not enough evidence for him to be found guilty, or (ii) the case involves a minor offence and no actual punishment was imposed, such that it may be possible for the accused person be exempted from any criminal punishment or detention. After a year has elapsed from the commencement of the bail review, the accused person can apply for final dismissal of the case with full acquittal. As advised by Liaoning Jingheng Law Firm, the maximum penalty for the unfair competition offence is imprisonment of three years. As at the Latest Practicable Date, no charges have been brought against any of Li Dawei and the other accused persons, our Group and its employees, any directors of our Group, including Mr. Kang, as the legal representative of Shenyang Yuanda. Liaoning Jingheng Law Firm further advised that the Investigation is not related to our Company, any directors of the Group (including Mr. Kang), and that the Investigation would not adversely affect the operation and financial positions of our Company regardless of its outcome. Liaoning Jingheng Law Firm also confirmed that no legal proceedings had ever been initiated by the competitor against the Company or any directors of the Group in relation to the Investigation.

Mr. Kang has provided a statutory declaration confirming that (a) he (and his associates) and the Group and its employees had not paid any money directly or indirectly to the competitor and/or its employees in relation to the Investigation; (b) the actions of Li Dawei and the three accused persons were not initiated or instructed by the Company or its senior management; and (c) the Company had never obtained and/or used the relevant information obtained by Li Dawei and the three accused persons. Each of Li Dawei and the three accused persons has confirmed that (a) they undertook the actions on their own accord without the Group's instructions with a view to enhance their personal performances so as to increase their chances of promotion within the Group or the Yuanda Group; and (b) the relevant payments were made from their personal funds.

In light of the Investigation, in order to prevent further occurrence of similar incidents, we have conducted corporate governance training for our Directors and employees, placing greater emphasis on the requirement to comply with laws and regulations. In principle, our Company disallows any kind of bribery, infringement of commercial secrets and unfair competition (the "Improper Conduct") in its business operations, whether direct or indirect. We have the following existing measures in place:

- the Company has robust policies and procedures in place in the sales and treasury processes governing the payment or reimbursement of selling expenses. Such controls provide reasonable assurance to management that no fund of the Company is used for making bribe or payment which could affect or perceived to affect the outcome of business transactions.

- the Company has a whistle-blower program in place which allows its employees to report suspected Improper Conduct to the management team of the Company through various channels. Upon the set up of audit committee of the Company, cases reported through the whistle-blower program to management will be periodically summarized and reported to the audit committee which will oversee the investigation of allegations.

To strengthen our anti-Improper Conduct controls to our employees, we have recently modified our employee handbook to clarify to the employees that, in addition to accepting advantages, they are also prohibited from offering or giving advantages as inducement for an action which is illegal or in breach of trust. Moreover, our Company has planned to perform the following to raise the ethical standard and awareness of management and employees, and to proactively promote our anti-Improper Conduct measures:

- distribute the revised employee handbook to all employees;

- doing through the code of conduct with new hires during the on-board training to ensure that the employees understand the code;

- conduct periodic anti-Improper Conduct awareness training for Directors and managers;
- engage professionals to conduct periodic review of the Company's anti-Improper Conduct measures and to hold training and refresher course for our Directors and employees;
- introduce a written policy on disciplinary action that the Company may take against any employee found to have been engaged in Improper Conduct; and
- introduce a rotation system whereby key mid-level management staff are periodically rotated to different posts within the Group in order to promote independence and accountability.

In addition, the Company's internal audit function will further consider the potential occurrence of Improper Conduct during the annual planning of internal audit activities and evaluate the effectiveness of the organization's key internal controls in mitigating identified Improper Conduct risks at least annually.

REGULATORY COMPLIANCE

Our Directors, as advised by our legal counsel, have confirmed that during the Track Record Period and through the Latest Practicable Date, we have complied with all applicable laws and regulations in all material respects, including obtaining all material permits and licenses required for our business, in the jurisdictions in which we operate, except for:

- the property title defects as disclosed in the sections entitled "Risk Factors – We have not obtained the land use rights certificates or building ownership certificates for some of our properties and have not completed the required procedures for some of our facilities or properties under construction, and may be required to seek alternative premises for some of our leased properties" and "Business – Properties" in this prospectus;
- certain safety violation for which we received administrative penalties as disclosed in the section entitled "Business – Labor, Health and Safety Matters" in this prospectus; and
- the expiry of our Certification of Qualified High-Tech Enterprise (《高新技術企業證書》) in relation to Shenyang Yuanda. Since we have not received any preferential tax treatment in reliance on such Certification of Qualified High-Tech Enterprise, its expiry has no tax impact on our business operations. As the Certification of Qualified High-tech Enterprise is not a necessary requirement for our business operations, we currently are not applying for its renewal. Our PRC legal counsel and our Directors are of the view that the current expiry of the above certification will not have any material adverse effect on our business and operations. In addition, the People's Republic of China Organization Code Certificate (《中華人民共和國組織機構代碼證》) in relation to another one of our branch offices is due to expire shortly. Our PRC legal counsel has advised that there is no substantial legal impediment for us to renew the above certificate that is due to expire shortly.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

The immediate controlling shareholder of the Company is Best Outlook, which is a company incorporated in the BVI with limited liability. Best Outlook is wholly owned by Mr. Kang, our chairman, who was brought up and lives in China. Mr. Kang has not been a full time governmental official or an employee of a state-owned entity for a substantial amount of time. Immediately after completion of the Global Offering, Mr. Kang will, through Best Outlook and Neo Pioneer, control the exercise of voting rights with respect to more than 30% of our Shares. Because Long Thrive and the Transferees and Mr. Kang are considered to be a closely allied group of shareholders, Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees (as a group) will therefore be regarded as the controlling shareholders (as defined in the Listing Rules) of our Company upon Listing. Apart from our Company, Mr. Kang also owns Yuanda Group, which is principally engaged in the business of investment holdings. Companies under the Yuanda Group engage in the manufacture and sale of elevators, mechanical equipment, environmental protection engineering and engineering design. Our Directors are of the view that the businesses conducted by our Controlling Shareholders and their respective associates are not in competition with our business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we are satisfied that we can conduct our business independently of our Controlling Shareholders and their respective associates (other than our Company) after completion of the Global Offering, notwithstanding our existing relationship with Yuanda Singapore as described below.

Delineation of Businesses

During the Track Record Period, Yuanda Singapore has undertaken curtain wall projects in Singapore for which we supplied the curtain wall products. We have already established our wholly owned subsidiary in Singapore to undertake projects. However, as the ability to contract for large-scale curtain wall work in Singapore is dependent on local contracting experience, and given our lack of direct local contracting experience, we expect that we will continue to cooperate with Yuanda Singapore on the contracting of large-scale curtain wall work in Singapore for such period until our wholly owned subsidiary will be able to undertake projects in Singapore on its own. As the Singapore market only accounted for approximately 0.1%, 0.6% and 0.7% of our revenue during the years ended December 31, 2008, 2009 and 2010, respectively, we do not consider the revenues generated from the Singapore market to be of material importance to our operation. In addition, it is expected that our own Singapore subsidiary will gradually take over the contracting work in Singapore. Our Controlling Shareholders have also undertaken to us that upon Listing, Yuanda Singapore will only bid and contract for curtain wall projects with our written consent and it will purchase all of its supplies of curtain wall products from us. Yuanda Singapore will cease its curtain wall business upon our notification, which is currently expected to be in 2014, when our own subsidiary would be able to gain its own accreditation to undertake large-scale projects in Singapore and Yuanda Singapore would have completed all its contracts on hand. Our Directors are therefore of the view that the curtain wall business of Yuanda Singapore will not compete with our business. Save for Yuanda Singapore, none of the other business of our Controlling Shareholders and their respective associates are engaged in the business that we are engaged in or compete or may compete with us. The businesses of these companies are unrelated to the curtain wall business that we are engaged in.

Yuanda Singapore is primarily engaged in curtain wall works and trading as well as investment holding. As of the Latest Practicable Date, Yuanda Singapore holds a 22.3% interest in Brilliant Elevator. Brilliant Elevator is principally engaged in the manufacture and sale of elevators. As we have already established a wholly owned subsidiary to undertake our curtain wall business which we intend to expand and will gradually replace and take over the curtain wall works in Singapore being carried out by Yuanda Singapore, and we have no interest in developing the elevator business. Yuanda Singapore and its associated interest in Brilliant Elevator have not been injected into the Group as part of the Reorganization.

The information relating to the profit/(loss) and net assets of Yuanda Singapore during the Track Record Period is set out below:

Year	NAV (SGD)	Profit/(loss) (SGD)
2008	(640,699)	(1,180,888)
2009	524,583	(1,134,718)
2010 (unaudited)	537,473	12,889

In Singapore, curtain wall contracting operates on a qualification system. Only companies that have obtained a grade 6 qualification can contract for public curtain wall projects. Our wholly owned subsidiary established in Singapore does not currently possess a grade 6 qualification and is unable to contract for public curtain wall projects. It is only upon our completing certain local projects that we would be able to obtain a grade 6 qualification to undertake public curtain wall projects. During the interim period before we obtain the grade 6 qualification, we will co-operate with Yuanda Singapore on any public curtain wall projects by supplying curtain wall products to Yuanda Singapore. Details of such arrangement are further described in the section headed "Connected Transactions – Supply of Curtain Wall Products to Yuanda Singapore".

It is currently expected that Yuanda Singapore will be able to complete all of its contracts on hand by 2014 and our Singapore subsidiary will obtain the necessary qualification to undertake public and large scale contracts within three years.

Independent Business Operations

Our Company holds the relevant licenses that are essential to our business operations and we have such operation capability of our own, whether in terms of capital, equipment, employees, suppliers or customers, that enable us to operate our business independently of the business of our Controlling Shareholders and their respective associates.

Although we will enter into continuing connected transactions with Brilliant Elevator (please refer to the section entitled "Connected Transactions" in this prospectus for further details) in respect of the spray painting service that it will continue to provide to us after completion of the Global Offering, our Directors are of the view that this service can be easily replaced by other processors on similar terms as provided by Brilliant Elevator, or be undertaken by the Group itself with additional investments in equipment. Therefore, our Directors do not consider that we are in any way dependent on our Controlling Shareholders and their respective associates for any part of our operations.

Management and Financial Independence

Our business and the business of our Controlling Shareholders are currently managed and operated by separate management teams. Except for Mr. Kang and Mr. Wang Lihui, none of our Directors currently holds directorships or management positions in the business of our Controlling Shareholders. Mr. Kang and Mr. Wang devote the majority of their time in managing our Group. Pursuant to the director service agreement between Mr. Kang and Mr. Wang and our Company, Mr. Kang and Mr. Wang agree to continue to devote the majority of their time and resources to the management of our business. In this connection, our Directors are of the view that our business is being managed separately and independently from the business of our Controlling Shareholders.

In addition, our Company operates financially independently from our Controlling Shareholders and their respective associates. We do not share any banking or credit facilities with our Controlling Shareholders and their respective associates and, as of the Latest Practicable Date, there is no financing arrangement between our Company and our Controlling Shareholders and their respective associates.

In addition, we have an independent financial system and finance team which is responsible for our own treasury function, cash receipts and payments, and independent access to third party financing.

All amounts due to and due from the companies controlled by the Controlling Shareholders, including any guarantees and indemnities provided by our Controlling Shareholders for our benefits or vice versa will be released or fully settled prior to the Listing Date. Accordingly, we believe that we are able to maintain financial independence from our Controlling Shareholders.

Save as disclosed above, none of our Directors has any interest in any business which competes or is likely to compete, whether directly or indirectly, with our business.

NON-COMPETITION UNDERTAKING

In order to avoid potential conflicts of interest between our Controlling Shareholders and our Company, each of Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees has undertaken to us in the Deed of Non-competition dated April 12, 2011 that he/it will not, and will procure his/its associates (other than members of our Group) not to, engage in any business, whether directly or indirectly, on its own or jointly with another person or entity by participating in any businesses or activities which would be in competition with the business of the Group. Under the Deed of Non-competition, we have agreed to exclude Yuanda Singapore from the non-compete covenants of the Controlling Shareholders so as to allow Yuanda Singapore to continue to cooperate with us to undertake large-scale curtain wall contracts in Singapore until our wholly owned subsidiary is fully operational and has gained the necessary contracting experience to undertake large-scale curtain wall projects on its own. Our Controlling Shareholders have, with respect to the curtain wall business of Yuanda Singapore, covenanted to us in the Deed of Non-competition that, as long as the Controlling Shareholders remain the controlling shareholder of our Company, Yuanda Singapore will only bid and contract for curtain wall projects with our written consent and will purchase all of its supplies of curtain wall products from us and upon written notification from us, it will cease to participate in any manner in the contracting for curtain wall business in Singapore. When evaluating whether or not to grant consent to Yuanda Singapore, our Directors (including at least one independent non-executive Director) will consider our available resources and whether or not we can directly contract for the proposed project. It is only in situations when we are unable to contract directly for the project should consent be granted to Yuanda Singapore.

Any conflicting Director will abstain from voting for any resolutions proposed to grant consent to Yuanda Singapore. Our independent non-executive Directors may from time to time commission at the cost of our Company the assistance of external professional advisors as they consider necessary or desirable to evaluate and assess the consents granted to Yuanda Singapore and any other matters that may rise in relation to the execution of the Deed of Non-competition.

Upon our own subsidiary gaining the accreditation to undertake large-scale curtain wall projects in Singapore, we will evaluate whether we need to cooperate further with Yuanda Singapore. If our Directors other than the conflicting Directors consider that we no longer need to coordinate with Yuanda Singapore to undertake any projects, a written notice will be issued to Yuanda Singapore advising it to cease all curtain wall business from the completion of all remaining projects on hand.

The Deed of Non-competition will take effect upon Listing and will lapse automatically (in respect of the relevant party) if Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive or the Transferees ceases to be our Shareholder.

In order to promote good corporate governance practices and to improve transparency, the deed of non-competition includes the following provisions:

- the independent non-executive Directors will review, at least on an annual basis, the compliance with the Deed of Non-competition by Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees;

- each of Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees has undertaken to us that he/it will provide all information necessary for the annual review by the independent non-executive Directors for the enforcement of the Deed of Non-competition;

- we will disclose the review by the independent non-executive Directors with basis on the compliance with, and the enforcement of, the Deed of Non-competition in our annual report or by way of announcement to the public in compliance with the requirements of the Listing Rules; and

- each of Mr. Kang, Best Outlook, Neo Pioneer, Long Thrive and the Transferees will make an annual declaration in our annual report on the compliance with the Deed of Non-competition in accordance with the principle of voluntary disclosure in the corporate governance report.

DIRECTORS

Our Board consists of eleven Directors, three of whom are independent non-executive Directors. Our Board of Directors has the general powers and duties for the management and conduct of our business. The table below sets forth information regarding our current directors and senior officers:

Name	Age	Position
Kang Baohua	57	chairman and executive Director
Tian Shouliang	47	chief executive officer and executive Director
Guo Zhongshan	46	executive Director
Wang Yijun	42	executive Director
Si Zuobao	43	executive Director
Wu Qingguo	41	executive Director
Wang Lihui	41	executive Director
Wang Deqiang	42	executive Director
Poon Chiu Kwok	49	independent non-executive Director
Woo Kar Tung, Raymond	41	independent non-executive Director
Pang Chung Fai, Benny	38	independent non-executive Director

Executive Directors

Mr. Kang Baohua (康寶華), aged 57, is the founder and chairman of our Group, and was appointed as our executive Director on February 26, 2010. Mr. Kang is the vice president of the Liaoning Chamber of Commerce (遼寧省商會). Graduated from Liaoning University (遼寧大學) with a diploma in politics in 1984, Mr. Kang has over 20 years of experience in the curtain wall industry and has been responsible for the management and strategic development of our Group since 1992. Prior to founding our Group, Mr. Kang was an executive director of Shenyang Strong Wind Group Company (瀋陽強風集團公司). Since our establishment, Mr. Kang has been involved in the management of our Company, including business development, finance and corporate strategy formulation.

Mr. Tian Shouliang (田守良), aged 47, is our chief executive officer and was appointed as our executive Director on December 18, 2010. Mr. Tian joined our Group in 1994 and has over 16 years of experience in the curtain wall industry. From 1995 to 1997, Mr. Tian was the vice general manager in production of Shenyang Yuanda, where he was involved in curtain wall product design and managed curtain wall production systems. From 1997 to 2008, he was the vice chairman of Yuanda Group where he was in charge of operations, finance and human resources management activities. Since 2008, Mr. Tian has been the president of Shenyang Yuanda, leading its business expansions and product development plans. Mr. Tian graduated from Harbin Industrial University (哈爾濱工業大學) in 1986 with a bachelor's degree in engineering specializing in the study of heat turbines.

Mr. Guo Zhongshan (郭忠山), aged 46, was appointed as our executive Director on December 18, 2010. Mr. Guo joined our Group in 1994 and has over 16 years of experience in the curtain wall industry. From 1994 to 1996, Mr. Guo was the chief engineer of Shenyang Yuanda, responsible for engineering design works related to curtain wall products. From 1996 to 1997, Mr. Guo has been the vice president of Shenyang Yuanda responsible for market development in the PRC. Since 1997, Mr. Guo has been the vice president of Shenyang Yuanda. Prior to joining our Group, Mr. Guo was the technical director of Shenyang Strong Wind Company (瀋陽強風公司) from 1992 to 1993. Mr. Guo graduated from Shenyang Aviation Industrial College (瀋陽航空工業學院) with a bachelor's degree in mechanical engineering in 1986 and from Dalian Polytechnic University (大連理工大學) with a master's degree in mechanical engineering in 1992.

Mr. Wang Yijun (王義君), aged 42, is the vice president of our Group, managing director of our international operations and was appointed as our executive Director on December 18, 2010. Mr. Wang joined our Group since 1993 and has more than 17 years of experience in the curtain wall industry. From 1993 to 1998, Mr. Wang held various managerial positions in Shenyang Yuanda where he managed engineering design and technology works. In 1999, Mr. Wang was the technical manager of Shenyang Yuanda Shanghai branch. Since 2000, Mr. Wang has been the director and general manager of the international operations of Shenyang Yuanda, responsible for developing its business in overseas markets. Mr. Wang graduated from Shenyang Aviation Industrial College (瀋陽航空工業學院) with a bachelor's degree in mechanical engineering and design in 1992.

Mr. Si Zuobao (思作寶), aged 43, is the managing director of our operations in Eastern China and was appointed as our executive Director on December 18, 2010. Mr. Si joined the Group in 1993 and has more than 17 years of experience in the curtain wall industry. From 1993 to 1995, Mr. Si was an engineering designer responsible for technical design of the Group's projects. From 1996 to 1998, Mr. Si was the vice president of sales in Shenyang Yuanda, in charge of formulating sales strategies and leading sales teams. From 1998 to 2009, Mr. Si served as the general manager of Shenyang Yuanda Shanghai branch. Since 2010, Mr. Si has been the managing director of Shenyang Yuanda for its business in Eastern China, leading the expansion of its presence in Eastern China. Mr. Si graduated from Jilin Industrial University (吉林工業大學) in 1991 with a bachelor's degree in engineering specializing in the study of internal combustion engines.

Mr. Wu Qingguo (吳慶國), aged 41, is the managing director of our operations in Northeastern China and was appointed as our executive Director on December 18, 2010. Mr. Wu joined the Group in 1997 and has more than 13 years of experience in the curtain wall industry. He has been involved in the development and sales activities of our operations in Northeastern China since he joined us. From 1997 to 2000, Mr. Wu led the sales activities of the operations of Shenyang Yuanda in Northeastern China. From 2001 to 2008, Mr. Wu was general manager of the Northeastern China Branch of Shenyang Yuanda in charge of its operations in Northeastern China, responsible for managing its sales, production, operations and marketing activities. He was appointed the President of the Northeastern China Branch of Shenyang Yuanda in June 2008 and was appointed the President of the Group's Northeastrn China operations in 2010. Mr. Wu graduated from Shenyang University (瀋陽大學) with a bachelor's degree in industrial engineering management in 1992.

Mr. Wang Lihui (王立輝), aged 41, was appointed as our executive Director on December 18, 2010. Mr. Wang joined our Group in 1996 and has more than 18 years of experience in accounting and finance. Mr. Wang has experience in dealing with internal control, risk management, corporate finance and taxation matters and is responsible for the overall management of our Group's financial operations. He has been involved in formulating the Group's budgets, remuneration and incentive schemes. Prior to joining us, Mr. Wang was an accountant in Northeast (No. 6) Pharmaceutical Manufacturer (東北第六製藥廠) from 1992 to 1994 and the finance director of Shenyang Wumei Shopping Centre (瀋陽物美商城) from 1995 to 1996. From 1996 to 2004, Mr. Wang was the financial manager of Shenyang Yuanda. Since 2004, Mr. Wang has been the chief accountant of Yuanda Group. Mr. Wang graduated from Anhui Trade and Finance College (安徽財貿學院) with a bachelor's degree in accounting in 1992.

Mr. Wang Deqiang (王德強), aged 42, was appointed as our executive Director on December 18, 2010. Mr. Wang joined the Group in 2002. Prior to joining the Group, Mr. Wang had served as the chief accountant at Fushun Aluminum Factory (撫順鋁廠) and as an audit assistant at Liaoning Jinxin Accounting Firm (遼寧金信會計師事務所). From 2002 to 2005, Mr. Wang was the head of the finance department of Shenyang Yuanda where he was in charge of accounting and financial affairs of the international business of Shenyang Yuanda. From 2005 to 2009, Mr. Wang was the assistant chief accountant of Shenyang Yuanda where he was responsible for the overall financial affairs of Shenyang Yuanda, including preparing the accounts of its onshore and offshore businesses, and managing the finance of the trading business of Shenyang Yuanda. Mr. Wang graduated from Southern China Industrial University (中南工業大學) with a bachelor's degree in industrial engineering management in 1991.

Independent Non-Executive Directors

Mr. Poon Chiu Kwok (潘昭國), aged 49, was appointed as our independent non-executive Director on April 12, 2011. Mr. Poon currently serves as the executive director and the company secretary of Huabao International Holdings Limited (Hong Kong stock code: 00336), an independent non-executive director of Tsingtao Brewery Company Limited (Hong Kong stock code: 00168; also listed on the Shanghai Stock Exchange) and an independent director of Ningbo Port Company Limited (a company listed on the Shanghai Stock Exchange). From May 2003 to June 2009, Mr. Poon served as an independent non-executive director of CATIC Shenzhen Holdings Limited (Hong Kong stock code: 00161). Mr. Poon has over 20 years of experience in regulatory affairs, commerce and investment banking, including during 1992 to 2006 serving as an executive director and managing director of several investment banks acting as sponsor to companies on their listing on the Stock Exchange, and providing a variety of financial advisory and merger and acquisition services. Before that, Mr. Poon worked in the Listing Division of the Stock Exchange on compliance and regulatory matters.

Mr. Poon obtained a postgraduate diploma in laws at the University of London in the United Kingdom in 2010 through distance learning courses. He also obtained a master's degree in arts, majoring in international accounting and a bachelor's degree in arts, majoring in business studies from the City University of Hong Kong in 1997 and 1994, respectively. Mr. Poon has also obtained a bachelor's degree in laws from the University of Wolverhampton in the United Kingdom in 2004 through distance learning courses. Mr. Poon is currently a member and associate instructor of Hong Kong Securities Institute ("HKSI"), a long-serving member of a Professional Education Committee of HKSI, an associate member of Institute of Chartered Secretaries and Administrators, and an associate member of Hong Kong Institute of Chartered Secretaries.

Mr. Woo Kar Tung, Raymond (胡家棟), aged 41, was appointed as our independent non-executive Director on April 12, 2011. Mr. Woo is an executive director, chief financial officer and company secretary of IRC Limited (Hong Kong stock code: 1029). Mr. Woo has over 17 years of experience in the accounting and financial services industry. He began his financial career as an accountant, and worked at Arthur Andersen & Co in Hong Kong from 1993 to 1997. He occupied various senior positions in a number of financial institutions in Hong Kong including ING Bank N.V., Hong Kong from 1997 to 2004, and CITIC Securities (HK) Company Limited (formerly known as CITIC Capital Markets Holding Limited) from 2004 to 2006 where he was a managing director and the head of corporate finance. From 2006 to 2007, Mr. Woo was the financial controller of China Resources Land Limited (Hong Kong stock code: 1109). In 2007, Mr. Woo became a director of investment banking at Credit Suisse Hong Kong until he joined IRC Limited in June 2010. Mr. Woo graduated from the University of New South Wales with a Bachelor of Commerce in 1992. He has been a member of the Australian Society of Certified Practising Accountants (CPA Aust.) since November 1996 and has been a fellow of the Hong Kong Institute of Certified Public Accountants since 2005.

Mr. Benny Chung Fai Pang (彭中輝), aged 38, was appointed as our independent non-executive Director on April 12, 2011. Mr. Pang is the managing partner of Salans Hong Kong, an international law firm with offices in 22 cities. He is also the principal of Pang & Co, a local law firm in association with Salans Hong Kong. Between 1997 and 2009, Mr. Pang practiced as a lawyer with several international law firms in Hong Kong and Sydney. Mr. Pang received his bachelor's degree in laws from Bond University in 1996. In 1997, Mr. Pang obtained his Graduate Diploma in Legal Practice and master's degree in laws from The College of Law and the University of New South Wales, respectively. He was admitted as a legal practitioner of the Supreme Court of New South Wales in 1997 and as a solicitor of the High Court of Hong Kong in 2009. He is a member of both the Law Society of New South Wales and the Law Society of Hong Kong.

Each of our Directors has not been involved in any of the events described under Rule 13.51(2)(h) to (v) of the Listing Rules.

SENIOR MANAGEMENT

Our senior management members are Mr. Li Qi, Mr. Wong Yuk, Mr. Xie Haizhuang, Mr. Xiong Yudi and Mr. Paul Anthony Dawson. The table below sets forth certain information regarding our senior management members (excluding executive Directors):

Name	Age	Position
Li Qi (李祺)	43	managing director of our Northern China operations
Wong Yuk (王旭)	39	chief financial officer and company secretary
Xie Haizhuang (謝海狀)	43	chief engineer of Shenyang Yuanda
Xiong Yudi (熊宇鏑)	42	managing director of our Southwest China operations
Paul Anthony Dawson	49	managing director of our Australia operations

Mr. Li Qi (李祺), aged 42, is the managing director of our Group's Northern China operations. Mr. Li joined our Group in 1998. He served as sales manager of our Shanghai branch from 1998 to 2002 where he was in charge of the Group's sales activities in Shanghai. From 2002 to 2008, Mr. Li was general sales manager of our Shanghai branch where he was involved in sales training and market intelligence management. Since 2008, Mr. Li has been managing director of the Group's Northern China where he led the development of the Group's business in Northern China. Mr. Li graduated from Shenyang Agricultural University (瀋陽農業大學) with a bachelor's degree in mechanical engineering in the agricultural department in 1990.

Mr. Wong Yuk (王旭), aged 39, is the chief financial officer of the Group and our company secretary. Mr. Wong joined our Group in December 2010. He is responsible for the Group's financial and investor relations affairs. He is our key liaison contact with the Stock Exchange and professional parties. Mr. Wong has more than 14 years of work experience and during this period of time he has worked in the professional auditing, manufacturing, trading and utility industries. He started his career in KPMG Hong Kong from September 1996 and also worked for various Hong Kong and Singapore listed companies from October 1999 to November 2010 for their operations both in Hong Kong and PRC, including subsidiaries of the Swire Group, Hong Kong and China Gas Company Limited, Lung Kee Metal Limited and China Oilfield Technology Services Group Ltd., respectively. Mr. Wong obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in 1996. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Xie Haizhuang (謝海狀), aged 43, is the chief engineer of Shenyang Yuanda. Mr. Xie joined our Group in 1995. From 1995 to 2002, Mr. Xie held positions including technical designer and technical manager, dealing with the technical aspects of curtain wall projects. He has worked on the technical design of proposals for bidding major projects. Since 2002, Mr. Xie was involved in our corporate technical development management. Graduating from Huadong Industrial College (華東工學院) in 1990, Mr. Xie holds a bachelor's degree in mechanical construction design.

Mr. Xiong Yudi (熊宇鏑), aged 42, is the managing director of our Group's Southwest China operations. Mr. Xiong joined our Group in 1993. From 1993 to 1997, Mr Xiong was the sales representative of Shenyang Yuanda, responsible for its sales activities in Beijing, Tianjin and Northeast China. From 1997 to 2001, Mr. Xiong has served as general sales manager of our Northeast China operations, and from 2001 to 2010, the general manager of our West China operations, where he managed the operation of our production facilities and formulated various policies to expand our Group's operations in Southwest China. Mr. Xiong graduated from Chongqing University (重慶大學) with a bachelor's degree in mechanical engineering in 1990.

Mr. Paul Anthony Dawson, aged 49, is the managing director of our Australia operations. Mr. Dawson joined our Group in January 2007 and is responsible for our operations in Australia. Mr. Dawson has more than 25 years of experience in construction and curtain wall contracting. Mr. Dawson was formerly the national construction manager, curtain wall division of G. James Glass & Aluminium Pty. Ltd., a position he held for 15 years. During that period, Mr. Dawson was responsible for all commercial projects delivered in the commercial contracting division. He also expanded the business to new markets and was responsible for many landmark building projects in Australia. Mr. Dawson obtained an associate diploma in mechanical engineering from the University of Sydney in 1985.

Company Secretary

Mr. Wong Yuk (王旭), aged 39, is our company secretary. Mr. Wong's biography is set forth in "Senior Management" above.

BOARD COMMITTEES

Audit Committee

Our Company established an audit committee on April 12, 2011 with effect from the completion of the Global Offering with written terms of reference in compliance with the Listing Rules. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control systems of our Company.

The audit committee comprises three members, namely, Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny. They are the independent non-executive Directors. The audit committee is chaired by Mr. Poon Chiu Kwok.

Remuneration Committee

Our Company established a remuneration committee on April 12, 2011 with effect from the completion of the Global Offering. The primary duties of the remuneration committee are to evaluate and make recommendations to our Board regarding the compensation of the chief executive officer and other executive Directors. In addition, the remuneration committee conducts reviews of the performance, and determines the compensation structure of our senior management.

The current members of the remuneration committee are Mr. Tian Shouliang, Mr. Pang Chung Fai, Benny and Mr. Woo Kar Tung, Raymond. The remuneration committee is chaired by Mr. Tian Shouliang.

Nomination Committee

Our Company established a nomination committee on April 12, 2011 with effect from the completion of the Global Offering to make recommendations to our board regarding candidates to fill vacancies on our Board.

The current members of the nomination committee are Mr. Kang Baohua, Mr. Poon Chiu Kwok and Mr. Pang Chung Fai, Benny. The nomination committee is chaired by Mr. Kang Baohua.

REMUNERATION OF DIRECTORS

We reimburse our Directors for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. The executive Directors who are also our employees are entitled to receive compensation in the form of salaries and other allowances and benefits in kind.

The aggregate amount of salaries and other allowances and benefits in kind paid by us to our five highest paid individuals, including our contribution to the pension schemes for such individuals, during the years ended December 31, 2008, 2009 and 2010 were approximately RMB20.8 million, RMB17.6 million and RMB13.9 million, respectively.

During the years ended December 31, 2008, 2009 and 2010, the aggregate amount of salaries and other allowances, pension scheme contributions and benefits in kind paid by us to our Directors were approximately RMB13.8 million, RMB12.9 million and RMB12.0 million, respectively.

Except as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2008, 2009 and 2010 by us or any of our subsidiaries to or on behalf of our Directors, and no payments were made during the three years ended December 31, 2008, 2009 and 2010 by us to any of our Directors as an inducement to joining or upon joining our Company.

Under the arrangements currently in place, we estimate the aggregate remuneration of our Directors, payable for the year ending December 31, 2011 to be approximately RMB15.6 million.

EMPLOYEES

As of December 31, 2010, we had approximately 12,721 full-time employees. Set out below is a breakdown of the number of our full-time employees by function:

Division	Number of Employees
Operation Management	3,789
Sales and Marketing	311
Design Management	1,546
Production	6,443
Research and development	632
Total	12,721

We recruit our personnel from the open market and we enter into employment contracts with them. We offer competitive remuneration packages to our employees, including salaries and bonuses to qualified employees. We provide on-going technical and operational training to our employees.

In the PRC, in accordance with relevant national and local labor and social welfare laws and regulations, we are required to pay in respect of our employees in the PRC various social security funds including basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, hospital insurance and insurance for maternity leave. Based on the relevant confirmation letters issued by the relevant authorities in charge, the Directors believe that we have no outstanding social security funds payable by us in accordance with PRC law as of the Latest Practicable Date.

We have not experienced any strikes, work stoppages or labor disputes which affected our operations and we believe we have maintained good working relations with our employees.

Share Option Schemes

Our Company has adopted the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the section entitled "Statutory and General Information — Other Information — Share Option Scheme" in Appendix VII to this prospectus. As of the date of this prospectus, we have not granted any share option under the Share Option Scheme to any person.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our compliance advisor upon Listing in compliance with Rule 3A.19 of the Listing Rules. The material terms of the compliance advisor's agreement are summarized as follows:

(a) the compliance advisor was appointed for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;

(b) the compliance advisor shall provide us with services, including guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our principal channels of communication with the Stock Exchange; and

(c) we may terminate the appointment of the compliance advisor only if its work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to it as permitted by Rule 3A.26 of the Listing Rules.

OVERVIEW

We have entered into a number of agreements with associates of Mr. Kang, our Controlling Shareholder, in respect of processing for, sales of products to and purchases of materials from, and the provision other related services by, Shenyang Yuanda and its subsidiaries. As Mr. Kang is a connected person of our Company, such transactions will constitute connected transactions for our Company under the Listing Rules upon Listing.

Details of the connected transactions of our Company upon Listing are as follows:

CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Leases of Properties

During the Track Record Period, we leased certain properties to Yuanda Group and its subsidiaries for use as offices. The leases of these properties were generally for one year. As Mr. Kang, our chairman and Controlling Shareholder, owns a majority interest in Yuanda Group, Yuanda Group is therefore a connected person of our Company, the leases will constitute continuing connected transactions for our Company upon Listing.

Details of the leases entered into in 2008 are set out below:

Location	Connected party	Subsidiary of our Company involved	Approximate GFA	2008 rental
			sq.m.	RMB
Dongling Factory Area ...	Brilliant Elevator	Shenyang Yuanda	16,977	1,867,470
Dongling Factory Area ...	Shenyang Yuanda Environmental Engineering Co., Ltd. (瀋陽遠大環境工程有限公司)	Shenyang Yuanda	1,500	165,000

Details of the leases entered into in 2009 are set out below:

Location	Connected party	Subsidiary of our Company involved	Approximate GFA	2009 rental
			sq. m.	RMB
Zhangshi Factory Area	Shenyang Yuanda Electrical Equipment Co., Ltd. (瀋陽遠大機電裝備有限公司)	Shenyang Yuanda	685	37,675
Dongling Factory Area	Brilliant Elevator	Shenyang Yuanda	4,356	479,227
Dongling Factory Area	Shenyang Yuanda Environmental Engineering Co. Ltd.	Shenyang Yuanda	142	17,000
Zhangshi Factory Area ...	Brilliant Elevator, Metal Spray Paint Branch (瀋陽博林特電梯有限公司金屬噴塗分公司) ("Brilliant Elevator MSP Branch")	Shenyang Yuanda	7,063	388,465

Details of the leases entered into in 2010 are set out below:

Location	Connected party	Subsidiary of our Company involved	Approximately GFA	2010 rental
			sq.m.	RMB
Zhangshi Factory Area	Shenyang Yuanda Electrical Equipment Co., Ltd.	Shenyang Yuanda	4,755	482,117
Zhangshi Factory Area	Shenyang Yuanda Environmental Engineering Co., Ltd.	Shenyang Yuanda	951	95,100
Zhangshi Factory Area	Brilliant Elevator, Metal Spray Paint Branch	Shenyang Yuanda	9,996	1,012,360

In 2008, 2009 and 2010, our rental income amounted to RMB2,032,470, RMB922,367 and RMB1,589,577, respectively. The rents were determined in accordance with the rent payable in the area as confirmed by the relevant tax authorities.

On April 12, 2011, we entered into new leasing agreements with each of Shenyang Yuanda Electrical Equipment Co., Ltd. and Brilliant Elevator MSP Branch for a term of one year and three years, respectively, based on the prevailing market rates of RMB1,475,100, RMB999,600 and RMB999,600 for the financial years ending December 31, 2011, 2012 and 2013, respectively. Jones Lang LaSalle Sallmanns Limited, our property valuer, confirmed that the rents payable under the leases are comparable to the prevailing market rates for properties of similar quality in neighboring areas to which the respective property is located.

Given that the leases were entered into based on prevailing market rates, our Directors (including our independent non-executive Directors) consider that the rents of the leased properties are fair and reasonable, and the leases were entered into under normal commercial terms and in the ordinary and usual course of our business. It is expected that the annual rentals charged by us in relation to the leases of the properties to the companies controlled by Mr. Kang will not exceed RMB1,475,100, RMB999,600 and RMB999,600 for the three financial years ending December 31, 2011, 2012 and 2013, respectively. Given that the applicable ratios are on an annual basis less than 0.1%, the transactions under the leases above constitute exempt continuing connected transactions for our Company which are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

Purchase of Raw Materials from Shenyang Yuancheng

During the Track Record Period, we purchased glass from Shenyang Yuancheng Insulating Glass Co., Ltd. (瀋陽遠程中空玻璃有限公司) ("Shenyang Yuancheng"), a company which is owned as to 80% by Ms. Kang and as to 20% by her husband, Zhang Dianhai (張澱海). As Ms. Kang is the sister of Mr. Kang, who is our chairman and Controlling Shareholder, transactions between Shenyang Yuancheng and our Company will constitute continuing connected transactions for our Company upon Listing.

In 2008, 2009 and 2010, our purchases from Shenyang Yuancheng amounted to RMB9,544,107, RMB16,013,761 and RMB19,884,863, respectively.

On April 12, 2011, we entered into a master purchase agreement with Shenyang Yuancheng (the "Shenyang Yuancheng Purchase Agreement") pursuant to which we agreed to purchase glass from Shenyang Yuancheng for a term of three years subject to an annual cap not exceeding RMB8,000,000 and RMB4,500,000 and RMB4,100,000 for the three years ending December 31, 2011, 2012 and 2013, respectively. The glass supplied by Shenyang Yuancheng are used primarily for the construction of our manufacturing facilities and are not used in our projects. With completion of the construction of our new manufacturing facilities in Shenyang, our demand for glass from Shenyang Yuancheng will decrease. The annual caps were calculated based on the projected demand of glass that we would purchase from Shenyang Yuancheng with reference to the market prices for glass of similar specifications.

Given that the purchases were made based on prevailing market prices, our Directors (including our independent non-executive Directors) consider that the purchases under the Shenyang Yuancheng Purchase Agreement are made under normal commercial terms that are fair and reasonable. As the applicable ratios (other than the profit ratio) for the year ending December 31, 2011 are more than 0.1% but less than 5%, the continuing connected transactions under the Shenyang Yuancheng Purchase Agreement are subject to the reporting and announcement requirements but are exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Supply of Curtain Wall Products to Yuanda Singapore

During the Track Record Period, Yuanda Singapore contracted for curtain wall projects in Singapore for which we supplied the curtain wall products. As Yuanda Singapore is a wholly owned subsidiary of Yuanda Group, which is owned by Mr. Kang, our chairman and Controlling Shareholder, Yuanda Singapore is a connected person of our Company and the supply of such curtain wall products by our Company to Yuanda Singapore will constitute continuing connected transactions for us upon Listing.

In 2008, 2009 and 2010, the supply of curtain wall products to Yuanda Singapore by our Company amounted to approximately RMB4.4 million, RMB42.6 million and RMB66.3 million, respectively.

We have established a wholly owned subsidiary in Singapore to carry out curtain wall contracting projects. However, the ability to contract for large-scale public curtain wall projects in Singapore is dependent on local contracting experience, and given our lack of direct local contracting experience, we expect that we will continue to cooperate with Yuanda Singapore on the contracting of large-scale public curtain wall projects for such period until our wholly owned subsidiary will be able to undertake such projects in Singapore on its own. Accordingly, our Company will continue to supply curtain wall products to Yuanda Singapore after Listing.

On April 12, 2011, we entered into a master supply agreement with Yuanda Singapore (the "Yuanda Singapore Purchase Agreement") pursuant to which it is agreed that we will continue to supply curtain wall products to Yuanda Singapore for a term of three years subject to an annual cap not exceeding RMB120,000,000, RMB150,000,000 and RMB150,000,000 for each of the three financial years ending December 31, 2011, 2012 and 2013, respectively. In 2010, we supplied curtain wall products with an aggregate amount of RMB66.3 million to Yuanda Singapore for it to complete one project. The significant increases in the annual caps for 2011, 2012 and 2013 over the historical transaction amount during the Track Record Period were based on three existing projects of Yuanda Singapore which are due to be completed in 2011 with an aggregate contract amount due to us in 2011 of approximately RMB120 million and two existing projects of Yuanda Singapore which are due to be completed in 2012 with an aggregate contract amount due to us in 2012 of approximately RMB135 million. Yuanda Singapore is currently planning to bid for three government contracts in Singapore which will be completed in 2012 and 2013 (primarily in 2013) which, if Yuanda Singapore is awarded with such contracts would result in contracts, with us amounting to approximately RMB150 million. The increases in the annual caps were based on the contract amount of the confirmed projects and the planned projects of Yuanda Singapore.

Given that the supply of curtain wall products under the Yuanda Singapore Purchase Agreement were being provided based on prevailing market prices, our Directors (including our independent non-executive Directors) consider that the terms under which such supplies have been provided are fair and reasonable, and the Yuanda Singapore Purchase Agreement was entered into under normal commercial terms. As the applicable ratios (other than the profit ratio) are on an annual basis more than 0.1% but less than 5%, the continuing connected transactions between Yuanda Singapore and our Company under the Yuanda Singapore Purchase Agreement are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Purchase of Raw Materials from Shenyang Xinwan Fulong

During the Track Record Period, we purchased building materials and hardware tools from Shenyang Xinwan Fulong Commerce Co., Ltd. (瀋陽欣萬福隆商貿有限公司) ("Shenyang Xinwan Fulong"), a company which is wholly owned by Ms. Kang. As Ms. Kang is the sister of Mr. Kang, who is our chairman and Controlling Shareholder, transactions between Shenyang Xinwan Fulong and our Company will constitute continuing connected transactions for us upon Listing.

In 2008, 2009 and 2010, our purchases from Shenyang Xinwan Fulong amounted to RMB187,691, RMB5,262,476 and RMB15,479,564, respectively.

On April 12, 2011, we entered into a master purchase agreement with Shenyang Xinwan Fulong (the "Shenyang Xinwan Fulong Purchase Agreement") pursuant to which we agreed to purchase building materials and hardware tools from Shenyang Xinwan Fulong for a term of three years subject to an annual cap not exceeding RMB17,000,000, RMB18,500,000 and RMB20,000,000 for the years ending December 31, 2011, 2012 and 2013, respectively. The annual caps were based on the projected demand for building materials and hardware tools that we would purchase from Shenyang Xinwan Fulong with reference to the market prices for such materials.

Given that the purchases were made based on prevailing market prices, our Directors (including our independent non-executive Directors) consider that the purchases under the Shenyang Xinwan Fulong Purchase Agreement are made under normal commercial terms that are fair and reasonable. As each of the applicable ratios (other than the profit ratio) are on an annual basis more than 0.1% but less than 5%, the transactions under the Shenyang Xinwan Fulong Purchase Agreement are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Glass Processing and Assembly Services provided by Shanghai Jianxing

During the Track Record Period, Shanghai Jianxing Insulating Glass Manufacturing Co., Ltd. (上海建星中空玻璃製造有限公司) ("Shanghai Jianxing") provided glass processing and assembly services to us. Shanghai Jianxing is a company which is owned as to 70% by Zhang Dianhai (張澱海), the husband of Ms. Kang, and as to 30% by Ms. Kang. As Ms. Kang is the sister of Mr. Kang, our chairman and Controlling Shareholder, transactions between Shanghai Jianxing and our Company will constitute continuing connected transactions for us upon Listing.

In 2008, 2009 and 2010, services provided by Shanghai Jianxing to us amounted to RMB9,363,265, RMB4,999,900 and RMB4,999,900, respectively.

On April 12, 2011, we entered into a master services agreement with Shanghai Jianxing (the "Shanghai Jianxing Services Agreement") pursuant to which we agreed to procure glass processing and assembly services from Shanghai Jianxing for a term of three years subject to an annual cap not exceeding RMB7,000,000, RMB8,500,000 and RMB10,000,000 for the three years ending December 31, 2011, 2012 and 2013, respectively. The increases in annual caps for the three years ending December 31, 2011, 2012 and 2013 over the Track Record Period were based on the expected growth in demand for insular glass in the market and our projected demand for such services with reference to the market prices for the provision of services of a similar nature. The significant increase in 2011 over the historical transaction amount was primarily due to the recovery in the global economy following the financial crisis and the expected demand for insular glass.

Given that the services were being provided based on prevailing market rates, our Directors (including our independent non-executive Directors) consider that the transactions under the Shanghai Jianxing Services Agreement are under normal commercial terms and are fair and reasonable. As each of the applicable ratios (other than the profit ratio) is on an annual basis more than 0.1% but less than 5%, the transactions under the Shanghai Jianxing Services Agreement are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Processing Services and Raw Materials provided by Brilliant Elevator MSP Branch

During the Track Record Period, Brilliant Elevator MSP Branch provided spray painting, related processing and assembly services, as well as raw materials, to us. As Brilliant Elevator is owned as to 74.94% by Mr. Kang and as to 25.06% by Yuanda Singapore, which is in turn a subsidiary of the Yuanda Group, the processing services and raw materials provided by Brilliant Elevator MSP Branch to our Company will constitute continuing connected transactions for us upon Listing.

In 2008, 2009 and 2010, the processing services and raw materials provided by Brilliant Elevator MSP Branch to our Company amounted to RMB105,969,157, RMB224,399,561 and RMB296,871,726, respectively.

On April 12, 2011, we entered into a master processing and raw materials services agreement (the "Brilliant Master Agreement") with Brilliant Elevator MSP Branch pursuant to which it agreed to provide processing services and supply raw material to us for a term of three years subject to an annual cap not exceeding RMB300,000,000, RMB330,000,000 and RMB365,000,000 for each of the three financial years ending December 31, 2011, 2012 and 2013, respectively. The annual caps were based on the historical transactional amount and the projected demand for processing services and raw materials by our Company with reference to the market rates for processing services of a similar nature and market prices for raw materials.

Given that the processing services were being provided based on prevailing market rates and the raw materials will be provided at market prices, our Directors (including our independent non-executive Directors) consider that the processing services and raw materials provided by Brilliant Elevator MSP Branch are fair and reasonable, and the Brilliant Master Agreement was entered into under normal commercial terms. As the applicable ratios (other than the profit ratio) are on an annual basis more than 5%, the transactions under the Brilliant Master Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATIONS

Directors' Confirmation

The Directors (including the independent non-executive Directors) confirmed that the non-exempt continuing connected transactions that are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement and the non-exempt connected transactions that are subject to the reporting, announcement and independent shareholders' approval requirements have been entered into in the ordinary and usual course of business of our Company on normal commercial terms or on terms no less favorable to our Company than those available to or from (as appropriate) independent third parties, and are fair and reasonable to our Company and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) further confirmed that the proposed annual caps in respect of all the non-exempt continuing connected transactions are fair and reasonable.

Joint Sponsors' Confirmation

The Joint Sponsors have confirmed to the Company that they are of the opinion that the non-exempt continuing connected transactions, including the annual caps, have been entered into in the ordinary and usual course of business of our Company, on normal commercial terms or on terms no less favourable to our Company than those available to or from (as appropriate) independent third parties, and are fair and reasonable to our Company and in the interests of the Company and the Shareholders as a whole.

WAIVER FROM THE HONG KONG STOCK EXCHANGE

On the basis of the above, the Company has applied to the Stock Exchange for a waiver under Rule 14A.42(3) of the Listing Rules from strict compliance with the announcement and/or independent shareholders' approval requirements (so far as the requirements are applicable) in respect of each of the non-exempt continuing connected transactions of our Company.

If any of the material terms of the agreements or arrangements referred to above are altered (unless as provided for under the terms of the relevant agreement or arrangement) or if our Company enters into any new agreements or arrangements with any connected persons in the future under which the aggregate consideration paid or payable by us each year exceed the limits for exempt connected transactions or exempt continuing connected transactions referred to in the Listing Rules, we will comply with the provisions of Chapter 14A of the Listing Rules.

So far as the Directors are aware, immediately following the completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option and any options that may be granted under the Share Option Scheme have not been exercised, the following persons will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares	Percentage of Shareholding
Kang Baohua *(Note 1)*	Interest in controlled corporation	3,334,253,626	55.57%
Best Outlook *(Note 1)*	Beneficial owner	2,579,971,923	43.00%
Neo Pioneer *(Note 1)*	Beneficial owner	754,281,703	12.57%
Long Thrive *(Note 2)*	Beneficial owner	870,940,571	14.52%

Notes:

1. Mr. Kang is the chairman and an executive Director of our Company. Best Outlook and Neo Pioneer are companies incorporated in the BVI and are wholly owned by Mr. Kang.

2. Long Thrive is a company incorporated in the BVI and is owned by 6 employees of our Company and Ms. Kang.

As of the Latest Practicable Date, so far as is known to our Directors, the following persons were 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 or had option in respect of such capital:

Name of Shareholder	Name of company	Percentage of Shareholding
Peter Tschudin	Yuanda Europe Limited	40%

Save as disclosed herein, the Directors are not aware of any person (who are not Directors) who will, immediately following the completion of the Global Offering and the Capitalization Issue, be directly or indirectly interested in 10% or more of our Company's share capital. The Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

The following is a description of our authorized share capital and our share capital in issue and to be issued as fully paid or credited as fully paid immediately before and after completion of the Global Offering and Capitalization Issue (without taking into account any Shares that may be issued pursuant to the Over-allotment Option and the Share Option Scheme):

		HK$
Authorized share capital		
12,000,000,000	Shares of HK$0.10 each	1,200,000,000.00
Issued share capital as of the date of this prospectus		
10,000	Ordinary Shares of HK$0.10 each	1,000.00
685	Series A Preferred Shares of HK$0.10 each	68.50
Shares to be issued		
4,499,989,315 *(Note)*	Shares to be issued pursuant to the Capitalization Issue	449,998,931.50
1,500,000,000	Shares to be issued pursuant to the Global Offering	150,000,000.00
Total share capital issued and to be issued		
6,000,000,000	Shares	600,000,000.00

Note: All of the Series A Preferred Shares will be converted into ordinary Shares automatically upon the Listing of and permission to deal in the Shares on the Stock Exchange.

ASSUMPTIONS

The above table assumes that the Global Offering has become unconditional. It takes no account of any Shares, which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme and the Over-allotment Option or which may be allotted and issued or repurchased by our Company under the general mandates of any Shares referred to below.

RANKING

The Offer Shares will rank pari passu with all Shares in issue or to be issued as mentioned in this prospectus and will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus save for the entitlement under the Capitalization Issue.

GENERAL MANDATE TO ISSUE NEW SHARES

Subject to the Global Offering becoming unconditional, the Directors have been granted a general unconditional mandate to allot or issue and deal with unissued Shares with an aggregate nominal value of not more than:

(a) 20% of the total nominal amount of Shares in issue immediately following completion of the Global Offering and the Capitalization Issue but before the exercise of the Over-allotment Option; and

(b) the total nominal amount of Shares repurchased by our Company pursuant to the mandate referred to in the paragraph headed "General mandate to repurchase Shares" below.

This general mandate will expire:

- at the conclusion of the next annual general meeting of our Company; or
- at the expiration of the period within which our Company is required by the Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

Particulars of this general mandate are set out in the paragraph headed "Resolutions in writing of the Shareholders of our Company passed on April 12, 2011" in Appendix VII to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, the Directors have been granted a general mandate to exercise all the powers of our Company to repurchase Shares with a total nominal value of not more than 10% of the total nominal amount of the Shares in issue immediately following completion of the Global Offering and the Capitalization Issue but before the exercise of the Over-allotment Option.

This general mandate only relates to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules are set out in the paragraph headed "Further information about our Company and our subsidiaries" in Appendix VII to this prospectus.

This mandate will expire:

- at the conclusion of the next annual general meeting of our Company; or
- at the expiration of the period within which our Company is required by its Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or
- when varied or revoked by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

Particulars of this general mandate are set out in the paragraph headed "Resolutions in writing of the Shareholders of our Company passed on April 12, 2011" in Appendix VII to this prospectus.

SHARE OPTION SCHEME

On April 12, 2011, we conditionally adopted the Share Option Scheme. Summaries of the principal terms of each of the Share Option Scheme are set out in the section entitled "Statutory and General Information — Other Information — Share Option Scheme" in Appendix VII to this prospectus.

THE CORPORATE PLACING

As part of the International Offering, the Joint Bookrunners and we have entered into a cornerstone investment agreement with the investor described below (the "Corporate Investor"), pursuant to which the Corporate Investor has agreed to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 2,000 Shares) that may be purchased for an aggregate amount of US$30,000,000 (equivalent to approximately HK$233,100,000, assuming an exchange rate of US$1.00 = HK$7.77) (the "Corporate Placing"). Assuming an Offer Price of HK$1.92, HK$2.35 and HK$2.78 (being the minimum, mid-point and maximum of the indicative Offer Price range stated in this prospectus), the total number of Offer Shares to be subscribed for by the Corporate Investor would be 121,406,000, 99,190,000 and 83,848,000 respectively, representing (i) approximately 2.0%, 1.7% and 1.4% respectively of the Shares in issue and outstanding upon the completion of the Global Offering and the Capitalization Issue; and (ii) approximately 8.1%, 6.6% and 5.6% respectively of the total number of Offer Shares (in each case assuming that the Over-allotment Option and all outstanding Options are not exercised).

The Corporate Investor is an independent third party. Details of the actual number of Offer Shares to be allocated to the Corporate Investor will be disclosed in the allotment results announcement to be issued by our Company on or before May 5, 2011.

The Corporate Placing forms part of the International Offering. None of the Corporate Investor or its associates will purchase any Offer Shares under the International Offering other than pursuant to the cornerstone investment agreement entered into or where the Corporate Investor or its associate(s) is acting as a nominee for its customers. The Offer Shares to be subscribed for by the Corporate Investor will rank *pari passu* in all respects with the other fully paid Shares in issue and will be counted towards the public float of the Company. Immediately following the completion of the Global Offering. The Corporate Investor will not have any representation on the Board, and will not become our substantial shareholder.

The Offer Shares to be subscribed for by the Corporate Investor will not be affected by any reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering described in "Structure of the Global Offering – Reallocation".

CORPORATE INVESTOR

The following Corporate Investor has entered into a cornerstone investment agreement with the Joint Bookrunners and us in respect of the Corporate Placing. The information about our Corporate Investor has been provided by the Corporate Investor in connection with the Corporate Placing.

Atlantis Investment Management (Hong Kong) Limited ("Atlantis")

Pursuant to a cornerstone investment agreement entered into among the Joint Bookrunners, Atlantis and us on April 11, 2011, Atlantis has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) which may be purchased for approximately US$30,000,000 (equivalent to approximately HK$233,100,000, assuming an exchange rate of US$1.00 = HK$7.77) at the Offer Price. Assuming an Offer Price of HK$1.92, HK$2.35 and HK$2.78, being the minimum, mid-point and maximum of the indicative Offer Price range stated in this prospectus, Atlantis would subscribe for a total number of 121,406,000, 99,190,000 and 83,848,000 Shares respectively, which represent approximately 8.1%, 6.6% and 5.6% of the Offer Shares and approximately 2.0%, 1.7% and 1.4% respectively of the total number of Shares immediately upon completion of the Global Offering and the Capitalization Issue (assuming that the Over-allotment Option and all outstanding Options are not exercised).

Atlantis is an independent investment boutique fund which is registered with the SFC and has 16 years' experience managing Asian equity strategies for global institutional clients. Atlantis manages US$4 billion of China equities.

CONDITIONS PRECEDENT

The subscription obligation of the Corporate Investor is subject to, among other things, the following conditions precedent:

(a) the underwriting agreement for the Hong Kong Public Offering and the underwriting agreement for the International Offering being entered into, having become effective and unconditional by no later than the time and date as specified (in accordance with their respective original terms, as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties) in those underwriting agreements;

(b) neither of the aforesaid underwriting agreements having been terminated;

(c) the Listing Committee of the Hong Kong Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares and that such approval or permission has not been revoked; and

(d) no Laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Hong Kong Public Offering, the International Offering or herein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions.

RESTRICTIONS ON DISPOSALS BY THE CORPORATE INVESTOR

The Corporate Investor has agreed that, without the prior written consent of the Company and the Joint Bookrunners, it will not, whether directly or indirectly, at any time during the during the period of six months following the Listing Date, dispose of any of the Shares subscribed for or any direct or indirect interest in any company or entity holding any of the Shares subscribed for, or agree or contract to, or publicly announce that any intention of enter into any such transaction described above, other than certain permitted intra-group transfers.

You should read the following discussion and analysis of our financial conditions and our results of operations together with our consolidated financial statements as of and for each of the three years ended December 31, 2008, 2009 and 2010 and the accompanying notes included in the Accountants' Report set out in Appendix I to this prospectus (collectively, the "Financial Information"). The Accountants' Report has been prepared in accordance with IFRSs. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties.

OVERVIEW

We are the second largest manufacturer of curtain walls in the world, and the largest in China, as measured by revenue in 2009 according to the Synovate Report commissioned by us. Our market shares in the global curtain wall market and the PRC curtain wall market in terms of revenue in 2009 was 5.7% and 20.8%, respectively, according to the Synovate Report. While industry data for our market rankings and market share in 2010 are currently unavailable, based on our actual revenue in 2010 and the estimated global and PRC curtain wall market size in 2010 as set out in the Synovate Report, we believe that we have maintained a similar market share in the global and PRC curtain wall market, respectively, in terms of revenue in 2010. Further, based on our estimated market share in 2010 and the assumption that our competitors' respective market shares in 2010 remained similar to those in 2009, we also believe that our market ranking in the global and PRC curtain wall market, respectively, in terms of revenue in 2010 remained similar to that in 2009. As a leading global provider of one-stop solutions for curtain wall systems, we mainly focus on public facilities and commercial buildings. We are a leading curtain wall provider with a comprehensive product portfolio. We have further developed various products by applying more complex design, new material or advanced technology to serve different functions, such as environmental protection, energy conservation and intelligent control. According to the Synovate Report, as of December 31, 2009, we had the second largest curtain wall production capacity in the world, which has enabled us to meet market demand on a timely basis and simultaneously undertake multiple large-scale projects. Our four production bases are strategically located in Shenyang, Shanghai, Chengdu and Foshan in China to serve our customers in different regional markets. We had established an extensive sales and marketing and service network covering 35 countries and regions as of December 31, 2010. We had 34 branch offices or subsidiaries in China covering 30 provinces, autonomous regions and municipalities and 25 branch offices or subsidiaries overseas as of December 31, 2010. We believe we are an industry leader in research, development and design of curtain walls and have one of the largest research, development and design teams among all major curtain wall providers in the world according to the Synovate Report. We are committed to continuously developing new and innovative curtain wall products and technologies and providing customized curtain wall solutions that can best meet customers' needs. We believe that, as a predominant leader in the curtain wall industry, we are well positioned to capture growth opportunities both in China and overseas.

We have achieved fast and stable growth in our revenue and profit during the Track Record Period. Our revenues for each of the three years ended December 31, 2008, 2009 and 2010 were approximately RMB5,911.3 million, RMB7,062.0 million and RMB9,260.9 million, respectively, representing a CAGR of 25.2%. Our net profit attributable to shareholders for each of the three years ended December 31, 2008, 2009 and 2010 was approximately RMB327.8 million, RMB660.5 million and RMB806.1 million respectively, representing a CAGR of 56.8%.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on February 26, 2010 as part of our Reorganization. Upon completion of the Reorganization on November 13, 2010, our Company became the holding company of the companies now comprising our Group. Since the companies now comprising our Group were controlled by the Controlling Shareholders before and after the Reorganization, there was a continuation of the risks and benefits to the Controlling Shareholders, and our financial information has been prepared on the basis of merger accounting as if our Group has always been in existence. The net assets of the combining companies are consolidated using the book values from the Controlling Shareholders' perspective. The equity interests of shareholders other than the Controlling Shareholders in the combining companies have been presented as non-controlling interests in our financial information.

Our consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for the Track Record Period include the results of operations of the companies comprising our Group for the Track Record Period (or where the companies were incorporated or established on a date later than January 1, 2008, for the period from their respective incorporation or establishment date to December 31, 2010) as if our current group structure had been in existence throughout the Track Record Period. Our consolidated balance sheets as of December 31, 2008, 2009 and 2010 have been prepared to present the state of affairs of the companies comprising our Group as of the respective dates as if our current group structure had been in existence as of the respective dates.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Economic conditions in China and overseas

Our results of operations are subject to macro-economic conditions both in China and overseas, which affect the market demand for our curtain wall products and services through their effect on the construction and real estate industry. Since most of our projects and revenue come from the public infrastructure and commercial properties sector, we believe certain macro-economic factors affecting the growth and demand of public infrastructure and commercial properties have a significant impact on the demand of our products and our financial performance. We believe such factors primarily include macro-economic growth, urbanization, government expenditure on public infrastructure, the regulations on the property markets and the living standard in China and other overseas markets where we operate.

In China, due to the fast growing economy, accelerated urbanization and rising living standards, the demand for public infrastructure and commercial properties has been increasing, which has resulted in increasing demand for our curtain wall products. As a result, we have seen continued revenue and profit growth in China.

The economic conditions of overseas countries or regions in which we operate also significantly affect our results of operations because revenues from overseas account for an increasingly large portion of our total revenue.

Any changes in the economic and financial conditions of China and the overseas countries or regions in which we operate will affect the demand for new property developments and thereby affect the demand for, or prices of, our curtain wall products and services.

Competition in the curtain wall industry

We face competition in the curtain wall market, particularly during the project bidding process. We compete with our competitors in various aspects such as bidding price, curtain wall system design, product quality and after-sales services, which affects the number of projects that we will be awarded and profitability of the projects. We generally face more competition in new markets we are trying to enter than in our more established markets. The level of competition has impact on our ability to price our products at a desired level so as to achieve our target profitability. For projects that require the application of new products or complex structure that few curtain wall providers can offer, we may be able to price our products at a premium to maximize our profit. However, in order to win the projects where competition is intense, we may only be able to price our products at a level which can barely meet our profitability threshold. As such, competitions have had, and are expected to continue to have, significant impact on our business and financial performance. As the market leader in the curtain wall industry, we have focused on and will continue to focus on developing more higher value-added curtain wall products with our strong research and development capabilities to strengthen our competitive advantage and improve our pricing power.

Raw materials cost and installation cost

Raw material cost and installation cost account for a significant portion of our cost of sales. For the years ended December 31, 2008, 2009 and 2010, raw material cost accounted for 55.9%, 53.1% and 53.9% of our cost of sales, respectively. Fluctuations in the prices of raw materials could affect our gross margin if such increases are not taken into account in the pricing of our services and products. In particular, our purchase prices for aluminum extrusions is heavily dependant on the price of aluminum, which has fluctuated significantly during the Track Record Period. We have started hedging the risk of the fluctuations in aluminum prices through aluminum future contracts in 2008, and are planning in-house production of major raw materials such as aluminum extrusions and glass in the near future.

For the years ended December 31, 2008, 2009 and 2010, the installation cost, which are mainly the costs paid to contract workers for the installation of curtain walls, accounted for 18.9%, 22.5% and 22.4% of our cost of sales, respectively. Our installation cost, as a percentage of our cost of sales, has been increasing in the Track Record Period as a result of the increase of labor cost, the greater number of overseas projects we undertook and the greater complexity of projects we undertook.

Progress of our projects

Most of our projects require the installation of curtain wall, and we recognize our revenue and make progress billing based on the percentage-of-completion of our projects. Therefore, our revenue recognition and operating cash flow largely depend on the progress of curtain wall installation, which is affected by various factors, such as the progress of building construction, regulatory approval process and weather conditions.

In addition, pursuant to the percentage-of-completion method of accounting, revenues and profits are recognized ratably over the life of a contract based generally on the progress at the percentage of costs incurred to date to total costs estimated to be incurred for the entire project. Revisions to estimated costs are made when the relevant amounts are known or can be reasonably estimated. Although we use our best efforts to estimate the costs towards completion of our projects under construction, the uncertainties inherent in the estimating process mean that actual costs may vary materially from estimates.

Fluctuations in foreign currency exchange rates

We undertake curtain wall projects both in China and overseas and also sell curtain wall products overseas. Our revenues from overseas, which accounted for 33.2%, 38.6% and 35.4%, respectively, of our total revenue for the years ended December 31, 2008, 2009 and 2010, are denominated in various foreign currencies. However, for our overseas projects, we procure substantially all of our raw materials from PRC domestic suppliers in Renminbi and incur a majority of our installation cost in Renminbi through engaging contract workers from China for the installation. If the Renminbi significantly appreciates against foreign currencies, the revenue we realize from overseas contracts denominated in foreign currencies will be less than what we would realize at the foreign exchange rate at the time when we were tendering for the contracts, and we will sustain exchange losses on our receivables denominated in foreign currencies. Conversely, if the Renminbi significantly depreciates against foreign currencies, we will realize more revenue from overseas contracts denominated in foreign currencies, and receive exchange gains on our receivables denominated in foreign currencies.

To manage our foreign exchange risks, we have started hedging the risk of appreciation of the Renminbi against foreign currencies through entering into forward foreign exchange contracts with reputable banks. In practice, each of our regional divisions, according to the construction schedule of the relevant overseas projects, makes planning on the specific amount and timing for transferring funds in foreign currencies back to China after we win projects. Based on such planning, our designated financial personnel will propose the volume and type of forward foreign exchange contracts, generally with a maturity of one to three years, for the relevant foreign currencies according to their analysis of the foreign exchange market. One of our executive Directors in charge of international operations, makes the final determination on whether to hedge and, if so, the hedging volume and price. All our hedging operations are conducted by our designated financial personnel. Our hedging volume will not exceed the amount of corresponding funds in foreign currencies to be transferred back to China to ensure we can settle the forward foreign exchange contracts with the relevant foreign currencies. As a general principle, we will hedge when we expect a foreign currency will depreciate against the Renminbi during the relevant time period.

Taxation

Our profit is affected by tax exemptions and preferential tax treatments that we enjoy, which, if ceased, would adversely affect our profitability and financial condition. Our effective income tax rates for 2008, 2009 and 2010 were 14.3%, 21.9% and 21.4%, respectively. Our effective income tax rates were affected by the differing enacted income tax and corresponding tax preferential policies in each of the countries or regions where we operate, and the proportion of taxable income generated from different countries and regions.

CRITICAL ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS AND ESTIMATES

Our accounting policies are important for an understanding of our financial condition and results of operation. We have identified certain accounting policies and accounting judgements and estimates that are significant to the preparation of our financial information. We set forth below those accounting policies and accounting judgments and estimates that we believe are most important for preparing our financial information.

Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. When the outcome of a construction contract can be reliably estimated, contract costs are recognized as an expense to be used for calculation of the percentage of completion of the contract on the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. When the outcome of a construction contract cannot be reliably estimated, contract costs are recognized as an expense in the period in which they are incurred.

When the outcome of a construction contract can be reliably estimated, revenue from a fixed price contract is recognized using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the total estimated contract costs for the contract. When the outcome of a construction contract cannot be reliably estimated, revenue is recognized only to the extent of contract costs incurred that is probable to be recoverable.

Construction contracts in progress on the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognized profit less recognized losses and progress billings, and are presented in the balance sheet as "gross amount due from customers for contract work," as an asset, or "gross amount due to customers for contract work," as a liability, as applicable. Progress billings not yet paid by the customer are included in the balance sheet under "trade receivable for contract work." Amounts received before the related work is performed are included in the balance sheet, as a liability, as "receipts in advance for contract work."

Revenue and profit recognition on an uncompleted project depends on the estimated total outcome of the construction contract as well as the work done to date. Based on our recent experience and the nature of the activity undertaken by us, we make estimates at the point when we consider the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the gross amount due from customers for contract work will not include profit which we may eventually realize from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated on the balance sheet date, which would affect the revenue and profit recognized in future periods as an adjustment to the amounts recorded to date.

Provision for warranties

We make provisions for warranties on curtain wall projects, taking into account our recent claim experience. As the curtain wall systems required by the customers become more complex, it is probable that the recent claim experience is not indicative of future claims that we will receive in respect of past construction of curtain wall projects. Any increase or decrease in the provision would affect the income statement in future periods.

Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when we have a legal or other obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Impairment of receivables

Our management maintains an allowance for doubtful accounts for estimated losses resulting from the inability of the debtors to make the required payments. The estimates are based on the assessment of recoverability of individual receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

DESCRIPTION OF CERTAIN INCOME STATEMENTS ITEMS

Revenue

We derive our revenues primarily from undertaking curtain wall projects around the world. All our revenues from China and most of our revenues from overseas are derived from the curtain wall projects we undertake, for which we provide both curtain wall products and installation services.

The following table sets forth our revenues from curtain wall projects in China and overseas and their percentages in the total revenue for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
China						
East China	1,336,950	22.6	1,704,120	24.1	2,085,631	22.5
Northeast China	949,106	16.0	964,735	13.7	1,230,962	13.3
North China	748,847	12.7	724,110	10.2	1,051,480	11.4
West China	576,906	9.8	584,221	8.3	870,868	9.4
South China	335,930	5.7	358,681	5.1	736,353	8.0
Subtotal	3,947,739	66.8	4,335,867	61.4	5,975,294	64.6
Overseas[1]						
Middle East	606,120	10.3	1,004,060	14.2	1,371,855	14.8
Europe	604,455	10.2	675,113	9.6	600,427	6.5
Australia	290,115	4.9	589,846	8.4	791,382	8.5
Asia [2]	233,135	3.9	250,642	3.5	364,797	3.9
United States	229,469	3.9	177,340	2.5	86,466	0.9
Other regions	233	0.0	29,136	0.4	70,691	0.8
Subtotal	1,963,527	33.2	2,726,137	38.6	3,285,618	35.4
Total	5,911,266	100.0	7,062,004	100.0	9,260,912	100.0

Notes:

(1) For the revenue breakdown by overseas countries, please see Section C Note 11 (c) (i) of the Accountants' Report included in Appendix I to this prospectus.

(2) Asia as used herein excludes China and the Middle East.

Cost of Sales

Cost of sales primarily represents the costs we incur directly in the execution of our curtain wall project contracts. Cost of sales primarily consists of cost of raw materials, installation costs, processing fees, on-site expenses, transportation costs, staff salaries and benefits, and research and development expenses.

The table below sets forth the breakdown of our cost of sales for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
Cost of raw materials	2,662,099	55.9	2,868,146	53.1	3,871,581	53.9
Installation costs	899,015	18.9	1,213,769	22.5	1,609,945	22.4
Processing fees	318,667	6.7	373,216	6.9	473,557	6.6
On-site expenses	173,669	3.6	218,700	4.0	280,743	3.9
Transportation costs	145,834	3.1	155,228	2.9	193,998	2.7
Staff salaries and benefits	171,204	3.6	175,827	3.3	232,491	3.2
Research and development expenses	121,438	2.5	136,386	2.5	200,807	2.8
Others	271,065	5.7	264,043	4.8	323,619	4.5
Total	4,762,991	100.0	5,405,315	100.0	7,186,741	100.0

The table below sets forth the breakdown of our cost of raw materials for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
Aluminum extrusions	1,025,548	38.5	983,009	34.3	1,442,466	37.3
Glass	585,395	22.0	712,070	24.8	907,296	23.4
Steel	322,318	12.1	345,672	12.1	455,326	11.8
Stone sheets	149,585	5.6	180,744	6.3	232,334	6.0
Sealant	119,436	4.5	134,532	4.7	179,065	4.6
Auxiliary materials	459,817	17.3	512,119	17.8	655,094	16.9
Cost of raw materials	2,662,099	100.0	2,868,146	100.0	3,871,581	100.0

The increase of our cost of raw materials during the Track Record Period was primarily attributable to the increase of the number and size of the projects we undertook. The proportion of each type of raw material's cost in our total cost of raw materials fluctuated during the Track Record Period because different projects may require a different mix of raw materials and the purchase prices of raw materials also fluctuated. In particular, the changes of the proportion of aluminum extrusions cost in our total cost of raw materials were mainly a result of significant fluctuation of the aluminum price, which fell sharply during the last quarter of 2008 due to the global financial crisis and recovered gradually since 2009.

The following table sets forth the cost of sales for our curtain wall projects in China and overseas, accompanied by their percentages in the total cost of sales for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
China	3,081,050	64.7	3,440,488	63.7	4,777,204	66.5
Overseas	1,681,941	35.3	1,964,827	36.3	2,409,537	33.5
Total	4,762,991	100.0	5,405,315	100.0	7,186,741	100.0

Other Revenue

Other revenue primarily comprises (i) government grants, such as technology development subsidies, export subsidies, and awards for contributions to local economies and industry development; and (ii) income from operation leases.

Other Net Income/(Loss)

Other net income/(loss) primarily comprises net gain from sale of raw materials and net gain/(loss) on disposal of property, plant and equipment.

Selling Expenses

Selling expenses primarily comprise entertainment expenses, staff salaries and benefits, and travel expenses.

The table below sets forth the breakdown of our selling expenses for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
Entertainment expenses	68,904	44.2	77,030	39.8	86,054	37.4
Staff salaries and benefits	57,369	36.8	75,866	39.2	93,625	40.7
Travel expenses	11,486	7.4	16,473	8.5	22,172	9.6
Others	18,146	11.6	24,241	12.5	28,203	12.3
Total	155,905	100.0	193,610	100.0	230,054	100.0

Administrative Expenses

Administrative expenses primarily comprise staff salaries and benefits, depreciation and amortization, office expenses, miscellaneous taxes, and travel expenses.

The table below sets forth the breakdown of our administrative expenses for the years indicated:

	Year ended December 31,					
	2008		2009		2010	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff salaries and benefits	402,600	75.6	474,287	77.3	560,353	72.2
Depreciation and amortization	28,722	5.4	31,114	5.1	39,227	5.1
Travel expenses	21,036	4.0	19,735	3.2	23,506	3.0
Office expenses	16,624	3.1	16,675	2.7	17,814	2.3
Miscellaneous taxes	15,587	2.9	16,665	2.7	18,836	2.4
Others	47,979	9.0	55,379	9.0	116,470	15.0
Total	532,548	100.0	613,855	100.0	776,206	100.0

Finance Costs

Finance costs primarily comprise interest expenses, interest income, foreign exchange gains or losses, and bank charges.

Income Tax

Income tax represents PRC income tax and overseas income tax.

China

Prior to January 1, 2008, income tax payable by foreign-invested enterprises in China was governed by the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) (the "Old Tax Law") promulgated on April 9, 1991 and effective on July 1, 1991 and the related implementation rules. As we are a foreign-investment production enterprise, according to the Old Tax Law and the relevant implementation rules, the applicable foreign income tax rate was 27%, consisting of a state portion of 24% and a local portion of 3%, with the 3% of local portion refunded in the following year.

On January 1, 2008, the new Corporate Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "New Tax Law") and its implementing rules came into effect, providing for a unified tax rate of 25% for both foreign-invested and domestically owned companies.

Pursuant to the notice issued by the Liaoning branch of State Administration of Taxation entitled Approval for the Tax Preferential Policy for Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda"), beginning in 2007, the taxable income generated from re-investment made in 2007 (deemed as 54.51% of our total taxable profit) is exempt from income tax in its first and second years and to a 50% reduction in its income tax rate for the third through fifth years.

Overseas

Our Company and our subsidiary incorporated in the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporations.

Certain subsidiaries of our Company incorporated in countries other than China and the British Virgin Islands are subject to income tax rates ranging from 8.5% to 35% pursuant to the rules and regulations of their respective countries of incorporation.

RESULTS OF OPERATIONS

The following table sets forth, for the years indicated, certain information relating to our income and expense items as derived from our consolidated income statement, the details of which are set out in the Accountants' Report in Appendix I to this prospectus.

	Year ended December 31,		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Turnover	5,911,266	7,062,004	9,260,912
Cost of sales	(4,762,991)	(5,405,315)	(7,186,741)
Gross profit	1,148,275	1,656,689	2,074,171
Other revenue	19,228	25,753	18,132
Other net income/(loss)	12,838	(3,548)	119
Selling expenses	(155,905)	(193,610)	(230,054)
Administrative expenses	(532,548)	(613,855)	(776,206)
Profit from operations	491,888	871,429	1,086,162
Finance costs	(112,941)	(41,889)	(84,805)
Profit before taxation	378,947	829,540	1,001,357
Income tax	(54,287)	(181,709)	(214,140)
Profit for the year	324,660	647,831	787,217
Attributable to:			
Equity shareholders of the Company	327,841	660,546	806,132
Non-controlling interests	(3,181)	(12,715)	(18,915)
Profit for the year	324,660	647,831	787,217
Earnings per share			
— Basic and diluted (RMB)	0.07	0.15	0.18

Year ended December 31, 2010 compared to year ended December 31, 2009

Revenue

Our revenue increased by RMB2,198.9 million, or 31.1%, from RMB7,062.0 million for the year ended December 31, 2009 to RMB9,260.9 million for the year ended December 31, 2010 primarily due to an increase in revenue derived from the projects we undertook both in China and overseas, particularly projects in China.

	Year ended December 31,			
	2009		2010	
	RMB'000	%	RMB'000	%
China				
East China	1,704,120	24.1	2,085,631	22.5
Northeast China	964,735	13.7	1,230,962	13.3
North China	724,110	10.2	1,051,480	11.4
West China	584,221	8.3	870,868	9.4
South China	358,681	5.1	736,353	8.0
Subtotal	4,335,867	61.4	5,975,294	64.6
Overseas[1]				
Middle East	1,004,060	14.2	1,371,855	14.8
Europe	675,113	9.6	600,427	6.5
Australia	589,846	8.4	791,382	8.5
Asia[2]	250,642	3.5	364,797	3.9
United States	177,340	2.5	86,466	0.9
Other regions	29,136	0.4	70,691	0.8
Subtotal	2,726,137	38.6	3,285,618	35.4
Total	7,062,004	100.0	9,260,912	100.0

Notes:

(1) For the revenue breakdown by overseas countries, please see Section C Note 11 (c) (i) of the Accountants' Report included in Appendix I to this prospectus.

(2) Asia as used herein excludes China and the Middle East.

Our revenue derived from China increased by RMB1,639.4 million, or 37.8%, from RMB4,335.9 million for the year ended December 31, 2009 to RMB5,975.3 million for the year ended December 31, 2010. The increase in revenue was primarily due to (i) an increase of RMB266.2 million in revenue from Northeast China, which was mainly driven by certain sizeable projects we undertook in this region, including Shenyang Exhibition Centre (瀋陽展覽中心) and Shenyang Hang Lung Square (瀋陽恒隆廣場) in connection with the city renewal project in Shenyang, (ii) an increase of RMB327.4 million in revenue from North China, which was mainly driven by certain sizeable projects in Beijing, including Huawei Office Building (華為北京辦公樓), Tianjin West Railway Station (天津西站) and the Headquarters of Microsoft (China) Research & Development Group (微軟(中國)研發集團總部), (iii) an increase of RMB381.5 million in revenue from East China, which was mainly driven by certain sizeable projects we undertook in this region as a result of the booming property market, including Huaxi Village Building (空中華西村大厦), Shanghai Tobacco Factory Office Building (上海捲煙廠辦公樓) and Shanghai Suning Electric Appliance Headquarters (上海蘇寧電器總部), (iv) an increase of RMB286.6 million in revenue from West China, which was mainly driven by certain sizeable projects we undertook in this region during the second phase of the Western Region Development Plan launched by the PRC government, including Guiyang Convention Centre (貴陽會展中心) and Three Gorges Building (成都三峽大厦), and (v) an increase of RMB377.7 million in revenue from South China, which was mainly driven by certain sizeable projects we undertook in this region, including Haikou Administration Centre (海口行政中心) and Shenzhen Bay Sports Centre (深圳灣體育中心), as we gradually built our reputation and improved our market position in this region.

Our revenue derived from overseas projects increased by RMB559.5 million, or 20.5%, from RMB2,726.1 million for the year ended December 31, 2009 to RMB3,285.6 million for the year ended December 31, 2010. The increase in revenue was primarily due to (i) an increase of RMB367.8 million in revenue from the Middle East as a result of more projects we undertook in this region and certain sizable projects we undertook, such as the Central Market Redevelopment in Abu Dhabi, (ii) an increase of RMB201.5 million in revenue from Australia as a result of certain sizeable projects we undertook, including City Square, Star City Casino, and 111 Eagle Street Building, and (iii) an increase of RMB114.2 million in revenue from Asia as a result of certain sizable projects we undertook, such as the National Stadium in Vietnam and Keangnam Hanoi Landmark Tower in Vietnam. The increases in revenue in these regions were partially offset by a decrease of RMB90.9 million and RMB74.7 million in revenue from the United States and Europe, respectively, as a result of completion of certain sizable projects in these regions in 2009.

Cost of sales

Our cost of sales increased by RMB1,781.4 million, or 33.0%, from RMB5,405.3 million for the year ended December 31, 2009 to RMB7,186.7 million for the year ended December 31, 2010. The increase in cost of sales was mainly driven by increase in sales. The increase in cost of raw materials, primarily in aluminum extrusions, also contributed to the increase in cost of sales.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB417.5 million, or 25.2%, from RMB1,656.7 million for the year ended December 31, 2009 to RMB2,074.2 million for the year ended December 31, 2010.

The gross profit margins for the years ended December 31, 2009 and 2010 were 23.5% and 22.4%, respectively. The decrease in gross profit margin was primarily due to an increase in purchase price of raw materials, primarily aluminum extrusions. In the year ended December 31, 2010, the average price of aluminum quoted on the SHFE for one-month future contract increased by 12.7% as compared to 2009.

Other revenue

Other revenue decreased by RMB7.7 million from RMB25.8 million for the year ended December 31, 2009 to RMB18.1 million for the year ended December 31, 2010. Such decrease was primarily due to a decrease in government subsidies of RMB3.9 million and a decrease in rental income of RMB3.7 million. The decrease in government subsidies was mainly because in 2010 we did not receive as much one-time government subsidies as we received in 2009. The decrease in rental income was due to the disposal of the equipments which were leased out to Brilliant Elevator in December 2009.

Other net income/(loss)

Other net income increased by RMB3.6 million from a loss of RMB3.5 million for the year ended December 31, 2009 to an income of RMB0.1 million for the year ended December 31, 2010. This mainly due to a decrease of net loss on disposal of property, plant and equipment as we did not dispose as much fixed assets as we disposed in 2009, and was partially offset by the decrease of net gain from sales of raw materials.

Selling expenses

Selling expenses increased by RMB36.5 million, or 18.9%, from RMB193.6 million for the year ended December 31, 2009 to RMB230.1 million for the year ended December 31, 2010. Such increase was primarily due to (i) an increase of RMB17.8 million in staff salaries and benefits as a result of salary raises and increase in the number of our sales staff in connection with our market expansion, (ii) an increase of RMB9.0 million in entertainment expenses for business development and market expansion, and (iii) an increase of RMB5.7 million in travel expenses.

Administrative expenses

Administrative expenses increased by RMB162.3 million, or 26.4%, from RMB613.9 million for the year ended December 31, 2009 to RMB776.2 million for the year ended December 31, 2010. The increase was primarily due to an increase of RMB86.1 million in staff salaries and benefits as a result of salary raises and an increase in the number of our administrative staff in line with business expansion and revenue growth.

Finance costs

Finance costs increased by RMB42.9 million, or 102.4% from RMB41.9 million for the year ended December 31, 2009 to RMB84.8 million for the year ended December 31, 2010 primarily due to an increase of RMB41.9 million in net foreign exchange loss (net off gain from forward foreign exchange contracts) mainly as a result of the appreciation of the Renminbi against the Euro and U.S. dollars for the year ended December 31, 2010.

Income tax

Income tax increased by RMB32.4 million, or 17.8%, from RMB181.7 million for the year ended December 31, 2009 to RMB214.1 million for the year ended December 31, 2010. Our effective tax rate slightly decreased from 21.9% for the year ended December 31, 2009 to 21.4% for the year ended December 31, 2010.

Profit for the year

Profit for the year ended December 31, 2010 increased by RMB139.4 million, or 21.5%, to RMB787.2 million from RMB647.8 million for the year ended December 31, 2009. Net profit margin remained relatively stable at 8.5% for the year ended December 31, 2010 as compared with 9.2% for the year ended December 31, 2009.

Profits attributable to our shareholders

Based on the above factors, profit attributable to our shareholders increased by RMB145.6 million, or 22.0%, from RMB660.5 million for the year ended December 31, 2009 to RMB806.1 million for the year ended December 31, 2010.

Losses attributable to non-controlling interests

Losses attributable to non-controlling interests was RMB18.9 million for the year ended December 31, 2010 and RMB12.7 million for the year ended December 31, 2009.

Year ended December 31, 2009 compared to year ended December 31, 2008

Revenue

Our revenue increased by RMB1,150.7 million, or 19.5%, from RMB5,911.3 million for the year ended December 31, 2008 to RMB7,062.0 million for the year ended December 31, 2009 primarily due to an increase in revenue derived from the projects we undertook both in China and overseas, particularly overseas projects.

	Year ended December 31,			
	2008		2009	
	RMB'000	%	RMB'000	%
China				
East China	1,336,950	22.6	1,704,120	24.1
Northeast China	949,106	16.0	964,735	13.7
North China	748,847	12.7	724,110	10.2
West China	576,906	9.8	584,221	8.3
South China	335,930	5.7	358,681	5.1
Subtotal	3,947,739	66.8	4,335,867	61.4
Overseas(1)				
Middle East	606,120	10.3	1,004,060	14.2
Europe	604,455	10.2	675,113	9.6
Australia	290,115	4.9	589,846	8.4
Asia(2)	233,135	3.9	250,642	3.5
U.S.	229,469	3.9	177,340	2.5
Other regions	233	0.0	29,136	0.4
Subtotal	1,963,527	33.2	2,726,137	38.6
Total	5,911,266	100.0	7,062,004	100.0

Notes:

(1) For the revenue breakdown by overseas countries, please see Section C Note 11 (c) (i) of the Accountants' Report included in Appendix I to this prospectus.

(2) Asia as used herein excludes China and the Middle East.

Our revenue derived from China increased by RMB388.2 million, or 9.8%, from RMB3,947.7 million for the year ended December 31, 2008 to RMB4,335.9 million for the year ended December 31, 2009. Our revenue from most of the regions in China except North China generally increased in 2009, and East China was the major growth contributor with an increase of RMB367.2 million, which was mainly driven by certain sizeable projects we undertook for the Expo 2010 Shanghai China, including Theme Pavilion of Expo 2010 Shanghai China (上海世博主題館) and Shanghai Expo Centre (上海世博中心) of Expo 2010 Shanghai China.

Our revenue derived from overseas projects increased by RMB762.6 million, or 38.8%, from RMB1,963.5 million for the year ended December 31, 2008 to RMB2,726.1 million for the year ended December 31, 2009. The increase in revenue was primarily due to (i) an increase of RMB397.9 million in revenue from the Middle East as a result of two sizable projects we undertook, the Nad Al Sheba Racecourse in Dubai and the Al Zeina at Al Raha Beach Development in Abu Dhabi, and (ii) an increase of RMB299.7 million in revenue from Australia as a result of our market expansion in that region.

Cost of sales

Our cost of sales increased by RMB642.3 million, or 13.5%, from RMB4,763.0 million for the year ended December 31, 2008 to RMB5,405.3 million for the year ended December 31, 2009. The increase in the cost of sales was mainly driven by the increase in sales. In particular, as we undertook more complex projects in the overseas markets, which usually incur more installation costs due to higher wage rate and more labor hours required, our installation costs increased by RMB314.8 million or 35.0%.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB508.4 million, or 44.3%, from RMB1,148.3 million for the year ended December 31, 2008 to RMB1,656.7 million for the year ended December 31, 2009.

The gross profit margin for the years ended December 31, 2008 and 2009 were 19.4% and 23.5%, respectively. The increase in the gross profit margin was primarily due to a decrease in the purchase price of our major raw materials, primarily aluminum extrusions. In 2009, the average price of aluminum quoted on the SHFE for one-month future contract decreased by 18.2% as compared to 2008.

Other revenue

Other revenue increased by RMB6.6 million from RMB19.2 million for the year ended December 31, 2008 to RMB25.8 million for the year ended December 31, 2009. Such increase was primarily due to receipt of export subsidies of RMB11.0 million from the Liaoning provincial government.

Other net income/(loss)

Other net income decreased by RMB16.3 million from RMB12.8 million net income for the year ended December 31, 2008 to RMB3.5 million net loss for the year ended December 31, 2009. This primarily resulted from the loss from disposal of certain property, plant and equipment for the year ended December 31, 2009.

Selling expenses

Selling expenses increased by RMB37.7 million, or 24.2%, from RMB155.9 million for the year ended December 31, 2008 to RMB193.6 million for the year ended December 31, 2009. Such increase was generally in line with increase of our revenue and was primarily due to (i) an increase of RMB18.5 million in staff salaries and benefits as a result of salary raises and an increase in the number of our sales staff in connection with our market expansion, (ii) an increase of RMB8.1 million in entertainment expenses for business development and market expansion, and (iii) an increase of RMB5.0 million in travel expenses.

Administrative expenses

Administrative expenses increased by RMB81.4 million, or 15.3%, from RMB532.5 million for the year ended December 31, 2008 to RMB613.9 million for the year ended December 31, 2009. The increase was primarily due to an increase of RMB71.7 million in staff salaries and benefits as a result of salary raises and increase in the number of administrative staff.

Finance costs

Finance costs decreased by RMB71.0 million, or 62.9%, from RMB112.9 million for the year ended December 31, 2008 to RMB41.9 million for the year ended December 31, 2009 primarily due to an increase of RMB77.4 million in net foreign exchange gain. In 2008, we recorded RMB40.7 million foreign exchange loss primarily due to the appreciation of the Renminbi against British pound sterling and Australian dollars. However, in 2009, we recorded RMB36.7 million of foreign exchange gain primarily because of the British pound sterling and Australian dollars appreciated against the Renminbi in 2009.

Income tax expenses

Income tax expenses increased by RMB127.4 million, or 234.6% from RMB54.3 million for the year ended December 31, 2008 to RMB181.7 million for the year ended December 31, 2009. Our effective tax rate increased from 14.3% for the year ended December 31, 2008 to 21.9% for the year ended December 31, 2009. This was primarily because our subsidiary Shenyang Yuanda, pursuant to PRC tax laws, enjoyed the exemption of income tax on its taxable income generated from re-investment for the years of 2007 and 2008, and started to pay a 50% reduced income tax on such taxable income from the year of 2009.

Profit for the year

Profit for the year ended December 31, 2009 increased by RMB323.1 million, or 99.5%, to RMB647.8 million from RMB324.7 million for the year ended December 31, 2008. Net profit margin increased from 5.5% for the year ended December 31, 2008 to 9.2% for the year ended December 31, 2009 primarily due to the increase of gross profit margin by 4.1%.

Profits attributable to our shareholders

Based on the above factors, profit attributable to our shareholders increased by RMB332.7 million, or 101.5%, from approximately RMB327.8 million for the year ended December 31, 2008 to RMB660.5 million for the year ended December 31, 2009.

Losses attributable to non-controlling interests

Losses attributable to non-controlling interests was RMB12.7 million for the year ended December 31, 2009 and RMB3.2 million for the year December 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we have financed our working capital, capital expenditures, dividend payments to our shareholders and other capital requirements primarily through a combination of equity investments from our Shareholders, our own operating cash inflow and bank borrowings. We expect to continue to fund our future capital expenditures, working capital and other cash requirements from cash generated from our operations, the net proceeds from the Global Offering and, when necessary, bank borrowings.

Cash Flows

The following table is a condensed summary of our consolidated cash flow statements for the years indicated:

	Year ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	788,371	551,363	(306,641)
Net cash used in investing activities	(227,535)	(167,558)	(168,160)
Net cash (used in)/generated from financing activities	(90,205)	(437,970)	300,431
Net increase/(decrease) in cash and cash equivalents	470,631	(54,165)	(174,370)
Cash and cash equivalents at the beginning of the year	292,356	737,631	705,905
Effect of foreign exchange rate changes	(25,356)	22,439	2,188
Cash and cash equivalents at the end of the year	737,631	705,905	533,723

We recognize revenue on the basis of the percentage of completion. However, we receive payments at specified milestones according to the relevant contracts. Before a milestone is reached, we may have finished a significant amount of work and correspondingly recognized significant revenue but we may not be able to demand payments from our customers. The revenue we recognized during any given years thus may not be matched with the cash flow we have received during the same years.

Cash Flows from Operating Activities

Our operating cash inflows are derived primarily from revenues from curtain wall projects undertaken by us. Our cash outflow from operations primarily include purchases of materials, wages of design and production staff, installation costs paid to labor agencies and our sub-contractors and tax paid.

For the year ended December 31, 2010, we had net cash used in operating activities of RMB306.6 million. The net operating cash flow primarily reflected our profit before taxation of RMB1,001.4 million for the year ended December 31, 2010, as adjusted by income tax paid of RMB184.6 million, income statement items with non-cash effect of RMB78.8 million and effect of non-operating activities of RMB81.2 million, and cash outflows due to the increase of RMB1,283.4 million in the balances of working capital. The increase of RMB1,283.4 million in the balances of working capital was mainly due to the combined effect of an increase of RMB110.3 million in inventories, an increase of RMB858.8 million in gross amount due from customers for contract work, an increase of RMB373.9 million in trade and bills receivables, a decrease of RMB429.4 million in gross amount due to customers for contract work and a decrease of RMB120.7 million in receipts in advance, which were partially offset by an increase of RMB559.7 million in trade and bills payables. The increase in the balances of working capital, which was in line with our business expansion and revenue growth, was mainly because, as compared with other years, we produced a higher proportion of unitized curtain wall products, which are a type of frame-supporting curtain wall consisting of framing components and panel materials. As such framing components and panel materials are assembled into a single curtain wall unit at our production facilities in advance of installation, unitized curtain wall products generally require more working capital as compared with other products. In addition, we had certain sizable projects that were newly commenced in the second half of 2010, which resulted in higher balance of amount due from customers for contract work at the end of 2010. Normally, newly commenced projects will result in higher balance of gross amount due from customers for contract work as we only receive 10% to 30% of the contract price from customers as prepayment upon signing contracts, while we can only bill our customers when it reaches certain milestones based on the actual work progress.

For the year ended December 31, 2009, we had net cash generated from operating activities of RMB551.4 million. The net operating cash flow primarily reflected our profit before taxation of RMB829.5 million for 2009, as adjusted by income statement items with non-cash effect of RMB71.6 million and effect of non-operating activities of RMB91.8 million, income tax paid of RMB160.1 million and cash outflows due to the increase of RMB281.4 million in the balances of working capital. The increase of RMB281.4 million in the balances of working capital was mainly due to the combined effect of an increase of RMB377.2 million in gross amount due from customers for contract work, an increase of RMB308.0 million in trade and bills receivables and a decrease of RMB61.5 million in receipts in advance, which were partially offset by an increase of RMB203.1 million in trade and bills payables and an increase of RMB257.6 million in gross amount due to customers for contract work. The increase in gross amount due from customers for contract work, trade and bills receivables, trade and bills payables and gross amount due to customers for contract work was mainly due to our business expansion and revenue growth.

For the year ended December 31, 2008, we had net cash generated from operating activities of RMB788.4 million. The net operating cash flow primarily reflected our profit before taxation of RMB378.9 million for 2008, as adjusted by income statement items with non-cash effect of RMB59.6 million and effect of non-operating activities of RMB72.2 million, income tax paid of RMB115.1 million and cash inflows due to the decrease in the balances of working capital of RMB392.8 million. The decrease of RMB392.8 million in the balances of working capital was mainly due to the combined effect of an increase of RMB202.0 million in trade and bills payables, an increase of RMB522.5 million in gross amount due to customers for contract work, an increase of RMB243.8 million in receipts in advance and an increase of RMB168.9 million in accrued expenses and other payables, which were partially offset by an increase of RMB517.4 million in gross amount due from customers for contract work, an increase of RMB115.3 million in trade and bills receivables and an increase of RMB65.3 million in deposits, prepayments and other receivables. The increase in trade and bills payables, gross amount due to customers for contract work, receipts in advance, gross amount due from customers for contract work and trade and bills receivables was mainly due to our business expansion and revenue growth. However, our balances of working capital decreased in 2008 primarily due to the impact of the global financial crisis, resulting in a temporarily slow down in the progress of certain of our sizable projects in the second half of 2008, leading to less working capital requirement from our construction work.

Cash Flows from Investing Activities

For the year ended December 31, 2010, our net cash used in investing activities was RMB168.2 million, primarily due to the construction work performed and equipment purchased for the new production facilities in the Shenyang and Shanghai production bases in the amount of RMB144.0 million and RMB23.8 million, respectively.

For the year ended December 31, 2009, our net cash used in investing activities was RMB167.6 million, primarily due to (i) land premium paid, the construction work performed and equipment purchased for the new production facilities in the new Shanghai production base in the amount of RMB96.0 million, and (ii) the land premium paid for the Shenyang production base in the amount of RMB66.6 million.

For the year ended December 31, 2008, our net cash used in investing activities was RMB227.5 million, primarily due to the construction work performed and equipment purchased for the new production facilities in the Shenyang production base in the amount of RMB181.6 million.

Cash Flows from Financing Activities

For the year ended December 31, 2010, our net cash generated from financing activities was RMB300.4 million, primarily due to additional bank loans obtained to fund our working capital as a result of our business expansion, which were partially offset by the deemed distributions to an affiliate of the Controlling Shareholders for the acquisition of a 75% equity interest in Shenyang Yuanda in connection with the Reorganization.

For the year ended December 31, 2009, our net cash used in financing activities was RMB438.0 million, primarily due to the net repayment of bank loans and net increase in advances granted to the Controlling Shareholders and their affiliates.

For the year ended December 31, 2008, our net cash used in financing activities was RMB90.2 million, primarily due to additional bank loans obtained to fund our working capital as a result of our business expansion, partially offset by net increase in advances granted to the Controlling Shareholders and their affiliates.

Net Current Assets

	As of December 31,			As of February 28,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
Inventories	241,369	256,530	366,783	395,281
Gross amount due from customers for contract work	1,448,961	1,826,142	2,684,915	2,730,117
Trade and bills receivables	567,042	843,661	1,231,888	1,071,808
Deposits, prepayments and other receivables	414,773	510,800	549,839	603,686
Amounts due from the Controlling Shareholders and their affiliates	616,362	181,692	17,395	–
Cash and cash equivalents	737,631	705,905	533,723	475,068
	4,026,138	4,324,730	5,384,543	5,275,960
Current liabilities				
Trade and bills payables	1,030,260	1,233,364	1,792,796	1,573,139
Gross amount due to customers for contract work	1,055,305	1,312,894	883,479	1,007,658
Receipts in advance	347,901	286,386	165,692	264,045
Accrued expenses and other payables	358,305	421,301	497,546	287,022
Amounts due to the Controlling Shareholder and their affiliates	98,989	301,718	285,297	7,338
Bank and other loans	575,440	669,500	1,827,474	2,133,318
Income tax payable	58,382	107,040	140,222	138,281
Provision for warranties	22,336	45,647	60,204	60,500
	3,546,918	4,377,850	5,652,710	5,471,301
Net current assets/(liabilities)	479,220	(53,120)	(268,167)	(195,341)

As of February 28, 2011, we had net current liabilities of RMB195.3 million, consisting of RMB5,276.0 million of current assets and RMB5,471.3 million of current liabilities, which represented a decease of net current liabilities of RMB72.8 million from December 31, 2010. This decrease was primarily due to a decrease of RMB181.4 million in current liabilities, partially offset by a decrease of RMB108.6 million in current assets. The decrease in current liabilities mainly included a decrease of RMB219.7 million in trade and bills payables, a decrease of RMB278.0 million in amounts due to the Controlling Shareholders and their affiliates and a decrease of RMB210.5 million in accrued expenses and other payables, partially offset by an increase of RMB305.8 million in bank and other loans, which were mainly borrowed to settle our amounts due to the Controlling Shareholders and their affiliates and an increase of RMB124.2 million in gross amount due to customers for contract work. The decrease in current assets mainly included a decrease of RMB160.1 million in trade and bills receivables, partially offset by an increase of RMB45.2 million in gross amount due from customers for contract work.

As of December 31, 2010, we had net current liabilities of RMB268.2 million, consisting of RMB5,384.5 million of current assets and RMB5,652.7 million of current liabilities, which represented an increase of RMB215.1 million of liabilities from December 31, 2009. This increase was primarily due to an increase of RMB1,274.9 million in current liabilities, partially offset by an increase of RMB1,059.8 million in current assets. The increase in current assets mainly included an increase of RMB858.8 million in gross amount due from customers and an increase of RMB388.2 million in trade and bills receivables. The increase in current liabilities mainly included an increase of RMB1,158.0 million in bank and other loans mainly as a result of the HK$820.0 million bridge loan we obtained to finance our Reorganization, an increase of RMB559.4 million in trade and bills payables and an increase of RMB76.2 million in accrued expenses and other payables.

As of December 31, 2009, we had net current liabilities of RMB53.1 million, consisting of RMB4,324.7 million of current assets and RMB4,377.8 million of current liabilities, which represented a decrease of RMB532.3 million from December 31, 2008. This decrease was primarily due to an increase of RMB830.9 million in current liabilities, partially offset by an increase of RMB298.6 million in current assets. The increase in current liabilities was more than the increase in current assets primarily because we approved dividends of RMB818.2 million to the equity shareholders in 2009. The increase in current assets mainly include an increase of RMB377.2 million in gross amount due from customers, an increase of RMB276.6 million in trade and bills receivables, partially offset by a decrease of RMB434.7 million in amounts due from the Controlling Shareholders and their affiliates. The increase in current liabilities mainly included an increase of RMB257.6 million in gross amount due to customers, an increase of RMB203.1 million in trade and bills payables, an increase of RMB202.7 million in amounts due to the Controlling Shareholders and their affiliates and an increase of RMB94.1 million in bank and other loans.

As of December 31, 2008, we had net current assets of RMB479.2 million, consisting of RMB4,026.1 million of current assets and RMB3,546.9 million of current liabilities.

WORKING CAPITAL

Taking into account the estimated net proceeds from the Global Offering, banking facilities available to us and cash flows from our operations, our Directors have confirmed that we have sufficient working capital for our operations for at least the next 12 months from the date of this prospectus.

Receipts in advance

Receipts in advance refer to the amount of payment we receive from our customers in connection with the curtain wall projects for which we have not commenced construction. We normally receive a 10% to 30% of the contract price from customers as prepayment upon signing contracts. Once construction commenced, receipts in advance will become gross amount due to customers for contract work and are recognized as revenue in accordance with project progress. As of December 31, 2008, 2009 and 2010, our receipts in advance were RMB347.9 million, RMB286.4 million and RMB165.7 million, respectively.

The balance as of December 31, 2010 mainly included the receipts in advance related to Fiona Stanley Hospital in Australia, Qaramay Museum in Xinjiang, China, Crescent Mall Project in Vietnam and No. 9-11 parcel of land project in Hangzhou, China.

The balance as of December 31, 2009 mainly included the receipts in advance related to University Hospital in Dubai and Mercury City Tower in Russia.

The balance as of December 31, 2008 mainly included the receipts in advance related to University Hospital in Dubai and Mercury City Tower in Russia.

Gross amount due to customers for contract work

Gross amount due to customers for contract work represents, after construction of our curtain wall projects commences, the amounts that we have received from our customers while relevant construction work has not been carried out.

Gross amount due to customers for contract work decreased to RMB883.5 million as of December 31, 2010 from RMB1,312.9 million as of December 31, 2009, primarily due to (i) the progress of major projects in overseas markets where the gross amount due to these projects gradually decreased in line with the progress of such projects, and (ii) certain sizable projects we had at the end of 2009 for which we recorded higher gross amount due to customers for contract work as a result of the actual progress of our projects.

The gross amount due to customers for contract work increased to RMB1,312.9 million as of December 31, 2009 from RMB1,055.3 million as of December 31, 2008, primarily due to certain sizable projects we had at the end of 2009 for which we recorded gross amount due to customers for contract work as a result of the actual progress of our projects.

Gross amount due from customers for contract work

Gross amount due from customers for contract work represents the amounts that have been recognized using the percentage-of-completion method but have not been billed to our customers. We generally bill our customers pursuant to the terms of our project contracts.

The gross amount due from customers for contract work increased to RMB2,684.9 million as of December 31, 2010 from RMB1,826.1 million as of December 31, 2009, primarily due to (i) an increase in the number and the size of the projects we undertook as a result of the expansion of business in overseas markets, Northeast China and East China; and (ii) certain sizable projects we had at the end of 2010 for which we recorded gross amount due from customers for contract work as a result of the actual progress of our projects.

The gross amount due from customers for contract work increased to RMB1,826.1 million as of December 31, 2009 from RMB1,449.0 million as of December 31, 2008, primarily due to an increase in the number and the size of the projects we undertook as a result of the expansion of business in overseas markets and East China.

Trade and bills receivables

Our trade and bills receivables represent the amount which we have billed our customers but has not been settled, net of allowance for doubtful debts.

The following table shows the breakdown of our trade and bills receivables as of December 31, 2008, 2009 and 2010:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Trade receivable for contract work due from:			
– Third parties	615,819	885,367	1,297,751
– An affiliate of the Controlling Shareholders	–	9,175	22,111
	615,819	894,542	1,319,862
Bills receivable for contract work	9,918	20,500	20,320
Trade receivable for sale of raw materials:			
– Third parties	6,284	2,413	1,645
– An affiliate of the Controlling Shareholders	8,291	9,151	2,717
	14,575	11,564	4,362
	640,312	926,606	1,344,544
Less: allowance for doubtful debts	(73,270)	(82,945)	(112,656)
	567,042	843,661	1,231,888

The amount of retentions receivable from customers included in trade and bills receivables (net of allowance for doubtful debts) was RMB289.7 million, RMB262.4 million and RMB247.6 million as of December 31, 2008, 2009 and 2010, respectively.

The following table shows the movement of retentions receivable (net of allowance for doubtful debts) from customers during each year of the Track Record Period:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	244,324	289,715	262,355
Addition during the year	81,350	77,957	110,798
Collection during the year	(35,959)	(105,317)	(125,576)
At the end of the year	289,715	262,355	247,577

Except for retentions receivable (net of allowance for doubtful debts) of RMB110.4 million, RMB92.4 million and RMB114.4 million as of December 31, 2008, 2009 and 2010, respectively, all of the remaining trade and bills receivables are expected to be recovered within one year.

Of the RMB1,231.9 million trade and bills receivables (net of allowance for doubtful debts) as of December 31, 2010, RMB798.4 million, or 64.8% had been subsequently settled up to February 28, 2011.

Trade and bills receivables were RMB1,231.9 million as of December 31, 2010, compared to RMB843.7 million as of December 31, 2009. This increase was primarily due to an increase in the number and the size of the projects we undertook as a result of the expansion of business in overseas markets, North China and East China.

Trade and bills receivables were RMB843.7 million as of December 31, 2009 compared to RMB567.0 million as of December 31, 2008. This increase was primarily due to an increase in the number and the size of the projects we undertook as a result of the expansion of business in overseas markets and East China.

The aging analysis of our trade and bills receivables (net of allowance) as of the dates indicated is as follows:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Within 1 month	144,562	276,575	452,640
More than 1 month but less than 3 months	56,313	133,333	244,390
More than 3 months but less than 6 months	76,118	132,421	247,111
More than 6 months but less than 1 year	109,092	120,383	118,442
More than 1 year but less than 2 years	95,668	103,240	103,159
More than 2 years but less than 3 years	85,289	77,709	66,146
Total	567,042	843,661	1,231,888

Generally no credit period is granted to our customers, which are required to make payment pursuant to the relevant project contracts. Our Directors are of the view that it is a general practice in the industry that customers will settle progress billings within one to three months from the date of billing.

We record impairment losses in respect of trade and bills receivables using an allowance account unless we are satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

The table below sets forth the movements in the allowance for our doubtful debts during the Track Record Period:

	Years ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	65,194	73,270	82,945
Impairment loss recognized	9,884	15,883	31,173
Uncollectible amounts written off	(1,808)	(6,208)	(1,462)
At the end of the year	73,270	82,945	112,656

As of December 31, 2008, 2009 and 2010, our trade and bills receivables of RMB363.3 million, RMB384.3 million and RMB400.4 million, respectively, were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and we assessed that only a portion of the receivables was expected to be recovered. Accordingly, specific allowances for doubtful debts of RMB73.3 million, RMB82.9 million and RMB112.7 million, respectively, were recognized. We do not hold any collateral over these balances.

Set forth below are our net contract work receivables for the years indicated:

	Year ended December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Gross amount due from customers for contract work	1,448,961	1,826,142	2,684,915
Trade and bills receivables	567,042	843,661	1,231,888
Gross amount due to customers for contract work	(1,055,305)	(1,312,894)	(883,479)
Net contract work receivables	960,698	1,356,909	3,033,324

Note:

(i) Net contract work receivables = gross amount due from customers for contract work + trade and bill receivables - gross amount due to customers for contract work

Set forth below are our net contract work receivables turnover days for the years indicated:

	Year ended December 31,		
	2008	2009	2010
Net contract work receivables turnover days(1)	56	60	87

Note:

(1) Net contract work receivables turnover days = average of beginning and ending balance of net contract work receivables (net of allowance)/revenue x 365 days for a year.

Our net contract work receivables turnover days were 56 days, 60 days and 87 days in each of the years ended December 31, 2008, 2009 and 2010. Our net contract work receivables turnover days for the year ended December 31, 2009 increased to 60 days from 56 days for the year ended December 31, 2008 primarily because our customers slowed down payment in 2009 as a result of a lack of liquidity in the market due to the impact of financial crisis. Our net contract work receivables turnover days further increased to 87 days primarily because we produced a higher proportion of unitized curtain wall products, which require more working capital as they are fabricated and assembled at our production facilities in advance of installation, in 2010 as compared with 2009, resulting in a higher gross amount due from customers for contract work and, in turn, a higher net contract work receivables. In addition, we had certain sizable projects which were newly commenced in the second half of 2010 and, at the end of 2010, substantial percentages of these projects had been completed but not yet reached the milestones for progress billing in accordance with the relevant contract terms. Therefore, these projects recorded a significant gross amount due from customers for contract work, which also substantially contributed to our overall higher balance of gross amount due from customers for contract work at the end of 2010 as compared with that at the end of 2009.

Inventories

Our inventories primarily consist of materials used in fabrication of curtain wall products, including aluminum extrusions, glass, steel and sealant. We record our inventories at the lower of cost and net realizable value.

As of December 31, 2008, 2009 and 2010, we had inventories of RMB241.4 million, RMB256.5 million and RMB366.8 million, respectively. The increase in inventories was primarily due to the increase in the purchase of raw materials for fabrication of curtain wall products as a result of our business growth.

The following table shows the inventories and the write-down of inventories as of December 31, 2008, 2009, and 2010:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Raw materials	246,453	265,436	382,143
Less: write-down of inventories	(5,084)	(8,906)	(15,360)
	241,369	256,530	366,783

We recorded a write-down of inventories of RMB5.1 million, RMB8.9 million and RMB15.4 million as of December 31, 2008, 2009 and 2010, respectively. We made provisions for customized raw materials that were purchased for some projects, but were not used up upon the completion of these projects and can not be further used for other projects.

Set forth below are our inventory turnover days for the years indicated:

	Year ended December 31,		
	2008	2009	2010
Average inventory turnover days[1]	32	32	29

Note:

(1) Average inventory turnover days = average of beginning and ending balance of inventory (net of allowance)/ cost of raw materials x 365 days for a year.

Our average inventory turnover days for the years ended December 31, 2008 and 2009 remained stable at 32 days and decreased slightly for the year ended December 31, 2010.

Of the RMB366.8 million raw materials (net of allowance) as of December 31, 2010, RMB283.8 million or 77.4% had been subsequently used for production up to February 28, 2011.

Deposits, prepayments and other receivables

The following table sets forth the breakdown of our deposits, prepayments and other receivables for the years indicated:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Prepayment for purchase of inventories	160,212	204,502	194,960
Prepayment and deposits for operating leases	35,987	33,323	22,636
Deposits for construction contracts' bidding and performance	123,188	170,598	188,930
Deposits for purchase of forward foreign exchange and aluminum contracts	51,614	32,960	56,356
Advances to staff	31,829	33,424	32,291
Others	15,891	39,941	58,614
	418,721	514,748	553,787
Less: allowance for doubtful debts	(3,948)	(3,948)	(3,948)
	414,773	510,800	549,839

Others primarily comprise prepayment for costs incurred in connection with the proposed Global offering, advances to third parties, derivative financial instruments held as cash flow hedging instruments – forward foreign exchange contracts and other derivatives – forward aluminum contracts.

Our deposits, prepayments and other receivables increased to RMB549.8 million as of December 31, 2010 from RMB510.8 million as of December 31, 2009, primarily due to an increase of RMB23.4 million in deposits for purchase of forward foreign exchange and aluminum contracts and an increase of RMB18.3 million in deposits for construction contracts' bidding and performance.

Our deposits, prepayments and other receivables increased to RMB510.8 million as of December 31, 2009 from RMB414.8 million as of December 31, 2008, primarily due to an increase of RMB44.3 million in prepayment for purchase of inventories and an increase of RMB47.4 million in deposits for construction contracts' bidding and performance.

Amounts due from the Controlling Shareholders and their affiliates

As of December 31, 2008, 2009 and 2010, our amounts due from the Controlling Shareholders and their affiliates were RMB616.4 million, RMB181.7 million and RMB17.4 million. These Controlling Shareholders and their affiliates include both PRC individuals and PRC corporate entities.

According to the Reply of the Supreme People's Court on How to Determine the Validity of the Loans Between Individuals and Enterprises (《最高人民法院關於如何確認公民與企業之間借貸行為效力問題的批復》), loans made between individuals and enterprises are legal and valid. Therefore, our PRC legal counsel is of the view that the advances we made to individuals who are PRC residents, regardless of whether they were interest-bearing, do not violate the relevant PRC laws.

According to the General Principles of Loans (《貸款通則》) promulgated by PBOC in 1996, lending among non-financial institutions is prohibited. A corporation in violation of such regulation may be subject to a fine of one to five times of its interest income. During the Track Record Period, we made advances to the affiliates of the Controlling Shareholders and received interest payment in a total amount of RMB12.1 million, which were not in compliance with the General Principals of Loans. As a result, we may be subject to a fine of up to a maximum amount of RMB60.5 million due to such non-compliance. However, our above advances to corporate entities were part of an intra-group funding arrangements prior to the Reorganization, under which we extended advances to certain companies controlled by the Controlling Shareholders. Such arrangements, which were not for profit purpose, were made in order to facilitate the intra-group funds allocation according to the actual need of the member companies controlled by the Controlling Shareholders. No disputes have ever arose from these funding arrangements and we have never received any penalties from the PBOC so far. We have settled all such advances to corporate entities prior to the completion of the Reorganization, after which we have not entered, and undertake not to enter, into any lending arrangement with corporate entities. As such, our PRC legal counsel is of the view that, since in practice it is uncommon for PBOC to penalize a company which has ceased lending among non-financial institutions retrospectively, our previous advances to corporate entities as discussed above will not have any material and adverse effect on our business and results of operations.

All our amounts due from the Controlling Shareholders and their affiliates as of December 31, 2010 were amounts due from individuals. We will settle all such balance prior to the Listing.

Trade and bills payables

Our trade and bills payables represent mainly payables to suppliers of raw materials and payables to subcontractors. We had trade and bills payables of RMB1,030.3 million, RMB1,233.4 million and RMB1,792.8 million as of December 31, 2008, 2009 and 2010, respectively.

The following table sets out the breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Trade payable for purchase of inventories:			
– Third parties	756,626	775,833	1,121,789
– Affiliates of the Controlling Shareholders	22,168	37,413	68,356
	778,794	813,246	1,190,145
Trade payable to sub-contractors	48,966	93,208	92,739
Bills payable	202,500	326,910	509,912
	1,030,260	1,233,364	1,792,796

Trade and bills payables increased from RMB1,030.3 million as of December 31, 2008 to RMB1,233.4 million as of December 31, 2009, and to RMB1,792.8 million as of December 31, 2010, all in line with our business expansion.

Set forth below are our trade and bills payables turnover days for the years indicated:

	Year ended December 31,		
	2008	2009	2010
Trade and bills payables turnover days[(1)]	97	101	101

Note:

(1) Trade and bills payables turnover days = average of beginning and ending balance of trade and bills payables/cost of raw materials and installation costs x 365 days for a year.

Our trade and bills payables turnover days were 97 days, 101 days and 101 days in the years ended December 31, 2008, 2009 and 2010, respectively. Our trade and bills payables turnover days remained relatively stable during the Track Record Period. We typically seek to match the cash received with the payment to be made in order to control our cash flow.

The aging analysis of our trade and bills payables as of the dates indicated is as follows:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Due within 1 month or on demand	835,760	946,454	1,526,376
Due after 1 month but within 3 months	81,900	98,200	81,100
Due after 3 months	112,600	188,710	185,320
Total	1,030,260	1,233,364	1,792,796

Accrued expenses and other payables

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Payable for staff related costs	210,393	246,749	297,954
Payable for construction and purchase of property, plant and equipment	34,759	51,104	60,137
Deposits from sub-contractors	11,387	15,558	19,665
Payable for transportation and insurance expenses	19,627	26,540	21,295
Payable for miscellaneous taxes	48,115	68,810	62,114
Others	34,024	12,540	36,381
	358,305	421,301	497,546

Others primarily comprise payable for costs incurred in connection with the proposed Global Offering, derivative financial instruments held as cash flow hedging instruments – forward foreign exchange contracts and other derivatives – forward aluminum contracts.

Accrued expenses and other payables increased from RMB358.3 million as of December 31, 2008 to RMB421.3 million as of December 31, 2009 and then to RMB497.5 million as of December 31, 2010. The increase was primarily due to the increase in the numbers of projects under progress during the Track Record Period.

Amounts due to the Controlling Shareholders and their affiliates

As of December 31, 2008, 2009 and 2010, our amounts due to the Controlling Shareholders and their affiliates were RMB99.0 million, RMB301.7 million and RMB285.3 million, respectively.

For the amounts due to the Controlling Shareholders and their affiliates as of December 31, 2010, we will settle the balance prior to the Listing.

Provision for warranties

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	26,313	50,644	83,354
Additional provision made	27,342	35,697	43,161
Provisions utilized	(3,011)	(2,987)	(18,946)
At the end of the year	50,644	83,354	107,569
Less: amount included under current liabilities at year end	(22,336)	(45,647)	(60,204)
	28,308	37,707	47,365

After completion for our projects, we generally provide our customers with maintenance and alteration services to resolve any problem encountered by our customers in their use of our products and we generally provide our customers a warranty period of up to 10 years. Provision is therefore made for the best estimate of the expected settlement under our construction contracts. The amount of provision takes into account our recent claim experience and is only made where a warranty claim is probable. Since provision is made based on our recent claim experience, we consider that the provision made during the Track Record Period is adequate. The increases in provision for warranties during the Track Record Period were primarily due to the increases in the number and size of projects we undertook as a result of our business expansion, particularly in overseas markets.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Borrowings

The following table sets forth our outstanding borrowings as of the dates indicated:

	As of December 31,			As of February 28,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term bank loans:				
Bank loans	418,500	359,500	50,000	–
Less: current portion of long-term bank loans	(119,500)	(309,500)	(50,000)	–
Total	299,000	50,000	–	–
Short-term bank and other loans:				
Bank loans	375,000	280,000	1,677,489	1,873,318
Loans from other financial institutions	80,940	80,000	99,985	260,000
	455,940	360,000	1,777,474	2,133,318
Add: current portion of long-term bank loans	119,500	309,500	50,000	–
	575,440	669,500	1,827,474	2,133,318

Some of our bank borrowings are guaranteed by, or secured by the assets of, solely or jointly with our own assets, affiliates of the Controlling Shareholders who are not members of our Group. Such bank borrowings amounted to RMB693.5 million, RMB539.5 million, RMB50.0 million and nil as of December 31, 2008, 2009 and 2010 and February 28, 2011, respectively. Such guarantees or securities will be released immediately prior to the Listing.

Some of our banking borrowings are solely secured by our property, plant, equipment and land use rights, which amounted to RMB100.0 million, RMB100.0 million, RMB400.0 million and RMB400.0 million as of December 31, 2008, 2009 and 2010 and February 28, 2011, respectively.

On November 19, 2010, we also entered into a bridge loan facility arrangement in the amount of HK$820.0 million with Standard Chartered Bank (Hong Kong) Limited. As of February 28, 2011, the balance of our borrowings pursuant to this facility amounted to RMB688.3 million. As security for the Loan, we have granted a charge in respect of our shares in Well Galaxy and Yuanda Hong Kong, the funds deposited in the account opened for the purpose of the Loan Agreement and our rights under loans to our subsidiaries, and each of Best Outlook, Neo Pioneer and Long Thrive have charged their interests in our Company, in favor of the Lender as security for the Loan. Such charges on our Shares will be immediately released upon the Listing. For other details of the bridge loan facility, see the section entitled "History and Reorganization – Bridge Loan Facility" in this prospectus.

Our gearing ratio, as calculated by dividing our interest bearing debts by our total equity, was 73.3%, 70.7% and 210.9% as of December 31, 2008, 2009 and 2010, respectively.

Our gearing ratio as of December 31, 2010 increased to 210.9% from 70.7% as of December 31, 2009, primarily due to an increase of RMB1,108.0 million in interest bearing debts mainly as a result of the HK$820.0 million bridge loan we obtained to finance our Reorganization and a decrease of RMB151.0 million in total equity.

Our gearing ratio as of December 31, 2009 decreased to 70.7% from 73.3% as of December 31, 2008, primarily due to a net payment of interest bearing debts of RMB154.9 million, which was partially offset by a decrease of RMB175.8 million in total equity.

The table below sets forth the maturity profiles of our long-term bank loans as of the dates indicated:

	As of December 31,			As of February 28,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	119,500	309,500	50,000	–
After 1 year but within 2 years	299,000	50,000	–	–
	418,500	359,500	50,000	–

As of February 28, 2011, we have unutilized banking facilities of RMB215.0 million. Our Directors have confirmed that we currently have no plan to raise material debt financing.

Contingent Liabilities

(a) Guarantees issued

We are required under some of our curtain wall contracts to provide performance bonds in an amount equal to the contract sum. Under some contracts where our customers are not entitled to keep retention money after completion of projects, we are required to provide guarantees to serve the same purpose of retention money. In addition, we are required to provide guarantees in order to conduct project bidding. Our contingent liabilities as of the dates indicated below are as follows:

	As of December 31,			As of February 28,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Guarantees for construction contracts' bidding, performance and retentions	1,617,706	1,836,052	2,221,102	2,118,625

As of each balance sheet date, our Directors do not consider it probable that a claim in excess of our provision for warranties will be made against us under any of the guarantees. Our maximum liability on each balance sheet date under the guarantees issued is as the amounts disclosed above.

(b) Contingent liabilities in respect of legal claims

We are currently involved in a number of lawsuits or arbitrations, including four material legal proceedings arising out of the curtain wall projects we undertook in the ordinary course of our business, which are pending in India, the United States, Kuwait and Germany, respectively. Further details pertaining to these four proceedings are set out in the section entitled "Business — Legal Proceedings and Material Claims" in this prospectus. Based on our local legal counsel's advice, our Directors do not believe it is probable that we will be held liable in the four overseas proceedings and no provision has therefore been made for the related claims.

Except for the borrowings and contingent liabilities disclosed in this section entitled "Indebtedness and Contingent Liabilities" and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as of February 28, 2011, we did not have other outstanding mortgages, charges, indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

In addition, our Directors have confirmed that since February 28, 2011 up to Latest Practicable Date, there had been no material adverse change in the level of indebtedness or contingent liabilities of our Group.

CAPITAL COMMITMENTS AND EXPENDITURES

Capital Commitments

We have entered into several contracts to purchase land use rights, construct buildings, plant and machinery. The table below sets forth the total amount of our commitments as of the balance sheet dates indicated.

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Commitments in respect of land and buildings, and machinery and equipment			
– Contracted for	8,219	11,833	35,821
– Authorised but not contracted for	45,366	26,048	82,605
	53,585	37,881	118,426

We intend to use our internal funds to make payment for all our capital commitments as of December 31, 2010.

Operating Leases

We lease certain land, plant and buildings, motor vehicles and other equipment under operating leases. None of the operating leases includes contingent lease rentals. The table below sets forth our future minimum lease payments under non-cancellable operating leases as of the balance sheet dates indicated.

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Within 1 year	10,289	18,436	12,957
After 1 year but within 5 years	3,365	2,470	6,736
After 5 years	3,178	3,093	3,947
	16,832	23,999	23,640

Capital Expenditures

The following table sets forth a summary of our capital expenditures during the Track Record Period:

	As of December 31,		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Purchase of property, plant and equipment and land use rights	223,014	195,213	410,469

We expect to spend approximately RMB571.4 million, RMB242.7 million and RMB174.9 million on capital expenditures for purchase of land, plant and equipment in the years ending December 31, 2011, 2012 and 2013, respectively. We anticipate that the funds needed for our capital expenditures will be financed by cash generated from our operations, as well as net proceeds from the Global Offering. If necessary, we may raise additional bank borrowings on terms that are acceptable to us.

Our ability to obtain additional funding in the future is subject to a variety of uncertainties, including our future results of operations, financial condition and cash flows, economic, political and other conditions in the jurisdictions in which we operate.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to various types of market risks including currency risk, credit risk, commodity price risk, liquidity risk and interest rate risk in the ordinary course of business.

Currency Risk

We are exposed to currency risk primarily through revenue from contract work and purchases of imported materials which give rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate.

A significant portion of our revenue is derived from contracts for overseas curtain wall projects, and these contracts are generally settled in foreign currencies. If the Renminbi significantly appreciates against foreign currencies, the revenue we realize from overseas contracts denominated in foreign currencies will be less than that we would realize at the foreign exchange rate at the time when we were tendering for the contracts, and we will sustain exchange losses on our receivables denominated in foreign currencies. Vice versa, if the Renminbi significantly depreciates against foreign currencies, we will realize more revenue from overseas contracts denominated in foreign currencies, and receive exchange gains on our receivables denominated in foreign currencies.

In light of the significant fluctuations of foreign currencies against the Renminbi during the global financial crisis in 2008, we commenced the use of forward foreign exchange contracts in 2009 with a view to minimize our exposure to currency risk. Please see the section entitled "Financial Information — Key Factors Affecting Our Results of Operations – Fluctuations in foreign currency exchange rates" in this prospectus for more details. We believe that the Renminbi will appreciate against most foreign currencies in the foreseeable future. Accordingly, we will continue to increase the use of forward foreign exchange contracts to hedge against currency risk.

Credit risk

Our credit risk is primarily attributable to gross amount due from customers for contract work, trade and other receivables and derivative financial instruments. We have a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of the remaining gross amount due from customers for contract work and trade and other receivables, individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. We generally require customers to settle progress billings in accordance with contracted terms. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual customer basis. Normally, we do not obtain collateral from customers.

Transactions involving derivative financial instruments are entered into with either banks or recognized futures exchange in China, and with whom we have signed netting agreements. Given the high credit standing of the banks and futures exchange in China, we do not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated balance sheets after deducting any impairment allowance. We do not provide any guarantees which would expose us to credit risk.

Commodity price risk

Aluminum extrusions are one of the main components used to manufacture our curtain wall products, which accounted for approximately 38.5%, 34.3% and 37.3% of our raw materials costs for the years ended December 31, 2008, 2009 and 2010, respectively. We tender for curtain wall contracts based on our estimate of the price of aluminum at the time we purchase the aluminum extrusions. There is a time lag between the time we submit our tender and the time we purchase aluminum extrusions for the relevant project, if our tender is successful. Any substantial increase in the price of aluminum between the time of submission of our tender and the time we purchase the aluminum extrusions may therefore substantially increase our raw materials costs. As a result, we may only realize a profit lower than budget, or even incur losses.

The costs of aluminum extrusions are largely dependent on the price of aluminum, which have fluctuated significantly in the past. In order to control our exposure to price fluctuation of aluminum-related products, we enter into future contracts through Shanghai Futures Exchange. Please see the section entitled "Business — Supplies and Suppliers — Aluminum Extrusions" in this prospectus for more details. These arrangements are designed to fix our aluminum purchase prices in advance through hedging between the aluminum spot market and future market.

Liquidity risk

Individual operating entities within our Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of financings to cover expected cash demands, where financings are centrally managed by our head office. Our policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest rate risk

Our interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk respectively. We adopt a policy where it will negotiate with banks and financial institutions and attempt to maintain a relatively higher level of fixed rate borrowings during times when the economy is growing, in a view that interest rates will generally increase during these years. In contrast, we will negotiate with banks and financial institutions and attempt to maintain a relatively lower level of fixed rate borrowings when the economy is recessing, in a view that interest rates will generally decrease during these years.

DISTRIBUTABLE RESERVES

Our Company was incorporated on February 26, 2010 and has not carried out any business since the date of its incorporation except for the Reorganization. Accordingly, there is no reserve available for distribution to our equity shareholders as of December 31, 2010.

DIVIDEND POLICY

For the years ended December 31, 2008, 2009 and 2010, we declared and settled dividends in the amount of RMB115.8 million, RMB818.2 million and nil, respectively. After the Listing, we intend to distribute approximately 20% to 30% of our net profits attributable to shareholders in each financial year as dividends. However, the distribution of dividends shall be formulated by our Board of Directors and is subject to Shareholder's approval at our general meeting. The amount of dividends actually distributed to our Shareholders will also depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant at such time.

In addition, the payment and amount of any dividends declared will be subject to our Articles of Association and the relevant laws and regulations. Our Articles of Association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserves set aside from profits which our Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of our share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law. Future dividend payments will also depend upon the availability of dividends received from our subsidiary companies in China. PRC laws require that dividends be paid only out of the net profits calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign investment enterprises to set aside part of their net profits as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiary companies may also be restricted if they incur debts or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiary companies may enter into in the future.

PROPERTY INTERESTS AND VALUATION

Jones Lang LaSalle Sallmanns Limited, an independent property valuer, has valued our property interests of our as of February 28, 2011. The text of its letter, a summary of valuation and valuation certificates issued by Jones Lang LaSalle Sallmanns Limited are included in Appendix IV to this prospectus.

The table below sets out the reconciliation of the net book value of our property interests as of date of last audited accounts with the valuation of such interests as of February 28, 2011 as stated in Appendix IV to this prospectus:

	RMB'000
Valuation of properties with certificates as of February 28 as set out in the Valuation Report included in Appendix IV	1,113,104
Valuation of properties without certificates as at February 28 as set out in the Valuation Report included in Appendix IV	436,303
Net book value of the following properties as of December 31, 2010 as set out in the Accountants' Report of the Company included in Appendix I	
— Plant and buildings	483,580
— Construction In Process	27,077
— Lease Prepayments	614,672
	1,125,329
Add: Additional cost of properties during the period from January 1, 2011 to February 28, 2011.	–
Add: Additional cost of construction in process during the period from January 1, 2011 to February 28, 2011	6,028
Add: Additional cost of lease payments during the period from January 1, 2011 to February 28, 2011	15,739
Less: Depreciation of properties during the period from January 1, 2011 to February 28, 2011	4,433
Less: Amortization of lease payments during the period from January 1, 2011 to February 28, 2011	2,085
Net book value of properties as at February 28, 2011 subject to valuation as set out in the Valuation Report included in Appendix IV	1,140,578
Net revaluation surplus	412,754

PROFIT FORECAST FOR THE SIX MONTHS ENDING JUNE 30, 2011

We have prepared the following profit forecast for the six months ending June 30, 2011 on the bases and assumptions described in Appendix III to this prospectus. You should read the bases and assumptions in Appendix III to this prospectus when you analyze our profit estimate for the six months ending June 30, 2011.

Forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011[(1)(2)(3)]	not less than RMB410.5 million (equivalent to approximately HK$488.5 million)
Unaudited pro forma forecasted earnings per Share[(4)]	not less than RMB0.068 (equivalent to approximately HK$0.081)

Notes:

(1) The bases and assumptions on which the above profit forecast for the six months ending June 30, 2011 has been prepared are summarized in Appendix III to this prospectus.

(2) The forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 is primarily based on the forecasted turnover of the Group for the six months ending June 30, 2011.

The forecasted turnover of the Group for the six months ending June 30, 2011 is based on the forecasted percentage of completion of each project up to June 30, 2011. The percentage of completion of each project is forecasted by the respective project manager for the relevant projects. The respective project managers made such forecast based on progress requirements as stipulated in the relevant construction contracts entered into by the Group and the respective project managers have also considered the historical performance of those projects up to February 28, 2011.

(3) The forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 has been prepared by the Directors on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 1 of Section C of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(4) The calculation of the unaudited pro forma forecasted earnings per Share is based on the forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 assuming the Global Offering and the conversion of Series A Preferred Shares had been completed on January 1, 2011, and a total of 6,000,000,000 Shares were in issue during the six months ending June 30, 2011. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option and the Share Option Scheme.

The following table illustrates the sensitivity of forecasted consolidated profit attributable to equity shareholders of the Company to the changes of the forecasted purchase cost of aluminum extrusions for the six months ending June 30, 2011, without considering the effect of aluminum futures contracts we have entered into.

	5% increase in the forecasted purchase cost of aluminum extrusion	**10% increase in the forecasted purchase cost of aluminum extrusion**	**5% decrease in the forecasted purchase cost of aluminum extrusion**	**10% decrease in the forecasted purchase cost of aluminum extrusion**
(Decrease) / increase in forecasted consolidated profit attributable to equity shareholders of the Company (RMB'000)	(24,423)	(48,846)	24,423	48,846
Forecasted consolidated profit attributable to equity shareholders of the company (RMB'000)	386,115	361,692	434,691	459,384

NO MATERIAL ADVERSE CHANGE

The Directors have confirmed that there has not been any material adverse change in our financial or trading position since December 31, 2010.

DISCLOSURE UNDER THE LISTING RULES

We confirm that as of the Latest Practicable Date, we were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets of our Group which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had been taken place on December 31, 2010 and based on the consolidated net assets attributable to equity shareholders of our Company as of December 31, 2010 as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

The unaudited pro forma adjusted consolidated net tangible assets of our Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the Global Offering been completed as of December 31, 2010 or at any future dates.

	Consolidated net tangible assets attributable to equity shareholders of the Company as of December 31, 2010(1)(4)	Estimated net proceeds from the Global Offering and the conversion of the Series A Preferred Shares(2)(3)	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share(3)	
	RMB'000	RMB'000	RMB'000	RMB	HK$
Based on an Offer Price of HK$1.92 per Share	898,149	2,612,826	3,510,975	0.59	0.70
Based on an Offer Price of HK$2.78 per Share	898,149	3,658,832	4,556,981	0.76	0.90

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of our Company as of December 31, 2010 represented the consolidated equity attributable to equity shareholders of our Company of RMB898,149,000, and is extracted from the Accountants' Report as set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Prices of HK$1.92 and HK$2.78 per Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the underwriting fees and other related expenses payable by our Company. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis of 6,000,000,000 Shares are in issue as if the Global Offering and the conversion of the Series A Preferred Shares had been taken place on December 31, 2010. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option and the Share Option Scheme.

(4) The Group's property interests as at February 28, 2011 have been valued by Jones Lang LaSalle Sallmanns Limited, an independent property valuer. The relevant property valuation report is set out in Appendix IV to this prospectus. The revaluation surplus or deficit of these properties was not incorporated in the Group's consolidated financial information for the year ended December 31, 2010 and will not be included in the Group's financial statements for the six months ending June 30, 2011. The above adjustments do not take into account the revaluation surplus attributable to the Group arising from the revaluation of the Group's property interests amounting to approximately RMB412.8 million. If the revaluation surplus was recorded in the Group's financial statements, additional depreciation and amortization of approximately RMB9.4 million would be charged against the results for the six months ending June 30, 2011.

FUTURE PLANS

See the section entitled "Business — Our Business Strategies" in this prospectus for our future plans.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$2.35 per share, being the mid point of the indicative Offer Price range and no exercise of any Over-allotment Option) will be approximately HK$3,372.0 million. We currently intend to apply these net proceeds in the following manner:

- approximately 40% or HK$1,348.8 million, for expansion of our production capacity, including acquisition of land use rights, construction of production facilities and purchase of equipment, which is expected to increase (i) our annual production capacity for curtain wall by 9.6 million square meters, (ii) our annual production capacity for aluminum alloy doors and windows by 1.5 million square meters, (iii) our annual production capacity for glass by 4.0 million square meters, and (iv) our annual production capacity for aluminum extrusion by 250,000 tons. For details of our expansion plans, including the details of the acquisition of relevant land, please see the section entitled "Business – Production Facilities" in this prospectus;

- approximately 30% or HK$1,011.6 million, for repayment of our existing debts, which primarily include our bridge loan with an outstanding amount of HK$820 million as of the Latest Practicable Date. For details of our bridge loan facility, please see the section entitled "History and Reorganization – Reorganization – (e) Introduction of Financial Investor – Bridge Loan Facility" in this prospectus;

- approximately 10% or HK$337.2 million, for investment in research and development, including recruitment of research, development and design professionals and purchase of materials and equipment for experiment;

- approximately 10% or HK$337.2 million, for expanding our sales and marketing network; and

- approximately 10% or HK$337.2 million, for working capital and other general corporate purposes.

The additional net proceeds that we will receive if the Over-allotment Option is exercised in full will be approximately HK$510.2 million (assuming the Offer Price at the mid-point of the stated Offer Price range of HK$2.35). If the Over-allotment Option is exercised in full, our Directors intend to use all the additional net proceeds proportionately as earmarked above.

If the Offer Price is fixed at HK$2.78, being the high end of the stated Offer Share range, our net proceeds will be (i) increased by approximately HK$622.4 million, assuming the Over-allotment Option is not exercised; and (ii) increased by approximately HK$715.7 million, assuming the Over-allotment Option is exercised in full. Our Directors currently intend to use all the additional net proceeds proportionately as earmarked above.

If the Offer Price is fixed at HK$1.92, being the low end of the stated Offer Price range, our net proceeds will instead be (i) decreased by approximately HK$622.4 million, assuming the Over-allotment Option is not exercised; and (ii) decreased by approximately HK$715.7 million, assuming the Over-allotment Option is exercised in full. Our Directors currently intend to reduce our use of proceeds proportionately as earmarked above.

To the extent that the net proceeds to us from the Global Offering are not immediately applied to the above purposes, we will deposit the net proceeds into short-term demand deposits and/or money market instruments.

HONG KONG UNDERWRITERS

The Hong Kong Public Offering shall be fully underwritten by the Hong Kong Underwriters, subject to the Offer Price being agreed upon between the Company and the Joint Global Coordinators (on behalf of the Underwriters). The Hong Kong Underwriters are:

Joint Lead Managers

Deutsche Bank AG, Hong Kong Branch
J.P. Morgan Securities (Asia Pacific) Limited
Standard Chartered Securities (Hong Kong) Limited
BOCI Asia Limited

INTERNATIONAL UNDERWRITERS

Joint Lead Managers

Deutsche Bank AG, Hong Kong Branch
J.P. Morgan Securities Ltd.
Standard Chartered Securities (Hong Kong) Limited
BOCI Asia Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 150,000,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of 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 having been signed and becoming unconditional.

One of the conditions is that the Offer Price must be agreed between us and the Joint Global Coordinators, on behalf of the Underwriters. For applicants applying under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering. The International Offering will be fully underwritten, subject to the Offer Price being agreed upon between the Company and the Joint Global Coordinators (on behalf of the Underwriters), by the International Underwriters. If, for any reason, the Offer Price is not agreed between us and the Joint Global Coordinators (on behalf of the Underwriters) by May 4, 2011, the Global Offering will not proceed and will lapse.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination from the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to the Company, if, at any time prior to 8:00 a.m. on the Listing Date:

(i) there shall develop, occur, exist or come into effect:

(a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations 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 Hong Kong, the PRC, the United Arab Emirates, Australia, Russia, Kuwait, Qatar, Japan, Singapore, India, the United States, the United Kingdom, the Cayman Islands, the British Virgin Islands, the European Union (or any member thereof) or in any other relevant jurisdiction (each a "**Relevant Jurisdiction**"); or

(b) any change or development involving a prospective change, or any event or series of events likely to result in or represent any change or development involving a prospective change or development, in the local, national, regional or international financial, political, military, industrial, economic, currency market, legal, fiscal, exchange control or regulatory conditions or any monetary or trading settlement system (including but not limited to conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States, or a devaluation of the Renminbi against any foreign currencies) in or affecting any Relevant Jurisdiction; or

(c) any change or development in the conditions of local, national or international equity securities or other financial markets; or

(d) a disruption or any general moratorium on commercial banking activities or securities settlement, payment or clearance services or procedures in or affecting Hong Kong (imposed by the Financial Secretary and/or the Hong Kong Monetary Authority or otherwise), New York (imposed at Federal or New York State level or otherwise), the Cayman Islands, London, the PRC, the British Virgin Islands, the European Union (or any member thereof) or any other Relevant Jurisdiction; or

(e) the imposition of any moratorium, suspension or restriction on trading in securities generally on or by the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ National Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Tokyo Stock Exchange or minimum or maximum prices for trading having been fixed, or a disruption has occurred in securities settlement or clearance services or procedures, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any regulatory or governmental authority; or

(f) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control or currency exchange rates) in any Relevant Jurisdiction; or

(g) any adverse change or prospective adverse change in the earnings, results of operations business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of our Company or any member of the Group; or

(h) any event or series of events in the nature of force majeure, including, without limitation, acts of government, labour disputes, strikes, lock-outs, riots, public disorder, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism (whether or not responsibility has been claimed), outbreak of diseases or epidemics including, but not limited to, SARS, H5N1, H1N1 and such related/mutated forms or accident or interruption or delay in transportation, economic sanction and any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any Relevant Jurisdiction; or

(i) any change or prospective change in, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(j) any litigation or claim being threatened or instigated against any member of the Group; or

(k) any 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; the chairman or chief executive officer of our Company vacating his or her office in circumstances where the operations of the Group may be adversely affected; the commencement by any regulatory or political body or organisation of any action against a Director or member of the Group or an announcement by any regulatory or political body or organisation that it intends to take any such action,

which, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) is or may be or is likely to be materially adverse to or prejudicially affect the business, financial or other condition or prospects of our Company or the Group as a whole or, in the case of sub-paragraph (f) above, to any present or prospective shareholder of our Company in his/its capacity as such; or

(2) has or might have or is likely to have a material adverse effect on the success of the Hong Kong Public Offering or the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares and/or make it impracticable or inadvisable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or

(3) makes it inadvisable, impracticable or inexpedient to proceed with the Hong Kong Public Offering or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus; or

(ii) there comes to the notice of the Joint Global Coordinators or any of the Hong Kong Underwriters:

(a) any matter or event showing any of the warranties or undertakings given by our Company, Mr. Kang, Best Outlook and Neo Pioneer under the Hong Kong Underwriting Agreement or the International Underwriting Agreement to be untrue, incorrect, inaccurate or misleading when given or repeated; or

(b) any breach or alleged breach on the part of our Company or any of Mr. Kang, Best Outlook or Neo Pioneer of any of the provisions of the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(c) any matter which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute a material omission therefrom; or

(d) any statement contained in this prospectus, the Application Forms, the web proof information pack, the formal notice and any announcements issued by our Company in connection with the Hong Kong Public Offering and Global Offering (including any supplement or amendment thereto) was or has become or is discovered to be untrue, incorrect, inaccurate or misleading in any respect; or

(e) that there shall have occurred any event, act or omission which gives or is likely to give rise to any liability of the parties to the Hong Kong Underwriting Agreement (other than the Joint Global Coordinators or the Hong Kong Underwriters) pursuant to the indemnity provisions under the Hong Kong Underwriting Agreement; or

(f) a valid demand by any creditor for repayment or payment of any indebtedness of our Company or any member of the Group or in respect of which our Company or any member of the Group is liable prior to its stated maturity; or

(g) that a petition is presented for the winding-up or liquidation of our Company or any member of the Group or our Company or any member of the 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 our Company or any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any member of the Group or anything analogous thereto occurs in respect of our Company or any member of the Group; or

(h) approval by the Listing Committee of the Hong Kong Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld.

Undertakings

By us

We have undertaken to the Hong Kong Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing) without the prior consent of the Hong Kong Stock Exchange, except:

(a) in the circumstances prescribed by Rule 10.08 of the Hong Kong Listing Rules; or

(b) pursuant to the Global Offering and the grant or exercise of the options to be granted under the Share Option Scheme.

By the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Hong Kong Stock Exchange that, except pursuant to the Global Offering, the Over-allotment Option or the Stock Borrowing Agreement, it shall not and shall procure that the relevant registered holder(s) shall not, without the prior written consent of the Hong Kong Stock Exchange:

(a) at any time during the period commencing from the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Six-month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities of our Company in respect of which he is or they are shown by this prospectus to be the beneficial owner(s); or

(b) at any time during the six months commencing on the date on which the First Six-month Period expires (the "Second Six-month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, that person or group of persons would cease to be our controlling shareholder (as defined in the Listing Rules).

Each of the Controlling Shareholders has also undertaken to the Hong Kong Stock Exchange that, he/it will, within the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and up to the end of the Second Six-Month Period, immediately inform us of:

(a) any pledges or charges of any of the Shares or securities of our Company beneficially owned by he/it or them in favor of any authorized institution (as defined in the Banking Ordinance (Cap. 155 of the Laws of Hong Kong)), and the number of such Shares or securities of our Company so pledged or charged; and

(b) any indication received by he/it or them, either verbal or written, from any pledgee or chargee of any of the Shares or other securities of our Company pledged or charged that any of such Shares or securities will be disposed of.

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 the Controlling Shareholders and disclose such matters by way of an announcement as soon as possible after being so informed by any of the Controlling Shareholders.

Undertakings to the Underwriters pursuant to the Hong Kong Underwriting Agreement

By us

We have undertaken to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors, and each of Mr. Kang, Best Outlook and Neo Pioneer has undertaken to procure that the Company, that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) and pursuant to the grant or exercise of the options granted under the Share Option Scheme, at any time during the First Six-month Period, we will not, and will cause each member of the Group not to, without the prior written consent of the Joint Global Coordinators and unless in compliance with the requirements of the Listing Rules:

(i) offer, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or 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, or repurchase, conditionally or unconditionally, any of its share capital, debt capital or any securities or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive such share capital or any securities or any interest therein);

(ii) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of such share capital, debt capital or securities or interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital, debt capital or such other securities, in cash or otherwise, or offer to or agree to do, or publicly disclose that our Company will or may enter into any transaction described in sub-paragraph (i) above and this sub-paragraph (ii); or

(iii) effect any purchase of Shares, or agree to do so, which may reduce the holdings of Shares of persons who count as members of the "public" for the purposes of the Listing Rules below 25 per cent. of our Company's issued share capital.

By the Controlling Shareholders

Each of Mr. Kang, Best Outlook and Neo Pioneer has undertaken with each of the Joint Global Coordinators, the Joint Sponsors, the Hong Kong Underwriters and our Company that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option) and the Stock Borrowing Agreement, he/it will not and will procure that none of his/its Associates or companies controlled by it or any nominee or trustee holding in trust for it will, without the prior written consent of the Joint Global Coordinators and unless in compliance with the requirements of the Listing Rules:

(i) at any time during the First Six-Month Period, offer, pledge, charge, sell, lend, mortgage, assign, 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, conditionally or unconditionally, any of the share capital, debt capital or other securities of our Company or any interest therein held by him or it (including, but not limited to any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, any such share capital, debt capital or other securities of our Company or any interest therein) or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital, debt capital or securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital, debt capital or such other securities, in cash or otherwise, or offer to or agree to do, or publicly disclose that he or it will or may enter into any of the foregoing or announce any intention to do so;

(ii) at any time during the Second Six-month Period, offer, pledge, charge, sell, lend, mortgage, assign, 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, conditionally or unconditionally, any of the share capital, debt capital or other securities of our Company or any interest therein held by him or her or it (including but not limited to any securities that are convertible into or exercisable or exchangeable for or that represent the right to receive, any such share capital, debt capital or other securities of our Company or any interest therein) or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital, debt capital or securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital, debt capital or such other securities, in cash or otherwise, or offer to or agree to do, or publicly disclose that it will or may enter into any of the foregoing transactions or announce any intention to do so if, immediately following such transaction, he or it would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company;

(iii) in the event of a disposal by him or it of any share capital, debt capital or other securities of our Company or any interest therein during the Second Six-Month Period, he or it will take all steps to ensure that such a disposal will not create a disorderly or false market for the Shares or other securities of our Company; and

(iv) within the period commencing on the date of this prospectus and up to the end of the Second Six-Month Period, he or it will immediately inform our Company, the Joint Global Coordinators and the Joint Sponsors of:

(a) any pledges or charges of any Shares or other securities of our Company beneficially owned by him or it, together with the number of such Shares or other securities of our Company so pledged or charged and the purpose for which such pledge or charge is to be created; and

(b) any indication received by him or it, either verbal or written, from the pledgee or chargee of any Shares or other securities of our Company pledged or charged that such Shares or other securities of our Company so pledged or charged will be disposed of.

We will also inform the Stock Exchange as soon as practicable upon receiving such information relating to the above matters (if any) from any of Mr. Kang, Best Outlook and Neo Pioneer and make a public disclosure in relation to such information in accordance with the Listing Rules.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company amongst others, 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 procure subscribers for or purchasers for, or failing which to subscribe for or purchase themselves, their respective applicable proportions of the International Offering Shares being offered pursuant to the International Offering which are not taken up under the International Offering.

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Stabilizing Manager (in consultation with the Joint Global Coordinators) on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 225,000,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the same price per Share under the International Offering to cover, among other things, over-allocations (if any) in the International Offering.

Total Commission and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 3.5% of the total Offer Price for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commission. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, our Company will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the Joint Global Coordinators and the relevant International Underwriters (but not the Hong Kong Underwriters).

Assuming an Offer Price of HK$2.35 per Offer Share (being the mid-point of the indicative offer price range of HK$1.92 to HK$2.78 per Share) and the Over-allotment Option is not exercised, the aggregate commissions and fees, together with the listing fees, SFC transaction levy, investor compensation levy, the Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering incurred by our Company are estimated to be approximately HK$177.0 million in total, of which approximately HK$24.0 million has already been paid by the Company.

Our Company has agreed to indemnity the Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement or the International Underwriting Agreement and any breach of our Company of the Hong Kong Underwriting Agreement or the International Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Save as disclosed in the section entitled "Underwriting – Underwriting Arrangements and Expenses" in this prospectus and save for their obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters is interested legally or beneficially in any shares or Securities in our Company or any other member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase, any shares or securities in our Company or any other members of our Group in the Global Offering.

Sponsors' Independence

Each of Deutsche Bank and J.P. Morgan Asia Pacific satisfies the independence criteria applicable to sponsors set out Rule 3A.07 of the Listing Rules.

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 Deutsche Bank or any person acting for it 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 as their underlying, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activity 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 underlying, whether on the Stock Exchange or on any other stock exchange, the rules of the 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 this activity may occur both during and after the end of the stabilizing period described under the section headed "Information about this Prospectus and the Global Offering — Over-Allotment and Stabilization" in this prospectus. This activity may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the share price, and the extent to which this occurs from day to day cannot be estimated.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(i) the Hong Kong Public Offering of 150,000,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the section entitled "The Hong Kong Public Offering" below; and

(ii) the International Offering of an aggregate of 1,350,000,000 Offer Shares (subject to adjustment as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, and in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements under the U.S. Securities Act.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 25% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the Capitalization Issue, without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the enlarged issued share capital immediately after completion of the Global Offering, the Capitalization Issue and the exercise of the Over-allotment Option as set out in the paragraph headed "Over-allotment Option" below.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 150,000,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. The Hong Kong Offer Shares will represent 2.5% of our Company's registered share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the section entitled "Conditions of the Hong Kong Public Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely 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 Offer Shares validly applied for by applicants, but, subject to that, will be made strictly on a pro-rata basis. Such allocation 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 Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into 2 pools for allocation purposes: pool A and pool B. The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable) or less. The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable). Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If 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 this other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefore (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 75,000,000 Offer Shares are liable to be rejected.

Reallocation

The allocation of the Offer Shares between (i) the Hong Kong Public Offering and (ii) the International Offering is subject to adjustment. If the number of Offer 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 initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 450,000,000 Offer Shares (in the case of (i)), 600,000,000 Offer Shares (in the case of (ii)) and 750,000,000 Offer Shares (in the case of (iii)) representing 30%, 40% and 50% of the Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deems appropriate. In addition, the Joint Global Coordinators may allocate Offer Shares from 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 for, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Global Coordinators deems appropriate.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

The listing of the Offer Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK$2.78 per Share in addition to any brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the section entitled "Pricing of the Global Offering" below, is less than the maximum price of HK$2.78 per Share, appropriate refund payments (including the brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section entitled "How to Apply For Hong Kong Offer Shares."

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to reallocation as described above, the International Offering will consist of an aggregate of 1,350,000,000 Offer Shares.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the section entitled "Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and its shareholders as a whole.

The Joint Global Coordinators (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 to the Joint Global Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant an Over-allotment Option to the International Underwriters exercisable by the Stabilizing Manager (in consultation with the Joint Global Coordinators) on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Stabilizing Manager (in consultation with the Joint Global Coordinators) have the right, exercisable 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 225,000,000 additional Offer Shares, representing 15% of the initial Offer Shares, at the same price per Share under the International Offering to cover, among other things, over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.6% of our Company's enlarged share capital immediately following the completion of the Capitalization Issue and the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

PRICING OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of 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, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Thursday, April 28, 2011, and in any event on or before Wednesday, May 4, 2011, by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and our Company and the number of Offer Shares to be allocated under various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$2.78 per Share and is expected to be not less than HK$1.92 per Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. **Prospective investors 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 Global Coordinators, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering 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 a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in the South China Morning Post and the Hong Kong Economic Times notices of the reduction. Upon issue of such a notice, the number of Offer Shares offered in the Global Offering and/or the revised offer price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Global Coordinators, on behalf of the Underwriters and our Company, will be fixed within such revised offer price range. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the profit forecast for the six months ending June 30, 2011 and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the Offer Price, if agreed upon with our Company and the Joint Global Coordinators, will under no circumstances be set outside the offer price range as stated in this prospectus.

The net proceeds of the Global Offering accruing to our Company (after deduction of underwriting fees and estimated expenses payable by our Company in relation to the Global Offering, assuming the Over-allotment Option is not exercised) are estimated to be approximately HK$3,994.4 million, assuming an Offer Price per Share of HK$2.78, or approximately HK$2,749.6 million, assuming an Offer Price per Share of HK$1.92 (or if the Over-allotment Option is exercised in full, approximately HK$4,598.0 million, assuming an Offer Price per Share of HK$2.78, or approximately HK$3,166.5 million, assuming an Offer Price per Share of HK$1.92).

The final Offer Price, the indications of interest in the Global Offering, the results of applications and the basis of allotment of Offer Shares available under the Hong Kong Public Offering, are expected to be announced on Thursday, May 5, 2011 in the South China Morning Post and the Hong Kong Economic Times.

HONG KONG UNDERWRITING AGREEMENT

The Hong Kong Public Offering is fully underwritten, subject to the Offer Price being agreed upon between the Company and the Joint Global Coordinators (or behalf of the Underwriters) by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section entitled "Underwriting."

STOCK BORROWING

In order to facilitate settlement of over-allocations in connection with the International Offering, a Stock Borrowing Agreement will be entered into between Best Outlook and Deutsche Bank in compliance with Rule 10.07(3) of the Listing Rules. Under the Stock Borrowing Agreement, Best Outlook will agree with Deutsche Bank that if requested by Deutsche Bank, it will, subject to the terms of the Stock Borrowing Agreement, make available to Deutsche Bank up to 225,000,000 Shares held by it, by way of stock lending, in order to cover over-allocations in connection with the International Offering on the conditions that:

(i) such stock borrowing arrangement will only be effected by Deutsche Bank for settlement of over-allocations of Shares in connection with the International Offering;

(ii) the maximum number of Shares which must be borrowed from Best Outlook by Deutsche Bank under the Stock Borrowing Agreement must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;

(iii) the same number of Shares so borrowed must be returned to Best Outlook or its nominees, as the case may be, 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;

(iv) the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws and regulatory requirements; and

(v) no payments or other benefits will be made to Best Outlook by Deutsche Bank or any of the International Underwriters in relation to such stock borrowing arrangement.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, May 6, 2011, it is expected that dealings in the Offer Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, May 6, 2011.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

(i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Offer Shares being offered pursuant to the Global Offering (including the additional Offer Shares which may be made available pursuant to the exercise of the Over-allotment Option) (subject only to allotment);

(ii) the Offer Price having been fixed on or around the Price Determination Date;

(iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iv) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective 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 8:00 a.m. on May 6, 2011.

If, for any reason, the Offer Price is not agreed between our Company and the Joint Global Coordinators (on behalf of the Underwriters) by May 4, 2011, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company in the South China Morning Post and the Hong Kong Economic Times on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section entitled "How to Apply for Hong Kong Offer Shares." In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banker or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Shares are expected to be issued on Thursday, May 5, 2011 but will only become valid certificates of title at 8:00 a.m. on Friday, May 6, 2011 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in the section entitled "Underwriting — Grounds for Termination" has not been exercised.

WHO CAN APPLY FOR HONG KONG OFFER SHARES

You can apply for the Hong Kong 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 United States person (as defined in Regulation S), or a legal or natural person of the PRC (except qualified domestic institutional investors).

If you wish to apply for Hong Kong Offer Shares by means of White Form eIPO, 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**.

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 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 Global Coordinators (or its respective agents or nominees) may accept it at their discretion, and subject to any conditions it thinks fit, including production of evidence of the authority of the attorney.

The number of joint applicants may not exceed four.

Our Company, the Joint Global Coordinators, or the designated **White Form eIPO** Service Provider (where applicable) or our respective agents have full discretion to reject or accept any application, in full or in part, without assigning any reason.

CHANNELS OF APPLYING FOR THE HONG KONG OFFER SHARES

There are three channels to make an application for the Hong Kong Offer Shares. You may apply for the Hong Kong Offer Shares by either using a **WHITE** or **YELLOW** Application Form or apply online through the designated website of the White Form eIPO Service Provider, referred to herein as the ''White Form eIPO'' service or giving **electronic application instructions** to HKSCC to cause HKSCC Nominees to apply for the Hong Kong 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 by giving **electronic application instructions** to HKSCC or to the designated White Form eIPO Service Provider through the White Form eIPO Service.

I. Applying by using a WHITE or YELLOW Application Form

Which Application Form to use

Use a **WHITE** Application Form if you want the Offer Shares to be issued in your own name.

Use a **YELLOW** Application Form if you want the 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.

Note:

The Offer Shares are not available to existing beneficial owners of Shares in our Company, Directors or chief executives of our Company or any of its subsidiaries, or associates of any of them or to legal or natural persons of the PRC (other than Hong Kong, Macao and Taiwan) or U.S. persons (as defined in Regulation S) or persons who do not have a Hong Kong address.

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 Wednesday, April 20, 2011 until 12:00 noon on Wednesday, April 27, 2011 from:

Any of the following addresses of the Hong Kong Underwriters:

1. Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

2. J.P. Morgan Securities (Asia Pacific) Limited, 28/F, Chater House, 8 Connaught Road Central, Central, Hong Kong

3. Standard Chartered Securities (Hong Kong) Limited, 15/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

4. BOCI Asia Limited, 26/F, Bank of China Tower, 1 Garden Road, Hong Kong

or any of the following branches of Standard Chartered Bank (Hong Kong) Limited:

	Branch Name	Address
Hong Kong Island	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	North Point Centre Branch	North Point Centre, 284 King's Road, North Point
	Yun Ping Road Branch	G/F to 2/F, Fortune Centre, 4-48 Yun Ping Road, Causeway Bay, Hong Kong
	Hennessy Road Branch	399 Hennessy Road, Wanchai
Kowloon	Kwun Tong Branch	1A Yue Man Square, Kwun Tong
	Tsimshatsui Branch	G/F, 10 Granville Road, Tsimshatsui
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
New Territories	Shatin Centre Branch	Shop 32C, Level 3, Shatin Shopping Arcade, Shatin Centre, 2-16 Wang Pok Street, Shatin
	Yuen Long Fung Nin Road Branch	Shop B at G/F and 1/F, Man Cheong Building, 247 Castle Peak Road, Yuen Long
	Tuen Mun Town Plaza Branch	Shop No. G047–G052, Tuen Mun Town Plaza Phase I, Tuen Mun

or any of the following branches of Bank of China (Hong Kong) Limited;

	Branch Name	Address
Hong Kong Island......	Bank of China Tower Branch	3/F, 1 Garden Road
	Chai Wan Branch	Block B, Walton Estate, 341-343 Chai Wan Road, Chai Wan
	Connaught Road Central Branch	13-14 Connaught Road Central
	King's Road Branch	131-133 King's Road, North Point
Kowloon	Hoi Yuen Road Branch	55 Hoi Yuen Road, Kwun Tong
	Mong Kok (President Commercial Centre) Branch	608 Nathan Road, Mong Kok
	Humphrey's Avenue Branch	4-4A Humphrey's Avenue, Tsim Sha Tsui
	Hung Hom (Eldex Industrial Building) Branch	21 Ma Tau Wai Road, Hung Hom
New Territories	East Point City Branch	Shop 101, East Point City, Tseung Kwan O
	Castle Peak Road (Yuen Long) Branch	162 Castle Peak Road, Yuen Long

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, April 20, 2011 until 12:00 noon on Wednesday, April 27, 2011 from:

(1) the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong; or

(2) your stockbroker, who may have such Application Forms and this prospectus available.

How to complete the Application Form and make payment

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.

You should note that by completing and submitting the Application Form, amongst other things, you:

(i) agree with our Company and each shareholder of our Company, and our Company agrees with each of its shareholders, to observe and comply with the Companies Ordinance, the Memorandum and the Articles of Association;

(ii) agree with our Company and each shareholder of our Company that the Shares in our Company are freely transferable by the holders thereof;

(iii) authorize our Company to enter into a contract on your behalf with each of the Directors and officers of our Company whereby each such Director and officer undertakes to observe and comply with his obligations to shareholders as stipulated in the Memorandum and Articles of Association;

(iv) confirm that you 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 the Directors are liable only for the information and representations contained in this prospectus and any supplement thereto;

(vi) 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 for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;

(vii) agree to disclose to our Company, its Hong Kong Share Registrar, receiving banker, the Joint Global Coordinators 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 the application;

(viii) instruct and authorize our Company and/or the Joint Global Coordinators as agent for our Company (or their respective agents or nominees) to do on your behalf all things necessary to effect registration of any Hong Kong Offer Shares allocated to you in your name(s) or HKSCC Nominees, as the case may be, as required by the Articles of Association and otherwise to give effect to the arrangements described in this prospectus and the Application Form;

(ix) represent, warrant and undertake that you are not, and none of the other person(s) for whose benefit you are applying, is a U.S. person (as defined in Regulation S);

(x) represent and warrant that you understand that the Shares have not been and will not be registered under the U.S. Securities Act and you are outside the United States (as defined in Regulation S) when completing the Application Form or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xi) 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;

(xii) warrant the truth and accuracy of the information contained in your application;

(xiii) 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;

(xiv) 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;

(xv) undertake and agree to accept the Shares applied for, or any lesser number allocated to you under the application; and

(xvi) 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 Joint Global Coordinators and the Hong Kong Underwriters nor any of their respective officers or advisors 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.

In order for the **YELLOW** Application Forms to be valid:

(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.

(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 of all the joint CCASS Investor Participants; and

(b) the participant I.D. of all joint CCASS Investor Participants 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, CCASS participant I.D. or other similar matters may render the application invalid.

If your application is made through a duly authorized attorney, our Company and the Joint Global Coordinators as its agent may accept it at their discretion, and subject to any conditions they think fit, including evidence of the authority of your attorney. Our Company and the Joint Global Coordinators, in the capacity as its agent, will have full discretion to reject or accept any application, in full or in part, without assigning any reason.

How to make payment for the application

Each completed **WHITE** or **YELLOW** Application Form must be accompanied by either one check or one banker's cashier order, which must be stapled to the top left hand corner of the Application Form.

If you pay by check, the check must:

- be in Hong Kong dollars;
- be drawn on your Hong Kong dollar bank account in Hong Kong;
- bear an account name (or, in the case of joint applicants, the name of the first-named applicant) (either pre-printed on the check or endorsed on the reverse of the check by an authorized signatory of the bank on which it is drawn), which must be the same as the name on your Application Form (or, in the case of joint applicants, the name of the first-named applicant). If the check is drawn on a joint account, one of the joint account names must be the same as the name of the first-named applicant;
- be made payable to "Bank of China (Hong Kong) Nominees Limited – Yuanda China Public Offer";
- be crossed "Account Payee Only"; and
- not be post dated.

Your application may be rejected if your check does not meet all of these requirements or is dishonored on first presentation.

If you pay by banker's cashier order, the banker's cashier order must:

- be in Hong Kong dollars;
- be issued by a licensed bank in Hong Kong and have your name certified on the reverse of the banker's cashier order by an authorized signatory of the bank on which it is drawn. The name on the reverse of the banker's cashier order and the name on the Application Form must be the same. If the application is a joint application, the name on the back of the banker's cashier order must be the same as the name of the first-named applicant;
- be made payable to "Bank of China (Hong Kong) Nominees Limited – Yuanda China Public Offer";
- be crossed "Account Payee Only"; and
- not be post-dated.

Your application may be rejected if your banker's cashier order does not meet all of these requirements.

The right is reserved to present all or any remittance for payment. However, your check or banker's cashier order will not be presented for payment before 12:00 noon on Wednesday, April 27, 2011. Our Company will not give you a receipt for your payment. Our Company will keep any interest accrued on your application monies (up until, in the case of monies to be refunded, the date of dispatch of refund checks). The right is also reserved to retain any Share certificates and/or any surplus application monies or refunds pending clearance of your check or banker's cashier order.

How many applications you may make

You may make more than one application for Hong Kong 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 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.

It will be a term and condition of all applications that by completing and delivering an Application Form, 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 the White Form eIPO Service;

- (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 the White Form eIPO Service and that you are duly authorized to sign the Application Form as that other person's agent.

Except where you are a nominee and provide the information required to be provided in your application, 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 the 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 application instructions** to HKSCC or to the designated White Form eIPO Service Provider through the 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 the White Form eIPO Service for more than 75,000,000 Offer Shares, as more particularly described in the section entitled "Structure of the Global Offering — The Hong Kong Public Offering;" 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.

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 **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 made for your benefit.

Unlisted company means a company with no equity securities listed on the Stock Exchange.

Statutory control means you:

- control the composition of the board of directors of the company; or
- 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).

Members of the public- time for applying for Hong Kong Offer Shares

Completed **WHITE** or **YELLOW** Application Forms, together with payment attached, must be lodged by 12:00 noon on Wednesday, April 27, 2011, or, if the application lists are not open on that day, by the time and date stated in the sub-paragraph headed "Effect of bad weather on the opening of the application lists" below.

Your completed Application Form, together with payment attached, should be deposited in the special collection boxes provided at any of the branches of Standard Chartered Bank (Hong Kong) Limited and Bank of China (Hong Kong) Limited listed under the section entitled "Where to collect the Application Forms" above at the following times:

Wednesday, April 20, 2011 — 9:00 a.m. to 5:00 p.m.
Thursday, April 21, 2011 — 9:00 a.m. to 5:00 p.m.
Tuesday, April 26, 2011 — 9:00 a.m. to 5:00 p.m.
Wednesday, April 27, 2011 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, April 27, 2011. No proceedings will be taken on applications for the Offer Shares and no allotment of any such Offer Shares will be made until after the closing of the application lists. No allotment of any of the Offer Shares will be made later than Thursday, May 5, 2011.

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

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, April 27, 2011. 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 warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

Business day means a day that is not a Saturday, Sunday or public holiday in Hong Kong.

II. Applying through White Form eIPO

General

You may apply through White Form eIPO by submitting an application through the designated website at www.eipo.com.hk. If you apply through White Form eIPO the Shares will be issued in your own name. 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 us.

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, prior to making any application.

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 our Hong Kong Share Registrar.

You may submit an application through the White Form eIPO Service in respect of a minimum of a board lot of 2,000 Hong Kong Offer Shares. Each electronic application instruction in respect of more than a board lot of 2,000 Hong Kong 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.

You should give electronic application instructions through White Form eIPO at the times set out under this section entitled “Time for Applying Through White Form eIPO Service” below.

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 April 27, 2011, or at such later time as described under this section entitled “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.

Warning: The application for Hong Kong 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 Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors and the Hong Kong Underwriters take no responsibility for such applications, and provide no assurance that applications through the White Form eIPO Service will be submitted to us or that you will be allotted any Hong Kong Offer Shares.

Environmental Protection

The obvious advantage of White Form eIPO is to save the use of papers 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 for each "Yuanda China Holdings 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 Offer 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** Application Form. Please see "How Many Applications You May Make" for more details.

Time for Applying through White Form eIPO Service

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 April 20, 2011 until 11:30 a.m. on April 27, 2011 or such later time as described under the paragraph entitled "Effect of bad weather conditions on the opening of the Application Lists" above (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 April 27, 2011, the last application day, or, if the application lists are not open on that day, then by the time and date stated in "Effect of bad weather conditions on the opening of the Application Lists" above.

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 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.

Additional Information for Applicants Applying Through White Form eIPO

For the purposes of allocating Hong Kong Offer Shares, each applicant giving electronic application instructions through the 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 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.

Publication of results

Our Company expects to announce the basis of allotment, the results of applications and the Hong Kong Identity Card/passport/Hong Kong Business Registration numbers of successful applicants under the Hong Kong Public Offering on Thursday, May 5, 2011 in the manner specified below:

- Results of allocations will be available from the Stock Exchange's website at www.hkexnews.hk;
- Results of allocations will also be available from our website at www.yuandacn.com and our results of allocations website at www.iporesults.com.hk on a 24-hour basis from 8:00 a.m. on Thursday, May 5, 2011 to 12:00 midnight on Wednesday, May 11, 2011. The user will be required to key in the Hong Kong identity card/passport/Hong Kong business registration number provided in his/her/its application to search for his/her/its own allocation result;
- 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 Offer Shares allocated to them, if any, by calling +852 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, May 5, 2011 to Sunday, May 8, 2011;
- Special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual branches and sub-branches from Thursday, May 5, 2011 to Saturday, May 7, 2011 at all the receiving bank branches and sub-branches at the addresses set out in the section headed ''— Where to Collect the Application Forms'' above.

Announcement of the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allotment of the Hong Kong Offer Shares will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), on the website of the Stock Exchange www.hkexnews.hk and on the Company's website at www.yuandacn.com on Thursday, May 5, 2011.

Dispatch/collection of share certificates and refund monies

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$2.78 per Share (excluding brokerage, SFC transaction levy, investor compensation levy and 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 entitled "Structure of the Global Offering — Conditions of the Hong Kong Public Offering" or if any application is revoked or any allotment pursuant thereto has become void, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, investor compensation levy and 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 Offer Shares. No receipt will be issued for sums paid on application but, subject to personal collection 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:

(a) for applications on **WHITE** Application Forms or by White Form eIPO service: (i) Share certificate(s) for all the Hong Kong Offer Shares applied for, if the application is wholly successful; or (ii) Share certificate(s) for the number of Hong Kong Offer Shares successfully applied for, if the application is partially successful (for wholly successful and partially successful applicants on **YELLOW** Application Forms: Share certificates for their Offer Shares successfully applied for will be deposited into CCASS as described below); and/or

(b) 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 (i) the surplus application monies for the Hong Kong Offer Shares unsuccessfully applied for, if the application is partially unsuccessful; or (ii) all the application monies, if the application is wholly unsuccessful; and/or (iii) the difference between the Offer Price and the maximum 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 of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent., attributable to such refund/surplus monies but without interest.

(c) for applicants who apply through the White Form eIPO service by paying the application monies through a single bank account and whose application is wholly or partially unsuccessful and/or the final Offer Price being different from the Offer Price initially paid on the application, e-Refund payment instructions (if any) will be dispatched to the application payment account.

(d) for applicants who apply through the White Form eIPO service by paying the application monies through multiple bank accounts and whose application is wholly or partially unsuccessful and/or the final Offer Price being different from the Offer Price initially paid on the application, refund check(s) will be sent to the address as specified on the White Form eIPO application by ordinary post and at the applicant's own risk.

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 offer price per Share initially paid on application (if any) under **WHITE** or **YELLOW** Application Forms; and Share certificates for wholly and partially successful applicants under **WHITE** Application Forms or to the designated White Form eIPO Service Provider through the White Form eIPO Service are expected to be posted on or before Thursday, May 5, 2011. The right is reserved to retain any Share certificate(s) 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 Friday, May 6, 2011 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the section entitled "Underwriting — Grounds for Termination" has not been exercised.

(a) If you apply using a WHITE Application Form:

- If you apply for 1,000,000 Hong Kong 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) from Computershare Hong Kong Investor Services Limited and have provided all information required by your Application Form, you may collect your refund check(s) (where applicable) and Share certificate(s) (where applicable) from Computershare Hong Kong Investor Services Limited from 9:00 a.m. to 1:00 p.m. on Thursday, May 5, 2011 or such other place and date as notified by our Company in the newspapers as the place and 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 Computershare Hong Kong Investor Services Limited.

- 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 promptly thereafter by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares or if you apply for 1,000,000 Hong Kong Offer Shares or more but have not indicated on your Application 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 Thursday, May 5, 2011, by ordinary post and at your own risk.

(b) If you apply using a YELLOW Application Form:

If you apply for 1,000,000 Hong Kong Offer Shares or more and you have elected on your **YELLOW** Application Form to collect your refund check (where applicable) in person, please follow the same instructions as those for **WHITE** Application Form applicants as described above.

If you apply for less than 1,000,000 Hong Kong Offer Shares or if you apply for 1,000,000 Hong Kong Offer Shares or more but have not indicated on your Application Form that you will collect your refund check(s) (where applicable) in person, your refund check(s) (where applicable) will be sent to the address on your Application Form on Thursday, May 5, 2011, by ordinary post and at your own risk.

If you apply for Hong Kong 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 Thursday, May 5, 2011, 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 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 Offer Shares allocated to you with that CCASS Participant.

If you are applying as a CCASS Investor Participant, our Company expects to publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner as described in the section headed "Publication of Results" above on Thursday, May 5, 2011. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, May 5, 2011 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong 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 Offer Shares credited to your stock account.

(c) If you apply through White Form eIPO service:

If you apply for 1,000,000 Hong Kong Offer Shares or more through the White Form eIPO service and your application is wholly or partially successful, you may collect your share certificate(s) in person from Computershare Hong Kong Investor Services Limited from 9:00 a.m. to 1:00 p.m. on Thursday, May 5, 2011, or such other date as notified by the Company in the newspapers as the date of dispatch of e-Refund payment instructions/refund checks/share certificates. 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 promptly thereafter by ordinary post and at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares or, if you apply for 1,000,000 Hong Kong Offer Shares or more but have not indicated on you application that you will collect your Share certificates in person, your Share certificate(s) will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider on or before Thursday, May 5, 2011 by ordinary post and at your own risk.

If you apply through the White Form eIPO service by paying the application monies through a single bank account and your application is wholly or partially unsuccessful and/or the final Offer Price being different from the Offer Price initially paid on your application, e-Refund payment instructions (if any) will be dispatched to the application payment account on or before Thursday, May 5, 2011.

If you apply through the White Form eIPO service by paying the application monies through multiple bank accounts and your application is wholly or partially unsuccessful and/or the final Offer Price being different from the Offer Price initially paid on your application, refund check(s) will be sent to the address specified in your application instructions to the designated White Form eIPO Service Provider on or before Thursday, May 5, 2011, by ordinary post and at your own risk.

III. Applying by giving electronic application instructions to HKSCC

General

CCASS Participants may give **electronic application instructions** to HKSCC to apply for the Hong Kong 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.

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 Center
2nd Floor
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 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 its registrars.

Giving electronic application instructions to HKSCC to apply for Hong Kong 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 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;

(ii) HKSCC Nominees does the following things on behalf of each such person:

- agrees that the Hong Kong Offer Shares to be allotted 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 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 Directors and the Joint Global Coordinators in deciding whether or not to make any allotment of Hong Kong 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 Offer Shares allotted 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 the Directors are liable only for the information and representations contained in this prospectus;

- agrees to disclose that person's personal data to our Company, the Joint Global Coordinators and/or their respective agents and any information which they may require about that person;
- 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 **electronic application instructions** given by that person is irrevocable before May 20, 2011, 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 Offer Shares to any person before May 20, 2011, except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the opening of the Application Lists (excluding for this purpose any day which is Saturday, Sunday or a public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 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 Offer Shares;
- agrees with our Company, for itself and for the benefit of each of the shareholders of our Company (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 itself and on behalf of each of the shareholders of our Company, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, the Memorandum and Articles of Association;
- agrees with our Company (for our Company itself and for the benefit of each of the shareholders of our Company) that the Shares in our Company are freely transferable by the holders thereof;

- authorizes our Company to enter into a contract on its behalf with each of the Directors and officers of our Company whereby each such Director and officer undertakes to observe and comply with his obligations to shareholders stipulated in the Memorandum and Articles of Association; and

- 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 the Hong Kong Offer Shares on your behalf;

- instructed and authorized HKSCC to arrange payment of the maximum offer price, brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or 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, investor compensation levy and 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 Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong 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 Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

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 Offer Shares. Such instructions in respect of more than 2,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms.

Time for inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Wednesday, April 20, 2011 — 9:00 a.m. to 8:30 p.m.(1)
Thursday, April 21, 2011 — 8:00 a.m. to 8:30 p.m.(1)
Tuesday, April 26, 2011 — 8:00 a.m. to 8:30 p.m.(1)
Wednesday, April 27, 2011 — 8:00 a.m.(1) to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, April 20, 2011 until 12:00 noon on Wednesday, April 27, 2011.

Effect of bad weather on the last application day

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, April 27, 2011, the last application day. If:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning signal

is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, April 27, 2011, the last application day will be postponed to 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 noon on such day.

Business day means a day that is not a Saturday, Sunday or public holiday in Hong Kong.

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong 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.

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 Thursday, May 5, 2011, or, in the event of a contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner described in the section headed "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, May 5, 2011 or such other date as shall be determined by HKSCC or 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 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 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 Thursday, May 5, 2011. Immediately following the credit of the Hong Kong Offer Shares to your CCASS Investor Participant stock account and the credit of refund monies to your designated bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong 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 offer price per Share initially paid on application, in each case including brokerage of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent., will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, May 5, 2011. No interest will be paid thereon.

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.

Personal Data

The section of the Application Form entitled "Personal Data" applies to any personal data held by our Company and the Offer Share registrar about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

Warning

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Our Company, the Directors, the Joint Global Coordinators and the Underwriters take no responsibility for the application and provide no assurance that any CCASS Participant will be allotted any Hong Kong 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 Center to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, April 27, 2011.

IV. Circumstances in which you will not be allotted Hong Kong Offer Shares

Full details of the circumstances in which you will not be allotted the Hong Kong Offer Shares are set out in the notes attached to the Application Forms (whether you are making your application by an Application Form or electronically instructing HKSCC to cause HKSCC Nominees to apply on your behalf), and you should read them carefully. You should note in particular the following situations in which Hong Kong Offer Shares will not be allotted to you:

- ***If your application is revoked***

By completing and submitting an Application Form, you agree that your application or the application made by HKSCC on your behalf is irrevocable on or before May 20, 2011. This agreement will take effect as a collateral contract with our Company, and will become binding when you lodge your Application Form. This collateral contract will be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before May 20, 2011 except by means of one of the procedures referred to in this prospectus.

However, HKSCC may revoke the application before the fifth day after the time of the opening of the Application Lists (excluding for this purpose any day which is a Saturday, Sunday or a public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies Ordinance gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus.

If any supplement to this prospectus is issued, applicant(s) 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 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 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 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 allocation, 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.

- ***If our Company, the Joint Global Coordinators or their respective agents exercise their discretion to reject your application***

Our Company, the Joint Global Coordinators (as agents of our Company) or their respective agents have full discretion to reject or accept any application, or to accept only part of any application without having to give any reasons for any rejection or acceptance.

- ***If the allotment of Hong Kong Offer Shares is void***

The allotment of Hong Kong Offer Shares to you or to HKSCC Nominees (if you give **electronic application instructions** or apply by a **YELLOW** Application Form) will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Offer 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 of the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

- ***You will not receive any allotment if:***

  - you make multiple applications or suspected multiple applications;
  - 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) Hong Kong Offer Shares and/or Offer Shares in the International Offering. By filling in any of the Application Forms or apply by giving **electronic application instructions** to HKSCC, you agree not to apply for Hong Kong 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 Offer Shares in the Hong Kong Public Offering;

- 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;
- your Application Form is not completed in accordance with the instructions as stated in the Application Form (if you apply by an Application Form);
- 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;
- 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 Offer Shares under the Hong Kong Public Offering or indicate an interest for Offer Shares under the International Offering, but may not do both.

V. How much are the Hong Kong Offer Shares

The maximum offer price is HK$2.78 per Share. You must also pay brokerage of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent. in full. This means that for one board lot of 2,000 Offer Shares you will pay HK$5,616.05. The Application Forms have tables showing the exact amount payable for certain numbers of Offer Shares up to 75,000,000 Offer Shares.

You must pay the amount payable upon application for the Offer 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 Stock Exchange or the Stock Exchange (as the case may be), the SFC transaction levy, investor compensation levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy and the investor compensation levy, collected on behalf of the SFC).

VI. Refund of application monies

If you do not receive any Hong Kong Offer Shares for any reason, our Company will refund your application monies, including brokerage of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent. No interest will be paid thereon. All interest accrued on such monies prior to 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 of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent., without interest.

If the Offer Price as finally determined is less than the offer price per Share (excluding brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee thereon) initially paid on application, our Company will refund the surplus application monies, together with the related brokerage of 1 per cent., SFC transaction levy of 0.003 per cent., and Stock Exchange trading fee of 0.005 per cent., without interest.

In a contingency situation involving a substantial over-subscription, at the discretion of our Company and the Joint Global Coordinators, checks for applications for certain small denominations of Hong Kong Offer Shares (apart from successful applications) may not be cleared.

Refund of your application monies (if any) will be made on Thursday, May 5, 2011 in accordance with the various arrangements as described above.

All refund checks will be crossed "Account Payee Only", and made out to you (or in case of joint applicants, the first-named applicant on the Application Form). Part of your Hong Kong identity card number/passport number, (or in case of joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant) provided by you may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purpose. A 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.

VII. Dealings and settlement

Commencement of dealings in the Shares

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, May 6, 2011.

The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 2789.

Offer Shares will be eligible for admission into CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies 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 Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the 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.

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.

The following is the text of a report, prepared for the purpose of incorporation in this Prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

20 April 2011

The Directors
Yuanda China Holdings Limited

Deutsche Bank AG, Hong Kong Branch
J.P. Morgan Securities (Asia Pacific) Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to Yuanda China Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") including the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Group, for each of the years ended 31 December 2008, 2009 and 2010 (the "Track Record Period"), and the consolidated balance sheets of the Group as at 31 December 2008, 2009 and 2010, together with the notes thereto (the "Financial Information"), for inclusion in the prospectus of the Company dated 20 April 2011 (the "Prospectus").

The Company was incorporated in the Cayman Islands on 26 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation completed on 13 November 2010 (the "Reorganisation") as detailed in the section headed "History and Reorganisation" in the Prospectus, the Company became the holding company of the companies now comprising the Group, details of which are set out in Section A below. The Company has not carried on any business since the date of its incorporation save for the aforementioned Reorganisation.

As at the date of this report, no audited financial statements have been prepared for LLC Yuanda Curtain Wall, Yuanda USA Corporation, Yuanda Canada Enterprises Ltd., Yuanda Aluminium Industry Engineering (Germany) GmbH, Yuanda Korea Co., Ltd., Shenyang Yuanda Aluminium Industry Engineering Co., BR, Well Galaxy Limited, Eurl Yuanda France, Yuanda (Hong Kong) Holdings Limited, Endai Japan Co., Ltd., PT. Shenyang Yuanda Aluminium Industry Engineering and Yuanda Curtain Wall (Singapore) Pte. Ltd., as they either have not carried on any business since the date of incorporation or are investment holding companies and/or not subject to statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.

Except for Yuanda Aluminium Engineering (India) Private Limited, all companies now comprising the Group have adopted 31 December as their financial year end date. Details of the companies comprising the Group that are subject to audit during the Track Record Period and the names of the respective auditors are set out in Section C Note 37. The statutory financial statements of these companies were prepared in accordance with Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (the "PRC") or the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated.

The directors of the Company have prepared the consolidated financial statements of the Group for the Track Record Period in accordance with the basis of preparation set out in Section A below and the accounting policies set out in Section C below (the "Underlying Financial Statements"). The Underlying Financial Statements for each of the years ended 31 December 2008, 2009 and 2010 were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures.

BASIS OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with the Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA.

We have not audited any financial statements of the Company, its subsidiaries or the Group in respect of any period subsequent to 31 December 2010.

OPINION

In our opinion, for the purpose of this report, the Financial Information, on the basis of preparation set out in Section A below, gives a true and fair view of the Group's consolidated results and cash flows for the Track Record Period, and the state of affairs of the Group as at 31 December 2008, 2009 and 2010.

A BASIS OF PREPARATION

As detailed in the section headed "History and Reorganisation" in the Prospectus, the Company was incorporated in the Cayman Islands on 26 February 2010 as part of the Reorganisation undertook by the Group. Upon completion of the Reorganisation on 13 November 2010, the Company became the holding company of the companies now comprising the Group. The companies taking part in the Reorganisation were controlled by the same ultimate equity shareholder, namely Mr Kang Baohua (the "Controlling Shareholder") during the Track Record Period.

Because the companies now comprising the Group were controlled by the Controlling Shareholder before and after the Reorganisation and, consequently there was a continuation of the risks and benefits to the Controlling Shareholder, and the Financial Information has been prepared using the merger basis of accounting as if the Group has always been in existence. The net assets of the companies comprising the Group are consolidated using the book values from the Controlling Shareholder's perspective. The equity interests of equity shareholders other than the Controlling Shareholder in the companies comprising the Group have been presented as non-controlling interests in the Group's Financial Information.

The consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Group for the Track Record Period, as set out in Section B, include the results of operations of the companies comprising the Group for the Track Record Period (or where the companies were incorporated/established at a date later than 1 January 2008, for the period from their respective incorporation/establishment dates to 31 December 2010) as if the current group structure had been in existence throughout the Track Record Period. The consolidated balance sheets of the Group as at 31 December 2008, 2009 and 2010, as set out in Section B, have been prepared to present the state of affairs of the companies comprising the Group as at the respective dates as if the current group structure had been in existence as at the respective dates.

All material intra-group transactions and balances have been eliminated on consolidation.

As at the date of this report, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies. The particulars of these subsidiaries are set out below:

Name of subsidiary	Place and date of incorporation/establishment	Particulars of registered/issued and paid-up capital	Equity interests attributable to equity shareholders of the Company		Principal activities
			Direct	Indirect	
Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda") 瀋陽遠大鋁業工程有限公司*	The PRC 17 April 1993	Registered and paid-up capital of United States Dollar ("USD")153,906,100	–	100%	Design, procurement, production, sale and installation of curtain wall systems

Name of subsidiary	Place and date of incorporation/establishment	Particulars of registered/issued and paid-up capital	Equity interests attributable to equity shareholders of the Company Direct	Indirect	Principal activities
Shanghai Yuanda Aluminium Industry Engineering Co., Ltd. 上海遠大鋁業工程有限公司**	The PRC 24 March 1998	Registered and paid-up capital of Renminbi ("RMB") 15,000,000	–	100%	Design, procurement, production, sale and installation of curtain wall systems
Shenyang Haihui Technology Investment Co., Ltd. 瀋陽海慧科技投資有限公司**	The PRC 20 April 2000	Registered and paid-up capital of RMB5,000,000	–	100%	Provision of products and services to group companies
Yuanda (UK) Co., Ltd. 遠大英國有限公司***	United Kingdom 30 April 2002	Issued and paid-up capital of British Pound Sterling ("GBP")500,000	–	60%	Design, procurement, assembly, sale and installation of curtain wall systems
Shenyang Yuanda Metal Coating Co., Ltd. 瀋陽遠大金屬噴塗有限公司**	The PRC 19 March 2003	Registered and paid-up capital of RMB7,000,000	–	100%	Plating and coating of metals
Shenyang Yuanhai Trading Co., Ltd. 瀋陽遠海貿易有限公司**	The PRC 9 January 2004	Registered and paid-up capital of RMB1,000,000	–	100%	Trading of sealant
Foshan Yuanda Aluminium Industry Engineering Co., Ltd. 佛山遠大鋁業工程有限公司**	The PRC 9 March 2005	Registered and paid-up capital of RMB20,000,000	–	100%	Provision of products and services to group companies
LLC Yuanda Curtain Wall 遠大幕牆有限公司***	Russian Federation ("Russia") 23 November 2005	Issued and paid-up capital of Russian Ruble 280,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Aluminium Industry Engineering (Macao), Ltd. 遠大鋁業工程(澳門)有限公司***	Macau 22 June 2006	Issued and paid-up capital of Macao Pataca ("MOP")8,028,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Australia Pty Ltd. 遠大澳大利亞有限公司***	Australia 5 September 2006	Issued and paid-up capital of Australian Dollar ("AUD")1,069,291	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems

Name of subsidiary	Place and date of incorporation/establishment	Particulars of registered/issued and paid-up capital	Equity interests attributable to equity shareholders of the Company		Principal activities
			Direct	Indirect	
Yuanda USA Corporation 遠大美國有限公司***	United States of America ("U.S.") 16 May 2007	Issued and paid-up capital of USD1,000,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Qatar Aluminium Industry Engineering Co., W.L.L 遠大鋁業(卡塔爾)工程有限公司*** ...	State of Qatar ("Qatar") 11 February 2008	Issued and paid-up capital of Qatar Riyal ("QAR")200,000	–	100%#	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Canada Enterprises Ltd. 遠大加拿大有限公司***	Canada 15 April 2008	Issued and paid-up capital of USD500,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Aluminium Industry Engineering (Germany) GmbH 遠大鋁業工程(德國)有限公司***	Germany 28 April 2008	Issued and paid-up capital of Euro100,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Aluminium Engineering (India) Private Limited 遠大鋁業工程(印度)私人有限公司*** ...	Republic of India ("India") 28 July 2008	Issued and paid-up capital of Indian Rupee ("INR")1,476,200	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Europe Ltd. 遠大歐洲有限公司***	Switzerland 29 July 2008	Issued and paid-up capital of Swiss Franc ("CHF")1,000,000	–	60%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Curtain Wall (Hong Kong) Company Limited 遠大幕牆(香港)有限公司***	Hong Kong 14 May 2009	Issued and paid-up capital of Hong Kong Dollar ("HK$")2,000,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Kuwait General Contracting for Buildings Underes 遠大科威特綜合建築承包有限責任公司***	State of Kuwait ("Kuwait") 17 May 2009	Issued and paid-up capital of Kuwaiti Dinar ("KWD")1,000,000	–	100%#	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Curtain Wall (Vietnam) Co., Ltd. 遠大幕牆(越南)有限責任公司***	Socialist Republic of Vietnam ("Vietnam") 29 July 2009	Issued and paid-up capital of USD100,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems

Name of subsidiary	Place and date of incorporation/establishment	Particulars of registered/issued and paid-up capital	Equity interests attributable to equity shareholders of the Company Direct	Indirect	Principal activities
Yuanda Korea Co., Ltd. 遠大韓國有限公司***	Republic of Korea 9 November 2009	Issued and paid-up capital of South Korean Won 684,985,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Shenyang Yuanda Aluminium Industry Engineering Co., BR 瀋陽遠大鋁業工程有限公司沙特公司***	Kingdom of Saudi Arabia 21 November 2009	Issued and paid-up capital of Saudi Arabian Riyal 500,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
Well Galaxy Limited 銀康有限公司***	The British Virgin Islands 25 February 2010	Issued and paid-up capital of USD1	100%	–	Investment holding
Eurl Yuanda France 遠大法國有限公司***	France 18 March 2010	Issued and paid-up capital of Euro20,000	–	60%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda (Hong Kong) Holdings Limited 遠大(香港)控股有限公司***	Hong Kong 23 March 2010	Issued and paid-up capital of HK$1	–	100%	Investment holding, and design, procurement, assembly, sale and installation of curtain wall systems
Endai Japan Co., Ltd. 遠大日本株式會社***	Japan 28 April 2010	Issued and paid-up capital of Japanese Yen ("JPY")180,000,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems
PT. Shenyang Yuanda Aluminium Industry Engineering 遠大鋁業工程印度尼西亞有限公司***	Republic of Indonesia 9 June 2010	Issued and paid-up capital of USD150,000	–	99%	Design, procurement, assembly, sale and installation of curtain wall systems
Yuanda Curtain Wall (Singapore) Pte. Ltd. 遠大幕牆(新加坡)有限公司***	Republic of Singapore 27 December 2010	Issued and paid-up capital of Singapore Dollar ("SGD")1,950,000	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems

* This company is a wholly foreign owned enterprise established in the PRC.

** These companies are limited liability companies established in the PRC.

*** These companies are limited liability companies incorporated outside of the PRC.

\# The Group, through Shenyang Yuanda, owns 49% equity interests in these companies, where the remaining 51% equity interests are held on trust for Shenyang Yuanda by individuals resided in the respective jurisdictions. In accordance with the respective agreements, these individuals do not have the right to vote or receive dividends declared or participate in the liquidation of these companies. Accordingly, the directors of the Company consider the Group effectively owns 100% equity interests in these companies.

B FINANCIAL INFORMATION

1 CONSOLIDATED INCOME STATEMENTS

(Expressed in RMB)

	Section C Note	Years ended 31 December 2008 RMB'000	2009 RMB'000	2010 RMB'000
Turnover	*2, 11*	5,911,266	7,062,004	9,260,912
Cost of sales		(4,762,991)	(5,405,315)	(7,186,741)
Gross profit		1,148,275	1,656,689	2,074,171
Other revenue	*3*	19,228	25,753	18,132
Other net income/(loss)	*3*	12,838	(3,548)	119
Selling expenses		(155,905)	(193,610)	(230,054)
Administrative expenses		(532,548)	(613,855)	(776,206)
Profit from operations		491,888	871,429	1,086,162
Finance costs	*4(a)*	(112,941)	(41,889)	(84,805)
Profit before taxation	*4, 11*	378,947	829,540	1,001,357
Income tax	*5(a)*	(54,287)	(181,709)	(214,140)
Profit for the year		324,660	647,831	787,217
Attributable to:				
Equity shareholders of the Company		327,841	660,546	806,132
Non-controlling interests		(3,181)	(12,715)	(18,915)
Profit for the year		324,660	647,831	787,217
Earnings per share				
– Basic and diluted (RMB)	*10*	0.07	0.15	0.18

The accompanying notes form part of the Financial Information. Details of dividends payable to equity shareholders of the Company attributable to the profits during the Track Record Period are set out in Section C Note 28(b).

2 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in RMB)

	Section C	Years ended 31 December		
	Note	2008	2009	2010
		RMB'000	RMB'000	RMB'000
Profit for the year		324,660	647,831	787,217
Other comprehensive income for the year (after tax and reclassification adjustments)	*9*			
Exchange differences on translation into presentation currency		(14,475)	(8,990)	16,502
Cash flow hedge: net movements in the hedging reserve		–	3,533	10,493
Total comprehensive income for the year		310,185	642,374	814,212
Attributable to:				
Equity shareholders of the Company		313,391	655,634	835,496
Non-controlling interests		(3,206)	(13,260)	(21,284)
Total comprehensive income for the year		310,185	642,374	814,212

The accompanying notes form part of the Financial Information.

3 CONSOLIDATED BALANCE SHEETS

(Expressed in RMB)

	Section C Note	At 31 December 2008	2009	2010
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	*12*	676,413	650,690	774,955
Lease prepayments	*13*	298,280	414,634	614,672
Deferred tax assets	*25(c)*	67,216	93,525	95,006
		1,041,909	1,158,849	1,484,633
Current assets				
Inventories	*14*	241,369	256,530	366,783
Gross amount due from customers for contract work	*15*	1,448,961	1,826,142	2,684,915
Trade and bills receivables	*16*	567,042	843,661	1,231,888
Deposits, prepayments and other receivables	*17*	414,773	510,800	549,839
Amounts due from the Controlling Shareholder and his affiliates	*18*	616,362	181,692	17,395
Cash and cash equivalents	*19*	737,631	705,905	533,723
		4,026,138	4,324,730	5,384,543
Current liabilities				
Trade and bills payables	*20*	1,030,260	1,233,364	1,792,796
Gross amount due to customers for contract work	*15*	1,055,305	1,312,894	883,479
Receipts in advance	*21*	347,901	286,386	165,692
Accrued expenses and other payables	*22*	358,305	421,301	497,546
Amounts due to the Controlling Shareholder and his affiliates	*23*	98,989	301,718	285,297
Bank and other loans	*24(a)*	575,440	669,500	1,827,474
Income tax payable	*25(a)*	58,382	107,040	140,222
Provision for warranties	*26*	22,336	45,647	60,204
		3,546,918	4,377,850	5,652,710
Net current assets/(liabilities)		479,220	(53,120)	(268,167)
Total assets less current liabilities		1,521,129	1,105,729	1,216,466
Non-current liabilities				
Bank loans	*24(b)*	299,000	50,000	–
Redeemable convertible preference shares	*27*	–	–	302,201
Deferred tax liabilities	*25(c)*	280	311	222
Provision for warranties	*26*	28,308	37,707	47,365
		327,588	88,018	349,788
NET ASSETS		1,193,541	1,017,711	866,678

The accompanying notes form part of the Financial Information.

3 CONSOLIDATED BALANCE SHEETS (CONTINUED)

(Expressed in RMB)

	Section C	At 31 December		
	Note	2008	2009	2010
		RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES				
Paid-in/Share capital	*28*	517,431	517,431	1
Reserves	*28*	672,956	510,386	898,148
Total equity attributable to equity shareholders of the Company		1,190,387	1,027,817	898,149
Non-controlling interests		3,154	(10,106)	(31,471)
TOTAL EQUITY		1,193,541	1,017,711	866,678

The accompanying notes form part of the Financial Information.

4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Equity attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Paid-in/Share capital	Capital reserve	Other reserve	PRC statutory reserves	Exchange reserve	Hedging reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Section C Note 28(c))	*(Section C Note 28(d)(i))*	*(Section C Note 28(d)(ii))*	*(Section C Note 28(d)(iii))*	*(Section C Note 28(d)(iv))*	*(Section C Note 28(d)(v))*				
At 1 January 2008	517,431	60,658	–	96,597	(3,725)	–	303,475	974,436	33,183	1,007,619
Changes in equity for 2008:										
Profit/(loss) for the year	–	–	–	–	–	–	327,841	327,841	(3,181)	324,660
Other comprehensive income	–	–	–	–	(14,450)	–	–	(14,450)	(25)	(14,475)
Total comprehensive income	–	–	–	–	(14,450)	–	327,841	313,391	(3,206)	310,185
Contributions from non-controlling interests	–	–	–	–	–	–	–	–	2,584	2,584
Effect on equity arising from the acquisitions of non-controlling interests (Section C Note 29(a))	–	–	12,984	–	–	–	–	12,984	(18,734)	(5,750)
Effect on equity arising from the disposal of subsidiaries under common control (Section C Note 29(c))	–	–	5,377	–	–	–	–	5,377	(10,673)	(5,296)
Appropriation to reserves	–	–	–	49,477	–	–	(49,477)	–	–	–
Dividends approved during the year (Section C Note 28(b))	–	–	–	–	–	–	(115,801)	(115,801)	–	(115,801)
Transactions with equity holders of the Group	–	–	18,361	49,477	–	–	(165,278)	(97,440)	(26,823)	(124,263)
At 31 December 2008	517,431	60,658	18,361	146,074	(18,175)	–	466,038	1,190,387	3,154	1,193,541

The accompanying notes form part of the Financial Information.

4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

(Expressed in RMB)

	Equity attributable to equity shareholders of the Company									
	Paid-in/Share capital	Capital reserve	Other reserve	PRC statutory reserves	Exchange reserve	Hedging reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Section C Note 28(c))	RMB'000 (Section C Note 28(d)(i))	RMB'000 (Section C Note 28(d)(ii))	RMB'000 (Section C Note 28(d)(iii))	RMB'000 (Section C Note 28(d)(iv))	RMB'000 (Section C Note 28(d)(v))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2009	517,431	60,658	18,361	146,074	(18,175)	–	466,038	1,190,387	3,154	1,193,541
Changes in equity for 2009:										
Profit/(loss) for the year	–	–	–	–	–	–	660,546	660,546	(12,715)	647,831
Other comprehensive income	–	–	–	–	(8,445)	3,533	–	(4,912)	(545)	(5,457)
Total comprehensive income	–	–	–	–	(8,445)	3,533	660,546	655,634	(13,260)	642,374
Appropriation to reserves	–	–	–	67,078	–	–	(67,078)	–	–	–
Dividends approved during the year *(Section C Note 28(b))*	–	–	–	–	–	–	(818,204)	(818,204)	–	(818,204)
Transactions with equity holders of the Group	–	–	–	67,078	–	–	(885,282)	(818,204)	–	(818,204)
At 31 December 2009	517,431	60,658	18,361	213,152	(26,620)	3,533	241,302	1,027,817	(10,106)	1,017,711
At 1 January 2010	517,431	60,658	18,361	213,152	(26,620)	3,533	241,302	1,027,817	(10,106)	1,017,711
Changes in equity for 2010:										
Profit/(loss) for the year	–	–	–	–	–	–	806,132	806,132	(18,915)	787,217
Other comprehensive income	–	–	–	–	18,871	10,493	–	29,364	(2,369)	26,995
Total comprehensive income	–	–	–	–	18,871	10,493	806,132	835,496	(21,284)	814,212
Effect on equity arising from the disposal of a subsidiary under common control *(Section C Note 29(d))*	–	–	(984)	(840)	–	–	–	(1,824)	(3,181)	(5,005)
Appropriation to reserves	–	–	–	81,071	–	–	(81,071)	–	–	–
Issuance of shares *(Section C Note 28(c))*	1	–	–	–	–	–	–	1	–	1
Issuance of redeemable convertible preference shares *(Section C Note 27)*	–	30,541	–	–	–	–	–	30,541	–	30,541
Capitalisation of reserves and retained profits	588,679	–	–	(82,753)	–	–	(505,926)	–	–	–
Effect on equity arising from the Reorganisation *(Section C Note 28(c) and 28(d)(ii))*	(1,106,110)	(60,658)	175,986	–	–	–	–	(990,782)	–	(990,782)
Effect on equity arising from the transfer of equity interests of a subsidiary within the Group *(Section C Note 29(e))*	–	–	(3,100)	–	–	–	–	(3,100)	3,100	–
Transactions with equity holders of the Group	(517,430)	(30,117)	171,902	(2,522)	–	–	(586,997)	(965,164)	(81)	(965,245)
At 31 December 2010	1	30,541	190,263	210,630	(7,749)	14,026	460,437	898,149	(31,471)	866,678

The accompanying notes form part of the Financial Information.

5 CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in RMB)

	Section C Note	Years ended 31 December 2008 RMB'000	2009 RMB'000	2010 RMB'000
Operating activities				
Profit before taxation		378,947	829,540	1,001,357
Adjustments for:				
Depreciation and amortisation	*4(c)*	59,606	71,633	78,779
Interest income	*4(a)*	(12,645)	(11,586)	(6,784)
Interest expenses and other borrowing costs	*4(a)*	84,887	90,182	86,415
Net (gain)/loss on disposal of property, plant and equipment	*3*	(48)	13,196	1,574
Changes in working capital:				
Increase in inventories		(32,751)	(15,161)	(110,263)
Increase in gross amount due from customers for contract work		(517,418)	(377,181)	(858,773)
Increase in trade and bills receivables		(115,328)	(308,048)	(373,913)
Increase in deposits, prepayments and other receivables		(65,334)	(91,708)	(34,079)
(Increase)/decrease in amounts due from the Controlling Shareholder and his affiliates		(39,105)	(6,899)	1,854
Increase in trade and bills payables		201,950	203,104	559,715
Increase/(decrease) in gross amount due to customers for contract work		522,510	257,589	(429,415)
Increase/(decrease) in receipts in advance		243,836	(61,515)	(120,694)
Increase in accrued expenses and other payables		168,908	47,222	58,620
Increase/(decrease) in amounts due to the Controlling Shareholder and his affiliates		1,127	38,400	(607)
Increase in provision for warranties	*26*	24,331	32,710	24,215
Cash generated from/(used in) operations		903,473	711,478	(121,999)
PRC income tax paid	*25(a)*	(106,293)	(153,217)	(175,270)
Overseas income tax paid	*25(a)*	(8,809)	(6,898)	(9,372)
Net cash generated from/(used in) operating activities		788,371	551,363	(306,641)

The accompanying notes form part of the Financial Information.

5 CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)

(Expressed in RMB)

	Section C Note	Years ended 31 December 2008 RMB'000	2009 RMB'000	2010 RMB'000
Investing activities				
Payments for purchase of property, plant and equipment		(204,153)	(55,644)	(179,320)
Proceeds from disposal of property, plant and equipment		4,232	2,069	9,575
Payments for land use right premiums		(34,298)	(123,224)	(12,808)
Proceeds from disposal of controlling equity interests in subsidiaries under common control, net of cash disposed of		(1,708)	–	(220)
Interest received		8,392	9,241	14,613
Net cash used in investing activities		(227,535)	(167,558)	(168,160)
Financing activities				
Proceeds from new bank and other loans		970,440	610,000	2,095,084
Repayment of bank and other loans		(654,450)	(764,940)	(984,938)
Proceeds from issuance of shares	*28(c)*	–	–	1
Proceeds from issuance of redeemable convertible preference shares	*27*	–	–	332,132
Net increase in advances granted to the Controlling Shareholder and his affiliates *(Note (i))*		(322,131)	(192,277)	(59,842)
Deemed distributions to an affiliate of the Controlling Shareholder		–	–	(990,782)
Dividends paid to an affiliate of the Controlling Shareholder		–	–	(12,060)
Other finance costs paid		(84,064)	(90,753)	(79,164)
Net cash (used in)/generated from financing activities		(90,205)	(437,970)	300,431
Net increase/(decrease) in cash and cash equivalents		470,631	(54,165)	(174,370)
Cash and cash equivalents at the beginning of the year	*19*	292,356	737,631	705,905
Effect of foreign exchange rate changes		(25,356)	22,439	2,188
Cash and cash equivalents at the end of the year	*19*	737,631	705,905	533,723

Note:

(i) Non-cash transactions

Dividend payables to the Controlling Shareholder of RMB86,851,000, RMB593,427,000 and RMB172,015,000 were used to settle the net amount due from the Controlling Shareholder and his affiliates as at 31 December 2008, 2009 and 2010, respectively.

The accompanying notes form part of the Financial Information.

C NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with IFRSs, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and related interpretations promulgated by the IASB. Further details of the significant accounting policies adopted by the Group are set out in the remainder of this Section C.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Financial Information, the Group has adopted all these new and revised IFRSs to the Track Record Period, except for any new and revised standards or interpretations that are not yet effective for the accounting period ended 31 December 2010. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 January 2010 are set out in Section C Note 35.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

The accounting policies set out below have been applied consistently to all years presented in the Financial Information.

(b) Basis of preparation of the Financial Information

The Financial Information comprises the Group and has been prepared using the merger basis of accounting as if the Group had been in existence throughout the Track Record Period, as further explained in Section A.

(c) Basis of measurement

The Financial Information is presented in RMB, rounded to the nearest thousand.

The Financial Information is prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value (see Section C Note 1(g)).

(d) Use of estimates and judgements

The preparation of Financial Information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Judgements made by management in the application of IFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are discussed in Section C Note 34.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations

Business combinations for entities under common control

Business combinations arising from transfers of equity interests in entities that are under the control of the Controlling Shareholder are accounted for as if the acquisitions had occurred at the beginning of the Track Record Period or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously from the Controlling Shareholder's perspective, any difference between the Group's interest in the carrying value of the assets and liabilities acquired and the cost of transfer of equity interests in the entity is recognised directly in equity.

(f) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is consolidated into the Financial Information from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those equity interests which would result in the Group as a whole having a contractual obligation in respect of those equity interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's equity interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative equity interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the group loses control of a subsidiary, it is accounted for as a disposal of the entire equity interest in that subsidiary, with a resulting gain or loss being recognised in the income statement. Any equity interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment loss (see Section C Note 1(l)(i)), unless the investment is classified as held-for-sale.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in the income statement, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss is in accordance with Section C Note 1(h).

(h) Hedging

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gains or losses on remeasurement of the derivative financial instrument to fair value are recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

(i) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Section C Note 1(l)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Section C Note 1(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

	Estimated useful lives
Plant and buildings	20 years
Machinery and equipment	10 years
Motor vehicles and other equipment	5 years

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the estimated useful life of an asset and its residual value are reviewed annually. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

(j) Research and development expenditure

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

Payment made on the acquisition of land held under an operating lease is stated at cost less accumulated amortisation and impairment losses (see Section C Note 1(l)(ii)). Amortisation is charged to the income statement on a straight-line basis over the period of the lease term.

(l) Impairment of assets

(i) Impairment of investments in equity securities and receivables

Investments in equity securities and receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of assets (continued)

(i) Impairment of investments in equity securities and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For investment in a subsidiary, the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with Section C Note 1(l)(ii). The impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount in accordance with Section C Note 1(l)(ii).

– For receivables carried at amortised cost, the impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these receivables), where the effect of discounting is material. This assessment is made collectively where receivables carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for receivables which are assessed for impairment collectively are based on historical loss experience for receivables with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the receivable's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of receivables whose recoveries are considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against the receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment; and

– pre-paid interests in leasehold land classified as being held under an operating lease.

If such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in the income statement if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(m) Inventories

Inventories record the cost of fixed price construction contracts as well as the cost of some raw materials waiting to be assigned to specific construction contracts. Inventories are carried at the lower of cost and net realisable value. The cost is calculated at acquisition or direct production cost. The cost of inventories includes design costs, raw materials, direct labour, other direct costs and production overheads. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion.

When inventories are assigned to specific construction contracts, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see Section C Note 1(l)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see Section C Note 1(l)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in Section C Note 1(w)(i). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included in the balance sheet under "Trade receivable for contract work". Amounts received before the related work is performed are included in the balance sheet, as a liability, as "Receipts in advance for contract work".

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(r) Convertible preference share capital

Convertible preference share capital is classified as equity if it is non-redeemable, or redeemable or convertible only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Convertible preference share capital that can be converted to ordinary share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible preference share capital is measured as fair value less attributable transaction costs. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in the income statement on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the convertible preference share capital is converted or redeemed.

If the convertible preference share capital is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the convertible preference share capital is redeemed, the capital reserve is released directly to retained profits.

(s) Trade and other payables

Trade and other payables are initially recognised at fair value, and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group's contributions to defined contribution retirement plans are charged to the income statement when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Share-based payments

The fair value of share-based payment awards granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is measured at grant date using either the discount cash flow model or binomial lattice model, taking into account the terms and conditions upon which the share-based payment awards were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share-based payment awards, the total estimated fair value of the share-based payment awards is spread over the vesting period, taking into account the probability that the share-based payment awards will vest.

During the vesting period, the number of share-based payment awards that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share-based payment awards that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the share-based payment award is exercised or the share-based payment award expires.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to business combinations, or items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Sale of raw materials

Other income is recognised when the significant risks and rewards of ownership of the raw materials have been transferred to the customers. Other income excludes value added tax or other sales taxes and is after deduction of any trade discounts. No other income is recognised if there are significant uncertainties regarding recovery of the consideration due, the possible return of raw materials, or continuing management involvement with the raw materials.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Government grants

Government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in the income statement over the useful life of the asset by way of reduced depreciation expense.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Translation of foreign currencies

Foreign currency transactions are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of operations which have a functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into RMB at the closing foreign exchange rates at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(z) Related parties

For the purposes of the Financial Information, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(v) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 TURNOVER

The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

Turnover represents contract revenue derived from the design, procurement, production, sale and installation of curtain wall systems.

The Group's customer base is diversified. There was no customer with transactions that exceeded 10% of the Group's turnover for each of the years ended 31 December 2008, 2009 and 2010. Details of concentrations of credit risk arising from the Group's largest customers are set out in Section C Note 31(a).

Further details regarding the Group's principal activities are disclosed in Section C Note 11.

3 OTHER REVENUE AND OTHER NET INCOME/(LOSS)

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Other revenue			
Government grants	11,967	19,859	15,911
Rental income from operating leases	7,261	5,894	2,221
	19,228	25,753	18,132
Other net income/(loss)			
Net gain from sale of raw materials	12,790	9,648	1,693
Net gain/(loss) on disposal of property, plant and equipment	48	(13,196)	(1,574)
	12,838	(3,548)	119

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Years ended 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Interest on bank advances and other borrowings wholly repayable within five years	52,784	50,136	45,832
Bank charges and other finance costs	32,103	40,046	40,583
Total borrowing costs	84,887	90,182	86,415
Interest income	(12,645)	(11,586)	(6,784)
Net foreign exchange loss/(gain)	40,699	(35,211)	15,943
Forward foreign exchange contracts: cash flow hedges, reclassified from equity *(Section C Note 9(b))*	–	(1,496)	(10,769)
	112,941	41,889	84,805

No borrowing costs have been capitalised during the Track Record Period.

(b) Staff costs#:

	Years ended 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Salaries, wages and other benefits	655,425	752,881	935,946
Contributions to defined contribution retirement plans *(Note (i))*	28,592	41,870	53,385
	684,017	794,751	989,331

Note:

(i) The employees of the subsidiaries of the Group established in the PRC (the "PRC subsidiaries") participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby the PRC subsidiaries are required to contribute to the schemes at rates ranging from 10% to 22% of the employees' basic salaries. Employees of the PRC subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement schemes at their normal retirement age.

4 PROFIT BEFORE TAXATION (CONTINUED)

(b) Staff costs#: (continued)

Note: (continued)

The employees of the subsidiaries of the Group established outside of the PRC (the "overseas subsidiaries") participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby the overseas subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

The Group has no further obligation for payment of other retirement benefits beyond the above annual contributions.

(c) Other items:

	Years ended 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Depreciation and amortisation# *(Section C Notes 12 and 13)*	59,606	71,633	78,779
Impairment losses on trade and other receivables *(Section C Notes 16(b) and 17(a))*	13,832	15,883	31,173
Operating lease charges in respect of land, plant and buildings, motor vehicles and other equipment#	32,840	57,361	68,463
Auditors' remuneration			
– audit services	542	696	786
Research and development costs#	121,438	136,386	200,807
Increase in provision for warranties# *(Section C Note 26)*	27,342	35,697	43,161
Cost of inventories# *(Section C Note 14(b))*	4,762,991	5,405,315	7,186,741

\# Cost of inventories includes RMB370.7 million, RMB427.1 million and RMB558.4 million for each of the years ended 31 December 2008, 2009 and 2010, respectively, relating to staff costs, depreciation and amortisation expenses, operating lease charges, research and development costs and provision for warranties, which amount is also included in the respective total amounts disclosed separately above or in Section C Note 4(b) for each of these types of expenses.

5 INCOME TAX

(a) Income tax in the consolidated income statements represent:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Current taxation *(Section C Note 25(a))*:			
– PRC income tax	78,149	192,927	197,815
– Overseas income tax	8,125	15,846	20,227
	86,274	208,773	218,042
Deferred taxation *(Section C Note 25(b)):*			
– Origination and reversal of temporary differences	(31,987)	(27,064)	(3,902)
	54,287	181,709	214,140

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Profit before taxation	378,947	829,540	1,001,357
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii) and (iii))*	101,223	213,276	259,695
Tax effect of non-deductible expenses *(Note (iv))*	5,032	15,795	13,931
Tax effect of unused tax losses not recognised	12,323	15,141	7,352
Tax concessions *(Note (v))*	(64,291)	(62,503)	(66,838)
Income tax	54,287	181,709	214,140

5 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (continued)

Notes:

(i) The Company and its subsidiary incorporated in the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(ii) Subsidiaries of the Group incorporated in countries other than the PRC and the British Virgin Islands are subject to income tax rates ranging from 8.5% to 35% during the Track Record Period pursuant to the rules and regulations of their respective countries of incorporation.

(iii) The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax rate of 25% for each of the years ended 31 December 2008, 2009 and 2010.

(iv) The amounts mainly comprised non-deductible entertainment expenses and other expenses in excess of the tax deductibility allowance under the PRC tax laws and regulations.

(v) One of the Group's PRC subsidiaries is registered as a foreign investment enterprise, and according to the relevant income tax rules and regulations, this subsidiary is entitled to a 100% relief from PRC Corporate Income Tax in the first and second years and 50% relief for the third to fifth years, commencing from the year ended 31 December 2007, on a portion of profits this subsidiary earned due to the re-investment it had made in 2007.

(vi) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "new tax law") which takes effect on 1 January 2008. According to the new tax law, the applicable income tax rate of the PRC subsidiaries of the Group has changed to 25% with effect 1 January 2008; or gradually increase to 25% over a five-year period if the PRC subsidiary was previously enjoying a preferential tax rate of below 25%.

6 DIRECTORS' REMUNERATION

Details of directors' remuneration during the Track Record Period are set out below:

	Year ended 31 December 2008				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr Kang Baohua	–	131	900	12	1,043
Mr Tian Shouliang	–	131	900	12	1,043
Mr Guo Zhongshan	–	131	900	12	1,043
Mr Wang Yijun	–	132	3,600	12	3,744
Mr Si Zuobao	–	156	3,100	20	3,276
Mr Wu Qingguo	–	131	2,682	12	2,825
Mr Wang Lihui	–	21	543	1	565
Mr Wang Deqiang	–	85	135	11	231
Independent non-executive directors					
Mr Poon Chiu Kwok	–	–	–	–	–
Mr Woo Kar Tung, Raymond	–	–	–	–	–
Mr Pang Chung Fai, Benny	–	–	–	–	–
	–	918	12,760	92	13,770

	Year ended 31 December 2009				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr Kang Baohua	–	132	1,553	17	1,702
Mr Tian Shouliang	–	132	957	17	1,106
Mr Guo Zhongshan	–	132	1,814	17	1,963
Mr Wang Yijun	–	133	1,757	17	1,907
Mr Si Zuobao	–	161	2,988	25	3,174
Mr Wu Qingguo	–	132	2,644	17	2,793
Mr Wang Lihui	–	–	–	–	–
Mr Wang Deqiang	–	30	262	5	297
Independent non-executive directors					
Mr Poon Chiu Kwok	–	–	–	–	–
Mr Woo Kar Tung, Raymond	–	–	–	–	–
Mr Pang Chung Fai, Benny	–	–	–	–	–
	–	852	11,975	115	12,942

6 DIRECTORS' REMUNERATION (CONTINUED)

	Year ended 31 December 2010				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr Kang Baohua	–	–	–	–	–
Mr Tian Shouliang	–	132	1,600	20	1,752
Mr Guo Zhongshan	–	132	1,500	20	1,652
Mr Wang Yijun	–	132	1,500	20	1,652
Mr Si Zuobao	–	160	3,556	28	3,744
Mr Wu Qingguo	–	131	2,653	20	2,804
Mr Wang Lihui	–	–	–	–	–
Mr Wang Deqiang	–	87	324	15	426
Independent non-executive directors					
Mr Poon Chiu Kwok	–	–	–	–	–
Mr Woo Kar Tung, Raymond	–	–	–	–	–
Mr Pang Chung Fai, Benny	–	–	–	–	–
	–	774	11,133	123	12,030

There were no amounts paid during the Track Record Period to the directors in connection with their retirement from employment or compensation for loss of office with the Group, or inducement to join. There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Period.

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, the emoluments of 2, 2 and 2 directors for each of the years ended 31 December 2008, 2009 and 2010, respectively, are disclosed in Section C Note 6. The aggregate of the emoluments in respect of the individuals who are not directors are as follows:

	Years ended 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Salaries, allowances and benefits in kind	3,046	2,338	2,056
Discretionary bonuses	9,833	8,711	4,981
Retirement scheme contributions	923	565	215
	13,802	11,614	7,252

The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following band:

	Years ended 31 December		
	2008	**2009**	**2010**
HK$2,000,001 – HK$2,500,000	–	–	1
HK$2,500,001 – HK$3,000,000	–	1	1
HK$3,000,001 – HK$3,500,000	–	–	1
HK$4,500,001 – HK$5,000,000	2	–	–
HK$5,000,001 – HK$5,500,000	–	2	–
HK$5,500,001 – HK$6,000,000	1	–	–

No emoluments were paid or payable to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period.

8 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company for each of the years ended 31 December 2008, 2009 and 2010 includes a loss of RMBNil, RMBNil and RMB6.3 million, respectively, which have been dealt with in the financial statements of the Company (see Section E Note (c)(ii)).

9 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Exchange differences on translation into presentation currency (before and after tax)	(14,475)	(8,990)	16,502
Cash flow hedge:			
net movements in the hedging reserve			
– Before tax amount	–	4,319	12,825
– Tax expense	–	(786)	(2,332)
– Net of tax amount	–	3,533	10,493
Other comprehensive income	(14,475)	(5,457)	26,995

(b) Reclassification adjustments relating to components of other comprehensive income

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments recognised during the year	–	5,815	23,594
Reclassification adjustments for amounts transferred to the consolidated income statements *(Section C Note 4(a))*	–	(1,496)	(10,769)
Net deferred tax charged to the consolidated statements of comprehensive income *(Section C Note 25(b))*	–	(786)	(2,332)
Net movements in the hedging reserve during the year recognised in the consolidated statements of comprehensive income	–	3,533	10,493

10 BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share for each of the years ended 31 December 2008, 2009 and 2010 are calculated based on the profit attributable to equity shareholders of the Company of RMB327.8 million, RMB660.5 million and RMB806.1 million, respectively, and the 4,500,000,000 ordinary shares in issue and issuable, comprising 10,000 shares in issue as at the date of the Prospectus and 4,499,990,000 shares to be issued pursuant to the capitalisation issue as detailed in the paragraph headed "Share Capital" set out in the Prospectus, as if the shares had been outstanding throughout the Track Record Period.

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding during the Track Record Period.

11 SEGMENT REPORTING

The Group manages its businesses by geographical locations of the construction contracts. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments: Northeast China, North China, East China, West China, South China and Overseas. No operating segments have been aggregated to form the following reportable segments.

- Northeast China: comprised construction contracts carried out in the northeastern region of the PRC, which includes Liaoning, Jilin, Heilongjiang, Shandong, Henan and Inner Mongolia provinces and autonomous region;

- North China: comprised construction contracts carried out in the northern region of the PRC, which includes Hebei and Shanxi provinces, Beijing and Tianjin;

- East China: comprised construction contracts carried out in the eastern region of the PRC, which includes Jiangsu, Zhejiang, Anhui and Jiangxi provinces, and Shanghai;

- West China: comprised construction contracts carried out in the western and northwestern regions of the PRC, which include Sichuan, Yunnan, Guizhou, Hubei, Shaanxi, Ningxia, Gansu, Qinghai and Xinjiang provinces and autonomous regions, and Chongqing;

- South China: comprised construction contracts carried out in the southern region of the PRC, which includes Guangdong, Hunan, Fujian, Hainan and Guangxi provinces and autonomous region; and

- Overseas: comprised construction contracts carried out outside of the PRC.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of certain property, plant and equipment and lease prepayments, deferred tax assets and other corporate assets. Segment liabilities include gross amount due to customers for contract work, trade and bills payables, receipts in advance, accrued expenses and other payables and provision for warranties managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income and finance costs, and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' remuneration and other head office or corporate administration costs.

11 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue, interest income, finance costs related to each segment, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. No significant inter-segment sales have occurred during the Track Record Period.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for each of the years ended 31 December 2008, 2009 and 2010 is set out below.

	Year ended 31 December 2008						
	Northeast China	North China	East China	West China	South China	Overseas	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers and reportable segment revenue	949,106	748,847	1,336,950	576,906	335,930	1,963,527	5,911,266
Reportable segment profit/(loss) (adjusted EBITDA)	146,588	130,267	184,825	66,930	(3,770)	31,178	556,018
Interest income	281	473	393	82	41	3,143	4,413
Finance costs	891	866	1,227	575	284	27,521	31,364
Depreciation and amortisation	4,475	9,330	5,772	3,250	3,647	22,137	48,611
Reportable segment assets	669,834	501,735	693,085	398,015	273,711	1,684,417	4,220,797
Additions to non-current segment assets during the year	3,126	2,721	11,921	2,194	727	123,113	143,802
Reportable segment liabilities	416,361	284,601	446,179	227,360	195,623	1,378,775	2,948,899

11 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

	Year ended 31 December 2009						
	Northeast China	North China	East China	West China	South China	Overseas	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers and reportable segment revenue	964,735	724,110	1,704,120	584,221	358,681	2,726,137	7,062,004
Reportable segment profit (adjusted EBITDA)	134,685	123,509	169,537	72,022	2,242	446,515	948,510
Interest income	241	419	556	50	29	4,636	5,931
Finance costs	1,405	859	2,121	895	573	33,582	39,435
Depreciation and amortisation	4,761	10,214	8,563	3,685	4,256	29,830	61,309
Reportable segment assets	738,976	616,019	1,055,433	466,841	258,265	1,934,906	5,070,440
Additions to non-current segment assets during the year	5,413	7,460	75,234	979	569	100,919	190,574
Reportable segment liabilities	400,897	349,092	766,331	236,254	202,261	1,453,725	3,408,560

	Year ended 31 December 2010						
	Northeast China	North China	East China	West China	South China	Overseas	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers and reportable segment revenue	1,230,962	1,051,480	2,085,631	870,868	736,353	3,285,618	9,260,912
Reportable segment profit (adjusted EBITDA)	138,161	134,650	286,496	104,675	34,057	497,422	1,195,461
Interest income	236	528	644	62	83	4,667	6,220
Finance costs	1,559	663	2,200	1,278	828	32,702	39,230
Depreciation and amortisation	5,254	11,161	12,050	3,800	4,470	28,835	65,570
Reportable segment assets	1,095,640	864,616	1,289,633	524,467	435,188	2,119,555	6,329,099
Additions to non-current segment assets during the year	12,094	21,055	47,717	2,004	8,672	10,324	101,866
Reportable segment liabilities	566,601	460,005	718,641	308,028	323,622	1,169,197	3,546,094

11 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenues, profit, assets and liabilities

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Revenue			
Reportable segment revenue and consolidated turnover	5,911,266	7,062,004	9,260,912
Profit			
Reportable segment profit	556,018	948,510	1,195,461
Depreciation and amortisation	(59,606)	(71,633)	(78,779)
Finance costs	(112,941)	(41,889)	(84,805)
Unallocated head office and corporate expenses	(4,524)	(5,448)	(30,520)
Consolidated profit before taxation	378,947	829,540	1,001,357

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Assets			
Reportable segment assets	4,220,797	5,070,440	6,329,099
Property, plant and equipment	127,788	81,409	191,858
Lease prepayments	82,456	86,076	263,465
Deferred tax assets	67,216	93,525	95,006
Amounts due from the Controlling Shareholder and his affiliates	616,362	181,692	17,395
Unallocated head office and corporate assets	202,656	160,633	181,466
Elimination of receivables between segments, and segments and head office	(249,228)	(190,196)	(209,113)
Consolidated total assets	5,068,047	5,483,579	6,869,176

11 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenues, profit, assets and liabilities (continued)

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Liabilities			
Reportable segment liabilities	2,948,899	3,408,560	3,546,094
Amounts due to the Controlling Shareholder and his affiliates	98,989	301,718	285,297
Bank and other loans	874,440	719,500	1,827,474
Income tax payable	58,382	107,040	140,222
Redeemable convertible preference shares	–	–	302,201
Deferred tax liabilities	280	311	222
Unallocated head office and corporate liabilities	142,744	118,935	110,101
Elimination of payables between segments, and segments and head office	(249,228)	(190,196)	(209,113)
Consolidated total liabilities	3,874,506	4,465,868	6,002,498

(c) Geographic information

The following table sets out information about the geographical location of the Group's (i) revenue from external customers and (ii) property, plant and equipment and lease prepayments (the "specified non-current assets"). The geographical location of customers is based on the location at which the construction contracts are carried out. The geographical location of the specified non-current assets is based on the segment to which they are allocated.

11 SEGMENT REPORTING (CONTINUED)

(c) Geographic information (continued)

(i) The Group's revenue from external customers:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
The PRC (excluding Hong Kong and Macau) (Place of domicile)	3,947,739	4,335,867	5,975,294
United Arab Emirates	467,085	843,117	1,021,649
Australia	290,115	589,846	791,382
United Kingdom	335,218	200,109	85,571
U.S.	229,469	177,340	86,466
Germany	82,696	251,134	91,703
Russia	148,425	114,557	318,094
India	3,710	153,826	65,675
Japan	27,274	27,685	15,150
Kuwait	83,232	28,871	108,966
Kingdom of Jordan	8,186	40,002	123,055
Macau	151,443	21,027	2,676
Republic of Kazakhstan	47,292	2,126	85
Vietnam	–	6,628	158,517
Qatar	–	41,206	103,903
Switzerland	–	–	91,398
Others	89,382	228,663	221,328
	1,963,527	2,726,137	3,285,618
	5,911,266	7,062,004	9,260,912

(ii) The Group's specified non-current assets:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Northeast China	35,198	34,062	41,009
North China	64,646	61,017	70,960
East China	50,557	117,428	153,095
West China	19,249	18,035	16,239
South China	52,036	49,246	53,449
Overseas	542,763	618,051	599,552
Head office and corporate assets	210,244	167,485	455,323
	974,693	1,065,324	1,389,627

12 PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings	Machinery and equipment	Motor vehicles and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:					
At 1 January 2008	347,288	222,756	102,815	118,757	791,616
Additions	–	101,041	29,968	57,707	188,716
Transfer in/(out)	30,927	4,344	–	(35,271)	–
Decrease through disposal of subsidiaries under common control	–	(11,378)	(849)	(68,742)	(80,969)
Disposals	–	(47)	(6,417)	–	(6,464)
At 31 December 2008	378,215	316,716	125,517	72,451	892,899
Accumulated depreciation:					
At 1 January 2008	(53,203)	(74,110)	(37,641)	–	(164,954)
Charge for the year	(15,602)	(20,793)	(18,055)	–	(54,450)
Decrease through disposal of subsidiaries under common control	–	535	103	–	638
Written back on disposals	–	41	2,239	–	2,280
At 31 December 2008	(68,805)	(94,327)	(53,354)	–	(216,486)
Net book value:					
At 31 December 2008	309,410	222,389	72,163	72,451	676,413

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and buildings	Machinery and equipment	Motor vehicles and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:					
At 1 January 2009	378,215	316,716	125,517	72,451	892,899
Additions	–	10,939	18,541	42,509	71,989
Transfer in/(out)	39,647	8,296	–	(47,943)	–
Disposals	–	(53,662)	(9,013)	–	(62,675)
At 31 December 2009	417,862	282,289	135,045	67,017	902,213
Accumulated depreciation:					
At 1 January 2009	(68,805)	(94,327)	(53,354)	–	(216,486)
Charge for the year	(17,462)	(27,404)	(19,897)	–	(64,763)
Written back on disposals	–	24,098	5,628	–	29,726
At 31 December 2009	(86,267)	(97,633)	(67,623)	–	(251,523)
Net book value:					
At 31 December 2009	331,595	184,656	67,422	67,017	650,690
Cost:					
At 1 January 2010	417,862	282,289	135,045	67,017	902,213
Additions	104,981	34,037	25,396	36,402	200,816
Transfer in/(out)	75,736	44	562	(76,342)	–
Decrease through disposal of a subsidiary under common control	(7,500)	(886)	(477)	–	(8,863)
Disposals	(1,086)	(4,850)	(1,693)	–	(7,629)
At 31 December 2010	589,993	310,634	158,833	27,077	1,086,537
Accumulated depreciation:					
At 1 January 2010	(86,267)	(97,633)	(67,623)	–	(251,523)
Charge for the year	(22,980)	(24,813)	(21,371)	–	(69,164)
Decrease through disposal of a subsidiary under common control	2,509	792	430	–	3,731
Written back on disposals	325	3,637	1,412	–	5,374
At 31 December 2010	(106,413)	(118,017)	(87,152)	–	(311,582)
Net book value:					
At 31 December 2010	483,580	192,617	71,681	27,077	774,955

At 31 December 2008, 2009 and 2010, property certificates of certain properties with an aggregate net book value of RMB23.1 million, RMB24.0 million and RMB166.6 million, respectively, are yet to be obtained. The Controlling Shareholder has undertaken to procure the obtaining of the title documents for the above mentioned properties. If title documents could not be obtained, the Controlling Shareholder agreed to indemnify the Group for all the losses and damages arising therefrom.

13 LEASE PREPAYMENTS

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Cost:			
At the beginning of the year	306,397	307,397	430,621
Additions	34,298	123,224	209,653
Decrease through disposal of a subsidiary under common control	(33,298)	–	–
At the end of the year	307,397	430,621	640,274
Accumulated amortisation:			
At the beginning of the year	(3,961)	(9,117)	(15,987)
Charge for the year	(5,156)	(6,870)	(9,615)
At the end of the year	(9,117)	(15,987)	(25,602)
Net book value:			
At the end of the year	298,280	414,634	614,672

Lease prepayments represented land use right premiums paid by the Group for land situated in the PRC. At 31 December 2008, 2009 and 2010, land use right certificates of certain land use rights with an aggregate carrying value of RMB33.6 million, RMB27.5 million and RMB212.1 million, respectively, are yet to be obtained. The Controlling Shareholder has undertaken to procure the obtaining of the title documents for the above mentioned land use rights. If title documents could not be obtained, the Controlling Shareholder agreed to indemnify the Group for all the losses and damages arising therefrom.

14 INVENTORIES

(a) Inventories in the consolidated balance sheets comprise:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Raw materials	246,453	265,436	382,143
Less: write down of inventories	(5,084)	(8,906)	(15,360)
	241,369	256,530	366,783

(b) The analysis of the amount of inventories recognised as an expense and included in the consolidated income statements during the Track Record Period is as follows:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Carrying amount of inventories used in construction contracts	4,757,907	5,401,493	7,180,287
Write down of inventories	5,084	3,822	6,454
	4,762,991	5,405,315	7,186,741

15 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Contract costs incurred plus recognised profits less recognised losses in connection with construction contracts in progress at year end	9,661,403	12,658,161	14,525,992
Less: progress billings	(9,267,747)	(12,144,913)	(12,724,556)
	393,656	513,248	1,801,436
Gross amount due from customers for contract work *(Notes (i) and (ii))*	1,448,961	1,826,142	2,684,915
Gross amount due to customers for contract work *(Note (iii))*	(1,055,305)	(1,312,894)	(883,479)
	393,656	513,248	1,801,436

Notes:

(i) Except for amounts of RMB30.1 million, RMB40.1 million and RMB60.4 million as at 31 December 2008, 2009 and 2010, respectively, all of the remaining gross amount due from customers for contract work are expected to be recovered within one year.

(ii) Included in the gross amount due from customers for contract work are amounts of RMB17.2 million, RMB23.9 million and RMB58.9 million as at 31 December 2008, 2009 and 2010, respectively, due from affiliates of the Controlling Shareholder.

(iii) All of the gross amount due to customers for contract work are expected to be recognised as revenue within one year.

16 TRADE AND BILLS RECEIVABLES

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Trade receivable for contract work due from:			
–Third parties	615,819	885,367	1,297,751
–An affiliate of the Controlling Shareholder	–	9,175	22,111
	615,819	894,542	1,319,862
Bills receivable for contract work	9,918	20,500	20,320
Trade receivable for sale of raw materials:			
–Third parties	6,284	2,413	1,645
–An affiliate of the Controlling Shareholder	8,291	9,151	2,717
	14,575	11,564	4,362
	640,312	926,606	1,344,544
Less: allowance for doubtful debts *(Section C Note 16(b))*	(73,270)	(82,945)	(112,656)
	567,042	843,661	1,231,888

16 TRADE AND BILLS RECEIVABLES (CONTINUED)

The amounts of retentions receivable from customers included in "trade and bills receivables" (net of allowance for doubtful debts) are RMB289.7 million, RMB262.4 million and RMB247.6 million as at 31 December 2008, 2009 and 2010, respectively.

Except for retentions receivable (net of allowance for doubtful debts) of RMB110.4 million, RMB92.4 million and RMB114.4 million as at 31 December 2008, 2009 and 2010, respectively, all of the remaining trade and bills receivables are expected to be recovered within one year.

(a) Ageing analysis

Included in trade and bills receivables are debtors (net of allowance for doubtful debts) with the following ageing analysis as at 31 December 2008, 2009 and 2010:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Within 1 month	144,562	276,575	452,640
More than 1 month but less than 3 months	56,313	133,333	244,390
More than 3 months but less than 6 months	76,118	132,421	247,111
More than 6 months but less than 1 year	109,092	120,383	118,442
More than 1 year but less than 2 years	95,668	103,240	103,159
More than 2 years but less than 3 years	85,289	77,709	66,146
	567,042	843,661	1,231,888

Receivables that were past due but not impaired relate to a wide range of customers for whom there was no recent history of default and had a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Details on the Group's credit policy are set out in Section C Note 31(a).

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly (see Section C Note 1(l)(i)).

The movements in the allowance for doubtful debts account during the Track Record Period are as follows:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	65,194	73,270	82,945
Impairment loss recognised	9,884	15,883	31,173
Uncollectible amounts written off	(1,808)	(6,208)	(1,462)
At the end of the year	73,270	82,945	112,656

At 31 December 2008, 2009 and 2010, the Group's trade and bills receivables of RMB363.3 million, RMB384.3 million and RMB400.4 million, respectively, are individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management of the Group assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB73.3 million, RMB82.9 million and RMB112.7 million, respectively, are recognised. The Group does not hold any collateral over these balances.

17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Prepayment for purchase of inventories *(Note (i))*	160,212	204,502	194,960
Prepayment and deposits for operating leases	35,987	33,323	22,636
Prepayment for costs incurred in connection with the proposed initial public offering of the Company's shares *(Note (ii))*	–	–	7,759
Deposits for construction contracts' bidding and performance *(Note (iii))*	123,188	170,598	188,930
Deposits for purchase of forward foreign exchange and aluminium contracts	51,614	32,960	56,356
Advances to staff	31,829	33,424	32,291
Advances to third parties	8,082	4,098	4,774
Derivative financial instruments held as cash flow hedging instruments – forward foreign exchange contracts *(Section C Note 31(e))*	–	6,086	25,363
Other derivatives – forward aluminium contracts *(Section C Note 31(e))*	–	22,518	7,408
Amounts due from non-controlling interests of the Group	2,585	2,637	5,026
Others	5,224	4,602	8,284
	418,721	514,748	553,787
Less: allowance for doubtful debts *(Section C Note 17(a))*	(3,948)	(3,948)	(3,948)
	414,773	510,800	549,839

Notes:

(i) Included in the balances are prepayments of RMB2.7 million, RMB10.8 million and RMB14.0 million as at 31 December 2008, 2009 and 2010, respectively, made with affiliates of the Controlling Shareholder.

(ii) The balance as at 31 December 2010 will either be recognised as expense or transferred to the share premium account within equity upon the listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

(iii) The balances represented deposits placed with customers for contracts bidding and performance of contracts in progress. The deposits will be released to the Group upon the completion of the related bidding and contract work, where applicable.

17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Except for amounts of RMBNil, RMB2.0 million and RMB2.1 million as at 31 December 2008, 2009 and 2010, respectively, all of the remaining deposits, prepayments and other receivables are expected to be recovered or recognised as expense within one year.

(a) Impairment of deposits, prepayments and other receivables

Impairment losses in respect of deposits, prepayments and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against deposits, prepayments and other receivables directly (see Section C Note 1(l)(i)).

The movements in the allowance for doubtful debts account during the Track Record Period are as follows:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	–	3,948	3,948
Impairment loss recognised	3,948	–	–
At the end of the year	3,948	3,948	3,948

At 31 December 2008, 2009 and 2010, the Group's deposits, prepayments and other receivables of RMB3.9 million, RMB3.9 million and RMB3.9 million, respectively, are individually determined to be impaired. The individually impaired deposits, prepayments and other receivables related to debtors that were in financial difficulties. Consequently, specific allowances for doubtful debts of RMB3.9 million, RMB3.9 million and RMB3.9 million, respectively, are recognised. The Group does not hold any collateral over these balances.

18 AMOUNTS DUE FROM THE CONTROLLING SHAREHOLDER AND HIS AFFILIATES

The amounts are unsecured. Except for amounts of RMB171.0 million, RMB36.6 million and RMBNil as at 31 December 2008, 2009 and 2010, respectively, which bear interest at 6.67%, 5.30% and nil per annum and are repayable within one year, all of the remaining balances are non-interest bearing and have no fixed terms of repayment. The Controlling Shareholder has undertaken to repay the amounts due to the Group prior to the listing of the Company's shares on the Stock Exchange.

19 CASH AND CASH EQUIVALENTS

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Cash at bank and in hand	737,631	705,905	533,723

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

20 TRADE AND BILLS PAYABLES

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Trade payable for purchase of inventories:			
– Third parties	756,626	775,833	1,121,789
– Affiliates of the Controlling Shareholder	22,168	37,413	68,356
	778,794	813,246	1,190,145
Trade payable to sub-contractors	48,966	93,208	92,739
Bills payable	202,500	326,910	509,912
Financial liabilities measured at amortised cost	1,030,260	1,233,364	1,792,796

All of the trade and bills payables are expected to be settled within one year.

Included in trade and bills payables are creditors with the following ageing analysis as at 31 December 2008, 2009 and 2010.

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Due within 1 month or on demand	835,760	946,454	1,526,376
Due after 1 month but within 3 months	81,900	98,200	81,100
Due after 3 months	112,600	188,710	185,320
	1,030,260	1,233,364	1,792,796

21 RECEIPTS IN ADVANCE

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Receipts in advance for contract work *(Note (i))*	341,019	254,308	163,014
Receipts in advance for sale of raw materials:			
–Third parties	6,495	1,303	–
–An affiliate of the Controlling Shareholder	387	30,775	2,678
	6,882	32,078	2,678
	347,901	286,386	165,692

Note:

(i) The balances as at 31 December 2008, 2009 and 2010 represented advances received from customers for which the related construction work have not commenced as at the respective balance sheet dates.

All of the receipts in advance are expected to be recognised as revenue within one year.

22 ACCRUED EXPENSES AND OTHER PAYABLES

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Payable for staff related costs	210,393	246,749	297,954
Payable for miscellaneous taxes	48,115	68,810	62,114
Payable for transportation and insurance expenses	19,627	26,540	21,295
Payable for interest expenses	1,781	1,210	3,541
Payable for costs incurred in connection with the proposed initial public offering of the Company's shares	–	–	14,445
Payable for construction and purchase of property, plant and equipment	34,759	51,104	60,137
Deposits from sub-contractors	11,387	15,558	19,665
Others	11,648	10,672	8,070
Financial liabilities measured at amortised cost	337,710	420,643	487,221
Derivative financial instruments held as cash flow hedging instruments – forward foreign exchange contracts *(Section C Note 31(e))*	–	658	4,825
Other derivatives – forward aluminium contracts *(Section C Note 31(e))*	20,595	–	–
Provision for outstanding legal claim *(Section C Note 33(b)(v))*	–	–	5,500
	358,305	421,301	497,546

Except for amounts of RMBNil, RMBNil and RMB2.0 million as at 31 December 2008, 2009 and 2010, respectively, all of the accrued expenses and other payables are expected to be settled or recognised in the income statement within one year.

23 AMOUNTS DUE TO THE CONTROLLING SHAREHOLDER AND HIS AFFILIATES

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. The Group has undertaken to repay the amounts due to the Controlling Shareholder and his affiliates prior to the listing of the Company's shares on the Stock Exchange.

24 BANK AND OTHER LOANS

(a) The Group's short-term bank and other loans are analysed as follows:

	At 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Bank loans	375,000	280,000	1,677,489
Loans from other financial institutions	80,940	80,000	99,985
	455,940	360,000	1,777,474
Add: current portion of long-term bank loans	119,500	309,500	50,000
	575,440	669,500	1,827,474

As at 31 December 2008, 2009 and 2010, the Group's short-term bank and other loans (excluding the current portion of long-term bank loans) are secured as follows:

	2008	2009	2010
Bank loans:			
– secured by property, plant and equipment and land use rights of the Group *(Note (i))*	100,000	100,000	400,000
– jointly secured by property, plant and equipment of the Group and affiliates of the Controlling Shareholder *(Note (i))*	54,000	–	–
– jointly secured by the equity interests in and loans to certain subsidiaries of the Group, the funds deposited in the account opened for the purpose of this loan and portion of the Company's shares *(Note (ii))*	–	–	690,592
– secured by property, plant and equipment and land use rights of affiliates of the Controlling Shareholder	21,000	–	–
– guaranteed by affiliates of the Controlling Shareholder	200,000	180,000	–
– unguaranteed and unsecured	–	–	586,897
	375,000	280,000	1,677,489
Loans from other financial institutions:			
– unguaranteed and unsecured	80,940	80,000	99,985
	455,940	360,000	1,777,474

Notes:

(i) As at 31 December 2008, 2009 and 2010, the aggregate carrying values of the secured property, plant and equipment and land use rights of the Group are RMB191.6 million, RMB333.8 million and RMB423.2 million, respectively.

(ii) The bank loan is repayable on 19 November 2011 or immediately repayable upon the occurrence of an initial public offering of the Company and listing of and permission to deal in the Company's shares on the Stock Exchange or such other internationally recognised securities exchange, in which the market capitalisation upon listing shall not be less than USD1,000.0 million.

24 BANK AND OTHER LOANS (CONTINUED)

(b) The Group's long-term bank loans are analysed as follows:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Bank loans:			
– secured by property, plant and equipment and land use rights of the Group and guaranteed by an affiliate of the Controlling Shareholder *(Note (i))*	398,500	359,500	50,000
– guaranteed by an affiliate of the Controlling Shareholder	20,000	–	–
	418,500	359,500	50,000
Less: current portion of long-term bank loans	(119,500)	(309,500)	(50,000)
	299,000	50,000	–

Note:

(i) The loan balance as at 31 December 2010 has been repaid in January 2011, and accordingly, the guarantee from an affiliate of the Controlling Shareholder has been released at the same time.

The Group's long-term bank loans are repayable as follows:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	119,500	309,500	50,000
After 1 year but within 2 years	299,000	50,000	–
	418,500	359,500	50,000

As at 31 December 2008, 2009 and 2010, the aggregate carrying values of the secured property, plant and equipment and land use rights are RMB345.8 million, RMB532.4 million and RMB35.3 million, respectively.

All of the non-current interest-bearing borrowings are carried at amortised cost, and are not expected to be settled within one year.

As at 31 December 2008, 2009 and 2010, the Group's banking facilities amounted to RMB200.0 million, RMB150.0 million and RMB600.0 million, were utilised to the extent of RMB200.0 million, RMBNil and RMB285.0 million, respectively.

(c) None of the Group's bank and other loans is subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions.

Details of the Group's management of liquidity risk are set out in Section C Note 31(b).

25 INCOME TAX IN THE CONSOLIDATED BALANCE SHEETS

(a) Movements of current taxation in the consolidated balance sheets are as follows:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Income tax payable at 1 January	86,520	58,382	107,040
Provision for income tax on the estimated taxable profits for the year *(Section C Note 5(a))*	86,274	208,773	218,042
Charged/(credited) to reserves	690	–	(218)
Income tax paid during the year	(115,102)	(160,115)	(184,642)
Income tax payable at 31 December	58,382	107,040	140,222

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets and liabilities recognised in the consolidated balance sheets and the movements during the Track Record Period are as follows:

Deferred tax arising from:	Unused tax losses	Depreciation allowances in excess of the related depreciation, and government grants and related depreciation	Write down of inventories	Impairment losses on trade and other receivables	Provision for warranties and legal claims	Remeasurement of the fair value of derivative financial instruments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008	–	15,744	–	14,611	4,594	–	34,949
Credited to the consolidated income statements *(Section C Note 5(a))*	5,419	13,722	1,273	2,437	5,390	3,746	31,987
At 31 December 2008	5,419	29,466	1,273	17,048	9,984	3,746	66,936
Credited/(charged) to the consolidated income statements *(Section C Note 5(a))*	10,356	12,828	955	2,667	8,300	(8,042)	27,064
Charged to reserves *(Section C Note 9(b))*	–	–	–	–	–	(786)	(786)
At 31 December 2009	15,775	42,294	2,228	19,715	18,284	(5,082)	93,214
(Charged)/credited to the consolidated income statements *(Section C Note 5(a))*	(11,459)	(4,762)	1,614	8,043	8,134	2,332	3,902
Charged to reserves *(Section C Note 9(b))*	–	–	–	–	–	(2,332)	(2,332)
At 31 December 2010	4,316	37,532	3,842	27,758	26,418	(5,082)	94,784

25 INCOME TAX IN THE CONSOLIDATED BALANCE SHEETS (CONTINUED)

(c) Reconciliation of deferred tax assets and liabilities recognised in the consolidated balance sheets:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Deferred tax assets recognised on the consolidated balance sheets	67,216	93,525	95,006
Deferred tax liabilities recognised on the consolidated balance sheets	(280)	(311)	(222)
	66,936	93,214	94,784

(d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Section C Note 1(u), the Group has not recognised deferred tax assets in respect of unused tax losses of RMB60.2 million, RMB122.3 million and RMB169.8 million as at 31 December 2008, 2009 and 2010, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The cumulative tax losses of RMB169.8 million at 31 December 2010 will expire on or before 31 December 2015.

(e) Deferred tax liabilities not recognised

At 31 December 2010, temporary differences relating to the retained profits of the Group's PRC subsidiaries amounted to RMB648.6 million, of which no deferred tax liabilities in respect of the tax that would be payable on the distribution of these profits was provided as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

26 PROVISION FOR WARRANTIES

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
At the beginning of the year	26,313	50,644	83,354
Additional provisions made	27,342	35,697	43,161
Provisions utilised	(3,011)	(2,987)	(18,946)
At the end of the year	50,644	83,354	107,569
Less: amounts included under current liabilities at year end	(22,336)	(45,647)	(60,204)
	28,308	37,707	47,365

Under the terms of the Group's construction contracts with its customers, the Group will rectify any defects arising within one to ten years of the date of completion of the construction contracts, depending on the terms negotiated with the customers. Provision is therefore made for the best estimate of the expected settlement under these construction contracts in respect of construction contracts completed within one to ten years prior to each balance sheet date. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable.

27 REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	RMB'000
At 31 December 2008 and 2009 and 1 January 2010	–
Proceeds from issuance of redeemable convertible preference shares, net of transaction costs	332,132
Less: amount classified as equity component	(30,541)
Amount classified as liability component	301,591
Accrued finance charges for the year	1,348
Exchange differences on translation into presentation currency	(738)
At 31 December 2010	302,201

Pursuant to a subscription agreement entered into between the Company and Standard Chartered Private Equity (Mauritius) III Limited (the "Preference Shareholder"), the Company issued 685 redeemable convertible Series A preference shares (the "Preference Shares") to the Preference Shareholder for an aggregate subscription price of USD50.0 million on 19 November 2010.

The Preference Shareholder has the right to receive the same rate of dividends as the equity shareholders of the Company. Dividends on the Preference Shares are discretionary.

The Preference Shares are redeemable at the option of the Preference Shareholder if certain events occurred in respect of the Controlling Shareholder and other shareholders of the Company, the Company, and any subsidiaries of the Group.

The Preference Shares are convertible into fully paid ordinary shares of the Company at the option of the Preference Shareholder at any time or automatically converted into fully paid ordinary shares of the Company upon the occurrence of an initial public offering of the Company and listing of and permission to deal in the Company's shares on the Stock Exchange or such other internationally recognised securities exchange, in which the market capitalisation upon listing shall not be less than USD1,000.0 million. The conversion basis is one preference share to one ordinary share of the Company.

The Preference Shares are accounted for as compound financial instruments and have been recognised in accordance with the accounting policy adopted for convertible preference share capital in Section C Note 1(r).

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliations between the opening and closing balances of each component of the Group's consolidated equity during the Track Record Period are set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out in Section E Note (c).

(b) Dividends

Dividends to the equity shareholders of the Company attributable to each of the year during the Track Record Period are as follows:

	Years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Dividends approved	115,801	818,204	–

The directors of the Company consider that the dividends to the equity shareholders of the Company during the Track Record Period are not indicative of the future dividend policy of the Company.

(c) Paid-in/Share capital

For the purpose of the Financial Information, the paid-in capital of the Group as at 1 January 2008 and 31 December 2008 and 2009 represented the paid-in capital of Shenyang Yuanda. The share capital of the Group as at 31 December 2010 represented the amount of issued and paid-up capital of the Company, comprising 1 share and 9,999 shares at HK$0.1 issued on 26 February 2010 and 10 November 2010, respectively.

Pursuant to the Reorganisation completed on 13 November 2010, the Company, via a wholly owned subsidiary, acquired 100% equity interests in Shenyang Yuanda. The Company became the holding company of the companies now comprising the Group and accordingly, the paid-in capital of Shenyang Yuanda was eliminated when preparing the consolidated financial information of the Group from that date.

28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve at 31 December 2008 and 2009 comprise the grant date fair value of the share-based payment awards granted to employees of the Group in periods prior to 1 January 2008 that has been recognised in accordance with the accounting policy adopted for share-based payment awards in Section C Note 1(t)(ii).

The capital reserve at 31 December 2010 comprises the amount allocated to the unexercised equity component of the Preference Shares (Section C Note 27) recognised in accordance with the accounting policy adopted for convertible preference share capital in Section C Note 1(r).

(ii) Other reserve

The other reserve at 31 December 2008, 2009 and 2010 represented (i) the aggregate amount of non-controlling interests acquired by the Group in excess of the total considerations paid; (ii) the surplus/deficit of the carrying values of the controlling equity interests in subsidiaries under common control disposed of over the considerations received; and (iii) the difference between the carrying values of the controlling equity interests in subsidiaries acquired and the considerations paid under the Reorganisation.

(iii) PRC statutory reserves

In accordance with the articles of association of the PRC subsidiaries of the Group, the PRC subsidiaries are required to set up certain statutory reserves, which are non-distributable. The appropriation to these reserves are at discretion of the directors of the PRC subsidiaries. The PRC statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

(iv) Exchange reserve

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into the presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Section C Note 1(x).

(v) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in Section C Note 1(h).

(e) Distributable reserves

The Company was incorporated on 26 February 2010 and has not carried on any business since the date of its incorporation save for the Reorganisation. Accordingly, there is no reserve available for distribution to the equity shareholders of the Company as at 31 December 2010.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as total debt (which includes bank and other loans, trade and bills payables, and redeemable convertible preference shares) less cash and cash equivalents. Adjusted capital comprises all components of equity other than amounts recognised in equity relating to cash flow hedges.

During the Track Record Period, the Group's strategy was to maintain the adjusted net debt-to-capital ratio at an acceptable level. The adjusted net debt-to-capital ratio increased significantly for the year ended 31 December 2010 which was mainly attributable to the completion of the Reorganisation. The directors of the Company expect the capitalisation issue as detailed in the paragraph headed "Share Capital" set out in the Prospectus and the listing of the Company's shares on the Stock Exchange will reduce the adjusted net debt-to-capital ratio back to an acceptable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares, return capital to equity shareholders, raise new debt financing or sell assets to reduce debt.

The adjusted net debt-to-capital ratio at 31 December 2008, 2009 and 2010 was as follows:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Current liabilities:			
Trade and bills payables	1,030,260	1,233,364	1,792,796
Bank and other loans	575,440	669,500	1,827,474
	1,605,700	1,902,864	3,620,270
Non-current liabilities:			
Bank loans	299,000	50,000	–
Redeemable convertible preference shares	–	–	302,201
	299,000	50,000	302,201
Total debt	1,904,700	1,952,864	3,922,471
Less: cash and cash equivalents	(737,631)	(705,905)	(533,723)
Adjusted net debt	1,167,069	1,246,959	3,388,748
Total equity	1,193,541	1,017,711	866,678
Less: hedging reserve	–	(3,533)	(14,026)
Adjusted capital	1,193,541	1,014,178	852,652
Adjusted net debt-to-capital ratio	98%	123%	397%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29 ACQUISITIONS OF NON-CONTROLLING INTERESTS, ACQUISITION AND DISPOSAL OF SUBSIDIARIES, AND TRANSFER OF EQUITY INTERESTS IN A SUBSIDIARY WITHIN THE GROUP

(a) Pursuant to the respective equity transfer agreements entered into between Shenyang Yuanda, a wholly-owned subsidiary of the Group, and the then non-controlling equity holders of Foshan Yuanda Aluminium Industry Engineering Co., Ltd. ("Foshan Yuanda"), Shenyang Anjie Window Cleaner Equipment Co., Ltd. ("Anjie"), Shenyang Yuanda Metal Coating Co., Ltd. ("Yuanda Coating"), Shenyang Yuanhai Trading Co., Ltd. ("Yuanhai"), Shenyang Haihui Technology Investment Co., Ltd. ("Haihui") and Shanghai Yuanda Aluminium Industry Engineering Co., Ltd. ("Shanghai Yuanda") on 1 March 2008, 15 April 2008, 16 April 2008, 17 April 2008, 17 April 2008, and 20 May 2008, respectively, Shenyang Yuanda acquired all of the remaining non-controlling interests in Foshan Yuanda, Anjie, Yuanda Coating, Yuanhai, Haihui and Shanghai Yuanda for a total consideration of RMB5.8 million, where the considerations were determined by reference to the respective portions of paid-in capital acquired. The aggregate non-controlling interests acquired amounted to RMB18.8 million.

(b) Pursuant to an equity transfer agreement entered into between Shenyang Yuanda and the then equity shareholders of Yuanda Aluminium Industry Engineering (Macao), Ltd. ("Yuanda Macao"), Shenyang Yuanda acquired 100% equity interests in Yuanda Macao for a total consideration of MOP30,000 on 11 June 2008, where the consideration was determined by reference to the paid-up capital acquired.

As Yuanda Macao was controlled by the Controlling Shareholder before and after the above acquisition, the acquisition was accounted for as business combination under common control. The results of operations of Yuanda Macao were included in the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Group at the beginning of the Track Record Period, and the state of affairs of Yuanda Macao were included in the consolidated balance sheets of the Group as at 31 December 2008, 2009 and 2010.

(c) Pursuant to the equity transfer agreements entered into between Shenyang Yuanda and an affiliate of the Controlling Shareholder, Shenyang Yuanda disposed of its 90% equity interests in Shenyang Yuanda Qiancheng Rencai Information Consulting Co., Ltd. and its 75% equity interests in Shenyang Yuanda Electrical Equipment Co., Ltd. to an affiliate of the Controlling Shareholder on 7 March 2008 and 19 May 2008, respectively, for a total consideration of RMB38.4 million, where the considerations were determined by reference to the respective portions of paid-in capital disposed of. The carrying value of the net assets disposed of amounted to RMB32.3 million. The above disposals were accounted for as transactions under common control, and accordingly, the resulting surplus of RMB5.4 million (net of tax) in respect of considerations received over the carrying value of the net assets disposed of was accounted for in equity as contributions from the Controlling Shareholder.

(d) Pursuant to an equity transfer agreement entered into between Shenyang Yuanda and an affiliate of the Controlling Shareholder, Shenyang Yuanda disposed of its 75% equity interests in Shenyang Viry Steel and Glass Structure Engineering Co., Ltd. to an affiliate of the Controlling Shareholder on 13 May 2010 for a consideration of RMB7.5 million, where the consideration was determined by reference to the portion of paid-in capital disposed of. The carrying value of the net assets disposed of amounted to RMB8.7 million. The above disposal was accounted for as a transaction under common control, and accordingly, the resulting deficit of RMB1.0 million (net of tax) in respect of the carrying value of the net assets disposed of over the consideration received was accounted for in equity as a distribution to the Controlling Shareholder.

(e) Pursuant to an equity transfer agreement between Shenyang Yuanda, Yuanda Europe Ltd. and Yuanda (UK) Co., Ltd., Shenyang Yuanda transferred its 100% equity interests in Yuanda (UK) Co., Ltd. to Yuanda Europe Ltd., a 60% owned subsidiary of the Group, on 31 December 2010. The non-controlling portion of the equity interests transferred amounted to RMB3.1 million, and has been accounted for in equity as an increase in non-controlling interests.

As detailed in the section headed "History and Reorganisation" in the Prospectus, the disposals of subsidiaries mentioned in Section C Notes 29(c) and 29(d) are carried out for the purpose to rationalise the Group's structure prior to the listing of the Company's shares on the Stock Exchange. In addition, the directors of the Company consider the businesses carried out by the subsidiaries disposed of are insignificant to the Group's business, and do not constitute as a separate major line of business or geographical area of operations, both individually and in aggregate. Accordingly, the disposals of these subsidiaries are not regarded as discontinued operations during the Track Record Period.

30 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

The material related party transactions entered into by the Group during the Track Record Period and the balances due from/(to) related parties at the respective balance sheet dates are set out below.

(a) Transactions with the Controlling Shareholder and his affiliates

	Note	Years ended 31 December 2008	2009	2010
		RMB'000	RMB'000	RMB'000
Interest income	*(vii)*	6,835	5,244	–
Interest expenses	*(vii)*	3,539	10,413	–
Rental income from operating leases	*(i)*	7,261	5,894	2,221
Operating lease expenses	*(vii)*	571	–	1,899
Revenue from contract work	*(ii)*	4,402	63,313	88,523
Sale of raw materials	*(vii)*	33,624	43,513	54,899
Purchase of raw materials	*(iii)*	132,730	264,564	365,662
Disposal of property, plant and equipment	*(vii)*	–	17,684	–
Purchase of property, plant and equipment and land use rights	*(iv), (vii)*	–	–	267,910
Net increase/(decrease) in non-interest bearing advances granted to related parties	*(v), (vii)*	71,529	(283,078)	(98,035)
Net increase/(decrease) in interest bearing advances granted to related parties	*(vi), (vii)*	107,740	(134,370)	(36,630)
Net decrease in non-interest bearing advances received from related parties	*(v), (vii)*	(56,011)	(16,298)	(22,492)

Further details on guarantees provided by related parties for the Group's bank loans, acquisitions of non-controlling interests from related parties, acquisition of a subsidiary from related parties and disposal of subsidiaries to related parties are disclosed in Section C Notes 24, 29(a), 29(b), and 29(c) and 29(d), respectively.

30 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances due from/(to) the Controlling Shareholder and his affiliates

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Gross amount due from the Controlling Shareholder and his affiliates for contract work	17,191	23,890	58,949
Trade receivables	8,291	18,326	24,828
Prepayments	2,734	10,840	14,020
Amounts due from the Controlling Shareholder and his affiliates*	616,362	181,692	17,395
Trade payables	22,168	37,413	68,356
Receipts in advance	387	30,775	2,678
Amounts due to the Controlling Shareholder and his affiliates#	98,989	301,718	285,297

* As disclosed in Section C Note 18, the Controlling Shareholder has undertaken to repay the amounts due to the Group prior to the listing of the Company's shares on the Stock Exchange.

As disclosed in Section C Note 23, the Group has undertaken to repay the amounts due to the Controlling Shareholder and his affiliates prior to the listing of the Company's shares on the Stock Exchange.

Further details on the above balances are set out in Section C Notes 15, 16, 17, 18, 20, 21 and 23.

(c) Transactions with non-controlling interests of the Group

		Years ended 31 December		
	Note	2008	2009	2010
		RMB'000	RMB'000	RMB'000
Net increase in non-interest bearing advances granted to related parties	*(v)*	2,585	–	2,204

(d) Balances due from non-controlling interests of the Group

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Other receivables	2,585	2,637	5,026

Further details on the above balances are set out in Section C Note 17.

30 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Notes:

(i) Included in the rental income from operating leases are amounts of RMB2.0 million, RMB0.9 million and RMB1.6 million for each of the years ended 31 December 2008, 2009 and 2010, respectively, which relate to transactions that are expected to continue after the listing of the Company's shares on the Stock Exchange. The remaining amounts relate to transactions that the directors of the Company do not expect to be continued after the listing of the Company's shares on the Stock Exchange.

(ii) Included in the revenue from contract work are amounts of RMB4.4 million, RMB42.6 million and RMB66.3 million for each of the years ended 31 December 2008, 2009 and 2010, respectively, which relate to transactions that are expected to continue after the listing of the Company's shares on the Stock Exchange. The remaining amounts relate to transactions that the directors of the Company do not expect to be continued after the listing of the Company's shares on the Stock Exchange.

(iii) Included in the purchase of raw materials are amounts of RMB125.1 million, RMB250.7 million and RMB337.2 million for each of the years ended 31 December 2008, 2009 and 2010, respectively, which relate to transactions that are expected to continue after the listing of the Company's shares on the Stock Exchange. The remaining amounts relate to transactions that the directors of the Company do not expect to be continued after the listing of the Company's shares on the Stock Exchange.

(iv) The consideration for the purchase of the property, plant and equipment and land use rights was determined by reference to the carrying amounts of those property, plant and equipment and land use rights at the Controlling Shareholder's perspective as at the procurement date.

(v) The advances are unsecured and have no fixed terms of repayment.

(vi) The advances are unsecured, bearing interest ranging from 5.30% to 7.56% during the Track Record Period and have no fixed terms of repayment, except for amounts of RMB171.0 million, RMB36.6 million and RMBNil at 31 December 2008, 2009 and 2010, respectively, which are repayable within one year.

(vii) The directors of the Company do not expect these transactions to be continued after the listing of the Company's shares on the Stock Exchange.

(e) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in Section C Note 6 and certain of the highest paid employees of the Group as disclosed in Section C Note 7, is as follows:

	Years ended 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Short-term employee benefits	20,240	21,539	17,877
Retirement scheme contributions	449	418	314
	20,689	21,957	18,191

The directors of the Company consider that the transactions entered into with related parties during the Track Record Period were conducted on normal commercial terms.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to gross amount due from customers for contract work, trade and other receivables and derivative financial instruments. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

As mentioned in Section C Note 18, the Controlling Shareholder has undertaken to repay the amounts due to the Group prior to the listing of the Company's shares on the Stock Exchange. Accordingly, the management of the Group expect the amounts due from the Controlling Shareholder and his affiliates are with minimal credit risk.

In respect of the gross amount due from customers for contract work and the remaining trade and other receivables other than derivative financial instruments, individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group generally requires customers to settle progress billings in accordance with contracted terms and other debts in accordance with agreements. Credit terms may be granted to customers, depending on credit assessment carried out by management on an individual customer basis. Normally, the Group does not obtain collateral from customers.

Transactions involving derivative financial instruments are entered into with either banks or recognised futures exchange in the PRC, and with whom the Group has signed netting agreements. Given the high credit standing of the banks and futures exchange in the PRC, the management of the Group does not expect any counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2008, 2009 and 2010, 2.2%, 5.8% and 3.7% of the total gross amount due from customers for contract work and trade and other receivables (excluding the amounts due from the Controlling Shareholder and his affiliates), respectively, were due from the Group's largest debtor; and 8.7%, 11.4% and 8.6% of the total gross amount due from customers for contract work and trade and other receivables (excluding the amounts due from the Controlling Shareholder and his affiliates), respectively, were due from the Group's five largest debtors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated balance sheets after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from gross amount due from customers for contract work and trade and other receivables are set out in Section C Notes 15, 16, 17 and 18.

(b) Liquidity risk

Individual operating entities within the Group are responsible for the short term investment of their own cash surpluses and the raising of financings are centrally managed by the head office of the Group to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at 31 December 2008, 2009 and 2010 of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the respective balance sheet dates) and the earliest date the Group can be required to pay:

	At 31 December 2008 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	1,030,260	–	–	–	1,030,260	1,030,260
Accrued expenses and other payables	358,305	–	–	–	358,305	358,305
Amounts due to the Controlling Shareholder and his affiliates	98,989	–	–	–	98,989	98,989
Bank and other loans	613,188	305,569	–	–	918,757	874,440
	2,100,742	305,569	–	–	2,406,311	2,361,994

	At 31 December 2009 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	1,233,364	–	–	–	1,233,364	1,233,364
Accrued expenses and other payables	420,643	–	–	–	420,643	420,643
Amounts due to the Controlling Shareholder and his affiliates	301,718	–	–	–	301,718	301,718
Bank and other loans	686,316	50,148	–	–	736,464	719,500
	2,642,041	50,148	–	–	2,692,189	2,675,225

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

	At 31 December 2009 Contractual undiscounted cash (outflow)/inflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Derivatives settled gross:					
Forward foreign exchange contracts held as cash flow hedging instruments *(Section C Note 31(d)(i))*:					
– outflow	(642,038)	(116,103)	(62,004)	–	(820,145)
– inflow	644,572	116,931	63,133	–	824,636
Other forward foreign exchange contracts *(Section C Note 31(d)(ii))*:					
– outflow	(175,946)	(3,066)	(1,958)	–	(180,970)
– inflow	176,823	3,094	1,990	–	181,907

	At 31 December 2010 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	1,792,796	–	–	–	1,792,796	1,792,796
Accrued expenses and other payables	492,721	–	–	–	492,721	492,721
Amounts due to the Controlling Shareholder and his affiliates	285,297	–	–	–	285,297	285,297
Bank and other loans	1,867,652	–	–	–	1,867,652	1,827,474
Redeemable convertible preference shares	–	331,135	–	–	331,135	302,201
	4,438,466	331,135	–	–	4,769,601	4,700,489

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

	At 31 December 2010 Contractual undiscounted cash (outflow)/inflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Derivatives settled gross:					
Forward foreign exchange contracts held as cash flow hedging instruments *(Section C Note 31(d)(i))*:					
– outflow	(1,090,704)	(172,553)	(12,977)	–	(1,276,234)
– inflow	1,107,771	173,532	12,055	–	1,293,358
Other forward foreign exchange contracts *(Section C Note 31(d)(ii))*:					
– outflow	(247,817)	(1,309)	–	–	(249,126)
– inflow	251,212	1,328	–	–	252,540

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group adopts a policy where it will negotiate with banks and financial institutions and attempt to maintain a relatively higher level of fixed rate borrowings during times when the economy is growing, in a view that interest rates will generally increase during these periods. In contrast, the Group will negotiate with banks and financial institutions and attempt to maintain a relatively lower level of fixed rate borrowings when the economy is recessing, in a view that interest rates will generally decrease during these periods.

(i) Interest rate profile

The following table details the interest rate profile of the Group as at 31 December 2008, 2009 and 2010:

	At 31 December 2008		At 31 December 2009		At 31 December 2010	
	Effective interest rate		Effective interest rate		Effective interest rate	
	%	RMB'000	%	RMB'000	%	RMB'000
Fixed rate borrowings:						
Bank and other loans	7.05%	355,940	5.23%	260,000	5.31%	786,882
Variable rate borrowings:						
Bank and other loans	6.15%	518,500	4.81%	459,500	3.57%	1,040,592
Total borrowings		874,440		719,500		1,827,474
Fixed rate borrowings as a percentage of total borrowings		41%		36%		43%

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2008, 2009 and 2010, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB4.6 million, RMB3.8 million and RMB8.6 million, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits assuming that the change in interest rates had occurred at the respective balance sheet dates and had been applied to re-measure those non-derivative financial instruments held by the Group which expose the Group to cash flow interest rate risk at the respective balance sheet dates. The impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expenses of such a change in interest rates. The sensitivity analysis is performed on the same basis for the Track Record Period.

(d) Currency risk

The Group is exposed to currency risk primarily through revenue from contract work and purchases of imported materials which give rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, Euro, SGD, AUD, GBP, CHF, KWD, Bahraini Dinar ("BHD"), JPY, QAR, Canadian Dollar ("CAD"), United Arab Emirates Dirham ("AED") and HK$.

A significant portion of the Group's business is overseas construction contracts, and these contracts are generally settled in currencies other than RMB. Given the significant fluctuations of foreign currencies against RMB during the global economic crisis in 2008, the Group commenced the use of forward foreign exchange contracts during the year ended 31 December 2009 in a view to minimise its exposure to currency risk. The Group's management believes that RMB will appreciate against most foreign currencies in the foreseeable future, accordingly, the Group will continue to increase the use of forward foreign exchange contracts to hedge its foreign currency exposure.

(i) Forecast transactions

The Group hedges portion of its estimated foreign currency exposure in respect of highly probable forecast revenue from construction contracts.

The Group uses forward foreign exchange contracts to hedge its currency risk and classifies these as cash flow hedges. At 31 December 2009 and 2010, RMB644.6 million and RMB1,107.8 million, respectively, of the forward foreign exchange contracts have maturities of less than one year after the balance sheet dates, and RMB180.0 million and RMB185.6 million, respectively, of the forward foreign exchange contracts have maturities of more than one year after the balance sheet dates.

At 31 December 2009 and 2010, the Group had forward foreign exchange contracts hedging forecast transactions with a net fair value of RMB4.5 million and RMB17.1 million, respectively, recognised as derivative financial instruments.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(ii) Recognised assets and liabilities

Changes in the fair value of forward foreign exchange contracts that economically hedge monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statements (see Section C Note 4(a)). At 31 December 2009 and 2010, the net fair value of forward foreign exchange contracts used by the Group as economic hedges of monetary assets and liabilities denominated in foreign currencies was RMB0.9 million and RMB3.4 million, respectively, recognised as derivative financial instruments.

In respect of the remaining receivables and payables denominated in currencies other than the functional currency of the entity to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(iii) Exposure to currency risk

The following table details the Group's exposure at 31 December 2008, 2009 and 2010 to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the respective year end dates. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	At 31 December 2008						
	USD	Euro	SGD	AUD	GBP	CHF	BHD
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross amount due from customers for contract work ...	39,916	11,027	13,390	–	–	–	513
Trade and bills receivables	305,482	29,115	28,170	21,722	51,170	–	1,215
Deposits, prepayments and other receivables	4,343	–	8,925	–	9,386	16,156	–
Cash and cash equivalents	12,085	5	–	3,507	35	–	–
Trade and bills payables	(29,837)	–	–	–	–	–	–
Accrued expenses and other payables	(13,713)	–	–	–	–	–	–
Gross exposure arising from recognised assets and liabilities	318,276	40,147	50,485	25,229	60,591	16,156	1,728

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Exposure to currency risk (continued)

	At 31 December 2009								
	USD	Euro	SGD	AUD	GBP	CHF	KWD	BHD	JPY
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross amount due from customers for contract work	29,662	57,817	17,224	8,344	–	–	–	192	2,837
Trade and bills receivables	418,906	71,564	–	82,125	42,394	–	–	–	–
Deposits, prepayments and other receivables	7,939	–	9,857	–	10,429	43,849	3,591	–	–
Cash and cash equivalents	71,596	5,075	1,793	21,901	18,459	–	–	–	–
Trade and bills payables	(32,105)	–	–	–	–	–	–	–	–
Accrued expenses and other payables	(2,914)	–	–	–	–	–	–	–	–
Gross exposure arising from recognised assets and liabilities	493,084	134,456	28,874	112,370	71,282	43,849	3,591	192	2,837
Notional amounts of forward foreign exchange contracts used as economic hedges	(151,966)	(5,896)	–	–	(24,146)	–	–	–	–
Net exposure arising from recognised assets and liabilities	341,118	128,560	28,874	112,370	47,136	43,849	3,591	192	2,837

	At 31 December 2010											
	USD	Euro	SGD	AUD	GBP	CHF	KWD	BHD	QAR	CAD	AED	HK$
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross amount due from customers for contract work	82,467	2,462	40,145	6,823	–	–	10,439	8,466	–	–	–	–
Trade and bills receivables	485,373	161,210	51,775	144,658	30,110	3,909	–	14	–	7,777	45,156	–
Deposits, prepayments and other receivables	–	–	–	–	9,707	53,980	3,532	–	1,819	–	–	–
Cash and cash equivalents	6,411	14,147	22,155	6,948	–	–	–	–	–	1,641	–	7,375
Trade and bills payables	(4,187)	(32,678)	–	–	–	–	–	–	–	–	–	–
Accrued expenses and other payables	(12,403)	(45)	–	–	–	–	–	–	–	–	–	–
Gross exposure arising from recognised assets and liabilities	557,661	145,096	114,075	158,429	39,817	57,889	13,971	8,480	1,819	9,418	45,156	7,375
Notional amounts of forward foreign exchange contracts used as economic hedges	(243,204)	–	–	–	–	(4,144)	–	–	–	(2,896)	–	–
Net exposure arising from recognised assets and liabilities	314,457	145,096	114,075	158,429	39,817	53,745	13,971	8,480	1,819	6,522	45,156	7,375

(iv) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at 31 December 2008, 2009 and 2010 had changed at those dates, assuming all other risk variables remained constant.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iv) Sensitivity analysis (continued)

	At 31 December 2008		At 31 December 2009		At 31 December 2010	
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and retained profits
		RMB'000		RMB'000		RMB'000
USD	5%	14,209	5%	13,988	5%	12,735
	(5%)	(14,209)	(5%)	(13,988)	(5%)	(12,735)
Euro	30%	10,674	20%	20,936	20%	23,888
	(30%)	(10,674)	(20%)	(20,936)	(20%)	(23,888)
SGD	15%	6,712	10%	2,362	10%	9,395
	(15%)	(6,712)	(10%)	(2,362)	(10%)	(9,395)
AUD	60%	13,416	45%	41,370	20%	25,923
	(60%)	(13,416)	(45%)	(41,370)	(20%)	(25,923)
GBP	45%	24,165	25%	9,641	15%	4,886
	(45%)	(24,165)	(25%)	(9,641)	(15%)	(4,886)
CHF	30%	4,296	20%	7,175	15%	6,766
	(30%)	(4,296)	(20%)	(7,175)	(15%)	(6,766)
KWD	–	–	5%	147	10%	1,143
	–	–	(5%)	(147)	(10%)	(1,143)
BHD	5%	77	5%	8	5%	347
	(5%)	(77)	(5%)	(8)	(5%)	(347)
JPY	–	–	15%	348	–	–
	–	–	(15%)	(348)	–	–
QAR	–	–	–	–	5%	74
	–	–	–	–	(5%)	(74)
CAD	–	–	–	–	10%	536
	–	–	–	–	(10%)	(536)
AED	–	–	–	–	5%	1,847
	–	–	–	–	(5%)	(1,847)
HK$...............	–	–	–	–	5%	302
	–	–	–	–	(5%)	(302)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the respective balance sheet dates for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at 31 December 2008, 2009 and 2010, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The sensitivity analysis is performed on the same basis for 31 December 2008, 2009 and 2010.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at 31 December 2008, 2009 and 2010 in accordance with the fair value hierarchy defined in IFRS 7, *Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

The Group's financial instruments carried at fair value at 31 December 2008, 2009 and 2010 are all measured under Level 1.

	Level 1		
	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Assets			
Derivative financial instruments:			
– Forward foreign exchange contracts	–	6,086	25,363
– Forward aluminium contracts	–	22,518	7,408
	–	28,604	32,771
Liabilities			
Derivative financial instruments:			
– Forward foreign exchange contracts	–	658	4,825
– Forward aluminium contracts	20,595	–	–
	20,595	658	4,825

(ii) Fair values of financial instruments carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2008, 2009 and 2010.

(iii) Estimation of fair values

The fair values of forward foreign exchange contracts and forward aluminium contracts are determined based on market prices at the respective balance sheet dates.

32 COMMITMENTS

(a) Capital commitments outstanding at each balance sheet date not provided for in the Financial Information were as follows:

	At 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Commitments in respect of land and buildings, and machinery and equipment			
– Contracted for	8,219	11,833	35,821
– Authorised but not contracted for	45,366	26,048	82,605
	53,585	37,881	118,426

(b) At each balance sheet date, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 31 December		
	2008	**2009**	**2010**
	RMB'000	**RMB'000**	**RMB'000**
Within 1 year	10,289	18,436	12,957
After 1 year but within 5 years	3,365	2,470	6,736
After 5 years	3,178	3,093	3,947
	16,832	23,999	23,640

The Group leases certain land, plant and buildings, motor vehicles and other equipment under operating leases. Except for the lease of land for a period of 50 years, the remaining leases typically run for an initial period of 1 to 10 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent lease rentals.

33 CONTINGENT LIABILITIES

(a) Guarantees issued

At each balance sheet date, the Group has issued the following guarantees:

	At 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
Guarantees for construction contracts' bidding, performance and retentions	1,617,706	1,836,052	2,221,102

As at each balance sheet date, the directors of the Company do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group at each balance sheet date under the guarantees issued is the amounts disclosed above.

(b) Contingent liabilities in respect of legal claims

(i) In December 2009, Shenyang Yuanda and Yuanda Aluminium Engineering (India) Private Limited ("Yuanda India"), both wholly owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in India in respect of Shenyang Yuanda's and Yuanda India's non-performance of the terms as stipulated in the sub-contractor agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has also made a counterclaim against this sub-contractor for non-performance of the sub-contractor agreement. As at the date of this Financial Information, the above lawsuit is under reviewed before the Arbitral Tribunal of New Delhi in India. If Shenyang Yuanda and Yuanda India are found to be liable, the total expected monetary compensation may amount to approximately INR1,410.8 million (equivalent to approximately RMB211.1 million) plus accrued interest. Both Shenyang Yuanda and Yuanda India continue to deny any liability in respect of the non-performance of the terms of the sub-contract agreement and, based on legal advice, the directors of the Company do not believe it is probable that the arbitration tribunal will find against Shenyang Yuanda and Yuanda India. No provision has therefore been made in respect of this claim.

(ii) In April 2009, Shenyang Yuanda received a notice that it is being sued by a construction agent in Kuwait in respect of damages arose from the termination of the agency agreement entered into between Shenyang Yuanda and this former agent. As at the date of this Financial Information, the above lawsuit is under reviewed before the Court of First Instance in Kuwait. If Shenyang Yuanda is found to be liable, the total expected monetary compensation may amount to approximately KWD11.2 million (equivalent to approximately RMB263.3 million). Shenyang Yuanda continues to deny any liability in respect of the claim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda. No provision has therefore been made in respect of this claim.

33 CONTINGENT LIABILITIES (CONTINUED)

(b) Contingent liabilities in respect of legal claims (continued)

(iii) In June 2010, Yuanda Aluminium Industry Engineering (Germany) GmbH ("Yuanda Germany") filed a lawsuit against a customer in respect of its non-payment of Euro2.0 million in respect of the work carried out on this customer by Yuanda Germany. In September 2010, this customer filed a counterclaim against Yuanda Germany for non-performance of the construction contract. As at the date of this Financial Information, the above lawsuit is under reviewed before the district court of Wiesbaden in Germany. If Yuanda Germany is found to be liable, the total expected monetary compensation may amount to approximately Euro6.1 million (equivalent to approximately RMB53.7 million). Yuanda Germany continues to deny any liability in respect of the counterclaim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Yuanda Germany. No provision has therefore been made in respect of this claim.

(iv) In September 2010, Yuanda USA Corporation ("Yuanda USA") received a notice that it is being sued by a former sub-contractor in respect of Yuanda USA's non-payment of the additional costs incurred by the sub-contractor arising from the sub-contractor agreement entered into between Yuanda USA and this former sub-contractor. Yuanda USA has also made a counterclaim against this sub-contractor for non-performance of the sub-contractor agreement. As at the date of this Financial Information, the above lawsuit is under reviewed before an arbitrator. If Yuanda USA is found to be liable, the total expected monetary compensation may amount to approximately USD2.0 million (equivalent to approximately RMB13.2 million). Yuanda USA continues to deny any liability in respect of the claim and, based on legal advice, the directors of the Company do not believe it is probable that the arbitrator will find against Yuanda USA. No provision has therefore been made in respect of this claim.

(v) In addition to the lawsuits and arbitrations mentioned in Section C Notes 33(b)(i) to 33(b)(iv), certain subsidiaries of the Group are named defendant on other lawsuits or arbitrations in respect of construction work carried out by them. The directors of the Company consider the amounts of claim involved in these lawsuits and arbitrations are insignificant to the Group, both individually and in aggregate. As at the date of this Financial Information, the above lawsuits and arbitrations are under reviewed before courts or arbitrators. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB11.5 million, of which RMB5.5 million has already been provided for a lawsuit by the Group as at 31 December 2010 (see Section C Note 22). The lawsuit that related to the provision has been settled in March 2011. The Directors of the Company consider that the provision was the best estimate of expected monetary compensation in relation to this lawsuit as at 31 December 2010. Based on legal advice, the directors of the Company do not believe it is probable that the courts or arbitrators will find against these subsidiaries of the Group on the remaining lawsuits and arbitrations.

34 ACCOUNTING JUDGEMENTS AND ESTIMATES

Section C Note 31(e) contains information about the assumptions and the risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Construction contracts

As explained in the accounting policies set out in Section C Notes 1(p) and 1(w)(i), revenue and profit recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the gross amount due from customers for contract work as disclosed in Section C Note 15 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

34 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Provision for warranties

As explained in Section C Note 26, the Group makes provisions under the warranties it gives on construction of curtain wall systems contracts, taking into account the Group's recent claim experience. As the curtain wall systems required by the customers become more complex, it is probable that the recent claim experience is not indicative of future claims that it will receive in respect of past construction of curtain wall systems. Any increase or decrease in the provision would affect the income statement in future years.

(c) Impairment of receivables

The management maintains an allowance for doubtful accounts for estimated losses resulting from the inability of the debtors to make the required payments. The management bases the estimates on the assessment of recoverability of individual receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

(d) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Section C Note 1(l)(ii). The carrying amounts of long-lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

(e) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The management reviews the estimated useful lives and residual values of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of the useful lives and residual values are based on the historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

35 POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING 1 JANUARY 2010

As at the date of the Financial Information, the IASB has issued the following new standards, amendments to standards and interpretations which are not yet effective for the accounting period beginning 1 January 2010 and which have not been adopted in the Financial Information.

	Effective for accounting periods beginning on or after
Amendments to IAS 32, *Financial instruments: Presentation – Classification of rights issues*	1 February 2010
IFRIC 19, *Extinguishing financial liabilities with equity instruments*	1 July 2010
Amendments to IFRS 1, *First-time adoption of International Financial Reporting Standards – Limited exemption from comparative IFRS 7 disclosures for first-time adopters*	1 July 2010
Improvements to IFRSs 2010	1 July 2010 or 1 January 2011
Revised IAS 24, *Related party disclosures*	1 January 2011
Amendments to IFRIC 14, IAS 19 – *The limit on a defined benefit asset, minimum funding requirements and their interaction – Prepayments of a minimum funding requirement*	1 January 2011
Amendments to IFRS 1, *First-time adoption of International Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters*	1 July 2011
Amendments to IFRS 7, *Financial instruments: Disclosures- Transfers of financial assets*	1 July 2011
Amendments to IAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*	1 January 2012
IFRS 9, *Financial instruments (2009)* Basis for conclusions on IFRS 9 (2009) Amendments to other IFRSs and guidance on IFRS 9 (2009)	1 January 2013
IFRS 9, *Financial instruments (2010)* Basis for conclusions on IFRS 9 (2010) Implementation guidance on IFRS 9 (2010)	1 January 2013

The Group is in the process of making an assessment of what the impact of these new standards, amendments to standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

36 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors of the Company consider the immediate and ultimate holding company of the Company as at 31 December 2010 to be Best Outlook Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

37 STATUTORY AUDIT

The financial statements of the companies now comprising the Group which are subject to audit during the Track Record Period were audited by the following auditors:

Name of company	Financial year/period	Name of auditors (Note)
Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. 瀋陽遠大鋁業工程有限公司	Years ended 31 December 2008, 2009 and 2010	Shenyang Gongxin Certified Public Accountants (i) 瀋陽公信會計師事務所
Shanghai Yuanda Aluminium Industry Engineering Co., Ltd. 上海遠大鋁業工程有限公司	Years ended 31 December 2008, 2009 and 2010	Liaoning Zhongputian Certified Public Accountants (i) 遼寧中普天會計師事務所
Shenyang Haihui Technology Investment Co., Ltd. 瀋陽海慧科技投資有限公司	Years ended 31 December 2008, 2009 and 2010	Liaoning Zhongputian Certified Public Accountants (i) 遼寧中普天會計師事務所
Yuanda (UK) Co., Ltd. 遠大英國有限公司	Years ended 31 December 2008, 2009 and 2010	Carter Backer Winter LLP Certified Public Accountants
Shenyang Yuanda Metal Coating Co., Ltd. 瀋陽遠大金屬噴塗有限公司	Years ended 31 December 2008, 2009 and 2010	Liaoning Zhongputian Certified Public Accountants (i) 遼寧中普天會計師事務所
Shenyang Yuanhai Trading Co., Ltd. 瀋陽遠海貿易有限公司	Years ended 31 December 2008, 2009 and 2010	Liaoning Zhongputian Certified Public Accountants (i) 遼寧中普天會計師事務所
Foshan Yuanda Aluminium Industry Engineering Co., Ltd. 佛山遠大鋁業工程有限公司	Year ended 31 December 2008	Foshan Hongxin Certified Public Accountants (i) 佛山市弘信會計師事務所
	Years ended 31 December 2009 and 2010	Foshan Liwei Certified Public Accountants Co., Ltd. (i) 佛山立為會計師事務所有限公司
Yuanda Aluminium Industry Engineering (Macao), Ltd. 遠大鋁業工程(澳門)有限公司	Years ended 31 December 2008, 2009 and 2010	Wong Wai Pan Registered Auditor 黃慧斌澳門註冊核數師
Yuanda Australia Pty Ltd. 遠大澳大利亞有限公司	Years ended 31 December 2008, 2009 and 2010	Crofts Chartered Accountants and Business Advisors

37 STATUTORY AUDIT (CONTINUED)

Name of company	Financial year/period	Name of auditors (Note)
Yuanda Qatar Aluminium Industry Engineering Co., W.L.L 遠大鋁業(卡塔爾)工程有限公司	Period from 11 February 2008 (date of incorporation) to 30 June 2009	Talal Abu-Ghazaleh & Co. International
	Period from 1 July 2009 to 31 December 2009	Talal Abu-Ghazaleh & Co. International
	Year ended 31 December 2010	Talal Abu-Ghazaleh & Co. International
Yuanda Aluminium Engineering (India) Private Limited 遠大鋁業工程(印度)私人有限公司	Period from 28 July 2008 (date of incorporation) to 31 March 2009	Ruchi Anand & Associates Chartered Accountants
	Year ended 31 March 2010	Ruchi Anand & Associates Chartered Accountants
Yuanda Europe Ltd. 遠大歐洲有限公司	Period from 29 July 2008 (date of incorporation) to 31 December 2008	Buchhaltungs Und Revisions-AG Accounting and Auditing Ltd.
	Years ended 31 December 2009 and 2010	Buchhaltungs Und Revisions-AG Accounting and Auditing Ltd.
Yuanda Curtain Wall (Hong Kong) Company Limited 遠大幕墻(香港)有限公司	Period from 14 May 2009 (date of incorporation) to 31 December 2009	Lee Sek Chiu & Hui Certified Public Accountants 李石趙許會計師樓
	Year ended 31 December 2010	Oriental Link CPA Limited 華盈會計師事務所有限公司
Yuanda Kuwait General Contracting for Buildings Underes 遠大科威特綜合建築承包有限責任公司	Period from 17 May 2009 (date of incorporation) to 31 December 2010	Al-Ahmad and Co. Certified Accountants Al-Dar Audit Bureau
Yuanda Curtain Wall (Vietnam) Co., Ltd. 遠大幕墻(越南)有限責任公司	Period from 29 July 2009 (date of incorporation) to 31 December 2009	IFC-ACA Group-Kreston International
	Year ended 31 December 2010	IFC-ACA Group-Kreston International

Note:

(i) The English translation of the names are for reference only. The official names of these accounting firms are in Chinese.

D SUBSEQUENT EVENTS

Establishment of an associate

On 24 August 2010, Shenyang Yuanda has entered into a memorandum of understanding (the "MOU") with a third party in the establishment of a glass manufacturing company. Pursuant to the MOU, which is subject to further negotiation between Shenyang Yuanda and this third party and the finalisation of the related agreement, Shenyang Yuanda will obtain 49% equity interests in this new company through contribution of RMB36.8 million in the form of land use rights, production plant and equipment, and cash.

As at the date of this Financial Information, the above transaction has yet to be completed.

E BALANCE SHEET OF THE COMPANY

The Company's balance sheet at 31 December 2010 is as follows:

	At 31 December 2010
	RMB'000
Non-current assets	
Investment in a subsidiary	1
Current assets	
Prepayments and other receivables *(Section E Note(a))*	984,484
Cash and cash equivalents	35,593
	1,020,077
Current liabilities	
Accrued expenses and other payables	2,718
Bank loan *(Section E Note (b))*	690,592
	693,310
Net current assets	326,767
Total assets less current liabilities	326,768
Non-current liabilities	
Redeemable convertible preference shares *(Section C Note 27)*	302,201
Net assets	24,567
Capital and reserves	
Share capital *(Section E Note (c))*	1
Reserves *(Section E Note (c))*	24,566
Total equity	24,567

Notes:

(a) ***Prepayments and other receivables***

	At 31 December 2010
	RMB'000
Amounts due from a subsidiary	984,457
Prepayments	27
	984,484

The amounts due from a subsidiary are unsecured, non-interest bearing and have no fixed terms of repayment.

(b) ***Bank loan***

The bank loan is jointly secured by the equity interests in and loans to certain subsidiaries of the Group, the funds deposited in the account opened for the purpose of this loan and portion of the Company's shares.

The bank loan is repayable on 19 November 2011 or immediately repayable upon the occurrence of an initial public offering of the Company and listing of and permission to deal in the Company's shares on the Stock Exchange or such other internationally recognised securities exchange, in which the market capitalisation upon listing shall not be less than USD1,000.0 million.

(c) ***Capital and reserves***

(i) *Share capital*

The Company was incorporated on 26 February 2010 and has not carried out any business since the date of its incorporation save for the Reorganisation.

On the date of incorporation, the Company's authorised share capital is HK$380,000, comprising 3,800,000 ordinary shares of HK$0.1 each. The Company issued 1 ordinary share at par on the date of its incorporation and 9,999 ordinary shares at par on 10 November 2010, and the shares issued have been fully paid.

On 19 November 2010, the directors of the Company passed resolutions to redesignate and reclassify the Company's authorised share capital of 3,800,000 ordinary shares into 3,799,315 ordinary shares and 685 preferred shares of HK$0.1 each.

(ii) Movements in components of equity

	Share capital	Capital reserve	Exchange reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Section E Note (c)(i))	*(Section C Note 28(d)(i))*	*(Section C Note 28(d)(iv))*		
At 26 February 2010 (date of incorporation)	–	–	–	–	–
Changes in equity for 2010:					
Loss for the period	–	–	–	(6,254)	(6,254)
Other comprehensive income	–	–	279	–	279
Total comprehensive income	–	–	279	(6,254)	(5,975)
Issuance of shares *(Section E Note (c)(i))*	1	–	–	–	1
Issuance of redeemable convertible preference shares *(Section C Note 27)*	–	30,541	–	–	30,541
Transactions with equity shareholders of the Company	1	30,541	–	–	30,542
At 31 December 2010	1	30,541	279	(6,254)	24,567

F SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2010.

Yours faithfully

KPMG
Certified Public Accountants
Hong Kong

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set forth below to provide prospective investors with further information on (i) how the proposed listing might have affected the financial position of the Group after the completion of the Global Offering; and (ii) how the proposed listing might have affected the unaudited pro forma forecasted earnings per Share for the six months ending June 30, 2011.

The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance and condition of the Group during the Track Record Period or any future date or period.

The information set forth in this Appendix does not form part of the Accountants' Report received from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets of the Group which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had been taken place on December 31, 2010 and based on the audited consolidated net assets attributable to equity shareholders of the Company as of December 31, 2010 as shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at December 31, 2010 or at any future dates.

	Consolidated net tangible assets attributable to equity shareholders of the Company as at December 31, 2010[(1)(4)]	Estimated net proceeds from the Global Offering and the conversion of the Series A Preferred Shares [(2)(3)(5)]	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share[(3)]	
	RMB'000	RMB'000	RMB'000	RMB	HK$[(5)]
Based on an Offer Price of HK$1.92 per Share	898,149	2,612,826	3,510,975	0.59	0.70
Based on an Offer Price of HK$2.78 per Share	898,149	3,658,832	4,556,981	0.76	0.90

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of the Company as at December 31, 2010 represented the consolidated equity attributable to equity shareholders of the Company of RMB898,149,000, and is extracted from the Accountants' Report as set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Prices of HK$1.92 and HK$2.78 per Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the underwriting fees and other related expenses payable by the Company. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis of 6,000,000,000 Shares are in issue as if the Global Offering and the conversion of the Series A Preferred Shares had been taken place on December 31, 2010. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option and the Share Option Scheme.

(4) The Group's property interests as at February 28, 2011 have been valued by Jones Lang LaSalle Sallmanns Limited, an independent property valuer. The relevant property valuation report is set out in Appendix IV to this prospectus. The revaluation surplus or deficit of these properties was not incorporated in the Group's consolidated financial information for the year ended December 31, 2010 and will not be included in the Group's financial statements for the six months ending June 30, 2011. The above adjustments do not take into account the revaluation surplus attributable to the Group arising from the revaluation of the Group's property interests amounting to approximately RMB412.8 million. If the revaluation surplus was recorded in the Group's financial statements, additional depreciation and amortization of approximately RMB9.4 million would be charged against the results for the six months ending June 30, 2011.

(5) The estimated net proceeds from the Global Offering and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share are converted from or into Hong Kong dollars at an exchange rate of RMB1.00 to HK$1.19. No representation is made that the HK$ amounts have been, could have been or may be converted into RMB, or vice versa, at that rate.

B. UNAUDITED PRO FORMA FORECASTED EARNINGS PER SHARE

The following unaudited pro forma forecasted earnings per Share for the six months ending June 30, 2011 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2011. This unaudited pro forma forecasted 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 for the six months ending June 30, 2011 or for any future periods following the completion of the Global Offering.

Unaudited forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011[(1)(2)]	not less than RMB410.5 million (equivalent to approximately HK$488.5 million)
Unaudited pro forma forecasted earnings per Share[(3)]	not less than RMB0.068 (equivalent to approximately HK$0.081)

Notes:

(1) The bases and assumptions on which the above profit forecast for the six months ending June 30, 2011 has been prepared are summarised in Appendix III to this prospectus.

(2) The unaudited forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011 has been prepared by the Directors on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 1 of Section C of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(3) The calculation of the unaudited pro forma forecasted earnings per Share is based on the unaudited forecasted consolidated profit attributable to equity shareholders of the Company for the six months ending June 30, 2011, assuming the Global Offering and the conversion of Series A Preferred Shares had been completed on January 1, 2011, and a total of 6,000,000,000 Shares were in issue during the six months ending June 30, 2011. No account has been taken of any Shares which may be issued pursuant to any exercise of the Over-allotment Option and the Share Option Scheme.

(4) For the purpose of this unaudited pro forma forecasted earnings per Share, the translation of RMB into HK$ was made at an exchange rate of RMB1.00=HK$1.19. No representation is made that the RMB amounts have been, could have been or may be converted into HK$, or vice versa, at that rate.

C. REPORT FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in connection with the unaudited pro forma financial information of the Group.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

20 April 2011

The Directors
Yuanda China Holdings Limited

Dear Sirs,

We report on the unaudited pro forma financial information (the "Pro Forma Financial Information") of the Company and its subsidiaries (the "Group") set out on pages II-1 to II-3 in Appendix II of the prospectus dated 20 April 2011 (the "Prospectus"), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the global offering of the Company's shares might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out on pages II-1 to II-3 of the Prospectus.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 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 (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) 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 work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements ("HKSIR") 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted 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. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the unaudited Pro Forma 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 Company and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Our procedures on the unaudited Pro Forma Financial Information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31 December 2010 or any future dates; or

- the earnings per share of the Group for the six months ending 30 June 2011 or any future periods.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described under the section headed "Future Plans and Use of Proceeds" set out in the Prospectus.

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 Company; and

c) the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Yours faithfully

KPMG
Certified Public Accountants
Hong Kong

The forecast of our net profit for the six months ending June 30, 2011 is set out in the section entitled "Financial Information — Profit Forecast for the Six Months Ending June 30, 2011" in the prospectus

A. BASES, ASSUMPTIONS AND SENSITIVITY ANALYSIS

Bases and Assumptions

The profit forecast has been prepared by the Directors of the Company based on the unaudited consolidated management accounts of the Group for the two months ended February 28, 2011 and a forecast of the consolidated results of the Group for the remaining four months ending June 30, 2011. The significant accounting policies adopted by directors of the Company in the preparation of the profit forecast are consistent in all material respects, with those adopted by the Company as set out in the Accountants' Report in Appendix I to this prospectus.

The principal general bases and assumptions underlying the profit forecast are set out below:

1. There will be no material changes in the existing political, legal, fiscal, market or economic conditions in China, Hong Kong or any other countries or territories in which the Group currently operates or which are otherwise material to our business;

2. There will be no changes in legislation, regulations or rules in China, Hong Kong or any other countries or territories in which the Group operates or with which the Group has arrangements or agreements, which may materially adversely affect the Group's business or operations;

3. There will be no material changes in the landscape of the industries in which the Group operates in and the conditions of the markets in which the Group provides design, procurement, production, sale and installation of curtain wall systems to their customers;

4. There will be no material delays to the production schedules, operation plans and production expansion plans of the Group as set out in this prospectus;

5. Operating activities of the Group will not be adversely affected by critical shortage in raw materials used by the Group in their production processes, and the occurrences such as labor shortages and disputes, or any other factors outside the control of its management such as government act;

6. There will be no material increases in the purchase price of major raw materials during the profit forecast period;

7. There will be no material changes in inflation rates, interest rates, or foreign exchange rates from those currently prevailing in the context of the Group's operations;

8. There will be no material changes in the taxation system and relevant tax bases or tax rates or duties applied to the Group in the PRC, Hong Kong or any of the countries or territories in which the Group operate; and

9. The operations of the Group will not be materially affected or interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors.

Sensitivity Analysis

The following table illustrates the sensitivity of forecasted consolidated profit attributable to equity shareholders of the Company to the changes of the forecasted purchase cost of aluminum extrusions for the six months ending June 30, 2011, without considering the effect of aluminum futures contracts we have entered into.

	5% increase in the forecasted purchase cost of aluminum extrusion	**10% increase in the forecasted purchase cost of aluminum extrusion**	**5% decrease in the forecasted purchase cost of aluminum extrusion**	**10% decrease in the forecasted purchase cost of aluminum extrusion**
(Decrease) / increase in forecasted consolidated profit attributable to equity shareholders of the Company (RMB'000)	(24,423)	(48,846)	24,423	48,846
Forecasted consolidated profit attributable to equity shareholders of the company (RMB'000)	386,115	361,692	434,691	459,384

This sensitivity illustration is intended for reference only and any variation could exceed the amounts indicated. Investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive and is limited to the impact of the changes in the forecasted purchase cost of aluminum extrusion; (ii) the profit forecast is subject to further and additional uncertainties. While we consider that for the purposes of the profit forecast what we believe is the best estimate of, among other assumptions, the change in the forecasted purchase cost of aluminum extrusion for the six months ending June 30, 2011, the actual change in the purchase cost of aluminum extrusion may differ materially from our estimate and is dependent on market conditions and other factors that are beyond our control.

B. LETTER FROM THE REPORTING ACCOUNTANTS ON THE PROFIT FORECAST

The following is the text of a letter, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in connection with the forecast of the consolidated profit attributable to equity shareholders of the Company for the six months ending 30 June 2011.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

20 April 2011

The Directors
Yuanda China Holdings Limited

Deutsche Bank AG, Hong Kong Branch
J.P. Morgan Securities (Asia Pacific) Limited

Dear Sirs

We have reviewed, in accordance with the Auditing Guideline 3.341 "Accountants' report on profit forecasts" issued by the Hong Kong Institute of Certified Public Accountants, the accounting policies adopted and calculations made in arriving at the forecast of the consolidated profit attributable to equity shareholders of Yuanda China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ending 30 June 2011 (the "Profit Forecast"), for which the directors of the Company are solely responsible, as set forth in the section headed "Financial Information – Profit Forecast for the Six Months Ending June 30, 2011" in the prospectus of the Company dated 20 April 2011 (the "Prospectus").

The Profit Forecast has been prepared by the directors of the Company based on the unaudited consolidated management accounts of the Group for the two months ended 28 February 2011 and a forecast of the consolidated results of the Group for the remaining four months ending 30 June 2011.

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the assumptions made by the directors as set out in Appendix III of 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 dated 20 April 2011, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully

KPMG
Certified Public Accountants
Hong Kong

C. LETTER FROM THE JOINT SPONSORS

The following is the text of a letter, prepared for inclusion in this prospectus by the Joint Sponsors in connection with the profit forecast for the six months ending June 30, 2011.

Deutsche Bank

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

J.P.Morgan

J.P. Morgan Securities (Asia Pacific) Limited
28/F Chater House
8 Connaught Road Central
Hong Kong

20 April 2011

The Directors
Yuanda China Holdings Limited

Dear Sirs,

We refer to the profit forecast of the consolidated net profit of Yuanda China Holdings Limited (the "Company") and its subsidiaries (together the "Group") attributable to equity holders of the Company for the six months ending June 30, 2011 (the "Profit Forecast") as set out in the prospectus issued by the Company dated April 20, 2011 (the "Prospectus").

The Profit Forecast, for which you as the directors of the Company (the "Directors") are solely responsible, has been prepared based on the unaudited consolidated management accounts of the Group for the two months ended February 28, 2011 and a forecast of the consolidated results of the Group for the remaining four months ending June 30, 2011.

We have discussed with you the bases and assumptions, as set forth in Appendix III to the Prospectus, upon which the Profit Forecast has been made. We have also considered the letter dated April 20, 2011 addressed to yourselves and ourselves from KPMG regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by KPMG, we are of the opinion that the Profit Forecast, for which you as Directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
Deutsche Bank AG, Hong Kong Branch **J.P. Morgan Securities (Asia Pacific) Limited**

Douglas Morton
Managing Director

Tony Yau
Director

David Lau
Executive Director

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 28 February 2011 of the property interests of the Group. As described in section "Document Available for Inspection" in Appendix VIII, a copy of the full valuation report will be made available for public inspection.

JONES LANG LASALLE® SALLMANNS

Jones Lang LaSalle Sallmanns Limited
6/F Three Pacific Place
1 Queen's Road East Hong Kong
tel +852 2169 6000 fax +852 2169 6001
Licence No: C-030171

20 April 2011

The Board of Directors
Yuanda China Holdings Limited
Unit 1203-1205
Prosperity Millennia Plaza
663 King's Road
North Point
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which Yuanda China Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC") and various overseas countries, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 28 February 2011 (the "date of valuation").

Our valuation of the property interests represents the market value which we would define as intended 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".

We have valued the property interests of property nos. 8 to 14 in Group I and property no. 18 in Group III by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Where, due to the nature of the buildings and structures of the property in the PRC and particular locations in which they are situated, there are unlikely to be relevant market comparables sales readily available, the property interests of property nos. 1 to 7 and 15 in Group I have been therefore valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

In valuing the property interests in Group II which were under construction as at the date of valuation, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have taken into account the construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees to be expended to complete the development.

We have attributed no commercial value to the property interests in Group IV, Group V and Group VI which are leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

As the Group is in compliance with paragraph 3(b) of Practice Note 16 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and section 6 of Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, the full details of the individual leased properties under operating lease have been excluded from the valuation certificates in our valuation report to this prospectus, of which summaries are included in the Summary of Values and the certificates for leased properties.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates or Real Estate Title Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers – Jingtian & Gongcheng, concerning the validity of the property interests in the PRC and other overseas legal advisers of Qatar, Bahrain, Vietnam, India, Kuwait and the United Arab Emirates.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB). We adopted the currency exchange rates of US$1=RMB6.58, EUR 1=RMB9.02, AED 1=RMB1.7906, SAR 1=RMB1.7532, GBR 1=RMB10.57, RUB 1=RMB0.2276, HK 1=RMB0.84, VND 1=RMB0.000314, AUD 1=RMB6.66, KER 1=RMB0.005854, CHF 1=RMB7.09, QAR1=RMB1.8052, KWD 1=RMB23.58, BHD 1=RMB17.43, Yen 1 = RMB0.08 and INR 1=RMB0.1454 at the date of valuation which were approximately the prevailing exchange rates as at the date of valuation.

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited

Paul L. Brown	**Sam B. Q. Zhu**
B.Sc. FRICS FHKIS	*MRICS*
Chief Valuation Adviser	*Director*

Note:

1. Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong, the United Kingdom, the Asia-Pacific region, as well as relevant property valuation experience in U.S., Russia, India, Vietnam, Japan, Germany, Kuwait, South Korea, Switzerland, Australia, Saudi Arabia, the United Arab Emirates and other Middle East region.

2. Sam B. Q. Zhu is a Chartered Surveyor who has 13 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUES

Group I – Property interests held and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 28 February 2011	Interest attributable to the Group	Capital value attributable to the Group as at 28 February 2011
		RMB		RMB
1.	2 parcels of land, 17 buildings and various structures No. 20 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	726,220,000	100%	726,220,000
2.	2 parcels of land, 15 buildings and various structures No. 22 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	No commercial value	100%	No commercial value
3.	5 parcels of land, 15 buildings and various structures No. 30 Dongling Road Dongling District Shenyang City Liaoning Province The PRC	59,674,000	100%	59,674,000
4.	A parcel of land, 5 buildings and various structures No. 2605 Jiaxing Road Jiading District Shanghai The PRC	36,511,000	100%	36,511,000
5.	2 parcels of land, 7 buildings located at Nos. 65/2 and 65/3 Area Qijiefang Huating Town Jiading District Shanghai The PRC	43,343,000	100%	43,343,000

No.	Property	Capital value in existing state as at 28 February 2011	Interest attributable to the Group	Capital value attributable to the Group as at 28 February 2011
		RMB		RMB
6.	A parcel of land 3 buildings and various structures No. 10 Chanxiu Road Luoge Area Chancheng Economic and Technological Development Zone Chancheng District Foshan City Guangdong Province The PRC	58,335,000	100%	58,335,000
7.	2 parcels of land, 5 buildings and various structures located at Er Zu Banbianjie Village Jitou Town Wuhou District Chengdu City Sichuan Province The PRC	No commercial value	100%	No commercial value
8.	No. 21-2-6/23-2-4 of a residential building located at Gaoyuan Street Zhongshan District Dalian City Liaoning Province The PRC	No commercial value	100%	No commercial value
9.	Units 1-6-4 and 1-6-5 on Level 6 of Jiaxingguoji Plaza No. 146 Beizhan Road Shenhe District Shenyang City Liaoning Province The PRC	3,153,000	100%	3,153,000
10.	10 residential units on Levels 2 to 7, Block 3 of Building 4 located at Huirun Yuan Tonghui Jiayuan Chaoyang District Beijing The PRC	30,013,000	100%	30,013,000

No.	Property	Capital value in existing state as at 28 February 2011	Interest attributable to the Group	Capital value attributable to the Group as at 28 February 2011
		RMB		RMB
11.	8 residential units on Level 19 of Building 97 West Area Balizhuang Chaoyang District Beijing The PRC	31,093,000	100%	31,093,000
12.	Units BF206 to BF209 and BF 110 on Level 3 of Building 1 Zhonghuan Plaza Longsha District Qiqihar City Heilongjiang Province The PRC	2,364,000	100%	2,364,000
13.	Levels 15 and 16 of Yincheng Plaza No. 2 Lane 3260 Zhongshan North Road Putuo District Shanghai The PRC	23,630,000	100%	23,630,000
14.	Units A3-2201 and A3-2202 on Level 22 of Tianyu Huating No. 236 Longkou West Road Tianhe District Guangzhou City Guangdong Province The PRC	4,636,000	100%	4,636,000
15.	15 residential units on Levels 3 to 5, Phase I and Phase III of Chaofuyuan No. 10, Wuqing East 4th Road Jitou Town Wuhou District Chengdu City Sichuan Province The PRC	No commercial value	100%	No commercial value
	Sub-total:	**1,018,972,000**		**1,018,972,000**

Group II – Property interests held under development by the Group in the PRC

No.	Property	Capital value in existing state as at 28 February 2011	Interest attributable to the Group	Capital value attributable to the Group as at 28 February 2011
		RMB		RMB
16.	2 parcels of land together with 2 buildings under construction No. 24 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	86,672,000	100%	86,672,000
17.	A parcel of land together with a building under construction located at Dadao Bay Technological Development Zone Anshan City Liaoning Province The PRC	No commercial value	100%	No commercial value
	Sub-total:	**86,672,000**		**86,672,000**

Group III – Property interest owned and occupied by the Group in Australia

No.	Property	Capital value in existing state as at 28 February 2011	Interest attributable to the Group	Capital value attributable to the Group as at 28 February 2011
		RMB		RMB
18.	Unit 503 447 Kent Street Sydney New South Wales Australia	7,460,000	100%	7,460,000
	Sub-total:	**7,460,000**		**7,460,000**

Group IV – Property interests leased and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 28 February 2011	Capital value attributable to the Group as at 28 February 2011
		RMB	RMB
19.	14 properties leased by the Group in the PRC	No commercial value	No commercial value
	Sub-total:	**Nil**	**Nil**

Group V – Property interests leased and occupied by the Group in Hong Kong

No.	Property	Capital value in existing state as at 28 February 2011	Capital value attributable to the Group as at 28 February 2011
		RMB	RMB
20.	6 properties leased by the Group in Hong Kong	No commercial value	No commercial value
	Sub-total:	**Nil**	**Nil**

Group VI – Property interests leased and occupied by the Group in various overseas countries

No.	Property	Capital value in existing state as at 28 February 2011	Capital value attributable to the Group as at 28 February 2011
		RMB	RMB
21.	52 properties leased by the Group in U.S., Britain, Russia, India, Qatar, Vietnam, Japan, Australia, Germany, Kuwait, South Korea, Saudi Arabia, the United Arab Emirates, Switzerland and Bahrain	No commercial value	No commercial value
	Sub-total:	**Nil**	**Nil**
	Grand total:	**1,113,104,000**	**1,113,104,000**

VALUATION CERTIFICATE

Group I – Property interests held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
1.	2 parcels of land, 17 buildings and various structures No. 20 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 457,056.39 sq.m. and 17 buildings and various structures erected thereon which were completed in various stages between 2007 and 2010. The buildings have a total gross floor area of approximately 306,119.56 sq.m. The buildings include an office building, a display building, 12 industrial buildings, a canteen, a warehouse and a guardhouse. The structures mainly include boundary fences, roads and sheds. The land use rights of the property have been granted for a term expiring on 17 March 2057 for industrial use.	The property is currently occupied by the Group for office and production purposes, except for portions of various buildings with a total gross floor area of approximately 21,386.50 sq.m. which are rented to 5 connected parties (see note 6).	726,220,000 100% interest attributable to the Group: RMB726,220,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 3 State-owned Land Use Rights Grant Contracts – Shen Jing Tu Chu He Zi (2007) Di Nos. 03, 30 and No. 2101062009A1022 dated between 18 March 2007 and 19 February 2009, the land use rights of 2 parcels of land with a total site area of approximately 457,056.39 sq.m. were contracted to be granted to Shenyang Yuanda Aluminium for a term expiring on 17 March 2057 for industrial use. The total land premium was RMB221,423,905.62.

3. Pursuant to 2 State-owned Land Use Rights Certificates – Shen Kai Guo Yong (2009) Di Nos. 087 and 088, the land use rights of 2 parcels of land with a total site area of approximately 457,056.39 sq.m. have been granted to Shenyang Yuanda Aluminium for a term expiring on 17 March 2057 for industrial use.

4. Pursuant to 16 Building Ownership Certificates – Shen Fang Quan Zheng Jing Ji Ji Shu Kai Fa Zi Di Nos. 009353 to 009360, 009541 to 009544, 009881, 011977, Shen Fang Quan Zheng Shi Zhong Xin Zi Di No. N060060976 and Shen 013982 Fang Quan Zheng Jing Ji Ji Shu Kai Fa Qu Zi Di No. K160000024, 16 buildings with a total gross floor area of approximately 304,299.56 sq.m. are owned by Shenyang Yuanda Aluminium.

5. For the remaining building with a gross floor area of approximately 1,820.00 sq.m., we have not been provided with any title certificates.

6. According to 5 Tenancy Agreements, portions of the buildings with a total gross floor area of approximately 21,386.50 sq.m. are rented to 5 connected parties for various terms with the expiry date between 31 March 2011 and 31 December 2011 at a total annual rent of RMB2,134,650, exclusive of management fees, water and electricity charges.

7. According to 2 Tenancy Agreements, portions of the buildings with a total gross floor area of approximately 6,932.00 sq.m. are rented to Shenyang Yuanhai Trade Co., Ltd. and Shenyang Haihui Technology Investment Co., Ltd. (2 wholly owned subsidiaries of the Company) for a term commencing from 1 January 2011 and expiring on 31 December 2011 at an annual rent of RMB693,200, exclusive of management fees, water and electricity charges.

8. In the valuation of this property, we have attributed no commercial value to the building mentioned in note 5 which has not obtained proper title certificate. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the building (excluding the land element) as at the date of valuation would be RMB827,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

9. Pursuant to 2 Mortgage Agreements entered between The Export-Import Bank of China and Shenyang Yuanda Aluminium, portions of 2 parcels of the land with an apportioned site area of approximately 127,048.64 sq.m. and the buildings with a total gross floor area of approximately 94,308.91 sq.m. erected thereon are subject to a mortgage for maximum loan amount of RMB200,000,000.00.

10. Pursuant to a Mortgage Agreement entered between China Construction Bank Shenyang Dongling Branch and Shenyang Yuanda Aluminium, portions of a parcel of land with an apportioned site area of approximately 78,006.7 sq.m. and 2 buildings with a total gross floor area of approximately 49,490.99 sq.m. are subject to a mortgage for maximum loan amount of RMB100,000,000.00.

11. Pursuant to a Mortgage Agreement entered between China Construction Bank Shenyang Dongling Branch and Shenyang Yuanda Aluminium, portions of a parcel of land with an apportioned site area of approximately 72,423.19 sq.m. and a building with a total gross floor area of approximately 45,948.56 sq.m. are subject to a mortgage for a loan amount of RMB100,000,000.00.

12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

    a. The Group legally owns the land use rights and building ownership rights of the property mentioned in notes 3 and 4 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the State-owned Land Use Rights Certificates;

    b. For the building without building ownership certificates mentioned in note 5, Shenyang Yuanda Aluminium is in the process of applying for the relevant Construction Completion documents and will apply for the building ownership certificate after obtaining construction completion documents;

    c. The Tenancy Agreements of 6 buildings with a total gross area of 28,218.5 sq.m are legal, valid and binding on both signed parties, but relevant lease agreements have not been registered with relevant competent authorities, this situation does not affect the lease rights of relevant parties under the tenancy agreements. The relevant parties have the obligations to make the registration of the relevant tenancy agreements if renewing the invalid tenancy agreements after 1 February 2011, otherwise there is a risk of being fined by the relevant competent authorities; for the Tenancy Agreement of a building with a gross floor area of 100 sq.m. Shenyang Yuanda Aluminium has the rights to lease such property and the relevant tenancy agreement has been registered with relevant competent authorities. The risk of being fined for changing the nature of the leased building is very low and the tenant could use the building as the nature agreed in the tenancy agreement; and

    d. Apart from the mortgage agreements mentioned in note 9, 10 and 11, the land use rights and building ownership rights of the property are not subject to mortgage, secure, seal up and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
2.	2 parcels of land, 15 buildings and various structures No. 22 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 358,614.81 sq.m. and 15 buildings and various structures erected thereon which were completed in various stages between 2007 and 2008. The buildings have a total gross floor area of approximately 192,615.83 sq.m. The buildings mainly include 9 industrial buildings and 6 dormitory buildings. The structures mainly include roads and a guardhouse. The land use rights of the property have been granted for a term expiring on 17 March 2057 for industrial use.	The property is currently occupied by the Group for production and staff dormitory purposes.	No commercial value

Notes:

1. Shenyang Yuanda Aluminum Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminum") is a wholly owned subsidiary of the Company.

2. Pursuant to 2 State-owned Land Use Rights Certificates – Shen Kai Guo Yong (2010) Di Nos. 028 and 029, the land use rights of 2 parcels of land with a total site area of approximately 358,614.81 sq.m. have been granted to Shenyang Yuanda Electrical Installing Co., Ltd. for a term expiring on 17 March 2057 for industrial use. And Shenyang Yuanda Aluminum acquired Shenyang Yuanda Electrical Installing Co., Ltd. in November 2010.

3. Pursuant to 11 Building Ownership Certificates – Shen Fang Quan Zheng Zhong Xin Zi Di Nos. N060156079, N060156080, N060156414, N060156430, N060156435, N060156438, N060156441, N060156443, N060156475, N060156617, N060156618, 11 buildings with a total gross floor area of approximately 178,247.67 sq.m. are owned by Shenyang Yuanda Electrical Installing Co., Ltd..

4. For the remaining 4 buildings with a total gross floor area of approximately 14,368.16 sq.m., we have not been provided with any title certificates.

5. We have attributed no commercial value to the property which has not obtained proper title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 15 buildings and various structures (excluding the land element) as at the date of valuation would be RMB259,235,000 assuming relevant title certificates have been obtained and they could be freely transferred.

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group are in the process of applying to the relevant authorities for the changing of the holders of the land use rights certificates and building ownership certificates mentioned in note 2 and 3 and there are no material impediments for the Group to obtain the land use rights certificates and the building ownership certificates for the property which previously belonged to Shenyang Yuanda Electrical Installing Co., Ltd. After obtaining the foresaid land use rights certificates and building ownership certificates, the Group will legally own the land use rights and the building ownership.

   b. For the remaining 4 buildings without building ownership certificates mentioned in note 4, there are three buildings with a total gross floor area of approximately 13,437.16 sq.m. which have obtained Construction Completion Certificate, Shenyang Yuanda Aluminium will apply for the Building Ownership Certificates of these three buildings as soon as they complete the changing of the holders of the land use rights certificates. For the remaining building with a gross floor area of approximately 931.00 sq.m., Shenyang Yuanda Aluminium is in the process of applying for the relevant construction completion documents and will apply for the building ownership certificate after obtaining construction completion certificate.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
3.	5 parcels of land, 15 buildings and various structures No.30 Dongling Road Dongling District Shenyang City Liaoning Province The PRC	The property comprises 5 parcels of land with a total site area of approximately 118,977.80 sq.m. and 15 buildings and various structures erected thereon which were completed in various stages between 1994 and 2006. The buildings have a total gross floor area of approximately 69,664.86 sq.m. The buildings mainly include office buildings, production buildings and a canteen. The structures mainly include boundary fences, roads and gates. The land use rights of 2 parcels of land have been granted for a term expiring on 8 November 2055 and 17 November 2055 respectively for industrial uses. The land use rights of 2 parcels of land are leased by the Group for a term expiring on 2014 and 1 June 2015 respectively at total annual rent of RMB443,300 for industrial use.	The property is currently vacant.	59,674,000 100% interest attributable to the Group: RMB59,674,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 2 State-owned Land Use Rights Certificates – Shenyang Guo Yong (2005) Di No.0458 and Shenyang Guo Yong (2007) Di No.0016, the land use rights of 2 parcels of land with a total site area of approximately 41,644.00 sq.m. have been granted to Shenyang Yuanda Aluminium for a term of 50 years expiry on 8 November 2055 and 17 November 2055 respectively for industrial use.

3. Pursuant to 2 Land Lease Agreements dated on 8 November 1993 and 1995 respectively, entered into between Dongling Ba Jia Zi Region Agriculture and Commerce Joint Corporation ("the Lessor") and Shenyang Yuanda Aluminium (the "Tenant"), the land use rights of 2 parcels of land with a total site area of approximately 50,667.00 sq.m. have been rented to Shenyang Yuanda Aluminium for a term of 20 years expiring on 2014 and 1 June 2015 respectively at a total annual rent of RMB443,300 for industrial use.

4. For the remaining parcel of land with a site area of approximately 26,666.80 sq.m., we have not been provided any title certificate.

5. Pursuant to 2 Building Ownership Certificates – Shen Fang Quan Zheng Zhong Xin Zi Di Nos.N060101576, N060101577, 2 buildings with total gross floor area of approximately 21,891.86 are owned by Shenyang Yuanda Aluminium which were constructed on the land mentioned in note 2.

6. Pursuant to 8 Building Ownership Certificates – Dong Fang Zi Di 013906, 013908, 015641, 015642 and Shen Fang Quan Zheng Dong ling Zi Di 002711, 002713-002715, 8 buildings with total gross floor area of approximately 21,903.00 sq.m. are owned by Shenyang Yuanda Aluminium which were constructed on the land mentioned in note 3.

7. Pursuant to a Building Ownership Certificate – Shen Fang Quan Zheng Dong ling Zi Di 002712, a building with a gross floor area of approximately 15,477.00 sq.m. is owned by Shenyang Yuanda Aluminium which was constructed on the land mentioned in note 4.

8. For the remaining 4 buildings with a total gross floor area of approximately 19,593.00 sq.m., we have not been provided proper title certificates.

9. In the valuation of this property, we have attributed no commercial value to the 13 buildings and 3 parcels of land mentioned in notes 4, 6, 7 and 8 which have not obtained proper title certificates or these buildings are constructed on leased land. However, we are of the opinion that the depreciated replacement cost of the 13 buildings and various structures (excluding the land element) as at the date of valuation would be RMB62,249,000 assuming relevant title certificates have been obtained and they could be freely transferred.

10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

    a. The Group legally owns the land use rights of 2 parcels of land and building ownership rights of 2 buildings mentioned in notes 2 and 5 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the State-owned Land Use Rights Certificates;

    b. For the 3 parcels of land mentioned in notes 3 and 4, the land use rights of the 3 parcels of land may not be recognized or protected by the PRC laws as the Group or the Lessor has not obtained relevant land use rights certificates; and

    c. For the buildings mentioned in notes 6, 7 and 8, the occupancy, use, benefits and disposal of the buildings may not be recognized or protected by the PRC laws as the Group has neither obtained any land use rights certificates of 3 parcels of lands where the buildings are constructed on, nor obtained the relevant building ownership certificates of the buildings.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
4.	A parcel of land, 5 buildings and various structures No. 2605 Jiaxing Road Jiading District Shanghai The PRC	The property comprises a parcel of land with a site area of approximately 50,065.60 sq.m. and 5 buildings and various structures erected thereon which were completed in various stages between 1994 and 2008. The buildings have a total gross floor area of approximately 14,749.74 sq.m. The buildings mainly include 2 industrial buildings, 2 dormitory buildings and a canteen. The structures mainly include boundary fences, roads and sheds. The land use rights of the property have been granted for a term expiring on 19 October 2058 for industrial use.	The property is currently occupied by the Group for production and staff dormitory purposes.	36,511,000 100% interest attributable to the Group: RMB36,511,000

Notes:

1. Shanghai Yuanda Aluminium Industry Engineering Co., Ltd. ("Shanghai Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to a State-owned Land Use Rights Grant Contract – Hu Jia Fang Di (2008) Chu Rang He Tong Di No.100 dated 20 October 2008, the land use rights of a parcel of land with a site area of approximately 50,065.60 sq.m. were contracted to be granted to Shanghai Yuanda Aluminium for a term of 50 years expiring on 19 October 2058 for industrial use. The land premium was RMB5,046,612.

3. Pursuant to a Real Estate Title Certificate – Hu Fang Di Jia Zi (2008) Di No. 028792, the land use rights of a parcel of land with a site area of approximately 50,065.60 sq.m. have been granted to Shanghai Yuanda Aluminium and 5 buildings with a total gross floor area of approximately 14,749.74 sq.m. are owned by Shanghai Yuanda Aluminium.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights and building ownership rights of the property mentioned in note 3 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the Real Estate Title Certificate; and

   b. The land use rights and building ownership rights of the property are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
5.	2 parcels of land, 7 buildings located at Nos. 65/2 and 65/3 Area Qijiefang Huating Town Jiading District Shanghai The PRC	The property comprises 2 parcels of land with a total site area of approximately 109,729.10 sq.m. and 7 buildings erected thereon which were completed in 2010. The 7 buildings have a total gross floor area of approximately 71,503.00 sq.m. The buildings mainly include 4 industrial buildings, an office building, a guardhouse and a power distribution house. The land use rights of the property have been granted for a term expiring on 29 August 2059 for industrial use.	The property is currently occupied by the Group for office and production purposes.	43,343,000 100% interest attributable to the Group: RMB43,343,000

Notes:

1. Shanghai Yuanda Aluminium Industry Engineering Co., Ltd. ("Shanghai Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to a State-owned Land Use Rights Grant Contract-Hu Jia Gui Tu (2009) Chu Rang He Tong Di No.39 dated 30 July 2009, the land use rights of 2 parcels of land with a total site area of approximately 109,729.10 sq.m. were contracted to be granted to Shanghai Yuanda Aluminium for a term expiring on 29 August 2059. The total land premium was RMB42,790,000.

3. Pursuant to 2 Real Estate Title Certificates – Hu Fang Di Jia Zi (2009) Di Nos. 037816 and 037817, the land use rights of 2 parcels of land with a total site area of approximately 109,729.10 sq.m. have been granted to Shanghai Yuanda Aluminium for a term expiring on 29 August 2059 for industrial use.

4. For the 7 buildings with a total gross floor are of approximately 71,503.00 sq.m., we have not been provided with any title certificates.

5. In the valuation of this property, we have attributed no commercial value to the buildings mentioned in note 4 which have not obtained any title certificates. However, for reference purpose, we are of the opinion that the depreciated replaced cost of the 7 buildings (excluding the land element) as at the date of valuation would be RMB80,197,000 assuming relevant title certificates and have been obtained and they could be freely transferred.

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights of the property mentioned in note 3 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the Real Estate Title Certificates;

   b. For the buildings mentioned in note 4 which have obtained Construction Land Planning Permit, Construction Work Planning Permit and Construction Work Commencement Permit, Shanghai Yuanda Aluminium is in the process of applying for the relevant construction completion documents and will apply for the building ownership certificate after obtaining construction completion certificate; and

   c. The land use rights of the property are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
6.	A parcel of land, 3 buildings and various structures No. 10 Chanxiu Road Luoge Area Chancheng Economic and Technological Development Zone Chancheng District Foshan City Guangdong Province The PRC	The property comprises a parcel of land with a site area of approximately 77,446.40 sq.m. and 3 buildings and various structures erected thereon which were completed in about 2005. The buildings have a total gross floor area of approximately 26,475.74 sq.m. The buildings mainly include an office building and 2 industrial buildings. The structures mainly include gate, boundary fences, roads and sheds. The land use rights of the property have been granted for a term expiring on 22 August 2056 for industrial use.	The property is currently occupied by the Group for office and production purposes.	58,335,000 100% interest attributable to the Group: RMB58,335,000

Notes:

1. Foshan Yuanda Aluminium Industry Engineering Co., Ltd. ("Foshan Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to a State-owned Land Use Rights Certificate – Fo Fu Guo Yong (2009) Di No. 06001102670, the land use rights of a parcel of land with a site area of approximately 77,446.40 sq.m. have been granted to Foshan Yuanda Aluminium for a term expiring on 22 August 2056 for industrial use.

3. Pursuant to 3 Real Estate Title Certificates – Yue Fang Di Quan Zheng Fo Zi Di Nos. 0100004850, 0100004851 and 0100004856, 3 buildings with a total gross floor area of approximately 26,475.74 sq.m. are owned by Foshan Yuanda Aluminium.

4. According to a Tenancy Agreement, portions of the buildings with a total gross floor area of approximately 25,576.40 sq.m. are rented to Shenyang Yuanda Aluminum Industry Engineering Co., Ltd. Foshan Branch, a wholly owned subsidiary of the Company for a term commencing from 1 January 2011 and expiring on 31 December 2011 at an annual rent of RMB1,414,473.60, exclusive of management fees, water and electricity charges.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights and building ownership rights of the property mentioned in notes 3 and 4 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the State-owned Land Use Rights Certificate;

   b. The Tenancy Agreement mentioned in note 4 is valid and binding on both signed parties and the relevant tenancy agreement has been registered with relevant competent authorities; and

   c. The land use rights and building ownership rights of the property are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
7.	2 parcels of land, 5 buildings and various structures located at Er Zu Banbianjie Village Jitou Town Wuhou District Chengdu City Sichuan Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 32,740.00 sq.m. and 5 buildings and various structures erected thereon which were completed in various stages between 2000 and 2010. The buildings have a total gross floor area of approximately 11,904.00 sq.m. The buildings mainly include an office building, 3 industrial buildings and a pump room. The structures mainly include sheds and prefabricated houses. The land use rights of the property have been leased by the Group for a term expiring in December 2048 and February 2054 at a total annual rent of RMB26,880 for industrial use.	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd Southwest Branch ("Southwest Branch") is a branch of Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") and Shenyang Yuanda Aluminium is a wholly owned subsidiary of the Company.

2. Pursuant to 2 Agreements dated on 30 December 1998 and 16 February 2004 respectively entered into between Committee of Chengdu Wuhou District Jitou Town Banbianjie Village Committee and Shenyang Yuanda Aluminium Southwest Branch, the land use rights of 2 parcels of land with a total site area of approximately 32,740.00 sq.m. have been leased to Southwest Branch for a term of 50 years expiring in December 2048 and February 2054 respectively with a total annual rent of RMB26,880 for industrial use.

3. Pursuant to a Building Ownership Certificate – Cun Fang Quan Zheng Wu Qi Zi Di No. 050304020268, 4 buildings with a total gross floor area of approximately 7,368.00 sq.m. are owned by Shenyang Yuanda Aluminium Industry Group Ltd.

4. For the remaining building with a gross floor area of approximately 4,536.00 sq.m., we have not been provided with any title certificate.

5. We have attributed no commercial value to the property as the land use rights of the property may not be recognized or protected by the PRC Laws. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the 5 buildings and structures erected thereon (excluding the land element) as at the date of valuation would be RMB13,883,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. For the land use rights leased mentioned in note 2, the land use rights of such land may not be recognized or protected by the PRC laws as Southwest Branch has not obtained the relevant collectively-owned land use rights certificates.

   b. For the buildings mentioned in note 3, Southwest Branch has not obtain the underlying land use rights, the land use rights of such land may not be recognized or protected by the PRC laws. As a result, such buildings may be subject to claims of third parties which could lead to repossession of such buildings; and

   c. For the building without any title certificate mentioned in note 4, the occupancy, use, benefits and disposal of the building can not be recognized or protected by the PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
8.	No. 21-2-6/23-2-4 of a residential building located at Gaoyuan Street Zhongshan District Dalian City Liaoning Province The PRC	The property comprises 2 units on Level 2 of a 7-storey residential building completed in about 1997. The units have a total gross floor area of approximately 200.00 sq.m.	The property is currently occupied by the Group for staff dormitory purpose.	No commercial value

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. For the 2 units, we have not been provided with any title certificates.

3. We have attributed no commercial value to the property which has not obtained any title certificates. However, for reference purpose, we are of the opinion that the capital value of the units (including the land element) as at the date of valuation would be RMB1,700,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. For the units without any title certificates, the occupancy, use, benefits and disposal of the building can not be recognized or protected by the PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
9.	Units 1-6-4 and 1-6-5 on Level 6 of Jiaxingguoji Plaza No. 146 Beizhan Road Shenhe District Shenyang City Liaoning Province The PRC	The property comprises 2 units on Level 6 of a 30-storey office building completed in about 2007. The units have a total gross floor area of approximately 318.51 sq.m.	The property is currently occupied by the Group for office purpose.	3,153,000 100% interest attributable to the Group: RMB3,153,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 2 State-owned Land Use Rights Certificates – Shen Yang Guo Yong (2010) Di Nos. SH01327 and SH01328, the land use rights of the property with a total apportioned site area of approximately 32.46 sq.m. have been granted to Shenyang Yuanda Aluminium.

3. Pursuant to 2 Building Ownership Certificates – Shen Fang Quan Zheng Shi Shen He Zi Di Nos. 12198 and 12199, 2 units with a total gross floor area of approximately 318.51 sq.m. are owned by Shenyang Yuanda Aluminium.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights and the building ownership rights of the property mentioned in notes 3 and 4 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the State-owned Land Use Rights Certificates; and

   b. The land use rights and building ownership rights of the property are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
10.	10 residential units on Levels 2 to 7, Block 3 of Building 4 located at Huirun Yuan Tonghui Jiayuan Chaoyang District Beijing The PRC	The property comprises 10 units on Levels 2 to 7 of a 9-storey residential building completed in about 2007. The units have a total gross floor area of approximately 1,389.49 sq.m.	The property is currently occupied by the Group for staff dormitory purpose.	30,013,000 100% interest attributable to the Group: RMB30,013,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 10 Commodity Property Presale Contracts dated 22 September 2006, 10 units with a total gross floor area of approximately 1,381.37 sq.m. were contracted to be sold to Shenyang Yuanda Aluminium at a total consideration of RMB12,024,022.

3. Pursuant to 10 Building Ownership Certificates – X Jing Fang Quan Zheng Chao Qi Zi Di Nos. 521676, 521678, 521682, 521683, 521685, 521687, 521689, 521693, 521697 and 521700, 10 units with a total gross floor area of approximately 1,389.49 sq.m. are owned by Shenyang Yuanda Aluminium.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the building ownership rights of the units and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them; and

   b. The building ownership rights of the units are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
11.	8 residential units on Level 19 of Building 97 West Area Balizhuang Chaoyang District Beijing The PRC	The property comprises 8 units on Level 19 of a 23 storey residential building completed in about 2005. The units have a total gross floor area of approximately 1,258.82 sq.m.	The property is currently occupied by the Group for office purpose.	31,093,000 100% interest attributable to the Group: RMB31,093,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 8 Commodity Property Sale & Purchase Contracts dated 24 October 2006, 8 units with a total gross floor area of approximately 1,258.82 sq.m. of the property were contracted to be sold to Shenyang Yuanda Aluminium at a total consideration of RMB18,600,000.

3. Pursuant to 8 Building Ownership Certificates – Jing Fang Quan Zheng Chao She Wai 07 Zi Di Nos. 00285 to 00292, 8 units with a total gross floor area of approximately 1,258.82 sq.m. are owned by Shenyang Yuanda Aluminium.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the building ownership rights of the units and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them; and

   b. The building ownership rights of the units are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
12.	Units BF206 to BF209 and BF110 on Level 3 of Building 1 Zhonghuan Plaza Longsha District Qiqihar City Heilongjiang Province The PRC	The property comprises 5 units on Level 3 of a 3-storey commercial building completed in about 2006. The units have a total gross floor area of approximately 259.78 sq.m.	The property is currently leased to various independent third parties for commercial purpose (see notes 3).	2,364,000 100% interest attributable to the Group: RMB2,364,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 5 Building Ownership Certificates – Fang Quan Zheng Qi Zi Di Nos. S200629050, S200629052 to S200629054 and S200629056, 5 units with a total gross floor area of approximately 259.78 sq.m. are owned by Shenyang Yuanda Aluminium.

3. According to 3 Tenancy Agreements, the property is leased to 3 independent third parties for various terms expiring on 27 May 2011 and 2 August 2011 respectively at a total annual rent of RMB9,257.81, exclusive of management fees, water and electricity charges.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the building ownership rights of the units and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them;

   b. The Tenancy Agreements mentioned in notes 3 are legal and valid, but the Tenancy Agreements have not been registered with relevant competent authorities, this situation does not affect the lease rights of relevant parties. The relevant parties have the obligations to make the registration of the Tenancy Agreements after 1 February 2011, otherwise there is a risk of being fined by the relevant competent authorities; and

   c. The building ownership rights of the units are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
13.	Levels 15 and 16 of Yincheng Plaza No. 2 Lane 3260 Zhongshan North Road Putuo District Shanghai The PRC	The property comprises Levels of 15 and 16 of a 35-storey office building completed in about 2000. The units have a total gross floor area of approximately 1,164.04 sq.m.	The property is currently occupied by the Group for office purpose.	23,630,000 100% interest attributable to the Group: RMB23,630,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to a Real Estate Title Certificate – Hu Fang Di Pu Zi (2000) Di No. 049936, the land use rights of the property with an apportioned site area of approximately 210.00 sq.m. have been granted to Shenyang Yuanda Aluminium and the units with a total gross floor area of approximately 1,164.04 sq.m. are owned by Shenyang Yuanda Aluminium.

3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights and the building ownership rights of the property and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them; and

   b. The land use rights and building ownership rights of the property are not subject to mortgage, guarantee, sequestration and any other encumbrances or other third party interests as confirmed by the Group.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
14.	Units A3-2201 and A3-2202 on Level 22 of Tianyu Huating No. 236 Longkou West Road Tianhe District Guangzhou City Guangdong Province The PRC	The property comprises 2 units on Level 22 of a 34-storey residential building completed in about 2004. The units have a total gross floor area of approximately 271.10 sq.m.	The property is currently occupied by the Group for staff dormitory purpose.	4,636,000 100% interest attributable to the Group: RMB4,636,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 2 Real Estate Title Certificates – Yue Fang Di Zheng Zi Di Nos. C6612256 and C6615765, 2 units with a total gross floor area of approximately 271.10 sq.m. are owned by Shenyang Yuanda Aluminium.

3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the building ownership rights of the units and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them; and

   b. The building ownership rights of the units are not subject to mortgage, guarantee, sequestration or any other encumbrances or other third party interests as confirmed by the Company.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
15.	15 residential units on Levels 3 to 5 Phase I and Phase III of Chaofuyuan No. 10 Wuqing East 4th Road Jitou Town Wuhou District Chengdu City Sichuan Province The PRC	The property comprises 15 units on Levels 3 to 5 of 2 6-storey residential buildings completed in about 2001 and 2003. The units have a total gross floor area of approximately 1,279.90 sq.m.	The property is currently occupied by the Group for staff dormitory purpose.	No commercial value

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 10 Building Ownership Certificates – Wu Ji Zhong Xin Cun Fang Zi Di Nos. 00233 to 00235,00258, 00259, 00266, 00267,00274, 00276 and 00277, 10 units with a total gross floor area of approximately 847.00 sq.m. are owned by Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. Southwest Branch, a branch of Shenyang Yuanda Aluminium.

3. For the remaining 5 units with a total gross floor area of approximately 432.90 sq.m., we have not been provided with any title certificates.

4. We have attributed no commercial value to the property as the relative land use rights of the units are of collectively-owned land nature. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the units (excluding the land element) as at the date of valuation would be RMB1,704,000 assuming all relevant title certificates have been obtained and the units could be freely transferred.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The building ownership rights of the units mentioned in note 2 are subject to claims of third parties which could lead to repossession of such buildings as Southwest Branch has not provided the relevant certificate documents in terms of the legality of property development of the relevant land; and

   b. For the units without any title certificates mentioned in note 3, the occupancy, use, benefits and disposal of the building can not be recognized or protected by the PRC laws.

VALUATION CERTIFICATE

Group II – Property interests held under development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
16.	2 parcels of land together with 2 buildings under construction No. 24 Thirteenth Street Shenyang Economic and Technological Development Zone Shenyang City Liaoning Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 169,435.24 sq.m. and 2 industrial buildings which were under construction erected thereon as at the date of valuation (the "CIP"). The CIP is scheduled to be completed in July 2011. Upon completion, the total planned gross floor area of the 2 industrial buildings will be approximately 37,035.00 sq.m. The total construction cost of the CIP is estimated to be approximately RMB35,323,900, of which RMB10,661,400 had been paid up to the date of valuation. The land use rights of the 2 parcels of land have been granted for a term of 50 years expiring on 21 April 2059 and 31 August 2060 respectively for industrial use.	The property is currently under construction.	86,672,000 100% interest attributable to the Group: RMB86,672,000

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. Pursuant to 2 State-owned Land Use Rights Grant Contracts – 2101062009A1059 and 2101062010B02079 dated 22 April 2009 and 1 September 2010, the land use rights of 2 parcels of land with a total site area of approximately 169,435.24 sq.m. were contracted to be granted to Shenyang Yuanda Aluminium for a term of 50 years expiring on 21 April 2059 and 31 August 2060 respectively, for industrial use. The total land premium was RMB81,389,151.74.

3. Pursuant to 2 State-owned Land Use Rights Certificates – Shen Kai Guo Yong (2009) Di No.000109 and Shen Kai Guo Yong (2011) Di No.010, the land use rights of 2 parcels of land with a total site area of approximately 169,435.24 sq.m. have been granted to Shenyang Yuanda Aluminium for a term of 50 years expiring on 21 April 2059 and 31 August 2060 respectively for industrial use.

4. For the CIP, we have not been provided with any relevant construction work permits.

5. Pursuant to a Mortgage Agreement entered between China Construction Bank Shenyang Dongling Branch and Shenyang Yuanda Aluminium, a parcel of land with a site area of approximately 139,316.97 sq.m. is subject to a mortgage for a maximum loan amount of RMB47,500,000.00.

6. In the valuation of this property, we have attributed no commercial value to the CIP mentioned in note 4 which has not obtained any relevant construction work permits. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the CIP (excluding the land element) as at the date of valuation would be RMB10,898,000 assuming relevant construction work permits have been obtained and it could be freely transferred.

7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Group legally owns the land use rights of 2 parcels of land mentioned in note 3 and can legally occupy, use, transfer, lease, mortgage and otherwise dispose of them within the term stipulated in the State-owned Land Use Rights Certificates; and

   b. For the CIP mentioned in note 4, Shenyang Yuanda Aluminium is in the process of applying for the relevant documents for the construction of the CIP.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
17.	A parcel of land together with a building under construction located at Dadao Bay Technological Development Zone Anshan City Liaoning Province The PRC	The property comprises a parcel of land with a site area of approximately 55,482.44 sq.m. and an industrial building which is under construction erected thereon at the date of valuation (the "CIP"). The CIP is scheduled to be completed in July 2011. Upon completion, the planned gross floor area of the industrial building will be approximately 11,000.00 sq.m. The total construction cost of the industrial building is estimated to be approximately RMB9,081,600, of which RMB2,958,900 had been paid as at the date of valuation.	The property is currently under construction.	No commercial value

Notes:

1. Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda Aluminium") is a wholly owned subsidiary of the Company.

2. We have not been provided with any title certificates and relevant construction work permits relating to the land use right and construction of the property.

3. We have attributed no commercial value to the property which has not obtained proper title certificate and construction work permits. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the CIP (excluding the land element) as at the date of valuation would be RMB5,610,000 assuming relevant construction work permits have been obtained and it could be freely transferred.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. Shenyang Yuanda Aluminium has not obtained the land use rights certificate and construction work permits of the property, Shenyang Yuanda Aluminium is in the process of applying for the relevant land use rights certificate, and the relevant documents for the construction of the CIP.

VALUATION CERTIFICATE

Group III – Property interest owned and occupied by the Group in Australia

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
18.	Unit 503 447 Kent Street Sydney New South Wales Australia	The property comprises a unit on the 5th floor of an 8-storey office building. The unit has a gross floor area of approximately 232.00 sq.m. The property is currently held under a freehold interest.	The property is currently occupied by the Group for office purpose.	7,460,000 100% interest attributable to the Group: RMB7,460,000

Notes:

1. YuanDa Australia Pty Limited ("Yuanda Australia") is a wholly owned subsidiary of the Company.

2. Pursuant to a contract of the sale of land dated 7 April 2008, a parcel of land was contracted to be sold to YuanDa Australia at a consideration of RMB7,705,880.

3. According to a Title Certificate, the registered owner of the property is YuanDa Australia.

VALUATION CERTIFICATE

Group IV – Property interests leased and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
19.	14 properties leased by the Group in the PRC	The properties comprise a parcel of land with a site area of approximately 7,333.37 sq.m. and 14 buildings or units with a total gross floor area of approximately 12,677.35 sq.m. which were completed in various stages between 1999 and 2010. The properties are leased to the Group (the "Tenant") from various independent third parties (the "Lessors") for various terms with the expiry dates between 1 December 2010 and 14 September 2013, at a total annual rent of approximately RMB2,056,255.6.	The properties are currently occupied by the Group for residential, production and office purposes as at the date of valuation.	No commercial value

Notes:

1. Pursuant to various Tenancy Agreements, a parcel of land with a site area of approximately 7,333.37 sq.m. and 14 buildings or units with a total gross floor area of approximately 12,677.35 sq.m. are leased to the Group from various independent third parties for various terms with the expiry dates between 1 December 2010 and 14 September 2013 at a total annual rent of RMB2,056,255.6 exclusive of management fees, water and electricity charges for residential, production and office uses.

2. We have been provided with a legal opinion on the legality of the Lease/Tenancy Agreements to the properties issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. The Lease Agreement of a parcel of land with a site area of approximately 7,333.37 sq.m. is invalid and the land use rights may not be able to be protected and recognized by the PRC laws;

   b. The Tenancy Agreement of a unit with a gross floor area of approximately 235.58 sq.m. is legal and valid and the relevant Tenancy Agreement has been registered with relevant government authorities;

   c. The Tenancy Agreements of 4 buildings or units with a gross floor area of approximately 1,999.77 sq.m. are legal and valid, but the relevant Tenancy Agreements have not been registered with relevant government authorities; this situation does not affect the lease rights of relevant parties under the Tenancy Agreements. The relevant parties have the obligation to make the registration of the relevant lease agreements after 1 February 2011, otherwise there is a risk of being fined by the relevant government authorities; and

   d. For the rest of the Tenancy Agreements with a total gross floor area of approximately 10,442 sq.m., the Lessors have not provided with the relevant titles of the leased properties, the use rights under the Tenancy Agreements may not be protected and recognized by the PRC laws.

VALUATION CERTIFICATE

Group V – Property interests leased and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
20.	6 properties leased by the Group in Hong Kong	The properties comprise a parcel of land with a site area of approximately 740.00 sq.m. and 5 buildings or units with a total gross floor area of approximately 434.00 sq.m. which were completed in various stages between 1992 and 2005. The properties are leased to the Group from various independent third parties for various terms with the expiry dates between 29 November 2010 and 18 May 2012, at a total annual rent of approximately RMB1,000,692.	The properties are currently occupied by the Group for residential and office purposes.	No commercial value

Notes:

1. Pursuant to various Tenancy Agreements, a parcel of land with a site area of approximately 740.00 sq.m. and 5 buildings or units with a total gross floor area of approximately 434.00 sq.m. are leased to the Group from various independent third parties for various terms with the expiry dates between 29 November 2010 and 18 May 2012 at a total annual rent of RMB1,000,692 exclusive of management fees, water and electricity charges for residential and office uses.

VALUATION CERTIFICATE

Group VI – Property interests leased and occupied by the Group in various overseas countries

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2011
				RMB
21.	52 properties leased by the Group in U.S., Britain, Russia, India, Qatar, Vietnam, Japan, Australia, Germany, Kuwait, South Korea, Saudi Arabia, the United Arab Emirates, Switzerland and Bahrain	The properties comprise 52 buildings or units with a total leased area of approximately 31,747.00 sq.m. which were mainly completed in various stages between 1950 and 2009. The properties are leased to the Group (the "Tenant") from various independent third parties (the "Lessor") for various terms with the expiry dates between 29 March 2010 and 14 November 2013.	The properties are currently occupied by the Group for residential, production and office purposes.	No commercial value

Notes:

1. Pursuant to various Lease Agreements, 52 buildings and units with a total leased area of approximately 31,747.00 sq.m. are leased to the Group from various independent third parties for various terms with the expiry dates between 29 March 2010 and 14 November 2013 at a total annual rent of RMB36,965,504.71.

2. We have been provided with 6 legal opinions regarding the property interests by the Company's India, Qatar, Vietnam, Kuwait, Bahrain and The United Arab Emirates legal advisors, which contains, *inter alia*, the following:

   a. For the lease agreement in Qatar, all the rental documents are valid and enforceable as per the rental laws of the State of Qatar, as far as the tenant is concerned. The rental documents entered into by the landlords or their agents are binding. But the landlord/their agents are under the obligation to get those documents registered with concerned office with the Ministry of Municipality failing which the landlord/their agents cannot relay on those documents.

   b. For the lease agreement in Bahrain, the lease agreement is legal and valid, the interest of lessee is good against third parties and is protected by Bahraini law against third parties;

   c. For the 3 lease agreements in Vietnam, 2 of them contain all the mandatory terms required to be included in a lease contract under the law on Real Estate Business and Art 93 of the Housing Law of Vietnam; the terms of the remaining lease contract are not binding on the parties;

   d. For the lease agreement in India,

      a) The lessor is the owner of the property and has the right to grant the lease;

      b) No information has come to the legal adviser's attention that the lease agreement was not duly executed by the parties thereto or that it is not valid and legally binding on term, or that Yuanda Aluminium Engineering (India) Private Limited is not entitled to occupy and use the property under the terms of the lease agreement;

      c) The interest of the lessee under the lease is good against third parties and is protected by Indian law;

d) No information has come to the legal adviser's attention that all relevant approvals have not been obtained;

e) No information has come to the legal adviser's attention that all necessary procedures have not been completed; and

f) No information has come to the legal adviser's attention that the current use of the property by the lessee does not comply with Indian law;

e. For the lease agreement in Kuwait, the agreement is subject to another agreement and third parties may exercise their right to vacate lessee from the leased premises; and

f. For the lease agreements in the United Arab Emirates:

a) each lease agreement in Abu Dhabi has been validly executed by the parties thereto and is enforceable to the extent set out in the relevant Abu Dhabi lease;

b) the lessee has a valid leasehold interest under each Abu Dhabi lease;

c) the lessee has the right to use each property in accordance with the permitted uses under the relevant Abu Dhabi lease;

d) the Abu Dhabi leases do not include any unduly onerous or unusual terms;

e) the lessee is not required under any Abu Dhabi lease to obtain the consent of the relevant landlord in respect of a change in the control of the Shenyang Yuanda Aluminium Industry Engineering Co., Ltd (a wholly owned subsidiary of the Company) as a result of the Proposed IPO;

f) each lease agreement in Dubai has been validly executed by the parties thereto and is enforceable to the extent set out in the relevant Dubai lease;

g) the lessee has a valid leasehold interest under each Dubai lease;

h) the lessee has the right to use each property in accordance with the permitted uses under the relevant Dubai lease;

i) the Dubai leases do not include any unduly onerous or unusual terms; and

j) the lessee is not required under any Dubai lease to obtain the consent of the relevant landlord in respect of a change in the control of the Shenyang Yuanda Aluminium Industry Engineering Co., Ltd (a wholly owned subsidiary of the Company) as a result of the Proposed IPO.

Set out below is a summary of the principal PRC laws and regulations governing our operations.

LAWS AND REGULATIONS RELATING TO CONSTRUCTION

Construction Law of the PRC (《中華人民共和國建築法》) ("**Construction Law**") was issued by the Standing Committee of the National People's Congress on November 1, 1997 and effective from March 1, 1998. It was the core regulatory law in this area, and its goal is to strengthen supervision and regulation of construction activities, maintain construction market order, ensure the quality and safety of construction projects and promote the healthy development of construction industry. The law provides comprehensive supervision and administration on the section of construction licensing, contract awarding and contracting of construction projects, supervision of construction projects, management of construction safety and operation management of construction project quality.

Establishment of Foreign-invested Construction Enterprises

The Regulations on Administration of Foreign-invested Construction Enterprises (《外商投資建築業企業管理規定》) was promulgated by the Ministry of Construction and Ministry of Foreign Trade and Economic Cooperation on September 27, 2002 and effective from December 1, 2002. Under this rule, "foreign-funded construction enterprise" refers to a solely foreign-funded construction enterprise or a sino-foreign equity joint construction enterprise or a sino-foreign contractual joint construction enterprise established in PRC.

For a foreign investor to establish a foreign-invested construction enterprise and engage in construction business, it shall obtain an approval certificate for a foreign-funded enterprises issued by the competent administrative department of foreign trade and economics, register its record with the State Administration for Industries and Commerce or its authorized local branch, and obtain a qualification certificate for a construction enterprise issued by the competent construction authority. And the application and examination and approval of a foreign-funded construction enterprise's establishment and qualifications shall be subject to level-to-level and categorized management.

Within the scope of the qualification grade, the business scope of a wholly foreign-invested construction enterprise is limited to a certain nature of projects, while a Sino-foreign (cooperative) joint venture construction enterprise can undertake all kinds of projects. Where a Sino-foreign (cooperative) joint venture is established, however, the contribution to the enterprise by the PRC investors shall be at least 25% of its registered capital.

Qualification of Construction Enterprises

General rules

According to Construction Law and other relevant rules, the enterprise which engage in construction engineering, prospecting units, design units and project supervisory units shall pass the relevant required qualification examinations and obtain appropriate qualification certificates, and shall engage in such construction activities commensurate to the scope of their qualification classes.

According to the Regulations on the Administration of Qualification of Construction Enterprises (《建築業企業資質管理規定》) ("Qualification Regulations") which was promulgated by the Ministry of Construction on June 26, 2007 and effective from September 1, 2007, an enterprise in construction industry shall apply for its qualification on the basis of its qualification conditions such as registered capital, specialized technicians, technical equipment and the construction projects completed, etc., and may only engage in construction activities within the scope of its qualification grade after passing the qualification examination and be granting with the appropriate qualification grade certificate. The term of validity for such qualification certificate is five years, and can be renewed for next five year upon certain requirement being satisfied.

Under the Qualification Regulations, the qualification of construction enterprises shall be classified into three categories: qualification for general contracting, qualification for specialized contracting and qualification for labor sub-contracting. Each category shall be classified into several qualification types according to the nature of the project and technical features, and each qualification type shall be divided into several grades according to the prescribed conditions.

The enterprise with the qualification for general contracting may undertake the whole of a construction project or a major part of a construction project. Such an enterprise may proceed with the construction of the whole of the project by itself, or subcontract a non-major part of the project or labour services to other enterprises in the construction industry which have the corresponding qualifications to undertake a specialized contract or to undertake a labor service by sub-contract; The enterprise with the qualification for specialised contracting may undertake a specialised project subcontracted by an enterprise which undertakes the whole of a construction project or which undertakes the contract of a specialised project subcontracted by the construction entity in accordance with the provisions. Such an enterprise may construct the whole of the undertaken project by itself, or subcontract the labor services to an enterprise that possesses the corresponding qualifications for undertaking labor service by subcontracts; The enterprise with the qualification for labor sub-contracting may undertake the labor services subcontracted by an enterprise that undertakes the whole of a construction project or which undertakes the contract of a specialised project. Such an enterprise may undertake the labor service subcontracted by an enterprise that undertakes the whole of a construction project or which undertakes the contract of a specialized project. The contractors are forbidden to sublet the project to any enterprises not having corresponding qualifications. The sub-contractor is forbidden to sublet its contracted work once again.

Qualification of Curtain Wall Engineering

Under the Criteria for Grading of Qualifications of Construction Enterprises (《建築業企業資質等級標準》) promulgated by the Ministry of Construction on April 20, 2001 and effective from July 1, 2001, the Criteria for Grading of Qualifications of Construction Enterprises (water conservancy and hydroelectricity section) (《建築業企業資質等級標準(水利水電施工企業部分)》) promulgated by the Ministry of Construction on May 22, 2001 and effective from July 1, 2001, and the Regulation on the Administration of Qualifications of Construction Enterprises (《建築業企業資質管理規定》) promulgated by the Ministry of Construction on June 6, 2007 and effective from September 1, 2007, the category of general contracting enterprises includes 12 types, the category of specialized contracting enterprises includes 60 types, and the category of labor subcontracting enterprises includes 13 types. The fourth type among all types for specialized contracting enterprises is set out for curtain wall engineering enterprises, which are divided into three grades.

An enterprise with a Grade One qualification could undertake all kinds of curtain wall engineering projects. An enterprise with a Grade Two qualification could undertake curtain wall engineering projects with the payment amount of a single project not exceeding the amount five times of its registered capital, the area of the single project not exceeding 8,000 sq.m. and its height not exceeding 80 meters. An enterprise with a Grade Three qualification could undertake curtain wall engineering projects with the payment amount of a single project not exceeding the amount five times of its registered capital, the area of the single project not exceeding 3,000 sq.m. and its height not exceeding 30 meters.

Construction Project Quality

Under the Rules on Administration of Quality of Construction Projects (《建設工程質量管理條例》) ("**Construction Quality Rules**" promulgated by the PRC State Council on January 30, 2000 and took effect therefrom, the survey, design and construction of a project must meet the requirement of relevant state safety standards on construction projects. As to a construction project under a general contract, the general contractor is responsible for the quality of the project. If the general contractor jobbed out to subcontractors, the general contractor should assume responsibility with subcontractors for the quality of projects under subcontracts. Subcontractors shall subject themselves to the quality control of the general contractor.

The Construction Quality Rules also provides that the construction project owners, survey entities, design entities, construction entities and construction project supervision entities shall be responsible for the quality of construction projects. As to construction entities, it shall, 1) obtain the qualification certificate of the corresponding grade and shall undertake projects within the scope licensed by its qualification grade; 2) establish a quality responsibility system; 3) determine the project manager, technical manager and head of construction management of a construction project; 4) establish a sound construction quality inspection system, shall strictly follow the construction procedures and shall check the quality of the hidden parts and make records; and for a construction project with any quality problem during the process of construction or for a construction project that has not passed the completion-based check, the construction entity shall be responsible for repairing it.

Curtain Wall Engineering

Administration of Curtain Wall Engineering Projects

On July 8, 1997, the Ministry of Construction promulgated and implemented the Provisional Regulations on Strengthening the Administration of Curtain Wall Engineering Projects (《加强建築幕墻工程管理的暫行規定》), providing, inter alia, for design management, invitation to tender and tendering management, raw material and product management, implementation of project and installation management as well as completion examination and acceptance management, requiring that curtain wall engineering enterprises (including wholly foreign-owned enterprises and Sino-foreign joint ventures) shall undergo the qualification examination by the competent construction authority, shall hold a qualification certificate for construction enterprises, and shall undertake curtain wall engineering projects within the scope determined by the qualification certificate. Contracting of curtain wall engineering projects without qualification or surpassing the scope of qualification is strictly prohibited.

Qualification for Design of Curtain Wall Engineering

According to the Provisional Measures on Administration of Qualification for Design of Curtain Wall Engineering (《建築幕墻工程設計專項資質管理暫行辦法》) promulgated on by the Ministry of Construction and effective from June 30, 2000, the qualifications for specific design work in curtain wall engineering projects shall be divided into Grade A and Grade B, without Grade C in principal.

An enterprise with a Grade A qualification may undertake specific design works for curtain wall engineering projects with all kinds of types and heights in the PRC. An enterprise with a Grade B qualification may undertake specific design work for curtain wall engineering projects with all kinds of types and with its height below 80 meters in the PRC. The Ministry of Construction shall be responsible for the unified administration and approval of the Grade A and Grade B qualifications. If it is necessary for remote and economically under-developed areas to set up a Grade C qualification, it shall only be set up upon reporting by the competent provincial construction administrative departments to the Ministry of Construction for its approval. The scope of business undertaken by a Grade C enterprise shall be limited to the location of the enterprise.

Overseas Construction and Overseas Labor Cooperation Arrangements

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) ("**Foreign Trade Law**"), which was promulgated by Standing Committee of the National People's Congress on May 12, 1994 and amended on April 6, 2004, Administrative Regulation on Contracting Foreign Projects (《對外承包工程管理條例》) promulgated by the PRC State Council on July 21, 2008, and took effect on September 1, 2008 and other relevant rules, an entity must in advance apply for the foreign project contracting qualification to the competent commerce department in order to engage in the business of contracting an overseas construction project. The authority in turn would issue a foreign project contracting qualification certificate for such enterprise possess specific qualifications or satisfy specific requirements.

Further, under Foreign Trade Law and Measures for the Administration of Operational Qualifications for Labor Service Cooperation with Foreign Parties (《對外勞務合作經營資格管理辦法》) promulgated jointly by MOFCOM and SAIC on July 26, 2004 and took effect on August 26, 2004, An enterprise may not carry out business activities of labor service cooperation with foreign parties until permitted by the competent commerce department and having obtained the operational qualification for labor service cooperation with foreign parties, as well as having obtained the Operational Qualification Certificate for Labor Service Cooperation with Foreign Parties.

Tendering and bidding for contracting of construction projects

Under Construction law, the tendering and bidding activities for contracting of construction projects shall follow the principle of openness, justice and equal competition, and contractors should be selected based on their merits. The Bidding Law of PRC (《中華人民共和國招標投標法》) was promulgated by the Standing Committee of the National People's Congress on August 30, 1999 and effective from January 1, 2000. Based on it, bidding shall be carried out for certain construction projects, including the survey, design, construction, supervision of the project, and the procurement of the important equipment, materials relevant to the construction of the project, including 1) large projects of infrastructure facility, public utility or the projects have a bearing on the social public interest and the safety of the general public; 2) projects entirely or partially using state-owned funds or loans by the state;

3) projects using loans or aid-funds of international organizations and foreign governments. The procedure of biding consists of five stages, i.e invitation to bid, biding, opening, evaluation and winning of bids.

An Invitation to Bid shall be made through either public notices or special requests. The tenderer shall be capable of undertaking the bidding project and shall satisfy the qualifications as provided by state regulations or the Bid-invitation documents concerning the qualifications of the tenderer. "Public Invitation to Bid" refers to that the tenderee putting forth an invitation to unspecified legal persons or other organization to tender bids. "Invitation to Bid by Request" refers to that the tenderee requesting specified legal persons or other organizations to tender bids.

Import or Export of Products

The Foreign Trade Law and the Measures for the Archival Filing and Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》), which was promulgated by the Ministry of Commerce on June 25, 2004 and took effect on July 1, 2004, require that foreign trade operators who engage in the import or export of goods or technologies must register with the Ministry of Commerce or another institution authorised by the Ministry of Commerce. In addition, if the Company imports or exports goods as consignee and consignor, it must register with local Customs authority and obtain the PRC Customs Declaration Registration Certificate for Consignors and Consignees pursuant to the Provisions for the Registration of Customs Declaration Agents (《中華人民共和國海關對報關單位註冊登記管理規定》).

LAWS AND REGULATIONS RELATING TO ENVIRONMENT AND SAFETY ISSUES

Environmental Law

Our operations are subject to PRC environmental laws and regulations, which include the PRC Environmental Protection Law (《中華人民共和國環境保護法》), the PRC Law on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), PRC Law on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the PRC Law on the Prevention and Control of Pollution From Environmental Noise (《中華人民共和國環境噪聲污染防治法》), the PRC Law on the Prevention and Control of Environmental Pollution by Solid Waste（《固體廢物污染環境防治法》）the Administrative Regulations on Environmental Protection for Construction Project (《建設項目環境保護管理條例), and the Administrative Regulations on Levy and Utilisation of Sewage Charge (《排污費徵收使用管理條例》) (collectively as the "**Environmental Laws**"). The Environmental Laws govern a broad range of environmental matters, including air pollution, noise emissions, sewage, and waste discharge.

According to the Environmental Laws, all business operations that may cause environmental pollution and other public hazards are required to incorporate environmental protection measures into their plans and establish a reliable system for environmental protection. These operations must adopt effective measures to prevent and control pollution levels and harm caused to the environment in the form of waste gas, liquid and solid waste, dust, malodorous gas, radioactive substances, noise, vibration, and electromagnetic radiation generated in the course of production, construction, or other activities.

According to the Environmental Laws, companies are also required to carry out an environmental impact assessment before commencing construction of production facilities and also must install pollution treatment facilities that meet the relevant environmental standards to treat pollutants before discharge.

If a company fails to report and/or register in respect of any environmental pollution caused by it, it will be warned or subject to penalties. If the company then fails to restore the environment to its original state or improve the environment as affected by the pollution within the time limit, it will be penalized, and its business licence may be suspended. Companies or enterprises causing environmental pollutions and hazards are responsible for taking actions to remedy the hazards and consequences caused by the pollutions, and compensation for any loss or damages caused by the environmental pollutions.

Enterprises are required to comply with the applicable national and local environmental laws and regulations.

Labour and Safety Law

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法) which was promulgated on June 29,2002 by the Standing Committee of the National People's Congress and became effective on November 1, 2002, companies carrying out production activities shall have safe production conditions as required by relevant laws and regulations. The mines and construction entities as well as those engaged in the production, selling and storage of hazardous substances shall establish an administrative organ for production safety or have full-time personnel for the administration of production safety, and other production and business operation companies having more than 300 employees shall form a management department to carry out the functions of production safety or appoint personnel solely responsible for production safety. Companies shall display warning signs at the location and on equipment with high potential risks. Companies shall purchase job-related injury insurance according to relevant laws and regulations.

According to the Fire Control Law of the PRC (《中華人民共和國消防法》) promulgated on September 1, 1998 and amended on October 28, 2008, we are required to submit the design and drawings of a construction project to the relevant fire control bureau for approval before commencement of the construction. Also upon completion of a construction project, fire prevention mechanisms of the construction project should be evaluated and approved by the relevant fire control bureau before commencement of operation.

In addition, we are also subject to other labour and safety laws and regulations in the PRC including the PRC Labour Law (《中華人民共和國勞動法》), the PRC Labour Contract Law (《中華人民共和國勞動合同法》), the Regulation of Insurance for Labour Injury (《工傷保險條例》), the Unemployment Insurance Law (《失業保險條例》), the Provisional Insurance Measures for Maternity of Employees (《企業職工生育保險試行辦法》), Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費征繳暫行條例》). According to the PRC Labour Law and the PRC Labour Contract Law, labour contracts in written form must be executed to establish labour relationships between employers and employees. Wages cannot be lower than the local minimum wage. Companies must establish a system for labour safety and sanitation, strictly abide by state standards, and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions meeting State rules and standards, and carry out regular health examinations of employees engaged in hazardous occupations.

OTHER LAWS AND REGULATIONS

Tax Law

On January 1, 2008, the Foreign-funded Enterprise and Foreign Enterprise Income Tax Law of the PRC (《中華人民共和國外商投資企業和外國企業所得稅法》) was abolished, and the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), promulgated on March 16, 2007, became effective. Pursuant to the Enterprise Income Tax Law of the PRC, the income tax rate for both domestic-funded enterprises and foreign-funded enterprises is 25%.

Pursuant to the Notice on the Implementation of the Enterprise Income Tax Transition Preferential Policy (《國務院關於實施企業所得稅過渡優惠政策的通知》), enacted by the State Council of the PRC on December 26, 2007, the preferential tax rate enjoyed by enterprises established prior to the issuance of the new tax law pursuant to relevant tax laws, regulations and documents, will gradually be increased to the statutory tax rate within a transitional period of 5 years from the effective date of the new tax law. The fixed-term preferential tax policies enjoyed by certain enterprises, such as the "two-year exemption and three-year half rate" and the "five-year exemption and five-year half rate", shall continue to be effective after the implementation of the new tax law in the manner and for the period as specified in relevant tax laws, regulations and documents until the expiration of the preferential period. Enterprises that had not enjoyed the aforesaid preferential policy due to their failure to make a profit will enjoy the aforesaid preferential policy from 2008. In addition, the preferential tax policies for certain enterprises in western regions as set out in the Circular on Issues Concerning Preferential Tax Policies for the Development of Western Regions (《財政部、國家稅務總局、海關總署關於西部大開發稅收優惠政策問題的通知》) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, shall continue to apply.

The "Provisional Regulation on VAT of the PRC" (《中華人民共和國增值稅暫行條例》) ("**VAT Regulation**") was promulgated on December 13, 1993, effective from January 1, 1994 and amended on November 5, 2008. The VAT Regulation is applicable on domestic and foreign invested enterprises selling commodities in the PRC, provision of processing or reparation labour or imports of commodities. Except for the sales or imports of specific categories of commodities which are entitled to a VAT rate of 13%, sales or imports, provision of processing, reparation labour are subject to a tax rate of 17%.

Pursuant to the "Provisional Regulation on Business Tax of the PRC" (《中華人民共和國營業稅暫行條例》) and its implementation rules promulgated on December 13, 1993 and effective from January 1, 1994, enterprises providing various taxable labour services and transfer of intangible assets and sale of fixed assets are subject to Business Tax at a rate ranging from 3% to 20%, depending on the categories of taxable items.

Trademark Law

The PRC Trademark Law (《中華人民共和國商標法》) which was promulgated on August 23, 1982, amended on February 22, 1993 and on October 27, 2001, seeks to improve the administration of trademarks, protect the right to exclusive use of trademarks and encourage producers and operators to guarantee the quality of their goods and services and maintain the reputation of their trademarks, so as to protect the interests of consumers and of producers and operators.

Under this law, any of the following acts shall be an infringement upon the right to exclusive use of a registered trademark:

- using a trademark which is identical with or similar to the registered trademark on the same kind of commodities or similar commodities without a licence from the registrant of that trademark;
- selling the commodities that infringe upon the right to exclusive use of a registered trademark;
- forging, manufacturing without authorisation the marks of a registered trademark of others, or selling the marks of a registered trademark forged or manufactured without authorisation;
- changing a registered trademark and putting the commodities with the changed trademark into the market without the consent of the registrant of that trademark; and
- causing other damage to the right to exclusive use of a registered trademark of another person.

In the event of any above mentioned acts which infringe upon the right to the exclusive use of a registered trademark, the infringer would be imposed a fine, ordered to stop the infringement acts immediately, and give the infringed party compensation.

Patent Law

According to the PRC Patent Law (《中華人民共和國專利法》) last amended on August 25, 2000, patent protection is divided into three categories: invention patent, utility patent and design patent. Invention patent is intended to protect new technology or measures for a product, method or its improvement. Utility patent is intended to protect new technology or measures to increase the utility of a product shape, structure or its combination. Design patent is intended to protect new designs by combination of product shape, graphic or color with aesthetic and industrial application value.

Regulations on Dividend Distribution

Under applicable PRC laws and regulations, wholly foreign-owned enterprises and joint ventures in China may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, wholly foreign-invested enterprises in China are required to allocate at least 10% of their accumulated after-tax profits each year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprise. These reserves are not distributable as cash dividends.

According to the Enterprise Income Tax Law and its implementation rules, dividends payable by a foreign-invested enterprise to its foreign investors will be subject to a 10% withholding tax if the foreign investors are considered as non-resident enterprises that are without any establishment or premise of business within China or if the dividends payable to such foreign investors do not have any connection with the establishment or premises of business of the foreign investors within China, to the extent that the dividends are deemed China-sourced income, unless such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement.

Foreign Exchange

Pursuant to the Regulation of Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》), which was promulgated on January 19, 1996, as amended on January 14, 1997 and on August 1, 2008 by the State Council, Renminbi are freely convertible for current account items, such as trade-related receipts and payments, interest and dividends. However, conversion of Renminbi and remittance of the foreign currency outside the PRC for capital account items, such as direct equity investments, loans and repatriation of investment, are subject to prior approval from SAFE or its local counterpart.

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 company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on February 26, 2010 under the Companies Law. The Memorandum of Association 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 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,

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on April 12, 2011 to take effect on the Listing Date. 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 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 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.

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 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 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 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 favour 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 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;

(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;

(ee) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in 5 percent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or (ff) 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.

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.

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 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.

(ix) Proceedings of the Board

The board may meet for the despatch 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 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 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 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

(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 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 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 authorised 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.

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 authorised 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 authorised 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.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorise 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 authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised 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)).

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.

(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 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 authorised 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 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;

(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 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.

The board may decline to recognise 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 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 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, realised or unrealised, 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 authorised for this purpose in accordance with the Companies Law.

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 cheque 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 cheque 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 cheque 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.

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 authorised 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 instalment 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.

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 on every business day 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 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 authorised 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 authorised 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 law, as summarized in paragraph 3(f) of this Appendix.

(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 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 cheques 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.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the 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 COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company 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 authorised share capital.

(b) Share capital

The 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 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 Companies Law); (d) writing-off the preliminary expenses of the company; (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and (f) providing for the premium payable on redemption or purchase of any 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.

The 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 authorised 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 Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised 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. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner of purchase, a company cannot purchase any of its own shares unless the manner of purchase has first been authorised 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 member of the company holding 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.

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 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 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 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 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.

(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 9 March, 2010.

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 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 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.

An exempted company may, subject to the provisions of its articles of association, 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. There is no requirement under the 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 authorised 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.

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 authorised 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.

(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, 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 company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VIII. Any person wishing to have a detailed summary of Cayman Islands company 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 AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on February 26, 2010. We have established a place of business in Hong Kong at Unit 1203-1205, Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on March 10, 2011. Mr. Wong Yuk who resides at 30K, Block 9, Beverly Garden, Tseung Kwan O, N.T., Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

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

2. Change in share capital

Our authorized share capital as at the date of our incorporation was HK$380,000 divided into 3,800,000 Shares of HK$0.10 each. On February 26, 2010, one subscriber Share was transferred to Mr. Kang, who subsequently transferred it to Best Outlook, a company wholly owned by Mr. Kang, on April 6, 2010.

On November 10, 2010, we allotted and issued an additional 9,999 Shares to Best Outlook. On November 19, 2010 we passed resolutions to redesignate our authorized share capital of HK$380,000 divided into 3,800,000 shares of HK$0.10 each into 3,799,315 ordinary shares of HK$0.10 each and 685 Series A preference shares of HK$0.10 each. On the same date, we allotted and issued 685 Preferred Shares to the Financial Investor.

Pursuant to the resolutions in writing of the Shareholders of our Company passed on April 12, 2011 below, the authorized share capital of our Company was increased from HK$380,000 to HK$1,200,000,068.5 by the creation of an additional 11,996,200,685 Shares. Immediately upon completion of the Global Offering, the 685 Preferred Shares will be converted into 685 Shares and all the Preferred Shares in the unissued but authorised share capital of our Company will then be cancelled so that the authorized share capital of our Company will be diminished and reduced from HK$1,200,000,068.5 to HK$1,200,000,000 divided into 12,000,000,000 Shares.

Immediately following completion of the Global Offering and the Capitalization Issue but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK$600,000,000 divided into 6,000,000,000 Shares, all fully paid or credited as fully paid, and 6,000,000,000 Shares will remain unissued.

Save for aforesaid and as mentioned in the paragraph headed "Resolutions in writing of the Shareholders of our Company passed on April 12, 2011" below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of the Shareholders of our Company passed on April 12, 2011

Pursuant to the written resolutions passed by the Shareholders of our Company on April 12, 2011:

(a) we conditionally approved and adopted our new amended and restated Memorandum of Association and the Articles of Association to take effect on the Listing Date;

(b) the authorized share capital of our Company was increased from HK$380,000 to HK$1,200,000,068.5 by the creation of an additional 11,996,200,685 Shares;

(c) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Capitalization Issue and the Shares to be issued as mentioned in this prospectus (including any additional Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme); (ii) the entering into of the agreement on the Offer Price between the Joint Global Coordinators and our Company on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(i) the Global Offering was approved and the Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;

(ii) the Over-allotment Option was 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;

(iii) the rules of the Share Option Scheme, the principal terms of which are set out in the sub-section entitled "— D. Other Information — 1. Share Option Scheme" in this Appendix, were approved and adopted and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme;

(iv) the 685 Preferred Shares be converted into 685 Shares and the register of members of the Company be updated to reflect such conversion ("Conversion");

(v) conditional upon the Conversion taking place, all the Preferred Shares in the unissued but authorised share capital of the Company be cancelled so that the authorised share capital of the Company will be diminished and reduced from HK$1,200,000,068.5 to HK$1,200,000,000 divided into 12,000,000,000 Shares; and

(vi) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize an amount of HK$449,998,931.50 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 4,499,989,315 Shares, such Shares to be allotted and issued to the persons whose names appear on the register of members of the Company (i.e.

registers of holders of the Shares and Preferred Shares) at the close of business on the date of the passing of the resolutions in accordance with their respective shareholding in the Company (as nearly as possible without involving fractions) or in accordance with the direction of such member.

(d) a general unconditional mandate was given to the Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the grant of options under the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by the shareholders of our Company in general meeting, unissued Shares with a total nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and Capitalization Issue (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;

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

(f) the general unconditional mandate mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

4. Corporate reorganization

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

5. Changes in share capital of subsidiaries

Certain information on our subsidiaries is contained in the Accountants' Report in Appendix I to this prospectus. The following sets out the changes to the share capital made by the subsidiaries of our Company during the two years preceding the date of this prospectus:

(a) On November 8, 2010, the registered capital of Shenyang Yuanda was increased from US$65,860,000 to US$153,710,000.

(b) On November 15, 2010, the registered capital of Shenyang Yuanda was increased from US$153,710,000 to US$153,906,100.

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

6. Repurchase of our Shares

(a) Provisions of the Listing Rules

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

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

(*Note:* Pursuant to resolutions passed by the Shareholders of our Company on April 12, 2011, a general unconditional mandate (the "**Buyback Mandate**") was granted to the Directors authorizing the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of the Shareholders of our Company in general meeting, whichever is the earliest.)

(ii) Source of funds

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

(b) Reasons for repurchases

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

(c) Funding of repurchases

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

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

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

(d) Share capital

Exercise in full of the Buyback Mandate, on the basis of 6,000,000,000 Shares in issue immediately after Listing (but taking no account of Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme), could accordingly result in up to 600,000,000 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or

(iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

(e) General

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

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

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

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

If the Buyback Mandate is fully exercised immediately following completion of the Global Offering and the Capitalization Issue but taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or pursuant to the exercise of any options which may be granted under the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the Buyback Mandate shall be 150,000,000 Shares (being 10% of the issued share capital of our Company based on the aforesaid assumptions). The percentage shareholding of our Controlling Shareholders will be increased to approximately 61.85% of the issued share capital of our Company immediately following the full exercise of the Buyback Mandate, which will not trigger an obligation by the Controlling Shareholders to make a mandatory offer in accordance with Rule 26 of the Code.

Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. Our Directors have no present intention to exercise the Buyback Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

B. INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

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

(a) a merger agreement dated September 14, 2010 entered into between Shenyang Yuanda and Shenyang Yuanda Electrical Installing Co., Ltd. (瀋陽遠大機電安裝有限公司, "Shenyang Yuanda Electrical Installing") pursuant to which Shenyang Yuanda merged with Shenyang Yuanda Electrical Installing and Shenyang Yuanda Electrical Installing was then dissolved;

(b) a share transfer agreement dated November 12, 2010 entered into between Yuanda Singapore as transferor and Yuanda Hong Kong as transferee pursuant to which Yuanda Singapore transferred its 25% interest in Shenyang Yuanda to Yuanda Hong Kong at a consideration of RMB328,152,400;

(c) a share transfer agreement dated November 12, 2010 entered into between the Yuanda Group as transferor and Yuanda Hong Kong as transferee pursuant to which the Yuanda Group transferred its 75% interest in Shenyang Yuanda to Yuanda Hong Kong at a consideration of RMB984,457,100;

(d) a subscription agreement dated November 19, 2010 entered into between Standard Chartered Private Equity (Mauritius) III Limited, Mr. Kang, Best Outlook, Neo Pioneer and our Company pursuant to which Standard Chartered Private Equity (Mauritius) III Limited agreed to subscribe for 685 series A redeemable convertible preference shares in our Company for an aggregate subscription price of US$50 million;

(e) a deed of indemnity dated April 12, 2011 given by Mr. Kang and Best Outlook in favor of our Company in respect of losses, costs and expenses incurred by the Group in any way whatsoever as a result of or in connection with, or any claims resulting from or arising as a result of or in connection with, any of (i) the transfer of the 25% equity interest in Shenyang Yuanda from Goldenwin to Yuanda Singapore on 24 July 2002; (ii) the transfer of such 25% equity interest in Shenyang Yuanda from Yuanda Singapore to the Company in November 2010; and (iii) the Company's ownership in the 25% equity interest of Shenyang Yuanda following such transfer (for details of such transfers, please refer to the sections headed "History and Reorganization — Transfer of interest in Shenyang Yuanda by Goldenwin" and "History and Reorganization — Restructuring of Shenyang Yuanda");

(f) the deed of indemnity dated April 12, 2011 given by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of its present subsidiaries) in respect of, amongst others, taxation and property matters referred to in the sub-section headed "Tax and other indemnities" in this Appendix;

(g) the deed of non-competition dated April 12, 2011 given by our Controlling Shareholders in favor of our Company as detailed in the paragraph headed "Relationship with our Controlling Shareholders — Non-competition Undertaking" of this prospectus;

(h) a cornerstone investment agreement dated April 11, 2011 between our Company, Atlantis Investment Management (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch, J.P. Morgan Securities (Asia Pacific) Limited, Standard Chartered Securities (Hong Kong) Limited and BOCI Asia Limited pursuant to which Atlantis Investment Management (Hong Kong) Limited agreed to subscribe at the Offer Price for such number of Offer Shares that may be purchased with US$30 million, rounded down to the nearest board lot; and

(i) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of the Group

(a) Patents

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

Patent Type	Patent	Patent No.	Name of Registered Proprietor	Place of Registration	Validity
Utility model	Plastic-aluminium door/window with integral-type bar for door/window	ZL03211453.2	Shenyang Yuanda	PRC	February 20, 2003 to February 19, 2013
Utility model	Aluminium extrusion frame of door/ window with new type sealing structure	ZL200420113562.9	Shenyang Yuanda	PRC	November 19, 2004 to November 18, 2014
Invention	Sealing structure of platform screen door	ZL200610135041.7	Shenyang Yuanda, 瀋陽博林特電梯有限公司	PRC	December 26, 2006 to December 25, 2026
Utility model	A kind of lock device for emergency door	ZL200620091301.0	Shenyang Yuanda, 瀋陽博林特電梯有限公司	PRC	June 1, 2006 to May 31, 2016
Utility model	Emergency door lock	ZL200620091732.7	Shenyang Yuanda, 瀋陽博林特電梯有限公司	PRC	June 27, 2006 to June 26, 2016
Utility model	A kind of quick connecting device for the cable of photoelectric curtain wall	ZL200620090801.2	Shenyang Yuanda	PRC	May 16, 2006 to May 15, 2016
Utility model	A kind of modularized functional device for double skin curtain wall	ZL200620090867.1	Shenyang Yuanda	PRC	May 19, 2006 to May 18, 2016
Utility model	A kind of modularized functional device for parallel connection of electrical appliance in photoelectric curtain wall	ZL200620093438.X	Shenyang Yuanda	PRC	September 26, 2006 to September 25, 2016
Utility model	A kind of operable round window	ZL200620093173.3	Shenyang Yuanda	PRC	September 12, 2006 to September 11, 2016
Invention	Internal-external double-circulation double skin curtain wall	ZL200610134043.4	Shenyang Yuanda	PRC	October 25, 2006 to October 24, 2026
Utility model	A kind of supporting device for door/window	ZL200620168735.6	Shenyang Yuanda	PRC	December 30, 2006 to December 29, 2016
Utility model	Floating compound heat preserving structure	ZL200720011756.1	Shenyang Yuanda	PRC	April 20, 2007 to April 19, 2017
Utility model	Corner structure of door/window	ZL200720011489.8	Shenyang Yuanda	PRC	April 6, 2007 to April 5, 2017
Invention	Flexible sealing structure for curtain wall of large deflection	ZL200510047714.9	Shenyang Yuanda	PRC	November 15, 2005 to November 14, 2025

Patent Type	Patent	Patent No.	Name of Registered Proprietor	Place of Registration	Validity
Utility model	Operable & closable louver device	ZL200720013063.6	Shenyang Yuanda	PRC	July 3, 2007 to July 2, 2017
Utility model	Curtain wall with LED display strips	ZL200720013646.9	Shenyang Yuanda	PRC	August 2, 2007 to August 1, 2017
Utility model	Revolving door with exhibition space in the center	ZL200720013647.3	Shenyang Yuanda	PRC	August 2, 2007 to August 1, 2017
Utility model	Revolving door embedded with LED display panel	ZL200720013546.6	Shenyang Yuanda	PRC	July 27, 2007 to July 26, 2017
Utility model	Venting device for curtain wall	ZL200720013615.3	Shenyang Yuanda	PRC	July 31, 2007 to July 30, 2017
Utility model	Adjustable pulling rod for opening & closing windows	ZL200720185072.3	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017
Utility model	Adjustable hinge for doors & windows	ZL200720185069.1	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017
Invention	Enhanced ETFE membrane structure	ZL200810010398.1	Shenyang Yuanda	PRC	February 15, 2008 to February 14, 2028
Utility model	Integrated slipper-type sliding bracing piece	ZL200720185076.1	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017
Utility model	Shifting fork lock handle	ZL200720185071.9	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017
Utility model	Pulling rod for opening and closing doors and windows	ZL200720185070.4	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017
Utility model	Unitized curtainwall with LED display strip	ZL200720185223.5	Shenyang Yuanda	PRC	December 27, 2007 to December 26, 2017
Invention	Connecting device for curtainwall	ZL200710157387.1	Shenyang Yuanda	PRC	October 11, 2007 to October 10, 2027
Invention	A kind of point-fixing glass curtainwall	ZL200610046291.3	Shenyang Yuanda	PRC	April 11, 2006 to April 10, 2026
Utility model	Limiting device for driving rod of doors and windows	ZL200820010652.3	Shenyang Yuanda	PRC	February 4, 2008 to February 3, 2018
Utility model	ETFE membrane structure of heat preservation	ZL200820010725.9	Shenyang Yuanda	PRC	February 15, 2008 to February 14, 2018
Utility model	Noise reduction and protection-type ETFE membrane structure	ZL200820010723.X	Shenyang Yuanda	PRC	February 15, 2008 to February 14, 2018
Utility model	Adjustable pivot hinge for doors and windows	ZL200720185073.8	Shenyang Yuanda	PRC	December 21, 2007 to December 20, 2017

Patent Type	Patent	Patent No.	Name of Registered Proprietor	Place of Registration	Validity
Invention	Thin-film curtain wall structure	ZL200810010045.1	Shenyang Yuanda	PRC	January 8, 2008 to January 7, 2028
Invention	Roofing membrane structure with water drainage gutter	ZL200810010044.7	Shenyang Yuanda	PRC	January 8, 2008 to January 7, 2028
Invention	A kind of unitized curtain wall structure and its installation method	ZL200510130854.2	Shenyang Yuanda	PRC	December 23, 2005 to December 22, 2025
Appearance design	Lever handle	ZL200830010175.6	Shenyang Yuanda	PRC	February 29, 2008 to February 28, 2018
Utility model	Curved-blade louver device	ZL200820015206.1	Shenyang Yuanda	PRC	August 26, 2008 to August 25, 2018
Utility model	Adjustable limiting support for turning window	ZL200820011851.6	Shenyang Yuanda	PRC	April 1, 2008 to March 31, 2018
Utility model	C-shaped channel steel embeds	ZL200920010543.6	Shenyang Yuanda	PRC	February 13, 2009 to February 12, 2019
Utility model	Riveting flat plate embeds	ZL200920010544.0	Shenyang Yuanda	PRC	February 13, 2009 to February 12, 2019
Appearance design	Riveting flat plate embeds	ZL200930010093.6	Shenyang Yuanda	PRC	February 13, 2009 to February 12, 2019
Utility model	Ejector pins type site hoisting equipment for unitized curtain wall	ZL200920012698.3	Shenyang Yuanda	PRC	April 2, 2009 to April 1, 2019
Utility model	A kind of site hoisting equipment for unitized curtain wall	ZL200920012697.9	Shenyang Yuanda	PRC	April 2, 2009 to April 1, 2019
Utility model	Photoelectric-thermal integrated double skin curtain wall	ZL200920014887.4	Shenyang Yuanda	PRC	June 26, 2009 to June 25, 2019
Utility model	Solar photothermal unitized curtain wall	ZL200920014886.X	Shenyang Yuanda	PRC	June 26, 2009 to June 25, 2019
Utility model	Bridge-cut-off type energy-saving thermal insulation window	ZL200920015246.0	Shenyang Yuanda	PRC	July 14, 2009 to July 13, 2019
Utility model	Transferring device for sealant installation of unitized curtain wall	ZL201020150921.3	Shenyang Yuanda	PRC	April 7, 2010 to April 6, 2020
Utility model	Bearing device for frame assembly of unitized curtain wall	ZL201020150879.5	Shenyang Yuanda	PRC	April 7, 2010 to April 6, 2020
Invention	Testing device for the thermal circulation performance of curtain wall and its control method	ZL200710159150.7	瀋陽科正建築工程檢測有限公司; Shenyang Yuanda	PRC	December 25, 2007 to December 24, 2027
Utility model	Reinforced bar connecting structure for single panel curtain wall	ZL200920277061.7	Shenyang Yuanda	PRC	December 8, 2009 to December 7, 2019

Patent Type	Patent	Patent No.	Name of Registered Proprietor	Place of Registration	Validity
Appearance design	Channel steel embeds (C shape)	ZL200930010092.1	Shenyang Yuanda	PRC	February 13, 2009 to February 12, 2019
Appearance design	Aluminium extrusion (No. 1) (Appearance design)	ZL201030253415.2	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Appearance design	Aluminium extrusion (No. 4) (Appearance design)	ZL201030253436.4	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Appearance design	Aluminium extrusion (No. 5) (Appearance design)	ZL201030253452.3	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Appearance design	Aluminium extrusion (No. 10) (Appearance design)	ZL201030253480.5	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Appearance design	Aluminium extrusion (No. 12) (Appearance design)	ZL201030253496.6	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Appearance design	Aluminium extrusion (No. 17) (Appearance design)	ZL201030253544.1	Shenyang Yuanda	PRC	July 30, 2010 to July 29, 2020
Invention	A kind of unitized curtain wall structure	RU60551 U1	Shenyang Yuanda	Russia	December 23, 2005 to December 22, 2015

As at the Latest Practicable Date, our Group had applied for the following patents[1]:

Patent Type	Patent	Application No.	Name of Registered Proprietor	Place of Application	Date of Application
Utility model	Basket weaved curtain wall	201020515233.2	Shenyang Yuanda	PRC	September 3, 2010
Appearance design	Aluminium extrusion (No. 2)	201030253422.2	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 3)	201030253431.1	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 6)	201030253454.2	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 7)	201030253456.1	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 8)	201030253464.6	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 9)	201030253477.3	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 11)	201030253488.1	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 13)	201030253513.6	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 14)	201030253526.3	Shenyang Yuanda	PRC	July 30, 2010

1 For the following patents, of which the applications were made in the PRC, the notification of the grant of patent (授權專利權通知書) has been issued however the application is still in progress as registration and the relevant patent certificate has not yet been issued: 編織式建築幕牆, 鋁合金型材(二), 鋁合金型材(三), 鋁合金型材(六), 鋁合金型材(七), 鋁合金型材(八), 鋁合金型材(九), 鋁合金型材(十一), 鋁合金型材(十三), 鋁合金型材(十四), 鋁合金型材(十五) and 鋁合金型材(十六).

Patent Type	Patent	Application No.	Name of Registered Proprietor	Place of Application	Date of Application
Appearance design	Aluminium extrusion (No. 15)	201030253530.X	Shenyang Yuanda	PRC	July 30, 2010
Appearance design	Aluminium extrusion (No. 16)	201030253542.2	Shenyang Yuanda	PRC	July 30, 2010
Utility model	Antipollution & energy-saving unitized curtain wall	201020515241.7	Shenyang Yuanda	PRC	September 3, 2010
Appearance design	Aluminium extrusion (No. 16)	268/2010	Shenyang Yuanda	Libya	November 24, 2010
Appearance design	Aluminium extrusion (No. 9)	269/2010	Shenyang Yuanda	Libya	November 24, 2010
Appearance design	Aluminium extrusion (No. 11)	270/2010	Shenyang Yuanda	Libya	November 24, 2010
Appearance design	Aluminium extrusion (No. 13)	271/2010	Shenyang Yuanda	Libya	November 24,, 2010

(b) Trademarks

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

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
CNYD	5413667	Shenyang Yuanda	PRC	August 28, 2009	August 27, 2019
CNYD	5326229	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
CNYD	5903392	Shenyang Yuanda	PRC	October 28, 2009	October 27, 2019
CNYD	5903387	Shenyang Yuanda	PRC	October 28, 2009	October 27, 2019
CNYD	5326693	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
CNYD	5326228	Shenyang Yuanda	PRC	October 14, 2009	October 13, 2019
CNYD	5326234	Shenyang Yuanda	PRC	August 21, 2009	August 20, 2019
YUANDA	5326225	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
YUANDA	5326223	Shenyang Yuanda	PRC	September 14, 2009	September 13, 2019
YUANDA	5326224	Shenyang Yuanda	PRC	October 14, 2009	October 13, 2019
YUANDA	5326221	Shenyang Yuanda	PRC	August 21, 2009	August 20, 2019
	5326219	Shenyang Yuanda	PRC	August 7, 2009	August 6, 2019
	5326217	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
远大	5326215	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
远大	1067773	Shenyang Yuanda	PRC	July 28, 2007	July 27, 2017

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
YUANDA	5190956	Shenyang Yuanda	PRC	June 28, 2009	June 27, 2019
	3348473	Shenyang Yuanda	PRC	July 14, 2004	July 14, 2014
	3348474	Shenyang Yuanda	PRC	May 14, 2004	May 14, 2014
	3356016	Shenyang Yuanda	PRC	August 28, 2004	August 28, 2014
	3421561	Shenyang Haihui Technology Investment Co., Ltd. ("Shenyang Haihui")	PRC	October 7, 2004	October 6, 2014
H&H	3421560	Shenyang haihui	PRC	September 28, 2004	September 27, 2014
	3421559	Shenyang haihui	PRC	March 21, 2004	March 20, 2014
H&H	3421558	Shenyang haihui	PRC	March 21, 2004	March 20, 2014
	3421556	Shenyang haihui	PRC	July 28, 2004	July 27, 2014
H&H	3421557	Shenyang haihui	PRC	July 28, 2004	July 27, 2014
	3421553	Shenyang haihui	PRC	December 7, 2004	December 6, 2014
H&H	3421552	Shenyang Haihui	PRC	August 28, 2004	August 27, 2014
	3421554	Shenyang Haihui	PRC	October 14, 2004	October 13, 2014
H&H	3421555	Shenyang Haihui	PRC	September 28, 2004	September 27, 2014
	6997519	Shenyang Haihui	PRC	June 7, 2010	June 6, 2020
	6997679	Shenyang Haihui	PRC	July 7, 2010	July 6, 2020
H&H	6997680	Shenyang Haihui	PRC	July 7, 2010	July 6, 2020
H&H	6997681	Shenyang Haihui	PRC	June 7, 2010	June 6, 2020
	6997682	Shenyang Haihui	PRC	June 7, 2010	June 6, 2020
	6997683	Shenyang Haihui	PRC	June 21, 2010	June 20, 2020
H&H	6997684	Shenyang Haihui	PRC	June 21, 2010	June 20, 2020
	6997685	Shenyang Haihui	PRC	September 21, 2010	June 20, 2020

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
H&H	6997520	Shenyang Haihui	PRC	July 28, 2010	July 27, 2020
	6997688	Shenyang Haihui	PRC	September 21, 2010	September 20, 2020
YUANDA	5076854	Shenyang Yuanda	PRC	June 7, 2009	June 6, 2019
	5326218	Shenyang Yuanda	PRC	November 21, 2009	November 20, 2019
	5326220	Shenyang Yuanda	PRC	May 14, 2009	May 13, 2019
CNYD	5326230	Shenyang Yuanda	PRC	April 28, 2009	April 27, 2019
CNYD	5326232	Shenyang Yuanda	PRC	May 14, 2009	May 13, 2019
CNYD	5326233	Shenyang Yuanda	PRC	May 7, 2009	May 6, 2019
CNYD	5326692	Shenyang Yuanda	PRC	July 28, 2009	July 27, 2019
	5326216	Shenyang Yuanda	PRC	January 21, 2010	January 20, 2020
YUANDA	5326222	Shenyang Yuanda	PRC	December 14, 2009	December 13, 2019
CNYD	5326694	Shenyang Yuanda	PRC	December 21, 2009	December 20, 2019
CNYD	5413666	Shenyang Yuanda	PRC	December 14, 2009	December 13, 2019
	5903383	Shenyang Yuanda	PRC	January 21, 2010	January 20, 2020
	5903388	Shenyang Yuanda	PRC	January 21, 2010	January 20, 2020
CNYD	5903393	Shenyang Yuanda	PRC	March 28, 2010	March 27, 2020
CNYD	5903394	Shenyang Yuanda	PRC	March 28, 2010	March 27, 2020
	5903396	Shenyang Yuanda	PRC	May 14, 2010	May 13, 2020
CNYD	5903397	Shenyang Yuanda	PRC	February 14, 2010	February 13, 2020
	5903398	Shenyang Yuanda	PRC	May 21, 2010	May 20, 2020
CNYD	5903400	Shenyang Yuanda	PRC	April 7, 2010	April 6, 2020
CNYD	5903401	Shenyang Yuanda	PRC	April 7, 2010	April 6, 2020
	5903402	Shenyang Yuanda	PRC	February 14, 2010	February 13, 2020
CNYD	5903463	Shenyang Yuanda	PRC	March 28, 2010	March 27, 2020
YDBLT	5903464	Shenyang Yuanda	PRC	December 28, 2009	December 27, 2019
YDBLT	5903466	Shenyang Yuanda	PRC	December 7, 2009	December 6, 2019

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
CNYD	5903473	Shenyang Yuanda	PRC	December 28, 2009	December 27, 2019
YUANDA	5903475	Shenyang Yuanda	PRC	January 21, 2010	January 20, 2020
	5903477	Shenyang Yuanda	PRC	January 21, 2010	January 20, 2020
CNYD	5903479	Shenyang Yuanda	PRC	December 7, 2009	December 6, 2019
	5903480	Shenyang Yuanda	PRC	December 7, 2009	December 6, 2019
CNYD	5903481	Shenyang Yuanda	PRC	December 14, 2009	December 13, 2019
CNYD	5903482	Shenyang Yuanda	PRC	December 7, 2009	December 6, 2019
CNYD	7003057	Shenyang Yuanda	PRC	July 7, 2010	July 6, 2020
	7119269	Shenyang Yuanda	PRC	October 14, 2010	October 13, 2020
CNYD	7119270	Shenyang Yuanda	PRC	October 14, 2010	October 13, 2020
CNYD	7119272	Shenyang Yuanda	PRC	July 21, 2010	July 20, 2020
	7119273	Shenyang Yuanda	PRC	July 21, 2010	July 20, 2020
CNYD	7119276	Shenyang Yuanda	PRC	September 14, 2010	September 13, 2020
CNYD	7119277	Shenyang Yuanda	PRC	July 7, 2010	July 6, 2020
	7119278	Shenyang Yuanda	PRC	September 14, 2010	September 13, 2020
	7119279	Shenyang Yuanda	PRC	July 7, 2010	July 6, 2020
CNYD	7119280	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
	7119281	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
CNYD	7119282	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
	7119283	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
CNYD	7119284	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
	7119285	Shenyang Yuanda	PRC	July 14, 2010	July 13, 2020
CNYD	7119286	Shenyang Yuanda	PRC	July 21, 2010	July 20, 2020
	7119287	Shenyang Yuanda	PRC	July 21, 2010	July 20, 2020
CNYD	7119288	Shenyang Yuanda	PRC	October 14, 2010	October 13, 2020
CNYD	3580562	Shenyang Yuanda	US	February 24, 2009	February 23, 2019

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
CNYD	N/040114	Shenyang Yuanda	Macao	April 28, 2009	April 28, 2016
CNYD	N/040113	Shenyang Yuanda	Macao	April 28, 2009	April 28, 2016
CNYD	N/040112	Shenyang Yuanda	Macao	April 28, 2009	April 28, 2016
CNYD	403544	Shenyang Yuanda	Sweden	May 8, 2009	May 7, 2019
CNYD	584640	Shenyang Yuanda	Switzerland	October 15, 2008	October 15, 2018
CNYD	42659	Shenyang Yuanda	Qatar	January 7, 2007	January 6, 2017
CNYD	42660	Shenyang Yuanda	Qatar	January 7, 2007	January 6, 2017
CNYD	302008051649	Shenyang Yuanda	Germany	October 31, 2008	October 30, 2018
CNYD	T06/12860G	Shenyang Yuanda	Singapore	June 24, 2006	June 23, 2016
CNYD	T06/12859C	Shenyang Yuanda	Singapore	June 24, 2006	June 23, 2016
CNYD	24655	Shenyang Yuanda	Kazakhstan	June 27, 2006	June 26, 2016
CNYD	40-0730318	Shenyang Yuanda	Korea	December 6, 2007	December 5, 2017
CNYD	40-0720298	Shenyang Yuanda	Korea	August 10, 2007	August 9, 2017
CNYD	2424298	Shenyang Yuanda	United Kingdom	June 13, 2006	June 12, 2016
CNYD	5037927	Shenyang Yuanda	Japan	April 6, 2007	April 5, 2017
CNYD	332701	Shenyang Yuanda	Russia	June 19, 2006	June 18, 2016
CNYD	1155503	Shenyang Yuanda	Australia	January 8, 2007	January 7, 2017
CNYD	80385	Shenyang Yuanda	Kuwait	January 8, 2007	January 8, 2017

Trademark	Registration No.	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
CNYD	390380	Shenyang Yuanda	Russia	July 18, 2008	July 18, 2018
CNYD	301229959	Shenyang Yuanda	Hong Kong	October 29, 2008	October 28, 2018

(d) Domain names

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

Domain Name	Date of Registration	Expiry Date
www.yuanda.com.cn	December 10, 2003	December 10, 2012
www.yuandacn.com	November 11, 2000	November 11, 2013

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

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

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option is not exercised, the interest or short position of Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Model Code for Securities Transactions by Directors of Listed Companies, once the Shares are listed are as follows.

(i) Interest in our Company

Name of Director	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Kang Baohua *(Note)*	Interest of a controlled corporation	3,334,253,626	55.57%

Note: 2,579,971,923 Shares were held by Best Outlook and 754,281,703 Shares were held by Neo Pioneer, both companies are wholly owned by Mr. Kang.

(ii) Interest in associated corporations of our Company

Name of Director	Name of associated corporation	Number of shares	Percentage Shareholding
Kang Baohua	Best Outlook	1	100%
Kang Baohua	Neo Pioneer	1	100%
Tian Shouliang	Long Thrive	1,500	7.30%
Guo Zhongshan	Long Thrive	1,500	7.30%
Wu Qingguo	Long Thrive	1,200	5.34%
Si Zuobao	Long Thrive	1,500	7.30%
Wang Yijun	Long Thrive	1,500	7.30%
Wang Lihui	Long Thrive	850	4.34%

(b) Particulars of service contracts

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

(c) Directors' remuneration

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

Name	Annual Director's fees and remuneration
	(RMB)
Kang Baohua	1,500,000
Tian Shouliang	1,752,000
Guo Zhongshan	1,652,000
Wang Yijun	1,652,000
Si Zuobao	3,744,000
Wu Qingguo	2,804,000
Wang Lihui	1,500,000
Wang Deqiang	800,000

The independent non-executive Directors have been appointed for a term of one year. We intend to pay a director's fee of HK$200,000 per annum to each of our independent non-executive Directors, respectively.

Under the arrangements currently in place, we expect that the aggregate amount of emoluments payable by our Group to the Directors for the year ending December 31, 2011 will be approximately RMB15.6 million.

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

2. Substantial Shareholders

So far as the Directors are aware, immediately following the completion of the Global Offering and the Capitalization Issue (but without taking into account the Shares to be issued pursuant to the exercise of the Over-allotment Option or any Shares that may be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), the following persons (other than the Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of Shares	Percentage of shareholding
Best Outlook *(Note 1)*	Beneficial owner	2,579,971,923	43.00%
Neo Pioneer *(Note 1)*	Beneficial owner	754,281,703	12.57%
Long Thrive *(Note 2)*	Beneficial owner	870,940,571	14.52%

Notes:

1. Best Outlook and Neo Pioneer are companies incorporated in the BVI and are wholly owned by Mr. Kang, our chairman.

2. Long Thrive is a company incorporated in the BVI and is owned by 6 Directors and 7 employees of our Company and Ms. Kang.

3. Agency fees or commissions received

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

4. Disclaimers

Save as disclosed herein:

(a) none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed;

(b) none of our Directors or experts referred to under the paragraph headed "Consents of experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 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 member of our Group;

(f) none of the experts referred to under the heading "Consents of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(g) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on April 12, 2011.

(a) Purpose

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

(i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Who may join

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

(i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;

(ii) any directors (including independent non-executive directors) of our Company or any of its subsidiaries; and

(iii) any advisors, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries.

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

(c) Acceptance of an offer of Options

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

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

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

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering (but taking no account of any Shares which may be allotted or issued pursuant to the exercise of the Over-allotment Option), being 600,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

(i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the shareholders in general meeting; and/or

(ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to the shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

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

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and

(ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

(aa) the Eligible Participant's name, address and occupation;

(bb) the date on which an Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;

(cc) the date upon which an offer for an Option must be accepted;

(dd) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);

(ee) the number of Shares in respect of which the Option is offered;

(ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;

(gg) the date of the notice given by the grantee in respect of the exercise of the Option; and

(hh) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

(f) Price of Shares

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

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

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

(iii) the nominal value of a Share.

(g) Granting options to connected persons

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

(i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and

(ii) having an aggregate value in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by our Company and the approval of the shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

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

(i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;

(ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent shareholders as to voting;

(iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and

(iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of Options

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

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

(ii) the deadline for our Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules)

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

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

(iv) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) Rights are personal to grantee

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

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

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

(k) Performance target

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

(l) Rights on ceasing employment or death

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

(i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or

(ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(m) Rights on dismissal

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

(n) Rights on takeover

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

(o) Rights on winding-up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

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

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

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

(q) Ranking of Shares

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

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approval independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

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

(s) Expiry of option

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

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

(ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);

(iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;

(iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;

(v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

(vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are canceled in accordance with paragraph (u) below.

(t) Alteration of the Share Option Scheme

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

(i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and

(ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

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

(u) Cancellation of Options

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

(v) Termination of the Share Option Scheme

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

(w) Administration of the Board

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

(x) Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

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

(ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;

(iii) the commencement of dealings in the Shares on the Stock Exchange.

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

(i) the Share Option Scheme shall forthwith determine;

(ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and

(iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) Disclosure in annual and interim reports

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

(z) Present status of the Share Option Scheme

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

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 150,000,000 Shares in total.

2. Tax and other indemnities

Each of the Controlling Shareholders has entered into a deed of indemnity with and in favor of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in paragraph (f) of the sub-section headed "Summary of material contracts" in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which any member of our Group may be subject and payable on or before the date when the Global Offering becomes unconditional. Mr. Kang and Best Outlook have entered into a deed of indemnity with and in favour of our Company (being the contract referred to in paragraph (e) of the sub-section headed "Summary of material contracts in this Appendix) to provide indemnities on a joint and several basis in respect of any losses, costs and expenses incurred by the Group in any way whatsoever as a result of or in connection with, or any claims resulting from or arising as a result of or in connection with, any of (i) the transfer of the 25% equity interest in Shenyang Yuanda from Goldenwin to Yuanda Singapore on 24 July 2002; (ii) the transfer of such 25% equity interest in Shenyang Yuanda from Yuanda Singapore to the Company in November 2010; and (iii) the Company's ownership in the 25% equity interest of Shenyang Yuanda following such transfer.

Referred to in the sections headed "Risk Factors — The trust arrangement between Mr. Kang and Goldenwin Company Limited in relation to the 25% of the equity interest in Shengyang Yuanda which was transferred to us is not documented by any formal legal agreement" and "History and Reorganization — Transfer of interest in Shengyang Yuanda by Goldenwin" of this prospectus.

3. Litigation

As at the Latest Practicable Date, save as disclosed in the paragraph headed "Legal Proceedings and Material Claims" in the section headed "Business" of this prospectus, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

4. Joint Sponsors

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

5. Preliminary expenses

The estimated preliminary expenses incurred and paid by our Company were approximately HK$102,500.

6. Promoter

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

7. Taxation of holders of Shares

(a) Hong Kong

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

(b) Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) Consultation with professional advisers

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

8. Qualification of experts

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

Name	Qualifications
Deutsche Bank AG, Hong Kong Branch	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, acting as one of the Joint Sponsors of the Global Offering
J.P. Morgan Securities (Asia Pacific) Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO, acting as one of the Joint Sponsors of the Global Offering
KPMG	Certified Public Accountants
Jingtian & Gongcheng	PRC legal advisors

Name	Qualifications
Conyers Dill & Pearman.......	Cayman Islands attorneys-at-law
Jones Lang LaSalle Sallmanns Limited............	Property valuer
LEX Chambers.....................	Qatar legal advisors
Khaled Al-Olaimi Law Firm.	Kuwait legal advisors

9. Consents of experts

Each of the experts named in paragraph 8 of this Appendix has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

10. Interests of experts in our Company

None of the persons named in paragraph 8 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

11. Binding effect

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

12. Miscellaneous

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as disclosed in this prospectus, there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2010 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(e) the principal register of members of our Company will be maintained in the Cayman Islands by Butterfield Fulcum Group (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system; and

(g) our Directors have been advised that, under the Companies Law, the use of a Chinese name by our Company does not contravene the Companies Law.

13. Bilingual Prospectus

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

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:

(a) a copy of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms;

(b) the written consents referred to in the section entitled "Statutory and General Information — Consents of experts" in Appendix VII; and

(c) a copy of each of the material contracts referred to in the section entitled "Statutory and General Information — Summary of material contracts" in Appendix VII.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Sidley Austin at Level 39, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours up to and including May 6, 2011:

(a) the Memorandum of Association and the Articles;

(b) the accountants' report issued by KPMG in relation to our Group, the text of which is set out in Appendix I;

(c) the report from KPMG relating to the unaudited pro forma financial information of our Group, the text of which are set out in Appendix II;

(d) the letter, summary of value and valuation certificates relating to our Group's property interests prepared by Jones Lang LaSalle Sallmanns Limited, the texts of which are set out in Appendix IV;

(e) the letters relating to the profit forecast, the texts of which are set out in Appendix III;

(f) the material contracts referred to in the section entitled "Statutory and General Information — Summary of material contracts" in Appendix VII;

(g) the written consents referred to in the sections entitled "Statutory and General Information — Consents of Experts" and "— Qualifications of Experts" in Appendix VII;

(h) the service contracts referred to in the section entitled "Directors — Particulars of service contracts" in Appendix VII;

(i) the Companies Law;

(j) the letter of advice prepared by Conyers Dill and Pearman summarizing certain aspects of the Cayman Islands company law as referred to in Appendix VI to this prospectus;

(k) the legal opinion issued by LEX Chambers, the legal advisors to our Company on Qatar law in respect of certain issues relating to Yuanda Qatar under Qatar law;

(l) the legal opinion issued by Khaled Al-Olaimi Law Firm, the legal advisors to our Company on Kuwait law in respect of certain issues relating to Yuanda Kuwait under Kuwait law;

(m) the PRC legal opinion issued by Jingtian & Gongcheng, the legal advisors to our Company on PRC law in respect of, among other things, general corporate matters and property matters of our Group in the PRC; and

(n) the rules of the Share Option Scheme.

CNYD

Yuanda China Holdings Limited

遠大中國控股有限公司