
SUBSTANTIAL AND MANAGEMENT SHAREHOLDERS

SUBSTANTIAL SHAREHOLDER

So far as the Directors are aware, after the completion of the Placing and the Capitalisation Issue (but without taking into account any Shares which may be taken up under the Placing), the only persons directly or indirectly interested in 10% or more of the voting power at any general meeting of the Company will be as follows:

Name	Number of Shares	Percentage of voting power
Ultra Challenge	42,975,000	57.3% (Note 1)

MANAGEMENT SHAREHOLDERS

So far as the Directors are aware, after the completion of the Placing and the Capitalisation Issue (but without taking into account any Shares which may be taken up under the Placing), the Management Shareholders will be as follows:

Name	Number of Shares	Percentage of voting power
Ultra Challenge	42,975,000	57.3% (Note 1)
Mr. Dong Jian Xin	—	— (Note 2)
Professor Li Min Qiang	—	— (Note 3)
Mr. Yao Xiao Dong	—	— (Note 4)
Mr. Tang Bin	—	— (Note 5)
Mr. Wang Guangxin	—	— (Note 6)
Mr. Zhang Renli	—	— (Note 7)
Mr. Li Jiancheng	—	— (Note 8)
Ms. Yue Shishuang	—	— (Note 9)
Mr. Li Yongchao	—	— (Note 10)
Mr. Sun Lianwen	—	— (Note 11)
Mr. Ji Songqiao	—	— (Note 12)
Ms. Cai Zhipei	—	— (Note 13)

Notes:

1. The shares in Ultra Challenge are held by HSBC International Trustee Limited on terms of a fixed trust. The beneficiaries of the trust are Mr. Dong Jian Xin, Professor Li Min Qiang, Mr. Yao Xiao Dong, Mr. Tang Bin, Mr. Wang Guangxin, Mr. Zhang Renli, Mr. Li Jiancheng, Ms. Yue Shishuang, Mr. Li Yongchao, Mr. Sun Lianwen, Mr. Ji Songqiao and Ms. Cai Zhipei. For the purposes of the GEM Listing Rules, Ultra Challenge is a Management Shareholder of the Company and these beneficiaries of the trust have all agreed to be deemed to be Management Shareholders of the Company. Further details of the beneficial interests under the trust are set out in notes 2 to 13 below.
2. Mr. Dong Jian Xin is an executive Director and is beneficially interested in 10% of the property of the trust.
3. Professor Li Min Qiang is an executive Director and is beneficially interested in 10% of property of the trust.
4. Mr. Yao Xiao Dong is an executive Director and is beneficially interested in 10% of the property of the trust.

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5. Mr. Tang Bin is an employee of the Group and is beneficially interested in 10% of the property of the trust.
6. Mr. Wang Guangxin is an employee of the Group and is beneficially interested in 10% of the property of the trust.
7. Mr. Zhang Renli is an employee of the Group and is beneficially interested in 10% of the property of the trust.
8. Mr. Li Jiancheng is an employee of the Group and is beneficially interested in 10% of the property of the trust.
9. Ms. Yue Shishuang is an employee of the Group and is beneficially interested in 8% of the property of the trust.
10. Mr. Li Yongchao is an employee of the Group and is beneficially interested in 6% of the property of the trust.
11. Mr. Sun Lianwen is an employee of the Group and is beneficially interested in 6% of the property of the trust.
12. Mr. Ji Songqiao is an employee of the Group and is beneficially interested in 6% of the property of the trust.
13. Ms. Cai Zhipei is an employee of the Group and is beneficially interested in 4% of the property of the trust.

OPERATION OF THE TRUST

The trust referred to in note 1 in the paragraph headed “Management Shareholders” above was settled by Professor Kou as a fixed trust to reward and motivate certain senior management and employees of the Group who have contributed to the development, business or operation of the Group. Currently the property of the trust includes the entire issued share capital of Ultra Challenge. Professor Kou did not retain for himself any right or obligation vis-à-vis the trust or the property of the trust. HSBC International Trustee Limited has been appointed trustee of the trust, and it is required to seek directions and instructions from the beneficiaries of the trust, through a representative appointed amongst themselves, on the exercise of the voting powers arising from shares held by it as trustee of the trust and on certain administrative matters. Lion International Management Limited, a member company of the HSBC group and the sole director of Ultra Challenge, will act in accordance with the instructions of HSBC International Trustee Limited on such matters, including voting instructions at Shareholders’ meetings. Pursuant to an agreement entered into amongst the beneficiaries on 11th January, 2000 to regulate their relationship inter se, including the appointment of a representative, the representative is not given any discretionary power and is required to follow the majority decision of the beneficiaries (decided by votes conducted on polls, calculated by reference to the respective proportions in which beneficial interests under the trust are held and in the event of an equality of votes, the most senior beneficiary (the seniority of whom is determined by the order in which their names stand in the list of beneficiaries for the time being maintained by HSBC International Trustee Limited) has a casting vote) whenever directions and instructions from the representative are required by the trustee. The first representative is Mr. Dong Jian Xin and any subsequent appointment or removal of the representative will be determined amongst the beneficiaries by majority decision (decided by votes conducted on polls, calculated by reference to the respective proportions in which

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beneficial interests under the trust are held). Any transfer by a beneficiary of his interest in the trust after two years from the date on which the Shares are listed on the Stock Exchange is subject to pre-emption rights of other beneficiaries. Every transferee, if not an original beneficiary, will take up his interest subject to the terms of the trust and will be required to accede to the agreement entered into amongst the beneficiaries as if he were an original party. Under such agreement, the interests of the beneficiaries under the trust are subject to a two-year lock-up period.

UNDERTAKINGS

Ultra Challenge has undertaken to the Stock Exchange, the Company and the Sponsor (i) to place in escrow with an escrow agent acceptable to the Stock Exchange its 42,975,000 Shares and other relevant securities as defined under 13.15(4) of the GEM Listing Rules (the “Relevant Shares”), for a period of two years from the date of commencement of dealings of Shares (the “Moratorium Period”) on terms acceptable to the Stock Exchange. Each of the Management Shareholders has also undertaken to the Stock Exchange, save as provided in Rule 13.17 of the GEM Listing Rules, not to dispose of (nor enter into any agreement to dispose of) nor permit the registered holder to dispose of (nor enter into any agreement to dispose of) any of its direct or indirect interest in the Relevant Shares during the Moratorium Period. Any subsequent disposal of any direct or indirect interest in the Relevant Shares by Ultra Challenge will require express instructions from the beneficiaries of the trust mentioned in the paragraph headed “Operation of the trust” above (through a representative appointed amongst themselves).

Each of the Management Shareholders has further undertaken to the Stock Exchange and the Company that (i) in the event that it pledges or charges any direct or indirect interest in the Relevant Shares under Rule 13.17 of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.17(5) of the GEM Listing Rules at any time during the Moratorium Period, it must inform the Company immediately thereafter, disclosing the relevant information specified in Rule 17.43 (1) to (4) of the GEM Listing Rules and (ii) having pledged or charged any interest in the Relevant Shares as in (i) above, it must inform the Company immediately in the event that it becomes aware that the pledgee or the chargee has disposed of or intends to dispose of such interest and of the number of Shares affected.