

**The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)**

As part of reorganization of the subsidiaries of the Group, the Board has appointed its two Executive Directors, namely Mr Zhou Jiangtou and Mr Ouyang Sheng (also a CEO) and Mr Chen Jianfeng ("Mr Chen") to the board of the following subsidiaries of the Group:

- (a) Rich Luck Group Limited (incorporated in the British Virgin Islands);
- (b) Guangdong Yuanbang Real Estate Development Co Ltd. ("GDYB") (incorporated in the People's Republic of China); and
- (c) Guangzhou Yuanbang Real Estate Development Co., Ltd ("GZYB") (incorporated in the People's Republic of China)

Mr Chen Jianfeng is the Company's controlling shareholder and spouse of Mdm Lin Yeju ("Mdm Lin"), who is also the Group's Chairlady. Mdm Lin will step down as a director of the above subsidiaries accordingly.

Mr Chen Jianfeng has also been appointed as legal representative for GDYB and GZYB in place of Mdm Lin. This change is to facilitate the Group effort's in negotiating bank loans/facilities with banks in China as they would view more favourably when the legal representative is also the main controlling shareholder of the Group. GDYB is considered a principal subsidiary of the Group.

Having considered the above, the Board supported and approved the change of legal representative to Mr Chen.