

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD/40 OF 2010

BETWEEN:

(1) STEVEN GONG

Plaintiff

AND

(1) CDH CHINA MANAGEMENT COMPANY LIMITED

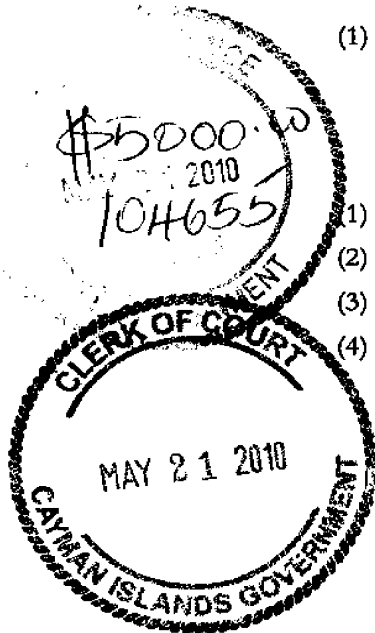
(2) CDH CHINA FUND III, L.P.

(3) CDH III HOLDINGS COMPANY LIMITED

(4) TIANJIN DINGHUI EQUITY INVESTMENT  
MANAGEMENT CENTRE L.P.



Defendants



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WRIT OF SUMMONS

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TO: (1) CDH China Management Company Limited  
(2) CDH China Fund III, L.P.  
(3) CDH III Holdings Company Limited  
(4) Tianjin Dinghui Equity Investment Management Centre L.P.

The First, Second and Third Defendants' address is:

c/o Maples Corporate Services Limited  
Ugland House PO Box 309, South Church Street,  
Georgetown, Grand Cayman, Cayman Islands

The Fourth Defendant's address is:

Room 4033, Binhai Finance Street E2-ABC- 4<sup>th</sup> Floor  
20 Guangchang East Road, Tianjin Development Zone  
Tianjin 300457, P.R. China

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days or, in the case of a defendant in relation to which the Court has granted leave to serve out of the jurisdiction, 28 days, after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court office, PO Box 495, George Town, Grand Cayman KY1-1106, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Second Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 21<sup>st</sup> day of May 2010

**NOTE** - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

**IMPORTANT**

Directions for Acknowledgement of Service are given with the accompanying form.

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STATEMENT OF CLAIM

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**Parties and background**

1. The Plaintiff, Mr Steven Gong (“Gong”) is and was at all material times a resident of the People’s Republic of China and is also known by his Chinese name Gong Gang.
2. The First Defendant, CDH China Management Company Limited (“CDH Management”), is and was at all material times a Cayman Islands exempt company which provides management services to the various funds operated under the name “CDH Investments” (“CDH”) and conducts substantially all of its business in Hong Kong and Beijing.
3. The Second Defendant, CDH China Fund III, L.P. (“CDH Fund III”) is and was at all material times a Cayman Islands exempted limited liability partnership and private equity fund through which CDH conducts investment activities in US Dollars (“US\$”).
4. The Third Defendant, CDH III Holdings Company Limited is and was at all material times the General Partner of the CDH Fund III.
5. The Fourth Defendant, Tianjin Dinghui Equity Investment Management Centre L.P., is and was at all material times, a Chinese Limited Partnership and is and was at all material times the General Partner of the following Chinese Limited Partnerships which conduct investment activities in Chinese Renminbi (“RMB”):
  - a. Tianjin Dinghui Hengrui Equity Investment Fund L.P. (the “First Real Estate Fund”);
  - b. Tianjin Dinghui Ruijia Equity Investment Fund Partnership L.P. (the “Second Real Estate Fund”); and
  - c. Tianjin Mingzhu Equity Investment Partnership L.P. (the “Third Real Estate Fund”).

The First Real Estate Fund, the Second Real Estate Fund and the Third Real Estate Fund are collectively referred to as the “**Real Estate Funds.**”

6. Mr Wu Shangzhi (“**Wu**”) is a managing partner of CDH Management and is and was at all material times the chairman of CDH.
7. Mr Jiao Zhen (“**Jiao**”) is a managing partner of CDH Management, and is the president of CDH. Since 27 February 2010 Jiao has substantially replaced Gong in his role with CDH Management including his involvement in the Real Estate Funds and portfolio companies as pleaded in paragraph 53.c.
8. The Fourth Defendant is 85% owned by Tianjin Diamond Investment Management Centre L.P., which as of 25 March 2010 is 75% owned by Wu and Jiao.
9. The Third Defendant and the Fourth Defendant are entitled, pursuant to the Limited Partnership Agreement dated 2 February 2007 (for CDH Fund III) and the Limited Partnership Agreement dated 6 August 2009 (for the Real Estate Funds), to receive 20% of the profits generated by the Real Estate Investments (defined below) for CDH Fund III and the Real Estate Funds respectively.
10. Gong is an experienced fund manager, with over 20 years experience managing funds and investments in the mainland China, Hong Kong, the United States, and more than ten other countries in Asia, Europe and the Americas. In late 2006, Gong was approached by Wu to join the CDH team and to build a new real estate business and a new investment team for CDH (the “**Real Estate Team**”).

**Pre-Contractual Discussions (the “Umbrella Discussions”)**

11. In December 2006 and January 2007, and prior to execution of the First Contract (defined below), Gong and Wu discussed the terms upon which Gong would be employed by CDH.
12. Gong and Wu agreed that *inter alia*:

- a. half of Gong's salary would be paid in cash, the other half co-invested with CDH;
  - b. Gong would receive between 30% and 40% of the investment manager's share of profit (the "Carry") from investments made using funds supplied from CDH Fund III;
  - c. after new funds were raised by Gong and his new Real Estate Team, the share of Carry for each of the new funds would reflect CDH's practice and the prevailing market practice; and
  - d. Gong's share of the management fees to be received by the funds he and his team raised and managed would be the same as the level of Carry which was to be renegotiated upon the raising of new funds.
13. Gong agreed to a reduced rate of profit for CDH Fund III compared to market practice as he had not done the work to raise the funds for CDH Fund III which he and his team later invested in real estate projects.

#### **Gong's First Contract with CDH Management**

##### *Express Terms*

14. On 8 January 2007, Gong executed a written agreement dated 12 December 2006 with CDH Management (the "First Contract").
15. Pursuant to the First Contract:
  - a. Gong was to commence employment with the "*CDH Private Equity Team*" on 1 February 2007;
  - b. Gong was to "*take a leadership role in developing asset based investments, including but not limited to real estate investments...*";
  - c. Gong's salary would be US\$250,000 per annum plus an annual cash and co-investment bonus of US\$250,000 per annum;

- d. Gong would receive 30% of the Carry for CDH Fund III for investments he and his team had completed and managed;
  - e. Gong was required to participate in a co-investment program; and
  - f. The First Contract would be governed by the laws of the Cayman Islands.
16. The First Contract expressly refers to Gong's employment with the "CDH Private Equity Team" but does not refer to his employment with the Real Estate Team as:
- a. it did not exist at the time of entry into the First Contract; and
  - b. the funds for the real estate investments to be made by the new Real Estate Team were initially allocated from CDH Fund III which had been raised by the Private Equity Team.
17. It was an express term of the First Contract that Gong was to participate in the Carry generated by the specific investments that his team completed and managed. Specifically, Gong and his team [later the Real Estate Team] were to receive *"30% of carry interest from allocation to the Principals' Carry Pool through the General Partnership of CDH Fund III for investments you and your asset based investment team have completed and managed."*

#### **Gong's Second Contract with CDH Management**

18. Upon the Real Estate Team closing the First Real Estate Fund on or about 12 June 2008, a second contract was entered into between Gong and CDH Management (the "**Second Contract**").
19. The terms of the Second Contract were the same as the First Contract, *mutandis mutadis*, save that consistent with the Umbrella Discussions:
- a. the level of Carry which Gong was to receive was to reflect CDH's practice and the prevailing market practice; and

- b. Gong would receive the same percentage of the Management Fees (defined below) as of the Carry for the First Real Estate Fund.

**Gong's Third Contract with CDH Management**

- 20. Upon the Real Estate Team closing the Second Real Estate Fund on or about 30 October 2009, a third contract was entered into between Gong and CDH Management (the "Third Contract").
- 21. The terms of the Third Contract were the same as the First Contract, *mutandis mutadis*, save that consistent with the Umbrella Discussions:
  - a. the level of Carry which Gong was to receive was to reflect CDH's practice and the prevailing market practice; and
  - b. Gong would receive the same percentage of the Management Fees (defined below) as of the Carry for the Second Real Estate Fund.

**Gong's Fourth Contract with CDH Management**

- 22. Upon the Real Estate Team closing the Third Real Estate Fund on or about 3 December 2009, a fourth contract was entered into between Gong and CDH Management (the "Fourth Contract").
- 23. The terms of the Fourth Contract were the same as the First Contract, *mutandis mutadis*, save that consistent with the Umbrella Discussions:
  - a. the level of Carry which Gong was to receive was to reflect CDH's practice and the prevailing market practice; and
  - b. Gong would receive the same percentage of the Management Fees (defined below) as of the Carry for the Third Real Estate Fund.
- 24. In the alternative to the matters pleaded in paragraphs 18 to 23 above, both prior to and after entry into the First Contract, Wu, on behalf of CDH, told Gong that the Real Estate Team would receive a share of Carry from

investments made from the Real Estate Funds which was accepted by Gong and which constituted either:

- a. an oral agreement forming part of the First Contract; or
- b. a variation of the First Contract.

***Carry Allocation***

25. As pleaded in paragraphs 19, 21 and 23 above, Gong was to receive Carry from the Real Estate Funds in accordance with both CDH's practice and prevailing market practice.
  - a. CDH's practice is to allocate between 50% and 80% of Carry to the team responsible for raising and completing the fund, and between 20% and 50% to the sponsor (CDH).
  - b. market practice for the allocation of Carry between team and sponsor will be the subject of expert evidence, but at present Gong pleads that usual market practice for Carry allocation to the team is not less than 50%.

***Implied Terms***

26. It was an implied term of the Second Contract, the Third Contract and the Fourth Contract that Gong would receive a reasonable share of the Carry from investments of the Real Estate Funds completed and managed by the Real Estate Team (the "Implied Term").
27. The Implied Term was implied to give business efficacy to the Contracts as the Contracts are incomplete as they does not state the quantum of Carry for the Real Estate Funds.
28. A reasonable share of the Carry from the Real Estate Funds is to be determined by the Court by reference to, as pleaded in paragraph 25 above, CDH's conduct with respect to other funds and customary practice in the market which will be the subject of expert evidence.

29. There are additional terms and duties in the Contract implied by operation of law, namely:
  - a. an implied term of trust and confidence; and
  - b. an implied duty to provide work.
30. There are no terms of the Contract, either express or implied, which:
  - a. state that the Contract constitutes the entire agreement between the parties;
  - b. require variations to the Contract to be in writing; or
  - c. empower CDH Management to force Gong to take extended leave whether paid or unpaid.

***Implementation of the Contract***

31. Immediately after commencing employment pursuant to the Contract Gong became a member of the Real Estate Team.
32. Between 1 February 2007 and 22 February 2010, Gong worked for CDH Management and diligently:
  - a. invested and managed funds on behalf of CDH Management, CDH Fund III and external investors. Particulars of the funds invested and managed are provided at paragraph 38; and
  - b. raised, invested and managed funds on behalf of CDH Management, the Real Estate Funds and external investors. Particulars of the funds raised by the Real Estate Team are provided in paragraph 39.
33. When Gong commenced employment with CDH Management, CDH did not have a real estate team. As of 22 February 2010, the Real Estate Team consisted of five team members, none of whom is entitled by their employment contract to share in the Carry for the Real Estate Funds.

34. There was only one other member (a Mr Zhang Li, with a director title) of the Real Estate Team apart from Gong who by his employment contract would have been entitled to a 3% share of the Carry from the Real Estate Funds. Mr Li's employment was terminated by CDH Management at the beginning of 2009, which, as pleaded in paragraph 39 was prior to the raising and completion of the Real Estate Funds.
35. In his position as managing director and partner of the Real Estate Team, Gong was responsible for:
- a. building the new real estate business. Prior to Gong commencing employment, CDH had not engaged in real estate investments and management save for one property development in 2006 in Shanghai which was ultimately unsuccessful;
  - b. leading and managing the new team including deal sourcing, due diligence, structuring, closing, documentation, asset management, and exit activities;
  - c. formulation of real estate strategies. Gong was also responsible for managing project budgeting as the Real Estate Team grew and new funds were raised;
  - d. recruitment and interview process for development of the Real Estate Team, as well as training and mentoring new employees and interns, and year end evaluation of individual performance. Gong had the power to make decisions with respect to hiring and dismissal of employees, with consultation and confirmation of key new hires with Wu and Jiao;
  - e. marketing and promotion of the Real Estate Team, including being the "face" of the Real Estate Team to both domestic and international investors;
  - f. all communication with investors and placement agents in the Real Estate Funds, including with respect to strategy, market updates,

- portfolio performance, risks and returns. Gong was also responsible for developing and implementing “road shows” of presentations to potential investors to generate new investment in the Real Estate Funds;
- g. all communication with partners and project companies, and execution of all major documents. Gong was responsible for all major decisions with respect to investment commitment and funding, subject to investment committee approval. Gong, along with Wu and Jiao, were the members of the investment committee for the Real Estate Funds; and
  - h. representation of the Real Estate Funds through membership of the boards of all real estate project companies.
36. The Real Estate Team was responsible for investments in real estate by CDH for CDH Fund III and the Real Estate Funds in US\$ and RMB respectively.
37. Upon Gong’s commencing employment with CDH Management, the new Real Estate Team was allocated 15% of the existing CDH Fund III (totalling approximately US\$200 million) which was used for real estate investments.
38. The Real Estate Team invested approximately US\$200 million from CDH Fund III into four real estate deals:
- a. *Shenzhen Homeway* - US\$48 million: an equity investment in a local top-quality and well-performing developer group which had planned an initial public offering in Hong Kong. A third of the investment was paid off in advance by the developer at 15% internal rate of return (“IRR”), with the remainder converted into a high yield residential development project with an expected 25% IRR in Shenzhen. This investment was completed on or about 1 November 2007.
  - b. *Project Wetland* - US\$22 million: an equity investment for 67% of a project company which purchased and holds a large piece of land (7 million square feet) for residential development adjacent to a lake on

the Bohai Bay near Tianjin. The land is expected to be sold in 2010 for more than 200% return as a result of the low cost entry and preferred equity structure negotiated by Gong and the Real Estate Team in 2007. This investment was completed on or about 11 September 2007.

- c. *Project Vast* - US\$45 million: an equity investment in a local real estate conglomerate near Beijing with diversified businesses including residential, commercial, industrial and cemetery holdings. The transaction was led and arranged by Gong and participated by a major Singapore bank OCBC. The company is planning an initial public offering in Hong Kong, or alternatively the equity investment may be converted into a residential development and is expected to be fully paid within two years through sales of apartment units. This investment was completed on or about 5 February 2008.
- d. *Tianjin Sunac* - US\$80 million: an equity investment in a top developer in Tianjin, which is planning an initial public offering in 2010. Gong sourced the deal and introduced the contact to CDH, and then led early stage negotiations and asset valuations. This investment was jointly handled by the Real Estate Team and Private Equity Team, with the understanding that the Carry would be shared between the two teams, though no specific allocation numbers were agreed. This investment was completed on or about 23 November 2007.

39. Between June 2009 and February 2010, the Real Estate Team led by Gong raised RMB550 million from outside investors in China. Together with a co-investment of RMB250 million from CDH RMB Private Equity Fund I (comprising Tianjin Dinghui Equity Investment Fund I, LP and Tianjin Dinghui Yuanbo Equity Investment Fund LP), Gong and the Real Estate Team invested in and managed two major real estate development projects.

- a. *Clearwater Bay* – approximately RMB700 million CDH investment: a 4.5 million square feet prime beachfront apartment and villas development near Sanya, a resort city in southern Hainan province of

China into which RMB450 million was invested for the Real Estate Funds, along with RMB250 million co-invested on behalf of CDH RMB Private Equity Fund I. Project construction started in early March 2010 and is expected to be completed by 2014. The project is forecast by project company management to deliver net profit of US\$800 million over 3 to 4 years with distributable cash flow commencing in the second half of 2010 through pre-sales. The return multiple is projected by both CDH and project management to be more than six times the initial investment which is due to good entry timing by Gong and the Real Estate Team, the very low cost of the development, the special location and the strong country-wide demand for the high-end ocean front properties. This investment was completed on or about 2 June 2009.

- b. *Hangzhou Hundsun* - RMB 32 million: a 2 million square feet mixed used office and service apartment project in Hangzhou, the scenic provincial capital of Zhejiang province. Construction started in November 2009, with pre-sales and cash flow to commence in the second half of 2010. The return multiple is projected by both the project partner and CDH to be more than four times the initial investment due to an extremely low acquisition cost negotiated by Gong and the Real Estate Team, a special development concept, active local demand and strong local purchasing power. This investment was completed on or about 12 October 2009.

- 40. The investments made by the Real Estate Team referred to in paragraph 38 and 39 above are referred to as the “**Real Estate Investments.**”
- 41. Approximately half of the investors or their investments into the new Real Estate Funds were new to CDH and had not previously invested with CDH. These new investors had been brought into the Real Estate Funds by Gong through both his personal roadshows and direct meetings and marketing with these new investors.

## Management Fees

42. As part of the terms of the Real Estate Funds, the Limited Partners of the Real Estate Funds were charged an annual fee of 2% of the fund (the "Management Fees") for five years. The Management Fees are payable to the General Partner of the funds, which in the case of the Real Estate Funds is the Fourth Defendant.
43. The Management Fees represent additional profit to CDH from the Real Estate Investments as for all material purposes be treated as profit as most of the asset management cost and expenses either have been, or will be borne by the relevant real estate projects.
44. Pursuant to the terms of the Real Estate Funds, the role of the Manager was to represent the general partner, make and manage investments of the Real Estate Funds.
45. Gong and the Real Estate Team performed all management duties for the Real Estate Funds. Such duties included, but were not limited to:
  - a. conducting due diligence regarding proposed investments;
  - b. consideration of and creation of the structure of the investments and the selection of joint venture partners;
  - c. the actual investment for the Real Estate Funds, including oversight of the preparation of investment decision memorandums, and negotiation of documentation for the projects at Clearwater Bay and Hangzhou Hundsun;
  - d. reporting fund and portfolio activities to investors on a quarterly and annual basis; and
  - e. expanding and hiring teams for the new Real Estate Funds and the Real Estate Investments.
46. Gong was also:

- a. the chairman of the Clearwater Bay project from the investment date until he was replaced by Jiao in March 2010; and
  - b. the interim CEO managing the project until professional outside management was hired and put in place in January 2010.
47. In November 2009 a dispute arose regarding the equity allocation of the proposed General Partner of the Real Estate Funds to which the Management Fees would be paid.
48. CDH Investments offered Gong 12% equity of the proposed General Partner, Dinghui Ruijia (Tianjin) Real Estate Equity Investment Management Co Ltd, which was rejected as it was not in accordance with the Second Contract, the Third Contract and the Fourth Contract.
49. Without Gong's consent and contrary to Gong's intention, CDH unilaterally decided that the Fourth Defendant would assume the role of General Partner of the Real Estate Funds.
50. Management Fees of more than RMB50 million have been fully deducted from the Real Estate Funds and therefore paid by the investors in the Real Estate Funds to the Fourth Defendant, and are currently held by the Fourth Defendant.
51. As pleaded in paragraph 43 above, the Management Fees are additional profit to CDH and pursuant to the Second Contract, the Third Contract and the Fourth Contract Gong is entitled to a share of the Management Fees paid to the Fourth Defendant in the same proportion as that allocated as Carry.

**Breach**

52. By email dated 7 February 2010 CDH Management offered Gong 10% of the Carry as his combined share of the team and deal based carry for the Real Estate Funds which was a breach of the express terms of the Second Contract, the Third Contract and the Fourth Contract pleaded in paragraphs 18 to 23 and paragraph 25 above, or alternatively the First Contract pleaded in

paragraph 24 above and a breach of the implied terms of the Contract pleaded in paragraphs 26 to 29 above.

53. In breach of the implied term of trust and confidence pleaded in paragraph 29 above, CDH Management:
- a. failed and refused to offer Gong and his team Carry arrangements with respect to the Real Estate Funds commensurate with that received by other comparable CDH partners and teams whose Carry share ranged from 50% to 80%;
  - b. through Wu, who knew that Gong's expectation of Carry in the Real Estate Funds was at least 30% and assured Gong on many occasions from 2007 to 2010 that he would be "taken care of," offered him 10% of the Carry which was significantly less than Gong had been led by CDH to believe he would receive; and
  - c. after placing Gong on involuntary leave on 22 February 2010 but not terminating his employment, proceeded to replace Gong in his varied roles in the Real Estate Funds and the invested projects.
54. In breach of the implied duty to provide work pleaded in paragraph 29 above, by letter dated 22 February 2010 Gong was involuntarily placed by CDH Management on two months leave with pay.
55. On 27 April 2010 CDH Management formally gave notice of termination of Gong's employment with effect from 27 May 2010
56. Gong was not terminated due to his performance with CDH Management, and was terminated from his employment with CDH Management wholly due to the fact that he would not agree to the Carry amount which was offered by CDH Management for the Real Estate Funds. Specifically, Gong was placed on involuntary leave as he did "*not agree the Firm's incentive plan.*" Gong was told that "*during your leave, if you cannot accept Firm's incentive plan, we may initiate the process to terminate your employment contract with us.*"

**Loss**

57. As a result of the breaches pleaded in paragraphs 52 to 54 above, Gong has suffered loss.
58. Gong is entitled to:
- a. 30% of the Carry received by the Third Defendant with respect to CDH Fund III;
  - b. such reasonable sum as the Court shall determine of the Carry received by the Fourth Defendant with respect to the Real Estate Funds.
59. In the alternative, Gong is entitled to a reasonable share of the Carry from the Real Estate Funds on a *quantum meruit* basis.

**AND THE PLAINTIFF claims:**

1. A declaration that Gong is entitled to:
  - a. 30% of the Carry received and to be received by the Third Defendant with respect to projects completed and managed by the Real Estate Team for the Second Defendant (the “**US\$ Carry**”); and
  - b. such entitlements as the Court shall determine of the Carry (the “**RMB Carry**”) and the Management Fees (the “**Gong Management Fees**”) received and to be received by the Fourth Defendant with respect to the Real Estate Funds.
2. A declaration that the:
  - a. US\$ Carry received and to be received by the Third Defendant from the Real Estate Investments completed and managed by the Real Estate Team is held on trust for Gong; and

- b. RMB Carry and Gong Management Fees received and to be received by the Fourth Defendant from the Real Estate Investments completed and managed by the Real Estate Team are held on trust for Gong;
3. An order that:
  - a. the Third Defendant pay Gong the US\$ Carry distributed to the Third Defendant to date; and
  - b. the Fourth Defendant pay Gong the RMB Carry and Gong Management Fees distributed to the Fourth Defendant to date;
4. Damages for breach of contract;
5. Interest;
6. Costs; and
7. Such further and other orders as this Court thinks fit.

Dated the 21<sup>st</sup> day of May 2010



APPLEBY

Issued by Appleby, attorneys-at-law for the Plaintiffs, whose address for service is Clifton House, 75 Fort Street, P.O. Box 190 GT, Grand Cayman, Cayman Islands (Ref. AB/JAC/19185.001)

**DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE  
OF WRIT OF SUMMONS**

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.  
After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495 GT, George Town, Grand Cayman.
2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a Defence on the Attorney for the Second Plaintiff (or on the Second Plaintiff if acting in person).  
If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.  
  
If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.  
  
If the Defendant fails to serve his Defence within the appropriate time, the Second Plaintiff may enter judgment against him without further notice.
3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a Stay of Execution, supported by an Affidavit of his means. The Affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

*See over for notes for guidance*

*Please complete overleaf*

### Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (*the name stated on the Writ of Summons*)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a Limited Company the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian *ad litem*.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD OF 2010

B E T W E E N:

(1) STEVEN GONG

Plaintiff

AND

- (1) CDH CHINA MANAGEMENT COMPANY LIMITED
- (2) CDH CHINA FUND III, L.P.
- (3) CDH III HOLDINGS COMPANY LIMITED
- (4) TIANJIN DUNGHUI EQUITY INVESTMENT MANAGEMENT  
CENTRE L.P.

Defendants

**ACKNOWLEDGMENT OF SERVICE OF WRIT OF SUMMONS**

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important. Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged:

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2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

YES

NO

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3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Second Plaintiff (tick box)

YES

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Service of the Writ is acknowledged accordingly

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Attorneys for Defendant

Address for service:

**Notes on address for service**

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

*Indorsement by Second Plaintiff's Attorney (or by Second Plaintiff if suing in person) of his name, address and reference, if any, in the box below.*

Appleby  
Attorneys-at-Law  
Clifton House  
75 Fort Street  
P.O. Box 190 GT  
George Town  
Grand Cayman  
Ref: THW/19067.001

*Indorsement by Defendant's Attorney (or by Defendant if suing in person) of his name, address and reference, if any, in the box below.*

[Empty box for Defendant's Attorney Indorsement]

THIS WRIT was issued by Appleby of Clifton House, 75 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands (Ref. AB/JAC/19185.001), Attorneys-at Law for the Plaintiff