*An investment in our Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our consolidated financial statements and related notes, before you decide to buy our Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the market price of our Shares could decline and you may lose all or part of your investment. This prospectus also contains forward looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of many factors, including the risks described below.*

## RISKS RELATING TO OUR BUSINESS

### Our operations are subject to extensive government policies and regulations and, in particular, we are susceptible to changes in policies related to the PRC property industry and in regions in which we operate

Our business is subject to extensive governmental regulations and, in particular, we are susceptible to policy changes in the PRC property sector. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector.

During the Track Record Period and up to the Latest Practicable Date, the PRC government had implemented a series of regulations and policies to slow down the property market and inflation of property prices, as well as to dampen property speculation. These policies may therefore limit our ability to obtain financing, acquire land for future developments, sell our properties at a profit or generate sufficient operating cash flows from contracted sales. In addition, as a result of the various measures implemented by the PRC government since January 2011, the transaction volumes for properties in most cities in which we operate experienced significant declined between September 2011 and January 2012. Average selling prices for property sales also decreased between September 2011 and January 2012, but to a lesser and varying extent in different cities, as market players began launching a wide range of promotional initiatives, including but not limited to different forms of price reduction offers, to stimulate demand for properties in the market. In view of the challenging market conditions and its continuous downward pricing pressures, we responded strategically by adapting our pricing strategy in the fourth quarter of 2011 to focus our sales efforts on smaller-sized and lower-priced units that target the mass market segment, which is less impacted by the property purchase restrictions to achieve our cash receipts targets. We also strategically deferred the pre-sale schedules of some of our projects. As a result, the average selling prices for our contracted sales for the last four months of 2011 was RMB9,602 per sq.m., which was 4.2% lower than that for the first eight months of 2011.

Furthermore, after an in-depth review of the average selling prices of properties in the areas where we have projects under development, our Directors are of the view that, as of December 31, 2011, the market prices, and correspondingly our estimated total recoverable amounts, of the properties comprising our Future Land Consequence Project in Changzhou, Legend Mansion Project in Shanghai and the car parks in a number of our other projects under development were lower than the respective carrying amounts of such properties and car parks. In accordance with our accounting policies, we recorded a total impairment loss of RMB398.7 million with respect to such projects for the year ended December 31, 2011, which was approximately six times the total impairment losses we recorded for 2009 or 2010. Please refer to the section headed "Business – Challenging Market Conditions and Impact on Our Operations" in this prospectus for further information.

We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. It is also impossible to ascertain the extent of the impact of these measures or to accurately estimate our sales volume and turnover had the measures been introduced. If we fail to adapt our operations to new policies, regulations or measures that may come into effect from time to time with respect to the property industry, or if our marketing and pricing strategies are ineffective in promoting our contracted sales, such policy changes may dampen our contracted sales and cause us to lower our average selling prices and/or incur additional costs, in which case our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected. Please refer to the paragraphs headed "Risks Relating to the Property Industry in China" and "Risks Relating to the PRC" in this section for more risks and uncertainties relating to the extensive PRC regulations.

**Our business and prospects are heavily dependent on the performance of the PRC property markets, particularly in various major cities in Jiangsu Province and Shanghai**

We principally develop and sell properties in cities along the Shanghai-Nanjing Economic Corridor in the Yangtze River Delta. As of August 31, 2012, we had 74 property projects completed or in various stages of development. Thirty-nine of these projects are located in Changzhou, 15 in Shanghai, one in Jintan, six in Nanjing, four in Kunshan, four in Wuxi, three in Suzhou, one in Changsha, and one in Wuhan. In addition, we have entered into a cooperation agreement with the local authorities of Zhenjiang to acquire and develop certain land parcels. Our business continues to be heavily dependent on the property markets in Jiangsu Province and Shanghai. These property markets may be affected by local, regional, national and global factors, including economic and financial condition, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital.

In addition, any potential decline in demand or prices for properties in the cities where we have operations could have a material adverse impact on our cash flows, financial position and results of operations.

In particular, property prices and demand for properties in Jiangsu Province and Shanghai have fluctuated significantly in recent years. Further policies implemented by the PRC government on bank loans and trust financing arrangements for real estate development projects since January 2010 have had, and may continue to have, a dampening effect on the property markets in which we operate.

**A default under any of our lending or financing agreements could result in enforcement against the security we have granted, which could materially adversely affect our ownership in the B-Share Group and hence our ability to continue our operations**

We have maintained a significant level of indebtedness, a substantial portion of which is secured by pledges of shares we hold in Jiangsu Future Land, our listed subsidiary through which, together with the project companies held by it (together, the "**B-Share Group**"), we carry out a substantial part of our business, and our other subsidiaries. Our total current and non-current borrowings, which include our borrowings from banks and trust financing arrangements were RMB4,247.9 million, RMB8,459.1 million, RMB10,866.6 million and RMB9,733.3 million as of December 31, 2009, 2010 and 2011 and June 30, 2012, respectively. Our total debt-to-asset ratio was 25.3%, 30.1%, 29.4% and 24.2%, and our net debt-to-equity ratio was 74.9%, 120.1%, 127.7% and 111.7% as of December 31, 2009, 2010 and 2011 and June 30, 2012, respectively. For further information relating to our indebtedness, please refer to the section headed "Financial Information – Key Financial Ratios" in this prospectus.

We cannot assure you that we will be able to generate sufficient cash flow from operations to meet our payment obligations under our current outstanding debt. If we were unable to make scheduled payments in connection with our debt and other payment obligations as they become due, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing, failing which we may default on such repayment (or other) obligations. We cannot assure you that any such renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms or at all. If financial institutions decline to lend additional funds to us or to refinance our existing loans when they mature as a result of our credit risk (or otherwise) and we fail to raise financing through other means, we may breach our repayment (and/or other) obligations. In the event of a default, our lenders can enforce their rights against us, including enforcing their rights against the pledged shares in our subsidiaries and project companies under the relevant financing agreements.

In particular, we entered into type (i) arrangements with Chongqing International Trust and Northern International Trust to obtain RMB410.0 million and RMB700.0 million of trust loans for the projects of Future Land Holdings and Changzhou Future Land Wanbo, respectively. In connection with these type (i) arrangements, we pledged 349.5 million of the shares we held in Jiangsu Future Land to Chongqing International Trust and 525.0 million of the shares we held in Jiangsu Future Land to Northern International Trust as of June 30, 2012. These pledged shares collectively represent 54.89% of the issued capital of Jiangsu Future Land. As of the Latest Practicable Date, Future Land Holdings, our subsidiary, held 58.86% of the total issued capital of Jiangsu Future Land, which contributed RMB5,452.7 million, RMB6,684.3 million, RMB9,222.2 million and RMB3,619.1 million to our total revenue for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, representing 94.0%, 87.7%, 85.7% and 96.6% of our total revenue for the same periods, respectively. The above-mentioned type (i) arrangements with Chongqing International Trust and Northern International Trust are scheduled to be repaid, and the respective share pledges to be discharged, in January and May 2013, respectively. Prior to that, should Future Land Holdings or Changzhou Future Land Wanbo default on any of their obligations under their respective type (i) trust financing arrangements, the relevant trust financing companies can enforce their rights against the shares we pledged in Jiangsu Future Land. We may, as a result, lose control and/or ownership of Jiangsu Future Land along with other subsidiaries, which we hold through Jiangsu Future Land.

We cannot assure you that we will not enter into similar financing agreements in the future and that we will be able to continue meeting all of our obligations under the bank loans and trust financing arrangements. We also cannot assure you that the equity interests we have pledged to our lenders or trust financing companies will not be subject to enforcement actions, in which case we may lose control and ownership of a number of our subsidiaries and our results of operations and financial condition may be materially adversely affected.

**We may be adversely affected if we fail to repay or repurchase the equity interests in any of our project companies that we have pledged or transferred to trust financing companies to finance our property development projects**

We entered into trust financing arrangements with certain trust financing companies acting as trustees of the respective trust funds to finance our property development projects. Our trust financing arrangements generally have a term of two years and entitle the lenders to a fixed income return. To secure such trust financing arrangements, we have entered into a series of contractual arrangements with trust financing companies to (i) pledge to them our equity interests in, and/or land use rights held by, our project companies ("**type (i) arrangements**"); or (ii) transfer to them, or allow them to acquire, equity interests in our project companies and assume a corresponding obligation to repurchase any equity interests thereby acquired by these trust financing companies through the satisfaction of our repayment obligations ("**type (ii) arrangements**").

As of June 30, 2012, a significant percentage of the equity interests in (a) four of our project companies, including Jiangsu Future Land, were pledged pursuant to type (i) arrangements; and (b) four of our project companies were transferred to or acquired by trust financing companies or their designated nominees pursuant to type (ii) arrangements as collateral for our repayment obligations. As of September 30, 2012, we had outstanding current and non-current borrowings from trust financing arrangements of RMB2,862.1 million, representing 29.3% of our total outstanding borrowings and the three project companies that were subject to type (ii) arrangements had an aggregate outstanding current and non-current borrowings from trust financing arrangements of RMB730 million. For the three years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, our project companies which were subject to type (ii) arrangements during the relevant periods contributed a total of 5.4%, 18.2%, 23.6% and 10.9% of our revenue[(1)]. For further details, please refer to the section headed "Business – Alternative Financing Provided by Trust Financing Companies – Details of type (ii) arrangements – Note (1)" in this prospectus.

Trust financing arrangements involve higher financing costs and risks than conventional bank loans due to their higher interest rates and more complicated guarantee and/or security structures. Any material defaults on our part under the terms of the trust financing arrangements may prevent us from redeeming or repurchasing (as applicable) the pledged or transferred equity interests in our project companies from the relevant trust financing companies. We cannot assure you that we will be able to perform all of our obligations under the trust financing arrangements we have entered into or will enter into. Should we fail to duly perform any of our obligations under any of our trust financing arrangements, we will be subject to liabilities for breach of agreement and may not be able to redeem the pledged equity interests under type (i) arrangements, or repurchase the pledged or transferred equity interests in the relevant project companies under type (ii) arrangements, in which case the financial results of these project companies under type (i) or type (ii) arrangements may no longer be consolidated into our financial statements. The occurrence of any of the foregoing may adversely affect our business, financial condition and results of operations. Please refer to the section headed "Business – Alternative Financing

(1) Includes the entire revenue attributable to a project company for any reporting period during which the project company was subject to a type (ii) arrangement for the entire reporting period or any part of that reporting period.

Provided By Trust Financing Companies" in this prospectus for details including the registered capital, revenue contribution and outstanding principal amount of trust financing arrangements of each of our project companies subject to type (ii) arrangements, as well as further details including the costs and benefits, of the trust financing arrangements.

**We are subject to risks associated with certain covenants or restrictions under our bank borrowings or trust financing arrangements which may adversely affect our business, financial condition and results of operations**

We are subject to certain restrictive covenants in the loan contracts between us and certain banks. For instance, our syndicated loan agreement with Bank of China and Bank of Communication restricts Changzhou Future Land Hongye, one of our operating subsidiaries, from making any distribution to its shareholders without prior consent from the syndicate lenders. Our loan agreements with each of Construction Bank of China, China Minsheng Banking Corp. Ltd., Agricultural Bank of China, Industrial and Commercial Bank of China Limited and Bank of Communications contain cross-default clauses. If any cross-default occurs, such banks will be entitled to accelerate repayment of all or any part of the loans from such banks and to take action against all or any of the security for such indebtedness. In addition, some of our PRC operating subsidiaries are subject to certain material covenants that restrict them from carrying out any merger, restructuring, spin-off, reduction of registered share capital, material asset transfer, liquidation, change in shareholding or management structure, or establishment of any joint venture without the lenders' written consent. Furthermore, as long as such loans are outstanding, some of our relevant operating subsidiaries may not be able to provide guarantees to any third parties that would impair their ability to repay the relevant loans. We cannot assure you that we will be able to abide by all restrictive covenants and cross-default provisions of any of our loan contracts in the future. Should we fail to abide by these provisions, our lenders may be entitled to accelerate repayment of our loans, in which case our business, financial condition and results of operations will be adversely affected.

We are also subject to restrictive covenants under our type (ii) arrangements. For example, some of these restrictive covenants limit our use of dividends paid by project companies that are subject to type (ii) arrangements, while others require the relevant project companies not to dispose of, mortgage or adjust the land use rights and land development rights of the project companies, or incur any material capital expenditures as well as make material asset transfers without obtaining prior approval from the relevant trust financing companies. Please refer to the section headed "Business – Alternative Financing Provided by Trust Financing Companies – Details of type (ii) arrangements" in this prospectus for details relating to such covenants. We cannot assure you that we will be able to abide by all the restrictive covenants of our type (ii) arrangements in the future. Should we fail to abide by these provisions, we may be prevented from repurchasing the transferred equity interests in our project companies from the relevant trust financing companies, in which case our business, financial condition and results of operations will be adversely affected. For further information, please refer to the paragraph headed "Risk Factors – Risks Relating to Our Business – We may be adversely affected if we fail to repay or repurchase the equity interests in any of our project companies that we have pledged or transferred to trust financing companies to finance our property development projects".

In addition, to provide enhanced security to some of the trust financing companies in respect of such covenants, we had given up the majority of the board seats in some of the relevant project companies to the respective trust financing companies or provided them with veto or unilateral revocation rights relating to matters that may materially affect the relevant trust financing companies' interest as to their fixed interest income. These trust financing companies are entitled to convene meetings of the board and/or shareholders and cast dissenting vote(s) through their representatives at these assemblies to frustrate or veto any material decisions we may propose in the interest of our Group but in deviation from the relevant pre-determined financial and operating policies, or in breach of the restrictive covenants in the relevant trust agreements. We cannot assure you that such disagreements will not occur in the future, in which case our business, financial condition and results of operations may be adversely affected.

**We had negative net operating cash flow for the years ended December 31, 2010 and 2011. If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially adversely affected**

For the years ended December 31, 2010 and 2011, we recorded negative net cash flow from operating activities of approximately RMB2,197.6 million and RMB950.6 million, respectively. Our negative net operating cash flow was principally attributable to the long-term and capital-intensive nature of property development, our land acquisitions and business expansion during the relevant periods. During the Track Record Period, we funded our capital expenditure with internal resources and external financing. Although our existing projects may generate positive net cash flow and we recorded positive net operating cash flow in the six months ended June 30, 2012, we may again record negative net operating cash flow for the year ending December 31, 2012 and thereafter. For further information, please refer to the section headed "Financial Information – Liquidity and Capital Resources – Working Capital" in this prospectus. We cannot assure you that we will not experience negative net cash flow in the future. Negative net operating cash flow requires us to obtain sufficient external financing to meet our financial needs and obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to develop our projects as planned. As a result, our business, financial condition and results of operations may be materially adversely affected.

**We may not have adequate financing to fund our future land acquisitions and property developments, and such capital resources may not be available on commercially reasonable terms, or at all**

Property development is capital-intensive. We expect to continue to incur a high level of capital expenditures for construction and land acquisition in the foreseeable future. For information on our capital commitment in the year ending December 31, 2012, please refer to the section headed "Financial Information – Liquidity and Capital Resources – Working Capital – Capital commitment" in this prospectus.

During the Track Record Period, we financed our property projects primarily through a combination of internally generated funds, including proceeds from the pre-sales and sales of our properties, and borrowings from financial institutions comprising CBRC-licensed commercial banks and trust financing companies. Our ability to obtain external financing in the future and the cost of such financing are subject to uncertainties beyond our control, including:

- requirements to obtain PRC government approvals necessary for obtaining financing in the domestic or international markets;
- our future results of operations, financial condition and cash flows;
- the condition of the international and domestic financial markets and financing availability thereof;

- changes in the monetary policies of the PRC government with respect to bank interest rates and lending practices; and

- changes in policies regarding regulation and control of the real estate market.

The PRC government has implemented a number of measures to manage money supply growth and credit availability, especially with respect to the property development sector. For example:

- the PBOC has adjusted the Renminbi deposit reserve ratio several times since 2010, first upward (to a peak of 21.5%) and more recently downward (to its present level of 20.0%);

- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008;

- commercial banks may not grant loans to property developers to pay land premiums;

- the CBRC has issued guidelines that require at least 30% of the total investment in a property project to be funded by the developer's own capital;

- the CBRC issued rules governing the establishment, operation and financing activities of trust financing companies in 2007, including financings to property developers.

For further information, please refer to the sections headed "Industry Overview" and "Appendix V – Summary of Principal Legal and Regulatory Provisions" in this prospectus. The above measures and other similar government actions and policy initiatives have limited our ability and flexibility in using bank loans and trust financing arrangements to finance our property projects. We cannot assure you that the PRC government will not introduce other initiatives, which may further limit our access to capital and the ways we finance our property projects, or that we will be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms, or at all.

**The CBRC and/or other agencies of the PRC government may tighten the regulations relating to trust loans being provided to the property industry in the PRC, which may affect our ability to obtain trust loans**

We entered into a number of trust financing arrangements and utilised a significant amount of trust loans to finance our property development during the Track Record Period. Operation of the trust financing companies in the PRC are primarily regulated by the CBRC pursuant to the "Rules Governing Trust Financing Companies" (《信託公司管理辦法》), which came into effect on March 1, 2007. Trust financing companies are therefore under the supervision and monitoring of the CBRC and are required to comply with all notices and regulations promulgated by the CBRC. For further information, please refer to the sections headed "Industry Overview – Regulatory Milestones of the PRC Property Industry" and "Appendix V – Summary of Principal Legal and Regulatory Provisions" in this prospectus.

We cannot assure you that the PRC government will not implement additional or more stringent measures to limit the amount that trust financing companies can make available for the PRC property industry. If this were to happen, our ability to obtain trust loans may be adversely affected.

**Our financing costs are subject to changes in interest rates**

We have incurred and expect to continue to incur a significant amount of interest expenses relating to our borrowings from banks, as well as from our trust financing companies. Accordingly, changes in interest rates have affected and will continue to affect our financing costs. Because all of our borrowings are in Renminbi, the interest rates on our borrowings are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. The weighted average effective interest rate on our bank borrowings was 5.72%, 5.39%, 6.69% and 6.80%, respectively, and the weighted average cost of borrowing of our trust financing arrangements was 13.48%, 13.19%, 13.28% and 13.10%, respectively, as of December 31, 2009, 2010 and 2011 and June 30, 2012. Our interest costs incurred in the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012 were RMB242.4 million, RMB540.6 million, RMB1,026.0 million and RMB544.4 million, respectively. Most of the interest costs incurred were capitalised. Our Directors have confirmed that the increase in the average effective interest rate on our bank borrowings in 2011 was primarily driven by the increases in the PBOC benchmark rates and the tightened credit policies imposed by banks towards PRC property developers in 2011. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby adversely affect our business, financial condition and results of operations.

**We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future**

The growth and success of our business depend on our ability to continue acquiring land reserves located in desirable locations at commercially reasonable prices that are suitable for residential projects and mixed-use complex projects. Our ability to acquire land may depend on a variety of factors that we cannot control, such as overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. During the Track Record Period, our land reserves were primarily acquired in land auctions held by local governments and through the acquisition of property development companies or property development rights from other developers. The availability and price of land sold at auctions depend on factors beyond our control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Specific regulations are in place to control the methods and procedures by which land parcels are acquired and developed in the PRC. Furthermore, the rapid development of the cities in Jiangsu Province and Shanghai in recent years has resulted in a shortage in the supply of undeveloped land in desirable locations and increased land acquisition costs, which is one of the largest components of our cost of sales. Please refer to the section headed "Summary of Principal Legal and Regulatory Provisions" in Appendix V to this prospectus for details.

**We may not successfully manage our growth and expansion**

We have focused primarily on the development of residential properties since our inception. In recent years, we have diversified our product portfolio by expanding into the development of mixed-use complexes. For instance, we began developing Wanbo Fashion Mall (北岸城) in Changzhou, Jiangsu Province in 2008 and are currently developing three other mixed-use complexes. In addition to growing our presence in Changzhou, Shanghai, Nanjing, Kunshan, Wuxi and Suzhou, we have been expanding into Jintan and Zhenjiang in Jiangsu Province, Changsha in Hunan Province and Wuhan in Hubei Province. We are also expanding into the development and operation of hotels and offices and engaging in commercial leasing. We intend to continue to diversify our business after Listing.

Expanding into new business segments and geographical locations involves uncertainties and challenges due to our unfamiliarity with new business segments or local regulatory practices and customs, customer preferences and behavior, the reliability of local contractors and suppliers, business practices, business environments and municipal-planning policies. In addition, expanding our business into new geographical locations would entail competition with developers who have a better-established local presence, more familiarity with local regulatory and business practices and customs, and stronger ties with local suppliers, contractors and purchasers.

As we may face challenges not previously encountered, we may fail to recognise or properly assess risks or take full advantage of opportunities, or otherwise fail to adequately leverage our past experience to meet challenges encountered in these new activities. For example, we may have difficulty in accurately predicting market demand for our properties in the cities into which we expand. We may also have difficulty in promoting and maintaining high occupancy rates and/or rental rates in the investment properties that we are currently developing after these properties are completed and commence operations.

Expanding into new business segments and geographic locations requires a significant amount of capital and management resources. We will also need to manage the growth in our workforce to match the expansion of our business. We may also face considerable reputational and financial risks if any new sector of our business is mismanaged or does not meet the expectations of our customers. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

**False, inaccurate or negative media reports about us or our projects, whether substantiated or not, may cause harm to our reputation, divert our management's attention and adversely affect our business and results of operations**

The development and future trends in the PRC property industry, including business strategies of major property developers, have been the focuses of numerous media reports. As a leading property developer in the Yangtze River Delta, information about us or our projects appears frequently in various media reports. We have also noticed some inaccurate media reports about us or our projects recently. The dissemination of such inaccurate or negative media reports or public allegations about us, whether or not substantiated, may adversely harm our reputation and affect public opinion about us and our projects. In addition, such inaccurate or negative media reports may require us to engage in defensive actions, which may divert our management's attention and adversely affect our business and results of operations. We cannot assure you that there will not be any other false, inaccurate or negative media reports about us or our projects in the future.

In addition, we cannot make any assurance as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in the media is inconsistent or conflicts with the information contained in this prospectus, investors should not rely on any such information in making a decision as to whether to purchase our Shares, and should rely only on the information included in this prospectus.

**Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, necessary government approvals in carrying out our property development and management operations**

The property industry in the PRC is heavily regulated. Property developers must abide by various laws and regulations, including rules stipulated by national and local governments to enforce these laws and regulations. To engage in property development and management operations, we must apply to relevant government authorities to obtain (and renew for those relating to on-going operations) various licences, permits, certificates and approvals, including but not limited to, qualification certificates, land use rights certificates, construction work commencement permits, construction work planning permits, construction land planning permits, pre-sale permits and completion certificates. Before the government authorities issue or renew any certificate or permit, we must meet specific conditions. Please see the section headed "Summary of Principal Legal and Regulatory Provisions" in Appendix V to this prospectus for details.

We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter other material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations may be adversely affected.

**We rely on third-party contractors**

We engage third-party contractors to carry out various services relating to our property development projects, including design, pile setting, foundation building, construction, equipment installation, electromechanical and pipeline engineering, elevator installation and landscaping. We generally select third-party contractors through a tender process and endeavor to engage companies with a strong reputation and track record, high performance reliability and adequate financial resources. Any such third-party contractor may fail to provide satisfactory services at the level of quality or within the timeline required by us. In addition, completion of our property developments may be delayed, and we may incur additional costs, due to a contractor's financial or other difficulties. If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost structure and development schedule of our projects and could have a negative impact on our reputation, credibility, financial position and business operations. In addition, as we are expanding our business into other geographical locations in the PRC, such as Changsha in Hunan Province, and Wuhan in Hubei Province, there may be a shortage of third-party contractors that meet our quality standards and other selection criteria in such locations and, as a result, we may not be able to engage a sufficient number of high-quality third-party contractors.

We may engage third-party contractors or management companies to manage the daily operations of the hotels and offices that we are/will be developing. We intend to monitor the performance of such third-party contractors or management companies and to retain a right to terminate their services if they breach the terms of the relevant management agreements. If the performance of our third-party contractors or management companies is not satisfactory to our customers, our investment properties may experience lower occupancy rates, which would lead to a loss of income or have an adverse impact on our reputation. If we were unable to successfully manage our investment properties, our business, financial condition, results of operations and prospects could be materially adversely affected.

**We may not be able to complete our development projects on time, or at all**

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take over a year or longer before they generate positive net cash flow through sales, pre-sales, leasing or rentals. Depending on the type of investment properties and the revenue generated, it may take a year or more after the completion of these properties before we recognise revenue from such projects. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules. The schedules of our project developments depend on a number of factors, including the performance and efficiency of our third-party contractors and our ability to finance construction. Other specific factors that could adversely affect our project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- changes in relevant regulations and government policies;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents; and
- errors in judgment on the selection and acquisition criteria for potential sites.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm our reputation as a property developer, lead to loss of or delay in recognising revenues and lower returns. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. We cannot assure you that we will not experience any significant delays in completion or delivery of our projects in the future or that we will not be subject to any liabilities for any such delays.

**We may forfeit land to the PRC government if we fail to develop properties in accordance with the terms and timeframe set out in the land grant contracts**

Under PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land grant premium, demolition and resettlement costs and other fees, the designated use of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose a penalty, and/or order us to forfeit the land. Specifically, under current PRC laws, if we fail to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land of up to 20% of the land grant premium. The relevant

PRC land bureau may confiscate our land use rights without compensation if we fail to commence development within two years from the construction commencement date set forth in the land grant contract, unless the delay in the development is caused by government actions or force majeure. Moreover, if a property developer commences development of the land in accordance with the timeframe stipulated in the land grant contract and the developed GFA on the land is less than one-third of the total proposed GFA of the project or the total invested capital is less than one-fourth of the total investment of the project and the development of the land is suspended for more than one year without government approval, the land may be treated as idle land and subject to risk of forfeiture.

In September 2007, the Ministry of Land and Resources issued a new notice to further enhance control of the land supply, by requiring developers to develop land according to the terms of the land grant contracts and restricting or prohibiting any non-compliant developers from participating in future land auctions. In January 2008, the State Council issued a Notice on Promoting the Land Saving and Efficient Use (關於促進節約集約用地的通知) to escalate the enforcement of current rules on idle land management. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterated then applicable rules on idle land management. On June 1, 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法), which became effective on July 1, 2012. For further information, please refer to the section headed "Industry Overview – Regulatory Milestones of the PRC Property Industry" in this prospectus.

These further measures require the competent land authorities not to accept any application for new land use rights or process any title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of any idle land before the completion of the required rectification procedures.

On May 16, 2012, we acquired a piece of land from Shanghai Jiading Xincheng Development Co., Ltd. ("**Shanghai Jiading**") in connection with our acquisition of 100% of the equity interest in Shanghai Fuming. At the time of the acquisition, this piece of land was categorised as idle and might be subject to an idle land penalty of RMB54,388,000. We signed an agreement with Shanghai Jiading which provided that Shanghai Jiading should bear any penalty that may be imposed on us as a result of failure to commence construction arising from the idle land status. In this regard, we are exposed to the risk that Shanghai Jiading may refuse or be unable to bear any such penalty. For further information, please refer to the section headed "Business – Compliance – Idle Land" in this prospectus. Any future failure to comply with the terms of our land grant contracts or idle land regulations may subject us to penalties, including forfeiture of certain property holdings. If our land is forfeited, we will not only lose the opportunity to develop our property projects on such land, but may also lose all our past investments in the land, including land acquisition costs and development costs incurred, which will adversely affect our business, financial condition and results of operations.

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

We had investments or held interests in approximately 0.27 million sq.m. of investment properties as of August 31, 2012. The fair value gains on our investment properties for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012 were RMB378.0 million, RMB443.2 million, RMB273.5 million and RMB1.1 million, respectively. We expect to increase our investment property portfolio in the future. Any form of real estate investment is illiquid and, as a result, our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We also cannot predict the length of time needed to find purchasers to purchase such investment properties. In addition, we may also need to incur capital expenditure to manage and maintain our properties, or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures would be available when needed, or at all.

Furthermore, aging of investment properties, changes in economic and financial condition or changes in the competitive landscape in the PRC property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties. However, our ability to convert any of our investment properties to alternative uses is limited as such conversion requires extensive governmental approvals in the PRC and involves substantial capital expenditures for the purpose of renovation, reconfiguration and refurbishment. We cannot assure you that such approvals and financing can be obtained when needed. These and other factors that impact our ability to respond to adverse changes in the performance of our investment in properties may adversely affect our business, financial condition and results of operations.

**The appraised value of our properties may be different from their actual realisable value and are subject to change**

The appraised of our properties as contained in the Property Valuation Report are based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties and land reserves are based, include that:

- we will develop and complete projects on a timely basis in accordance with our latest development proposals provided to DTZ and set out in the Property Valuation Report;

- we have obtained or will obtain on a timely basis all approvals from regulators necessary for the development of the projects, absence of delays caused by weather and natural disasters, and the timely completion of demolition and relocation; and

- we have paid all the land premiums and demolition and resettlement costs and obtained all land use rights certificates and transferable land use rights without any obligation to pay additional land premium or demolition and resettlement costs.

If we fail to obtain the approvals from regulators necessary for the development of our projects, some assumptions used by DTZ in reaching the appraised value of our properties will prove inaccurate. Therefore, the appraised value of our properties should not be taken as their actual realisable value or a forecast of their realisable value. Unforeseeable changes to the development of our property projects as well as national and local economic conditions may affect the value of our property holdings.

As of the Latest Practicable Date, PRC properties without proper land use rights certificates were not assigned any commercial value for the purposes of issuing any property valuation report. DTZ, however, made reference to 14 properties in the Property Valuation Report under the section headed "Summary of Valuations – Group VI – Properties contracted to be acquired by our Group in the PRC" in Appendix III to this prospectus with respect to which we, as of August 31, 2012, had entered into land grant contracts or equity transfer agreements but had not paid the relevant land premiums in full or satisfied other conditions for obtaining the relevant land use rights certificates and appraised the value of these properties according to our attributable ownership in the relevant project companies. The RMB8,900.6 million attributable to us as described in the Property Valuation Report is subject to the issuance of the relevant land use rights certificates by the PRC government, which in turn, depends on our timely payment of the requisite land premiums and many other conditions, some of which are beyond our control. You should not rely on such estimated value attributed to us by DTZ.

**The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations**

In accordance with PRC regulations on LAT, all persons including companies and individuals that receive income from the sale or transfer of land use rights, buildings and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property. For the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, the approximate amount of LAT we paid was RMB111.5 million, RMB263.9 million, RMB350.9 million and RMB393.3 million, respectively. Pursuant to a circular issued by the State Administration of Taxation, effective February 1, 2007, LAT obligations must be settled with the relevant tax bureaus within a specified time frame after the completion of a property project.Please refer to the section headed "Taxation and Foreign Exchange – Taxation of Our Company – PRC Taxation – Land appreciation tax" in Appendix IV to this prospectus for a detailed description of PRC regulations on LAT.

We make provisions for the full amount of applicable LAT in accordance with the relevant PRC tax laws and regulations from time to time pending settlement of the same with the relevant tax authorities. As we often develop our projects in phases, deductible items for calculation of LAT, such as land costs, are apportioned amongst such different phases of development. Provisions for LAT are made on our own estimates based on, among others, our own apportionment of deductible expenses which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We believe that our overall provisions for LAT are sufficient. However, given the time gap between the point at which we make provision for and the point at which we settle the full amount of LAT payable, the relevant tax authorities may not necessarily agree with our own apportionment of deductible expenses or other bases on which we calculate LAT. Hence, our LAT expenses as recorded in our financial statements of a particular period may require subsequent adjustments. For the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, we recorded approximately RMB180.8 million, RMB344.5 million, RMB388.2 million and RMB181.7 million, respectively, as LAT expenses. If we substantially underestimated LAT for a particular period, a payment of the actual LAT assessed and leased on us by the tax authorities could adversely affect our financial results for a subsequent period.

**We may be subject to fines due to non-registration of our leases**

Pursuant to the Administration of the Measures for Commodity House Leasing in Urban Areas (《商品房屋租賃管理辦法》) promulgated on December 1, 2010, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. During the Track Record Period, we rented out certain of our parking spaces, retail spaces and offices but had not filed for registration or obtained property leasing certificates for the relevant leases. We may be required by relevant government authorities to file the lease agreements for registration and may be subject to a fine for non-registration, which may range from RMB1,000 to RMB10,000. As of the Latest Practicable Date, five of our lease agreements had not been registered with the relevant government authority. In the worst case scenario, we may be subject to a maximum penalty of RMB50,000 as a result of our failure to register these lease agreements. The registration of these lease agreements, under which we are the lessees, requires additional steps to be taken by the respective lessors which are beyond our control. We cannot assure you that our lessors will be cooperative and that we can complete the registration of these lease agreements and any other lease agreements that we may enter into in the future.

**The property development business is subject to claims under statutory quality warranties**

Under Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》), which became effective on August 6, 2005, all property developers in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. Generally, we receive quality warranties from our third-party contractors with respect to our property projects. If a significant number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and materially adversely affect our business, financial condition and results of operations.

**Our property development schedule may be delayed and our development costs may increase as a result of delayed governmental re-zoning, demolition and resettlement processes**

According to Urban Housing Resettlement Administration Regulations (城市房屋拆遷管理條例) and applicable local regulations, in the case where we are responsible for demolishing existing properties and relocating existing residents, we will be required to pay the corresponding resettlement costs. If the parties responsible for and subject to the demolition and resettlement fail to reach agreements, either of them may apply for a ruling with the relevant governmental authorities; if the parties are not satisfied with the ruling, they may initiate proceedings in a people's court within three months from the date of such ruling, which may cause delays to the project development. Such proceedings and delays, if occurred, may affect our reputation, increase our costs and delay the expected cash inflow resulting from the pre-sales of the relevant project, which may in turn adversely affect our business, financial position and operational performance.

The demolition and resettlement costs incurred by us were RMB180.3 million, RMB57.3 million, RMB131.3 million and RMB20.8 million for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, respectively.

As of the Latest Practicable Date, seven of our projects held for future development, namely, our Xitaihu Road East Project (西太湖大道東側項目), Hutang Project (湖塘項目), Fragrant Legend (香溢瀾橋), Kunshan Future France (昆山香溢紫郡), Kunshan Future Land Territory West Project (昆山新城域西側項目), Jincheng East Road Project (金城東路項目) and Future Land International Metropolis (新城國際花都), required demolition of existing buildings, resettlement of existing residents and construction of basic infrastructure. As of the Latest Practicable Date, the respective local government authorities, which are responsible for the demolition, resettlement and construction works, had not completed such work as scheduled in the relevant land grant contracts. However, we cannot assure you of the timing of the demolition, resettlement and construction processes currently undertaken by each of the relevant local authorities. In case of further delay, our development schedule of any of these eight delayed resettlement projects may be further delayed and our development costs may further increase, and our business, financial condition and results of operations may be adversely affected.

To the extent demolition and resettlement of existing residents are required in any of our future property development, any compensation payable by us to existing residents will be calculated in accordance with formulae published by the relevant local authorities. These local authorities may change their formulae from time to time without advance notice. If such compensation formulae are changed to increase the compensation we are required to pay, our land acquisition costs may be subject to increases which could adversely affect our financial condition and results of operations. In respect of projects in which the resettlement costs are borne by us, if we or the local government fail to reach an agreement over the amount of compensation with any existing owner or resident, any party may apply to the relevant authorities for a ruling on the amount of compensation. Dissenting owners and residents may also refuse to relocate. This administrative process or such resistance or refusal to relocate may delay our future project development schedules, and an unfavourable final ruling may result in us paying more than the amount required by the relevant formulae. Any occurrence of the above factors may result in substantial increases in our future development costs, which can adversely affect our cash flows, financial condition and results of operations in the future.

In addition to projects subject to demolition and resettlement processes, we may also acquire projects that are subject to land use re-zoning by the local government authorities. During the Track Record Period, the land parcels of our Changxin Road Project (常新路項目) were held by us for future development upon obtaining the necessary re-zoning approvals for commercial use. Relevant application materials for re-zoning the aforesaid industrial complex had been submitted and as of the Latest Practicable Date, we are in the process of negotiating with the relevant government authorities on the terms and conditions for such re-zoning. Our PRC legal advisers confirmed that upon the relevant government authorities granting and us satisfying of such administrative re-zoning approvals, there will be no legal impediment to obtaining the relevant land use rights certificates. We cannot assure you that our negotiation with the relevant government authorities will be successful and that the approvals will be granted to us in accordance with our plans. If the aforesaid negotiations become unsuccessful or if the approval process becomes delayed in any material respect, our development schedule for the Changxin Road Project will be delayed, the relevant development costs will be increased, and our business, financial condition and results of operations may be adversely affected.

**Fluctuations in the price of construction materials and contractors' labour costs could adversely affect our business and financial performance**

The cost of construction materials such as steel as well as contractors' labour costs, which constitute a significant proportion of our contractual payments to our construction contractors, may fluctuate. For instance, the average market price of steel per ton was RMB3,679, RMB4,216, RMB4,797 and RMB4,280 for 2009, 2010, 2011 and the six months ended June 30, 2012, respectively, which represented a year-on-year increase of 15% and 14% in 2010 and 2011, respectively, and a decrease of 11% in the first six months of 2012. Any increase in the cost of construction materials may result in additional costs to us and may lead to future increases in construction contract costs. Construction material costs have experienced periods of fluctuation during the Track Record Period. Any increase in the cost of any significant construction materials will adversely impact our overall construction costs, which is generally one of the largest components of our cost of sales. If we cannot pass any or all of the increased costs on to our customers, our profitability will be adversely affected.

**Our results of operations may vary significantly from period to period as we derive our revenue principally from the sale of property**

We derive the majority of our revenue from the sale of properties that we have developed. Our results of operations may fluctuate in the future due to a combination of factors, including the overall schedule of our property development projects, the level of acceptance of our properties by prospective customers, the timing of the sale of properties that we have developed, our revenue recognition policies and any changes in costs and in expenses, such as land acquisition and construction costs. In addition, our property developments are often developed in multiple phases over the course of several years. Typically, as the overall development approaches completion, the sale prices of the properties in such developments tend to increase because a more marketable property is available to purchasers. Furthermore, according to our accounting policy for revenue recognition, we recognise revenue from the sales and pre-sales of our properties upon delivery to purchasers. Generally, there is a time difference, typically ranging from one year to one and a half years, between the time we commence pre-sale of properties under development and completion of properties. Because the timing of completion of our properties varies according to our construction timetable, our results of operations may vary significantly from period to period depending on the GFA sold or pre-sold and the timing of completion of the properties we sell. Periods in which we pre-sell a large amount of aggregate GFA, however, may not be periods in which we generate a correspondingly high level of revenue, if the properties pre-sold are not completed and delivered within the same period. The effect of timing of delivery on our operational results is accentuated by the fact that during any particular period of time we can only undertake a limited number of projects due to our substantial capital requirements for land acquisition and construction costs as well as the limited supply of land.

Accordingly, our interim results for a certain period may not be indicative of our performance for that financial year or otherwise comparable to our results in previous periods. In light of the above, our Directors believe that period-to-period comparisons of our operating results may not be as meaningful as they would be for a company with a greater proportion of recurring revenues. If our operating results in one or more periods do not meet the market's expectations, the price of our Shares could be materially adversely affected.

**Property owners may not retain us as the provider of property management services**

We provide property management services to owners of all properties developed by us through our property management subsidiaries, Jiangsu Future Land Property Management Co., Ltd. (江蘇新城物業管理有限公司) and Shanghai Future Land Wanjia Property Service Co., Ltd. (上海新城萬嘉物業服務有限公司). Under PRC laws and regulations, property owners of a residential development have the right to change the property management service provider upon the approval of a certain percentage of the property owners of that residential development. If owners of the properties that we have developed were not satisfied with our property management services, they may terminate our property management services or publish negative feedback in respect of our property management services, in which case our reputation, future sales of our properties and our results of operations could be adversely affected.

**If we were unable to successfully retain the services of our current personnel and hire, train and retain senior executives or key personnel, our ability to develop and successfully market our products could be harmed**

The growth and success of our business has depended significantly on certain members of our senior management, in particular, Chairman Wang. Chairman Wang has approximately 24 years of experience in operating and managing enterprises in China and has more than 16 years of experience in leading our business. In addition, several other members of our management have worked for us for many years and have played, and are expected to continue to play, key roles in making major business decisions. If we were to lose the services of Chairman Wang or any of our senior management for any reason, we may not be able to find suitable replacements for them. As competition in the PRC for senior management and key personnel with experience in property development is intense and the pool of qualified candidates is limited, we may not be able to retain the services of key personnel, or hire, train and retain high quality senior executives or key personnel in the future. In addition, if any member of our senior management team or any of our other key personnel were to join a competitor or carry on a competing business, we may lose customers and key professionals and staff members. Furthermore, as our business continues to grow, we will need to recruit and train additional qualified persons. If any of such incidents occurred, our ability to develop and successfully market our products could be harmed and our business and prospects could be adversely affected.

**Potential liability for health and environmental problems could result in substantial costs**

We are subject to a variety of laws and regulations concerning the protection of health and the environment. Environmental laws can prohibit or severely restrict property development activities in environmentally sensitive regions or areas. Compliance with health and environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs and can severely restrict project development activities in environmentally sensitive regions or areas. Please refer to the sections headed "Business – Environmental Matters" and "Business – Legal Proceedings" in this prospectus for details.

As required by PRC laws, independent environmental consultants have conducted environmental impact assessments at all of our construction projects and environmental impact assessment documents were submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request a developer to submit the environmental impact documents, issue orders to suspend the construction and impose a penalty for a project where environmental impact assessment documents have not been approved before commencement of construction. It is possible that there may be material environmental liabilities of which we are unaware, and which may have a material adverse impact on our business.

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

We may from time to time be involved in disputes with various parties involved in the development and the sale of our properties, including contractors, suppliers, construction companies, original residents, business or joint venture partners and purchasers. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs and diversion of resources and management's attention from our core business activities. Purchasers of our properties may take legal action against us if our developed properties are perceived to be inconsistent with our representations and warranties made to such purchasers. In addition, we may have compliance issues with regulatory bodies in the course of our operations, in respect of which we may face administrative proceedings and unfavourable decisions that may result in liabilities and cause delays to our property developments. We may be involved in other proceedings or disputes in the future that may have a material adverse effect on our business, financial condition, results of operations or cash flows.

**Our current insurance coverage may not be adequate to cover all risks related to our operations**

Under PRC laws, construction companies bear the primary civil liability for personal injuries arising out of their construction work. The owner of a property under construction may also bear liability supplementary to the liability of the construction company if the latter is not able to fully compensate the injured. The owner of the property may also bear civil liability for personal injuries, accidents and death if such personal injuries, accidents or death are caused by the fault of such owner.

In respect of the properties we hold for commercial leasing or investment, our Group does not have a unified policy of procuring insurance policies for all such properties. Whilst some of our commercial properties are covered by property all-risk, equipment damage and public liability insurance, each of our subsidiaries holding an interest in and/or managing commercial properties is at liberty to adopt its own insurance policy from different insurance companies with different coverage. The level of insurance coverage acquired for each of the commercial properties we own and/or manage may not be adequate to cover all losses. In addition, as of the Latest Practicable Date, none of the properties held and/or managed by our Group for investment were covered by loss of profits insurance. Furthermore, there are certain types of losses, such as losses due to earthquakes, typhoons, flooding, war and civil disorder, for which insurance is not available on what we believe to be commercially reasonable terms in China. As a result, we have not purchased insurance to cover any such losses.

If we suffer any losses, damages or liabilities in the course of our business operations, we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. Therefore, there may be instances when we will sustain losses, damages and liabilities because of our lack of insurance coverage, which may in turn materially adversely affect our financial condition and results of operations.

**We may be subject to claims or demands for compensation if we reduce prices in a project or project phase that is subject to the "price guarantee scheme"**

In the fourth quarter of 2011, in light of significant volatility in global financial markets, PRC government policies and other factors, there were numerous media and other reports stating that certain PRC real estate developers reduced prices in connection with sales of residential properties, as well as predictions that prices for residential properties in the PRC may decline in the future. The transaction volumes for properties in most cities in which we operate experienced significant decline beginning from September 2011. We adopted flexible marketing and pricing strategies in response to these market dynamics. In particular, we adopted a "price guarantee scheme" for certain units at our Legend Mansion project in Shanghai in the fourth quarter of 2011. According to this price guarantee scheme, a purchaser of a Legend Mansion unit subject to the scheme may, provided that payment has been made in accordance with the terms of the pre-sale contracts, claim against us if the contracted average selling price(1) of the residential units of Legend Mansion during the three months prior to the month in which the property is completed and delivered (the "**End ASP**") is lower than the contracted average selling price(1) of the residential units of Legend Mansion in the month in which the relevant pre-sale contract was entered into (the "**Original ASP**"). The amount of compensation payable to such purchaser is calculated by multiplying the difference between Original ASP and End ASP and the GFA of the unit purchased. The contracted sales subject to the "price guarantee scheme" totaled RMB327.0 million and contracted GFA totalled 16,039 sq.m., with a contracted average selling price of RMB20,385.4 per sq.m. According to the pre-sale contracts under the price guarantee scheme, we are required to complete and deliver the relevant units of Legend Mansion on or before November 30, 2012. The End ASP at our Legend Mansion Project was RMB21,047.2 per sq.m. during the period from

(1) As published by Shanghai Real Estate Trading Center (上海市房地產交易中心)

October 31, 2012. The End ASP, calculated based on the pre-sales of the residential units of Legend Mansion in the months of August, September and October 2012, is not lower than the Original ASP and as a result, we will not be liable to compensate the purchasers according to the scheme when the relevant units are completed and delivered in November 2012.

There is substantial uncertainty as to real estate transaction volumes and property prices in the future, and we cannot predict how the market will develop or what measures we may adopt in response to changes in the market. We may adjust prices for our properties downward or to establish other price guarantee schemes in response to market dynamics and competitive pressures. In this regard, if we reduce prices in a particular project or project phase that is subject to a price guarantee scheme, purchasers of units under such scheme may, as a result of the price reductions, raise claims against us in accordance with the terms of the scheme. There is no assurance that the end result in the "price guarantee scheme" for Legend Mansion would continue in any future price guarantee schemes we may adopt from time to time. Also, if we choose to adjust the prices of any of our development projects, we may become subject to limitations imposed by relevant PRC authorities with respect to the magnitude of such price adjustment. Each of the foregoing may have a material adverse effect on our cash flows, financial position and results of operations.

**We guarantee mortgage loans of our customers and may become liable to mortgagee banks if customers default on their mortgage loans**

In accordance with industry practice, banks require us to guarantee mortgage loans taken by purchasers of the properties that we develop. Typically, we guarantee mortgage loans taken out by purchasers up until (i) we complete the relevant properties and the property ownership certificates and the mortgage are registered in favour of the mortgagee bank, or (ii) the settlement of mortgage loans between the mortgagee bank and the purchaser. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers and rely on the credit evaluation conducted by the mortgagee banks on such customers. These are contingent liabilities not reflected on our balance sheets.

As of June 30, 2012, our outstanding guarantees in respect of the residential mortgages of our customers amounted to RMB5,802.4 million. During the Track Record Period, we encountered 21 incidents of default by purchasers, which involved an aggregate default payment of approximately RMB7.7 million. Should any material default occur and if we were called upon to honor our guarantees, our financial condition and results of operations could be adversely affected.

**Certain important decisions regarding Jiangsu Future Land may require approval by its independent directors and/or the consent of its independent public shareholders and we cannot assure you that our strategies, policies and objectives will be adopted by Jiangsu Future Land**

A substantial part of our business is carried out through Jiangsu Future Land, whose B shares are listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, Jiangsu Future Land's issued capital was held as to 58.86% by Future Land Holdings, our subsidiary and as to 41.14% by other shareholders. Jiangsu Future Land contributed RMB5,452.7 million, RMB6,684.3 million, RMB9,222.2 million and RMB3,619.1 million to our Group's total revenue for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2012, respectively, which represented 94.0%, 87.7%, 85.7% and 96.6% of our total revenue for the same periods, respectively.

Although Jiangsu Future Land is majority owned by our Company, Jiangsu Future Land, being a company listed on the Shanghai Stock Exchange, is required under the relevant PRC laws and regulations to observe the applicable corporate governance rules that require its operations to be conducted independently of its controlling shareholders. Certain important decisions that may materially affect the interests of the B-shareholders of Jiangsu Future Land as a whole, including but not limited to, any decision to issue new securities of the company, undergo material restructuring of assets, acquire substantial assets, procure overseas listing of material subsidiaries or repurchase shares from shareholders as repayment of any loan extended to such shareholders, require approval of the independent directors and/or the shareholders of Jiangsu Future Land who are independent from its controlling shareholders, in accordance with the terms of its articles of association. We cannot assure you that the strategies, policies and objectives that we support regarding Jiangsu Future Land will be endorsed by its independent directors and/or shareholders.

## RISKS RELATING TO THE PROPERTY INDUSTRY IN CHINA

### The PRC property market is heavily regulated and subject to frequent introduction of new regulations, including further measures by the PRC government to slow down the growth of the property sector, which may adversely affect property developers

The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. From 2004 to 2012, the PRC government introduced a series of regulations and policies designed to generally control the growth of the property market, including, among others:

- strictly enforcing the idle land related laws and regulations;
- restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibiting commercial banks from lending funds to real estate developers with an internal capital ratio of less than certain prescribed percentage; and
- restricting PRC commercial banks from granting loans to property developers for the purpose of paying land grant premiums.

In particular, the PRC government also introduced the following policies, among others, to specifically control the growth of the residential property market:

- limiting the maximum amount of monthly mortgage and the maximum amount of total monthly debt service payments of an individual borrower;
- imposing a business tax levy on the sales proceeds for second-hand transfers subject to the length of holding period and type of properties;
- increasing the minimum amount of down payment of the purchase price of the residential property of a family;
- tightening the availability of individual housing loans in the property market to individuals and their family members with more than one residential property; and

- limiting the availability of individual housing provident fund loans for the purchase of second (or more) residential properties by labourers and their family members.

Please see the section headed "Summary of Principal Legal and Regulatory Provisions" in Appendix V to this prospectus for details.

Following a downturn in the PRC property market in late 2008 and early 2009, property prices and transaction volume began increasing sharply in the second half of 2009. This has led to imposition of further regulations and policies by the PRC government aimed at slowing down the property market. These measures resulted in downward pricing pressures on the PRC property market starting in the second half of 2011 and low transaction volumes the first half of 2012. Please see the sections headed "Industry Overview – Overview of the PRC Property Market" and "Appendix V – Summary of Principal Legal and Regulatory Provisions" in this prospectus.

We cannot assure you that the PRC government will not implement further tightening measures to restrain the PRC property market at the national, provincial, municipal and/or local level, in which case the declining trends in transaction volume and selling prices of properties in the PRC may continue or further intensify, and as a result, our financial condition and results of operations may be, and or may continue to be, adversely affected.

**Our ability to secure new projects and related investments may be restricted by policies and regulations introduced by the PRC government with respect to overseas investment**

The PRC government has introduced a number of policies and regulations aimed at regulating overseas investment in the property industry in the past few years. On July 11, 2006, the Ministry of Construction, MOFCOM, NDRC, PBOC, SAIC and SAFE issued the Opinions on Regulating the Entry and Administration of Foreign Investment into the Real Estate Market (《關於規範房地產市場外資准入和管理的意見》). On May 23, 2007, the MOFCOM and SAFE issued the Circular on the Reinforcement and Regulation of Approval and Supervision of Foreign Direct Investment in the Real Estate Section (《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》) (the "**Notice 50**"). For further information, please refer to the section headed "Summary of Principal and Regulatory Provisions – Foreign Investment in Property Development" in Appendix V to this prospectus.

On July 10, 2007, SAFE issued the Circular of the General Affairs Department of SAFE on the Distribution of the List of the First Batch of Foreign-Invested Real Estate Projects Filed with the Ministry of Commerce (《國家外匯管理局綜合司關於下發第一批通過商務部備案的外商投資房地產項目名單的通知》). According to this circular, local branches of the SAFE must not register any foreign debt of a FIREE unless it obtained approval for its new establishment or capital increase from the local MOFCOM branches and filed such approval with the MOFCOM on or after June 1, 2007. This circular is another restrictive measure taken by the PRC government to limit foreign investment in the PRC property market. Pursuant to the requirements in the above circulars, we must apply to the relevant examination and approval authorities if we plan to expand the scope of our business or the scale of our operations, engage in new project developments or operations or increase the registered capital of our PRC-domiciled foreign-invested subsidiaries in the future.

On December 24, 2011, the MOFCOM and the NDRC jointly issued a revised Foreign Investment Industrial Guidance Catalogue (《外商投資產業指導目錄》), which became effective on January 30, 2012, and provided, among other things, that the development and construction of high-end hotels and office buildings by foreign-invested enterprises is restricted. As of the Latest Practicable Date, none of the hotels and offices comprising our projects under development has been identified as high-end hotels and offices by relevant authorities and none of our projects under development was subject to review and approval by the MOFCOM. We may, in the future, develop hotels or office buildings that are considered as high-end hotels or office buildings by the relevant authorities, in which case the development of such properties will be subject to the review and approval by the MOFCOM.

Pursuant to the requirements in the above-mentioned circulars we must apply to the relevant examination and approval authorities if we plan to expand the scope of our business or the scale of our operations, engage in new project developments or operations or increase the registered capital of our PRC foreign-invested subsidiaries in the future. If the PRC government issues further policies or regulations to further regulate or restrict foreign investment in the PRC property industry, and if these policies or regulations have a direct application to our Group's business and operations, our ability to secure new projects may suffer and our business, financial condition, results of operations and prospects could be materially adversely affected.

**The PRC property market is volatile**

The PRC property market is volatile and may experience undersupply or oversupply of property units and significant property price fluctuations. Our business depends and will continue to depend on the growth of the economy in the PRC. A significant downturn in the PRC economy could adversely affect the demand for commercial and residential properties.

The PRC central and local governments frequently adjust monetary, fiscal or other economic policies to prevent and curtail the overheating of the economy, which may affect the PRC property market. Such policies may lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of commercial and residential properties, which may materially adversely affect our business and financial condition. We cannot assure you that there will not be overdevelopment in the PRC property markets, which may in turn cause an oversupply of properties that depresses sale prices and rental income, that would result in an undersupply of potential development sites or increases in land acquisition costs in the markets in which we operate. Such effects may adversely affect our business, financial condition and results of operations.

**We face intense competition**

The property market in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor has been highly competitive in recent years. Property developers from the PRC and overseas have entered the property development markets in the Yangtze River Delta and major cities along the Shanghai-Nanjing Economic Corridor where we have operations and we may expand into. Many of our competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than us and may be more sophisticated than us in terms of engineering and technical skills. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to property price decline, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. Moreover, property markets across the PRC are influenced by various other factors, including changes in economic conditions, banking practices and consumer sentiment. If we fail to compete effectively, our business operations and financial condition will suffer.

## RISKS RELATING TO THE PRC

### PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects

The PRC economy differs from the economies of most of the developed countries in many aspects, including:

- political structure;
- the amount and degree of the PRC government involvement and control;
- level of corruption;
- growth rate and degree of development;
- level and control of capital investment and reinvestment;
- 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 utilise market forces in the development of the PRC economy. We cannot predict whether changes in the PRC's economic, political and social conditions and in its 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 and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. For example, the PRC government has in the past implemented a number of measures intended to slow down certain segments of the economy, including the real estate industry, which the government believed to be overheating. These actions, as well as other actions and policies of the PRC government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

### The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. In addition, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of SARS or an outbreak of any other epidemics in China, such as the avian flu or the human swine flu, especially in the cities where we have operations, may result in material disruptions to our property development projects and our sales and marketing efforts, which in turn may adversely affect our financial condition and results of operations.

**Fluctuations in the value of the Renminbi may have a material adverse impact on your investment**

Substantially all of our revenues and expenditures are denominated in Renminbi, while the net proceeds from the Global Offering and any dividends we pay on our Shares will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar or U.S. dollar will affect the relative purchasing power in Renminbi terms of the proceeds from the Global Offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. The Renminbi has been unpegged from the U.S. dollar since July 2005 and, although the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rate, the Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that the PRC authorities may lift restrictions on fluctuations in Renminbi exchange rates and lessen intervention in the foreign exchange market in the future.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. The cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

**PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using proceeds we receive from the Global Offering to make loans or additional capital contributions to our PRC subsidiaries**

Any loans to our PRC subsidiaries are subject to PRC regulations and foreign exchange loan registrations. For example, any capital contribution from us to Jiangsu Future Land is subject to, among other things, approval by the CSRC. The CSRC has not approved any application by an existing B-share company to issue new B-shares in the past ten years. Any loans by us to our other PRC subsidiaries including Future Land Wanbo to finance their activities, which cannot exceed statutory limits, must be registered with the local counterpart of the SAFE. Any capital contributions by us to other PRC subsidiaries, including Future Land Wanbo, must be approved by the Ministry of Commerce or its local counterpart in advance.

On August 29, 2008, SAFE issued the "Notice of the General Department of the SAFE on Improving on Relevant Business Operations Issues Concerning the Administration of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises" (《國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》) ("**Notice 142**") which regulates the conversion by a foreign-invested enterprise of foreign currency into Renminbi by restricting how the converted Renminbi may be used. Notice 142 requires that the Renminbi funds converted from the foreign currency capital of a foreign-invested enterprise may only be used for purposes within the business scope of the relevant foreign invested companies approved by the applicable governmental authority and cannot be used for equity investments or acquisitions within the PRC unless specifically provided for otherwise. For further information, please refer to the section headed "Taxation and Foreign Exchange – Foreign Currency Exchange" in Appendix IV to this prospectus. Violations of Notice 142 will result in severe penalties, such as heavy fines set out in the relevant foreign exchange control regulations. We cannot assure you that we will be able to eventually obtain all or any of the approvals required for making loans or additional capital contributions to our PRC subsidiaries using the proceeds from the Global Offering. Accordingly, we may not be able to make use of all or any of the proceeds from the Global Offering to make extend loans or make additional capital contributions to our PRC subsidiaries.

**The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares**

Currently, the Renminbi still cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

**Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to you**

Our business is conducted in China and is governed by PRC laws and regulations. All of our subsidiaries are located in China and are subject to PRC laws and regulations. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little precedential value and can only be used as a reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree, sometimes a significant degree, of uncertainty. Depending on the government agency or how or by who an application or case is presented to such agency, we may receive less favourable interpretation of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors, including you.

**We may be deemed a PRC resident enterprise under the PRC CIT Law and be subject to PRC taxation on our worldwide income**

Under the PRC Corporate Income Tax Law ("**PRC CIT Law**"), which came into effect on January 1, 2008, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and their global income will generally be subject to the uniform 25% Corporate Income Tax ("**CIT**") rate. Under the Implementation Rules for the PRC CIT Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise.

Substantially all of our management is currently based in China and may remain in China. In April 2009, the PRC State Administration of Taxation promulgated a circular to clarify the definition of "de facto management bodies" for enterprises incorporated overseas with controlling shareholders being onshore enterprises or enterprise groups in China. However, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by PRC individual residents, as in our case. Therefore, we may be treated as a PRC resident enterprise for PRC CIT purposes. The tax consequences of such treatment are currently unclear as they will depend on how PRC finance and tax authorities apply or enforce the PRC CIT Law and the Implementation Rules.

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

Under the PRC CIT Law and its implementation regulations issued by the State Council, PRC income tax at the rate of 10% is applicable to dividends payable by a PRC "resident enterprise" to investors that are "non-resident enterprises" (those enterprises that do not have an establishment or place of business in the PRC, or those that have such an establishment or place of business but the relevant income of which is not effectively connected with the establishment or place of business) to the extent such dividends have their source within the PRC. Similarly, any gain realised on the transfer of shares by such enterprises is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. If we are regarded as a PRC "resident enterprise", it is unclear whether the dividends we pay with respect to our Shares, or the gain you may realise from the transfer of our Shares, will be treated as income derived from sources within the PRC and be subject to PRC income tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC CIT Law and the implementation rules. One example of a limitation on the 10% withholding tax is that, pursuant to a tax treaty between the PRC and Hong Kong, which became effective on December 8, 2006, a company incorporated in Hong Kong is subject to withholding tax at the rate of 5% on dividends it receives from a company incorporated in the PRC if it holds a 25% or greater interest in the PRC company, or 10% if it holds an interest of less than 25% in the PRC company. If we are required under the PRC CIT Law to withhold PRC income tax on our dividends payable to our foreign Shareholders, or if you are required to pay PRC income tax on the transfer of your Shares, the value of your investment in our Shares may be materially and adversely affected.

**We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC real estate industry contained in this prospectus**

Facts, forecasts and other statistics in this prospectus relating to China, the PRC economy and the PRC real estate industry have been derived from various official government publications generally believed to be reliable. However, we cannot guarantee the quality or reliability of such materials. They have not been prepared or independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Underwriters or any of our or their respective affiliates or advisers 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 within or outside China. We have, however, taken reasonable care in the reproduction and/or extraction of the official government publications for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these 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. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy and the PRC real estate industry contained in this prospectus.

## 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**

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 Bookrunners 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 the 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 projects or land acquisitions by us or our competitors;
- reduction of or restriction on financing for the property industry or housing market;
- 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 Original Shareholders or other shareholders.

You should note that the stock prices of companies in the property industry 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 that began around the middle of 2008, the global stock markets witnessed drastic price drops with heavy 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.

**Because the Offer Price is higher than our net tangible book value per Share, you will incur immediate dilution**

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.

**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**

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 of 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.

**You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industries and the Global Offering**

There has been prior to the publication of this prospectus, and there may be subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and/or media regarding us, our business and financial condition, the PRC property market and the Global Offering. You should rely solely upon the information contained in this prospectus in making your investment decisions regarding our Shares. None of us, the Sole Global Coordinator, the Joint Bookrunners, the Sole Sponsor, the Underwriters or any other person involved in the Global Offering have authorised the disclosure of any such information in the press or media and none of these parties accept any responsibility for the accuracy or completeness of the information contained in such press articles and/or other media or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the Global Offering, our business, our industries or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed or any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this prospectus, we disclaim them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.