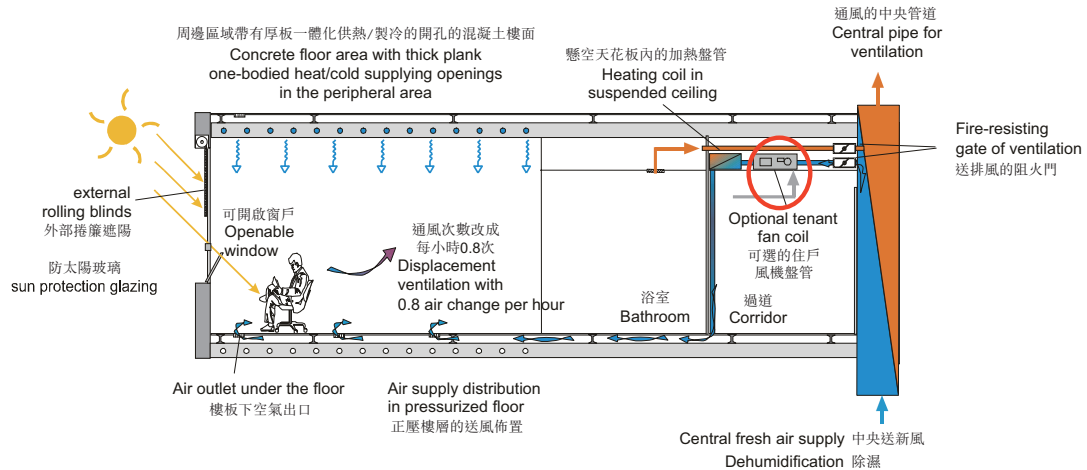


OVERVIEW

We are a real estate developer based and principally focused in the PRC with property developments in Beijing, Taiyuan, Changsha, Nanchang, Jiujiang and Xiantao. Established in 2000 in Beijing, we are under the leadership of Mr. Zhang Lei, our chief executive officer, executive Director, founder and chairman and a senior management team of real estate development professionals which includes Mr. Chen Yin, our executive Director, an expert in the architectural energy-saving field and other members who all have expertise in real estate development, operation and management. We have adopted our “MOMA” brand in our business development since our establishment.

The following diagram shows our typical design of a comfortable living environment.



We have developed and maintained strong relationships with many world famous design organizations and architects. We have received numerous awards recognizing the quality of our products, including the following:

- Our Wan Guo Cheng MOMA project was awarded the “Asian Technology Application Award for Green Ecology Habitation” by Asian Habitat Society, Asian Real Estate Society and World Association of Chinese Architects;
- Our Shangdi MOMA project was awarded the “Prize for Green & Ecological Architectural Technology in 2005” by All-China Federation of Industry & Commerce Real Estate Chamber of Commerce;
- Our Phase 2 of MOMA Forest Forever project was listed among the “*IHA Green Building Model*” by International Housing Association;

BUSINESS

- Our Modern MOMA project was rated as one of the “2006 World Top Seven Construction Engineering Wonders” by the US Popular Science and one of the “2007 The 10 Best (New and Upcoming) Architectural Marvels” by Time Magazine for its large-scale use of a geothermal pump system. It has also won the “2008 Residential Merit Award (Sustainable Design)” awarded by the American Institute of Architects New York Chapter and the “2009 Best Tall Building Award” awarded by the Council on Tall Buildings and Urban Habitat. Further, it achieved the designation of “Stage 3, Certified” from the U.S. Green Building Council, the Natural Resources Defense Council and the Congress for the New Urbanism under the LEED for Neighborhood Development Pilot in October 2011; and

- One building of our Nanchang Mantingchun MOMA project was awarded three-star authentication of “green building” by the Chinese Society for Urban Studies Green Building Research Center in September 2011.

As of March 31, 2013, we had a total of 14 property projects in the PRC, all of which (except Modern City Garden) are under our “MOMA” brand, at various stages of development, including an aggregate total GFA of approximately 1,792,028 sq.m. of completed property development and an aggregate planned total GFA of approximately 2,234,741 sq.m. under development. Seven of our projects are located in Beijing and the rest are located in Taiyuan, Changsha, Nanchang, Jiujiang and Xiantao, respectively. Our Directors believe that our land reserves that are currently being developed, which have an aggregate planned total GFA of approximately 2,234,741 sq.m., will be sufficient to meet our development needs for the near future. In addition, as of March 31, 2013, we had a parcel of land with a site area of approximately 48.471 acres (or equivalent to approximately 196,155.35 sq.m.) located in Pearland, Texas, the U.S..

Our PRC projects currently under development are located in the following cities:

Location	Approximate planned total GFA
	<i>(sq.m.)</i>
Taiyuan	359,622
Nanchang	251,833
Jiujiang	241,193
Xiantao	852,473
Changsha	529,620
 Total:	 2,234,741

BUSINESS

We intend to continue to expand our operations in new markets. We take into account a number of factors in selecting new markets for our expansion, such as economic growth, governmental policies and application of our technologies. We will also customize our product features according to local market conditions.

For the years ended December 31, 2010, 2011 and 2012, our contracted sales amounted to approximately RMB2,821.9 million, RMB2,345.2 million and RMB2,831.3 million, respectively. For the three months ended March 31, 2013, our contracted sales amounted to approximately RMB769.0 million, as compared to approximately RMB359.2 million for the same period in 2012, representing an approximately 114% increase.

OUR COMPETITIVE STRENGTHS

We consider that we have the following competitive strengths:

Outstanding R&D capability and ability to integrate energy-saving technologies for comfortable living

We possess substantial R&D and design capability as well as technical integration ability. This is the pre-requisite for the development of sustainable and comfortable communities, which require not only certain construction techniques used in isolation but also an integrated approach in applying all construction techniques in order to overcome problems caused by differences in the construction environment, changes in customers' needs, and various obstacles in the design and construction process. Such an approach enables the transformation from design to the finished product which meets market requirements for eco-friendly buildings. We have accumulated substantial experience, through years of development and practice, in the integration and practical application of energy-saving technologies, which has helped to optimize our "MOMA" technology system. Further, in order to target the need of each construction project, we have prepared a wide variety of modules to meet different weather conditions, environments and customers' needs. Following continuous development and practical application, we continue to improve our existing technology, explore new technology and perfect our "MOMA" technology system.

We have not obtained any accreditation with respect to our energy saving qualities and/or technologies of our properties. We have however been granted a number of awards and recognitions in relation to our energy saving technologies of our properties, for example, one building of our Nanchang Mantingchun MOMA has obtained three-star authentication of "green building". Please refer to "Business – Awards and Recognitions" in this prospectus for further details. These awards and recognitions evidence our competitive strength over other green property developers. The three-star authentication we have obtained shows that our properties are able to achieve higher level of compliance with "green building" standard as compared with environmentally friendly properties built by other property developers in terms of among others reduction of energy consumption and conservation of construction materials.

BUSINESS

We believe that adoption of environmentally friendly technologies for our properties enables us to substantially benefit from the increasing concern for environmental protection. We believe that there will be increasing demands for environmentally friendly properties from customers who are conscious about energy conservation and environmental protection. Furthermore, our successful experience in adaptation of environmentally friendly technologies to different locations with varying environments in the PRC lays solid foundation for further development in other geographical markets as compared to other green developers.

Diversified product lines and product features for various market segments

We optimize our technologies so as to adapt to the various geographic areas where our properties are sold. For example, certain of our properties contain features such as an air displacement ventilation system and a ceiling heating and cooling system, which achieves the separation of wet and dry air, and guarantees comfort with respect to indoor air temperature and humidity. Other properties utilize an exterior walling system, exterior window system and exterior shading system, which combine to improve heat insulation. We tailor our product features in accordance with local market conditions, geography and climate.

Through the formation of “MOMA” energy-saving system, we have integrated a number of advanced building technologies and provided a comprehensive solution in the creation of comfortable and sustainable development.

Proven track record in the provision of high quality products

Since our establishment in 2000, “MOMA” has grown from a regional brand to a national brand, concurrently with our expansion into other markets in the PRC.

We continuously provide our customers with comfortable communities to establish our brand image in the PRC. Based on our extensive R&D in, and integration of, energy-saving technologies and our design of comfortable living environments, together with our record of success in the operation and management of such communities, we have been successful in expanding our coverage of our “MOMA” brand from Beijing to other parts of China covering Taiyuan, Changsha, Nanchang, Jiujiang and Xiantao. We strive to continue to strengthen our brand in Beijing by providing high quality products and hope to enhance our brand recognition in the PRC as a whole.

Seasoned management team and standardized operating process

Our management team includes skilled personnel with an average of over 10 years of experience in the real estate industry. They are outstanding in the areas of strategic planning, business management, resource operations and sustainable development. Our chairman and chief executive officer, Mr. Zhang Lei, is familiar with the PRC real estate market which has enabled us to capitalize on opportunities and such expertise has contributed to our long-term development. Mr. Chen Yin, an executive Director and our chief knowledge officer and general engineer, is a member of professional organizations such as the Committee on Green

BUSINESS

Architectures of Architectural Society of China and Renewable Energy Resource Society of China, and is a well-known expert in the architectural energy-saving field. Our other senior management members all have significant experience in the fields of marketing, project construction, capital operation, financial management and human resource management, and extensive experience in real estate development and property operation and management.

In addition, we have established a standardized and effective “flow-chart operation” system for the operation and management of real estate development. We use our resources in an efficient manner and delegate the responsibilities and duties for our various departments and positions based upon the different stages of real estate development.

We believe that the collective experience of our professional management team is a primary contributing factor for our past achievements, and will continue to play a key role in our future.

OUR STRATEGIES

We intend to continue strengthening our participation in the development of comfortable communities. To accomplish our goal, below are our primary strategies.

Continue to strengthen our capabilities in adapting and integrating energy-saving technologies

Our capabilities in R&D and integration of green energy-saving technologies sets us apart from other PRC property developers and gives us a competitive advantage in the PRC real estate market.

We will continue to keep abreast with the latest construction and building material developments in energy-saving technologies both in the PRC and the rest of the world. In order to enhance the quality, comfort level, energy efficiency, temperature control, air ventilation and noise reduction of our property developments, we will continue to strengthen our research on building techniques and materials to save energy, water, construction materials and space. We will continue to draw experience from our previous development projects to optimize our “MOMA” energy-saving system in terms of design, installation and scope of application. We also promote the use of standardized modules in building energy-saving residence in new projects.

We will continue to deepen our relationships with our current business partners and enhance our cooperation with world famous design organizations and architects. We will maintain our working relationships with renowned individuals and entities and expand our cooperation with other leading organizations in the field of sustainable development.

Expand our footprint and enhance our brand recognition

With respect to the PRC real estate market as a whole, we intend to leverage our brand recognition and reputation in Beijing and draw on our successful experience there to expand our operations in markets where the advantage of our products is obvious. We take into account a number of factors in selecting new markets for our expansion, including local market conditions, geography and climate and the ability to apply and integrate our technologies.

As of the Latest Practicable Date, we have successfully expanded our operations to Shanxi Province, Hunan Province, Jiangxi Province and Hubei Province. We intend to continue to customize our energy-efficient, eco-friendly properties in new markets according to local market conditions.

Proposed expansion plan in the U.S.

We are also considering expanding our business geographically to the U.S. as part of our long term strategic plan which may involve the acquisition of land for mixed-use residential and retail/commercial property development with application of our energy-saving technologies in the U.S., and have obtained the relevant enterprise overseas investment certificate issued by the MOFCOM and the relevant foreign exchange approval from SAFE in 2012. Save for the enterprise overseas investment certificate issued by the MOFCOM and the foreign exchange approval from SAFE, the Group is not officially required to obtain any other approval from the PRC authorities in respect of the establishments of the U.S. Subsidiaries for its proposed expansion plan in the U.S. We have strategically chosen the U.S. for our potential expansion due to the application of advanced eco-friendly technologies in properties there and hence our participation therein will enhance our experience and strengthen our capability in the integration and practical application of sustainable development technologies. Furthermore, we have been awarded a few recognitions by various U.S. institutes including LEED in recent years which provide favorable foundation for our expansion in the U.S. We believe that our proposed expansion plan in the U.S. will diversify our property development projects portfolio and revenue source geographically as well as expanding our land reserves for future development. We further believe that the application of our energy-saving technologies in the overseas projects will help our brands to achieve international recognition. Nevertheless, it remains our intention that the business operations of the Group will continue to be based principally in the PRC as that is where our core strength lies.

In December 2012, we purchased a parcel of land with a site area of approximately 48.471 acres (or equivalent to approximately 196,155.35 sq.m.) located in Pearland, Texas, the U.S. for future development, which we currently intend to construct residential properties for sale, for a consideration of US\$4,550,000 which was based on arm's length basis, settled by cash and funded by our internal resources. We currently intend to develop a senior-living community with elderly people as our target customers. As of the Latest Practicable Date, we are still in the stages of project planning and assessment, and save for the purchase of the said parcel of land, we have not entered into any binding agreement in relation to our proposed expansion plan in the U.S. As we have not confirmed any solid plans and taking into consideration the time required to ensure compliance with applicable laws and regulations, we at this stage, do not have a definitive development timetable and do not anticipate to commence the proposed

BUSINESS

property development in the U.S. before December 31, 2013. We have consulted U.S. legal counsel in relation to the regulatory compliance for our proposed expansion plan to develop a senior-living community with elderly people as our target customer. Prior to commencement of construction of the proposed property development, we are required to apply to the city of Pearland to have the land rezoned for its ultimate purpose. We currently do not expect any major difficulty in obtaining necessary approval for rezoning and the intended use of the land in U.S. We will issue announcement if we commence the proposed property development in the U.S. prior to December 31, 2013 and will update the status of the proposed business plan in our interim and annual reports to be published after the Listing. The total investment for proposed plan will be funded by us through a combination of internal and external financing such as credit facilities from financial institutions, and we will not apply any proceeds from the Global Offering to fund the proposed plan. While we currently do not have any concrete plans as to our external financing, we will consider all feasible financing channels that are most suitable and favorable to ourselves such as borrowings from financial institutions under fixed tenor with payment of interest and principal by installments or stages in accordance with the progress of the property development and secured against assets such as title of the parcel of land on which property is to be developed. We currently contemplate that the total investment to be incurred by us in relation to our proposed plan in the U.S. will not exceed 5% of our total asset value of approximately RMB8,391.5 million as shown in the audited and consolidated financial statements of the Company as of December 31, 2012 or approximately RMB419.6 million. Save for the staff expenses, land cost and legal and professional fees incurred in connection with the land acquisition, we had not recorded significant expenses for this project.

In making our decisions to further expand our business into the U.S. market, we will take into account various factor including local geography and climate conditions and possibility to apply our energy saving technologies, and the opportunity to diversify our property portfolio and revenue source geographically for future development. If any potential expansion opportunity is identified, we will conduct preliminary feasibility studies to evaluate the potential size and type of property development, capital expenditure, development schedule and local property market conditions. The studies will be submitted for internal business evaluation. Where necessary, we will engage external consultants to provide support to our potential expansion.

We believe we have established “MOMA” as a reputable brand in the PRC real estate market and that our brand is associated with high-quality and comfortable communities which enables us to enjoy a competitive advantage over our competitors in terms of demand and pricing for our products. In order to further enhance our brand recognition, we intend to continue to devote ourselves to perfecting our energy-saving development technologies and the integration of such technologies in our property developments. We also recognize that customer loyalty is a key factor to our success and contributes to our brand’s good reputation. As such, we will continue to foster our customer-oriented values in all stages of our operations from product design to sales and marketing.

Maximize sales and profit in our existing product lines

We intend to maximize the sales and profit in our existing product lines. Currently, we have three product lines: Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Man Ting Chun MOMA, providing different product features:

- Wan Guo Cheng MOMA targets high-end consumers and these homes are representative of our green and eco-friendly living style, and incorporates our most advanced energy-saving technologies. These properties, which are our highest quality in terms of comfort and design, intend to promote a living style that is “comfortable, energy-saving and sustainable”. While sales are generally slowest of the three product lines, the profit margin for each sale is generally higher. Examples of our Wan Guo Cheng MOMA product line include Wan Guo Cheng MOMA, MOMA Forest Forever, Modern MOMA and Wan Guo Cheng MOMA (Taiyuan).
- Shang Pin Ge MOMA targets mid- to high-end consumers, to whom we provide comfortable and energy-saving homes. The sales and profits margins are generally in between that of Wan Guo Cheng MOMA and Man Ting Chun MOMA. Examples of our Shang Pin Ge MOMA product line include Shangdi MOMA, Yue MOMA and iMOMA.
- Man Ting Chun MOMA targets the general public. The basic living style of this product line is similar to that for Common Housing, but all of the buildings have used our core energy-saving technology in accordance with local market conditions and geographic climate. This has made our Man Ting Chun MOMA homes more comfortable and energy-saving than Common Housing. These properties generally sell at a faster pace than those in our other product lines, but profit margins are generally lower. Examples of our Man Ting Chun MOMA product line include Nanchang Mantingchun MOMA, Wan Guo Cheng MOMA (Changsha), Changsha Mantingchun MOMA, Changsha Kaifu Mantingchun MOMA, Xiantao Mantingchun MOMA and Jiujiang Mantingchun MOMA.

We intend to tailor our product lines to more efficiently and effectively penetrate local markets, taking into consideration local market conditions, geography and climate and the ability to apply and integrate our technologies.

Continue to boost operational efficiency and reduce cost

In order to further the betterment of our “flow-chart operation” system, we intend to consolidate and optimize our R&D, project management, operation and development and customer service departments and the implement effective management for each department.

We plan to adopt the following approaches:

- implementation of a comprehensive planned budget control;

BUSINESS

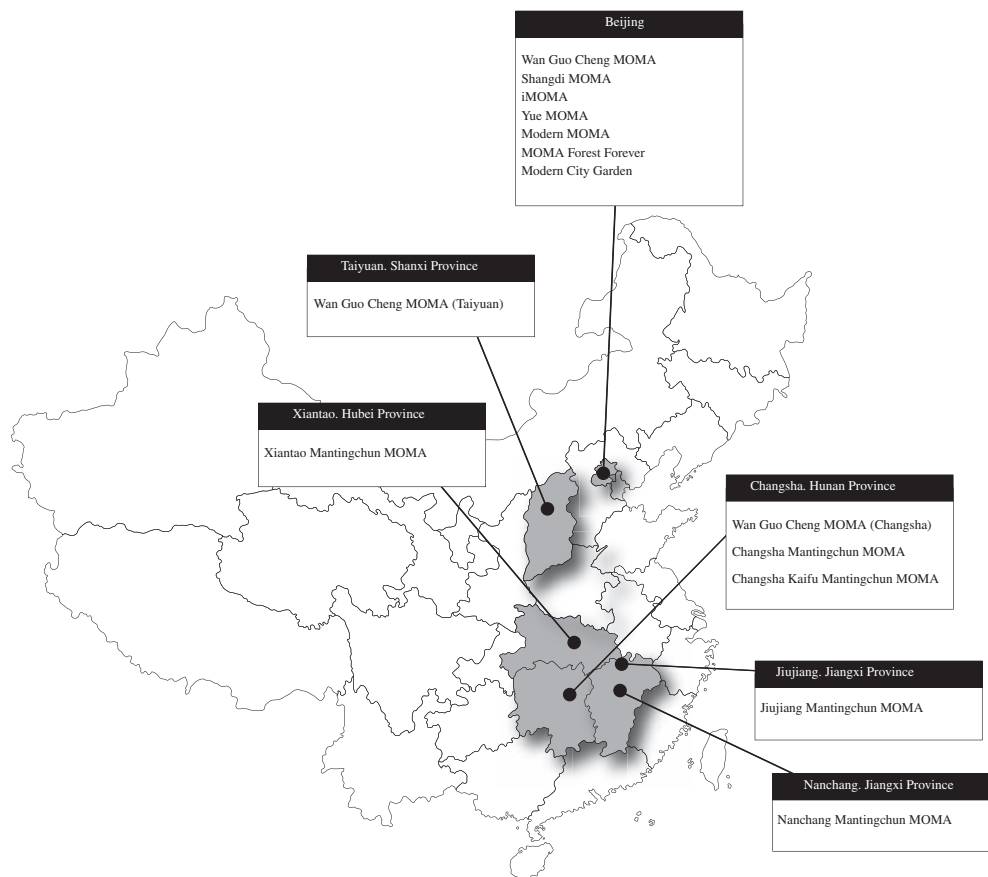
- strategic alliance with our suppliers for centralized procurement and other means to lower the cost of materials; and
- continue to optimize our effective management through flow-charts and standardization.

OUR PROPERTY PROJECTS IN THE PRC AND U.S.

Overview of Our Property Developments

As of March 31, 2013, we had a total of 14 property projects at various stages of development in the PRC, seven of which were located in Beijing and the rest of which were located in Taiyuan, Changsha, Nanchang, Jiujiang and Xiantao, respectively, and had a parcel of land for future development in Texas, the U.S..

The following map shows the geographic locations of our property projects in the PRC:



We intend to expand the geographic scope of our property development operations in the near future and to expand our existing operations in Hunan Province, Hubei Province and Jiangxi Province. We take into account a number of factors in selecting new markets for our expansion, such as local market conditions, geography and climate.

BUSINESS

Most of our property development projects are developed in multiple phases and each phase may be in a different stage of development. We classify our property projects into the following three categories: completed projects, projects under development and projects held for future development.

Our classification of properties reflects the basis on which we operate our business and may differ from classifications employed by other developers. Each property project or project phase may be subject to multiple land use rights certificates, construction permits, pre-sale permits and other permits and certificates which may be issued at different times throughout their developments.

Our classification of properties is also different from the classification of properties in “PRC Property Valuation” and “U.S. Property Valuation” in Appendix IIIA and Appendix IIIB respectively, to this prospectus and “Accountants’ Report” in Appendix I to this prospectus. Both reports, which were prepared pursuant to the relevant professional standards, share many similarities in their treatment of these properties.

The table below sets forth our classification of properties, and the corresponding classification of properties in the PRC Property Valuation, U.S. Property Valuation and the Accountants’ Report:

<u>This prospectus</u>	<u>Property Valuation</u>	<u>Accountants’ Report</u>
<ul style="list-style-type: none"> • Completed projects, representing projects with certificates of completion (including completed properties that have been sold and delivered) 	<ul style="list-style-type: none"> • Group I, II and III of PRC Property Valuation – Properties which were completed, held by the Group for sale or investment (excluding completed properties that have been sold and delivered) and owner occupation 	<ul style="list-style-type: none"> • Completed properties held for sale (excluding completed properties that have been sold and delivered) • Investment properties • Property, plant and equipment
<ul style="list-style-type: none"> • Projects under development, representing projects for which we have obtained land use rights certificates, and the construction of which has commenced but not completed 	<ul style="list-style-type: none"> • Group IV of PRC Property Valuation – Properties held by the Group under development 	<ul style="list-style-type: none"> • Properties under development for sale • Property, plant and equipment
<ul style="list-style-type: none"> • Projects held for future development, representing (i) projects for which we have received that land use rights certificates or purchased the land use rights but have not commenced construction; or (ii) projects for which we have entered into master, cooperation or investment agreements with the relevant government authorities regarding future development and we are in the process of carrying out the necessary PRC regulatory procedures to obtain the land use rights certificates 	<ul style="list-style-type: none"> • Group V of PRC Property Valuation and property interest of U.S. Property Valuation – Properties held by the Group for future development 	<ul style="list-style-type: none"> • Prepaid lease payment • Properties under development for sale

BUSINESS

For details of the classification of properties in the PRC Property Valuation, U.S. Property Valuation and the Accountants' Report, please refer to "PRC Property Valuation" and "U.S. Property Valuation" in Appendix IIIA and Appendix IIIB, and "Accountants' Report" in Appendix I to this prospectus, respectively.

We have included in this prospectus the project names which we have used, or intend to use, to market our property development projects. Some of the names of property developments require the approval of relevant authorities and the relevant authorities might not have accepted or may not accept the names we have used or those that we intend to use as the registered names of the developments. As a result, the actual names registered with relevant authorities may be different from the names we have used or intend to use and the names we use or intend to use are subject to change.

In this prospectus, the figures for land site area and the information setting out the construction period for our property development projects is based on the relevant documents issued by the PRC Government or our own internal records, as applicable. "Saleable GFA" represents the GFA of a property which we intend to sell and does not exceed the multiple of the site area and the maximum permissible plot ratio as specified in the relevant land grant contracts or other approval documents from the local governments relating to the project.

The following information that appears in this prospectus is based on our internal estimates, internal records or current business plans: (a) figures for land site area, total GFA, total GFA that has been sold and pre-sold, total GFA unsold, total GFA held for investment and total GFA held for own use; and (b) information regarding development costs incurred, budgeted development costs and planned construction period. The actual figures and construction schedules may differ in the future in material respects from our current estimates.

For completed projects held for sale or investment, projects under development and projects held for future development, save as disclosed in this prospectus, all the land grant premium has been paid in full, information regarding total development costs incurred includes the land grant premium of the land sites we acquired through public tender or through entering into land transfer contracts through public negotiation.

A property is considered to be sold after we have executed the relevant sales contract, completed the development of the property and delivered the property to our customer. A property is considered to be pre-sold after we have executed the relevant sales contract but have not yet delivered the property to our customer. A property is considered to be delivered to our customer when our customer has signed the written confirmation of the delivery of the property. Our customers are required to acknowledge receipt of delivery of properties in accordance with the terms under their respective sales and purchase agreements.

BUSINESS

The following table sets out the breakdown of GFA and other key information as of March 31, 2013 of our property development projects in the PRC under various stages of development:

I. COMPLETED PROJECTS

Project	Atributable interest to the Group	Approximate total land site area in respect of the entire project (sq.m.)	Approximate total GFA ⁽¹⁾ (sq.m.)	Approximate total sold and pre-sold (sq.m.)	Approximate total GFA unsold ⁽²⁾ (sq.m.)	Approximate total GFA held for investment (sq.m.)	Approximate total GFA held for own use (sq.m.)	Actual construction commencement date ⁽³⁾	Actual construction completion date ⁽³⁾	Pre-sale start date/Date of pre-sale permit ⁽³⁾	Actual/Expected delivery date ⁽³⁾	Total costs incurred as of March 31, 2013 ⁽⁴⁾ (RMB million)	Estimated future development costs to be incurred ⁽⁵⁾ (RMB million)	Reference(s) to the PRC Property Valuation (Property number)
1. Wan Guo Cheng MOMA (萬國城 MOMA)	100%	47,662	283,854	266,200	713	8,731	8,210	Sep-01 to Nov-04	Dec-02 to Apr-07	Feb-03 to Dec-04	Feb-03	2,233	-	1, 18, 26
2. Shangdi MOMA (上帝 MOMA)	100%	64,455	175,794	170,335	2,542	-	2,917	Nov-05 to Apr-07	Nov-07 to Jun-08	Dec-05 to Dec-07	Dec-07	997	-	3, 30, 31
3. Phase 1 of MOMA Forest Forever ⁽⁶⁾⁽⁷⁾	100%	58,779	32,418	32,418	-	-	-	Apr-06 to Jul-06	Dec-09 to May-10	Jan-08	Dec-09	270	-	N/A
4. Phase 2 of MOMA Forest Forever ⁽⁶⁾⁽⁷⁾	100%	44,552	23,634	23,634	-	-	-	Apr-06	Sep-08 to Nov-09	Nov-07 to Jan-08	Sep-08	231	-	N/A
5. Phase 3 of MOMA Forest Forever ⁽⁶⁾	100%	42,276	22,430	21,051	1,379	-	-	Jun-06	Nov-10	Sep-09	Nov-10	209	-	4
6. Modern MOMA ⁽⁸⁾ (現代 MOMA)	100%	60,004	157,577	103,324	40,906	6,787	6,560	Nov-05 to Nov-07	Jun-08 to Nov-10	Jan-06 to Apr-07	Jun-08	2,420	-	2, 17, 27
7. iMOMA	100%	6,987	31,645	27,458	1,262	2,141	784	Aug-07	Apr-11	Jun-09	Apr-11	229	-	5, 20, 35
8. Modern City Garden ⁽⁹⁾ (現代城市花園)	100%	228,354	253,000	237,016	11,237	4,747	-	May-01 to Nov-07	Dec-01 to Nov-07	May-02 to Dec-03	May-02 to Nov-07	1,001	-	6, 19
9. Yue MOMA (悅 MOMA)	100%	4,088	15,867	14,842	1,025	-	-	Apr-10	Aug-11	Jul-10	Aug-11	107	-	7
10. Phase 1 of Wan Guo Cheng MOMA (Changsha) ⁽¹⁰⁾ (萬國城 MOMA (長沙)一期)	100%	116,771	292,713	262,104	29,575	874	160	Jul-07 to Mar-10	Aug-09 to Aug-11	Jun-08 to Jun-10	Aug-09 to Aug-11	839	-	8, 9, 22, 36
11. Changsha Mantingchun MOMA (長沙滿庭春 MOMA)	100%	74,335	256,418	194,498	39,534	14,496	7,890	Jun-10 to Jul-10	Nov-11 to Mar-12	Aug-10 to Oct-10	Nov-11	737	-	10, 23, 37, 38
12. Phase 1 of Wan Guo Cheng MOMA (Taiwan) (萬國城 MOMA(太原)一期)	100%	52,717	225,019	211,792	13,014	-	213	Dec-09 to Sep-10	Dec-11	Sep-10 to Oct-10	Dec-11	1,259	-	11, 41
13. Phase 4 of MOMA Forest Forever ⁽⁶⁾ (MOMA萬萬樹四期)	100%	37,554	21,659	6,666	14,993	-	-	Jun-06	Jul-12 to Feb-13	Nov-10	Jul-12 to Feb-13	265	-	12
Sub total		838,534	1,792,028	1,571,338	156,180	37,776	26,734					10,797	-	

II. PROJECTS UNDER DEVELOPMENT

Project	Attributable interest to the Group	Approximate total land site area in respect of the entire project (sq.m.)	Approximate total GFA sold and pre-sold (sq.m.)	Approximate total GFA unsold ⁽²⁾ (sq.m.)	Approximate total GFA held for investment (sq.m.)	Approximate total GFA held for own use (sq.m.)	Actual construction commencement date ⁽³⁾	Expected/Actual construction completion date ⁽³⁾	Pre-sale start date/Date of pre-sale permit ⁽³⁾	Actual/Expected delivery date ⁽³⁾	Total costs incurred as of March 31, 2013 ⁽⁴⁾ (RMB million)	Estimated future development costs to be incurred ⁽⁵⁾ (RMB million)	Reference(s) to the PRC Property Valuation (Property number)
1. Phase 3 of Wan Guo Cheng MOMA (Taiyuan) (萬國城 MOMA(太原)三期)	100%	18,861	48,051	59,961	-	-	Dec-10	Feb-13 to Dec-15	Mar-11	Feb-13 to Dec-15	458	382	15, 43
2. Nanchang Mantingchun MOMA (南昌滿庭春 MOMA)	100%	116,349	200,047	46,397	3,038	2,351	Sep-10 to Jan-11	Aug-11 to Dec-13	Nov-10 to Dec-10	Aug-11 to Dec-13	902	157	13, 14, 24, 25, 39, 40, 45
3. Phase 2 of Wan Guo Cheng MOMA (Taiyuan) (萬國城 MOMA(太原)二期)	100%	52,918	12,513	239,097	-	-	Dec-11	Dec-13	Sep-12	Dec-13	324	1,146	44
4. Jiujiang Mantingchun MOMA ⁽¹¹⁾ (九江滿庭春 MOMA)	100%	89,650	102,900	138,293	-	-	Oct-11	Jun-13 to Mar-14	Nov-11	Jun-13 to Mar-14	818	537	46, 49
5. Xiantao Mantingchun MOMA ⁽¹²⁾ (仙桃滿庭春 MOMA)	100%	226,095	39,862	809,366	-	3,245	Oct-11	May-13 to Aug-15	Mar-12	May-13 to Aug-15	380	2,554	16, 42, 47
6. Changsha Kaifu Mantingchun MOMA (長沙開福滿庭春 MOMA)	100%	147,688	99,766	429,854	-	-	Jun-12	Oct-13 to Oct-15	Jul-12	Oct-13 to Oct-15	467	1,164	48
Sub total		651,541	2,234,741	1,722,968	3,038	5,596					3,349	5,940	
Total		1,490,075	4,026,769	1,879,148	40,814	32,330					14,146	5,940	

Notes:

1. Including the approximate total GFA which was sold, pre-sold, unsold, held for investment and held for own use. Figures refer to approximate total GFA for completed projects and approximate total planned GFA for projects under development.
2. None of our property units, which are currently held for sale, has title defects or is subject to any disputes or claims.
3. Each of the construction commencement dates, construction completion dates, pre-sale start dates and delivery dates fall within a period of time because the development of the properties in the property development projects had been or have been planned in various phases, each with a different schedule for construction, pre-sale and delivery.
4. Total costs incurred includes the construction costs, land costs, financing costs and relevant taxes. All of the costs in respect of the completed projects had been fully reflected in the relevant financial statements. In respect of projects under development and the projects for future development, the estimated future development costs to be incurred refers to the expected cash outflow. We will fund our future development costs by various means including utilizing our internal resources or applying the proceeds from the pre-sale or sale of our properties as well as obtaining bank borrowings or other external financings.
5. It usually takes one to two years for the final instalment of the construction expenses (save for warranty fees) to be settled after we and the contractors have completed and have agreed on the final costs estimations.
6. MOMA Forest Forever has portions of a clubhouse and a property management office which are set out as Property No. 21, No. 28 and No. 50 in the PRC Property Valuation in Appendix IIIA to this prospectus.
7. Phase 1 of MOMA Forest Forever and Phase 2 of MOMA Forest Forever had been completely sold and therefore there are no reference in the PRC Property Valuation in Appendix IIIA to this prospectus. As of March 31, 2013, the warranty fees or retention monies in respect of Phase 1 of MOMA Forest Forever and Phase 2 of MOMA Forest Forever were outstanding and payable by the Group.
8. As of March 31, 2013, property units of Modern MOMA which had not been offered for sale comprised of (i) unsold portions of Building 6 with a total GFA of approximately 6,560 sq.m., which are intended to be held for own use and (ii) various retail units which the Group had leased to third party tenants for commercial use and were held for investment with a total GFA of approximately 6,787 sq.m. Please refer to Property No. 17 and No. 27 in the PRC Property Valuation in Appendix IIIA to this prospectus. We intend to convert the unsold portion of Building 6 of Modern MOMA from residential properties to serviced apartments of approximately 64 units in order to increase the value of the properties and to generate higher income to us.
9. Residential units were sold completely, only car parks and retail units remain unsold. All the development costs (including the warranty fees or retention monies) in respect of Modern City Garden had been settled. In May 2013, we sold retail units of Modern City Garden of an aggregate GFA of approximately 4,626 sq.m. to three Independent Third Parties at a consideration of RMB65.0 million. The sale of the retail units of Modern City Garden is expected to be settled and completed in the third quarter of 2013. Please refer to the relevant disclosures made under heading "Subsequent events" set out in the Accountants' Report included in Appendix I to this prospectus for further details.
10. As set out in the PRC Property Valuation in Appendix IIIA to this prospectus, Phase 1 of Wan Guo Cheng MOMA (Changsha) is comprised of (i) Phases 1.1 and 1.3 with a total unsold GFA of approximately 10,450 sq.m. and (ii) Phase 1.2 with a total unsold GFA of approximately 19,125 sq.m.. Please refer to Property No. 8 and No. 9 respectively in the PRC Property Valuation in Appendix IIIA to this prospectus.
11. As of March 31, 2013, we had obtained the pre-sale permits for approximately 158,929 sq.m. out of the total approximate GFA of 241,193 sq.m. in respect of Jiujiang Mantingchun MOMA. We are also applying for the land use rights in respect of a parcel of land with a site area of approximately 25,004 sq.m. for the further development of Jiujiang Mantingchun MOMA. For further details, please refer to the description of Jiujiang Mantingchun MOMA under the paragraph headed "Description of Our Projects" below.
12. As of March 31, 2013, we had obtained the pre-sale permits for approximately 54,667 sq.m. out of the total approximate GFA of 852,473 sq.m. of Xiantao Mantingchun MOMA.

BUSINESS

The following table sets out the budgeted development cost per sq.m. of each of our uncompleted property projects in the PRC as follows:

<u>Name of the project</u>	Approximate budgeted development cost per sq.m.
	<i>(RMB)</i>
<i>Projects under development</i>	
Phase 3 of Wan Guo Cheng MOMA (Taiyuan)	7,777
Nanchang Mantingchun MOMA	4,205
Phase 2 of Wan Guo Cheng MOMA (Taiyuan)	5,842
Jiujiang Mantingchun MOMA	5,618
Xiantao Mantingchun MOMA	3,441
Changsha Kaifu Mantingchun MOMA	3,080

The total budgeted development cost of all our uncompleted projects (i.e. projects under development) in the PRC amount to approximately RMB9,289 million as of March 31, 2013. As of March 31, 2013, the total amount of outstanding investment for our uncompleted projects in the PRC was approximately RMB5,940 million of which an aggregate of approximately RMB590 million was estimated to be incurred for the nine months ending December 31, 2013 and approximately RMB5,350 million thereafter. The aforesaid estimation is based on our management's experience and knowledge of the property market and in particular the property development in the PRC and the current planning and may be subject to adjustments from time to time in the future depending on the availability of and our needs for funds for development as well as the actual progress of the projects. We have also assumed amongst others that all our projects are developed in accordance with management's plan and there will be no substantial changes in development schedule due to governmental approval or other adverse market conditions, actual construction costs will not vary from the signed contracts or our budget in any significant way, and new construction projects will be launched and the existing projects will be completed according to our estimates.

BUSINESS

The following table shows the breakdown of the approximate ASP calculated on the bases of revenue recorded and GFAs delivered where available, of our projects in the PRC for the periods indicated:

Project Name	Approximate ASP		
	Year ended December 31,		
	2010	2011	2012
	<i>(RMB'000 per sq.m.)</i>		
Wan Guo Cheng MOMA	27	31	29
Modern MOMA	39	45	42
Shangdi MOMA	21	–	31
iMOMA	–	12	23
Yue MOMA	–	21	21
Phase 1 of MOMA Forest Forever	13	20	–
Phase 2 of MOMA Forest Forever	15	23	11
Phase 3 of MOMA Forest Forever	17	20	19
Phase 4 of MOMA Forest Forever	–	–	27
Phase 1 of Wan Guo Cheng MOMA (Changsha)	4	5	6
Changsha Mantingchun MOMA	–	5	5
Phase 1 of Wan Guo Cheng MOMA (Taiyuan)	–	11	11
Nanchang Mantingchun MOMA	–	5	6

BUSINESS

The following table sets out the approximate weighted average contract price of pre-sale/sale, which is net of business tax and other sales related taxes (where applicable), in respect of our property development projects in the PRC for the periods indicated:

Project	Approximate weighted average contract price of pre-sale/sale (net of business tax and other sales related taxes)			
	2010	2011	2012	Three months ended March 31, 2013
	<i>(RMB'000 per sq.m.)</i>	<i>(RMB'000 per sq.m.)</i>	<i>(RMB'000 per sq.m.)</i>	<i>(RMB'000 per sq.m.)</i>
Wan Guo Cheng MOMA	33	33	29	29
Modern MOMA	52	56	41	44
Shangdi MOMA	23	33	8 ⁽²⁾	–
iMOMA	14	17	22	–
Modern City Garden	–	–	–	–
Yue MOMA	22	24	22	–
Phase 1 of MOMA Forest Forever	24	–	–	–
Phase 2 of MOMA Forest Forever	24	–	–	–
Phase 3 of MOMA Forest Forever	22	25	–	–
Phase 4 of MOMA Forest Forever	–	29	25	–
Phase 1 of Wan Guo Cheng MOMA (Changsha)	5	7	8	10
Changsha Mantingchun MOMA	5	6	5	6
Changsha Kaifu Mantingchun MOMA	–	–	6	6
Phase 1 of Wan Guo Cheng MOMA (Taiyuan)	11	12	11	12
Phase 3 of Wan Guo Cheng MOMA (Taiyuan)	–	17	13	13
Nanchang Mantingchun MOMA	6	6	6	7
Jiujiang Mantingchun MOMA	–	6	5	5
Xiantao Mantingchun MOMA	–	–	3	3

Notes:

- (1) The ASP of units under each of the relevant projects set out above represents the ASPs as set out in the relevant sales and purchase agreements entered into between our customers and the Group, which units may or may not be delivered to the respective customers and revenue may or may not be recorded for the period stated, and therefore such ASP of a project may be different to the ASP calculated by division of the revenue recorded and GFA delivered in a period. In general, ASPs of the projects are affected by, among other things, overall market conditions, location and target customers. As such, an ASP of a project over a period may vary as the selling prices of units of different conditions (such as fully furnished or unfurnished) located at different floors facing different directions with various scenic views may not be the same.
- (2) In 2012, we sold units in aggregate of approximately 459 sq.m. of Shangdi MOMA at discount to market price to three ex-staff pursuant to an eligible employee scheme, details of which are set out in “Directors, Senior Management and Staff – Employees’ benefits provided by our Group” in this prospectus.

BUSINESS

As reflected in the weighted average contract price of pre-sale/sale in respect of some of the projects, the Directors consider that market demands had been affected negatively by the pessimistic sentiments in some of the regions as a result of the austerity measures promulgated by the PRC Government. In particular, the weighted average contract price of Wan Guo Cheng MOMA, Modern MOMA, Phase 4 of MOMA Forest Forever and Phase 3 of Wan Guo Cheng MOMA (Taiyuan) decreased from approximately RMB33,000 per sq.m., RMB56,000 per sq.m., RMB29,000 per sq.m. and RMB17,000 per sq.m. respectively in 2011 to approximately RMB29,000 per sq.m., RMB41,000 per sq.m., RMB25,000 per sq.m. and RMB13,000 per sq.m. respectively in 2012.

Description of Our Projects

The following sets out a detailed description of each of our property projects in the PRC as of March 31, 2013.

1. *Wan Guo Cheng MOMA (萬國城 MOMA)*



BUSINESS

Project Overview

Wan Guo Cheng MOMA is a residential and retail complex consisting of 11 buildings located at No. 1 Xiangheyuan Road, Dongcheng District, Beijing. It is one of the landmark buildings in the Dongcheng District and one of the first buildings to apply the “constant temperature and humidity, smart-housing” technology into residential buildings in the PRC.

Wan Guo Cheng MOMA is located in the central part of Beijing, between East Second Ring Road and East Third Ring Road. Wan Guo Cheng MOMA is only 400 meters from the Dongzhimen transport hub and is within close proximity of the Second Beijing Airport Expressway. It is surrounded by the Central Business District, the Legation Quarter and Yansha business circles.

Construction for Wan Guo Cheng MOMA commenced in September 2001 and was completed in April 2007. As of March 31, 2013, 93.8% of the total GFA of 283,854 sq.m. was sold.

Based on our internal records of our completed projects as of March 31, 2013, details of Wan Guo Cheng MOMA were as follows:

Construction period	
– Commencement	September 2001 to November 2004
– Completion	December 2002 to April 2007
Development costs incurred (<i>RMB million</i>)	2,233
Total GFA (<i>sq.m.</i>)	283,854
Total GFA sold and pre-sold (<i>sq.m.</i>)	266,200
Total GFA held for investment (<i>sq.m.</i>)	8,731
Total GFA unsold (<i>sq.m.</i>)	713
Total GFA held for own use (<i>sq.m.</i>)	8,210
% of total GFA sold and pre-sold	93.8%
Attributable interest to our Group	100.0%

2. *Shangdi MOMA (上第 MOMA)*



Project Overview

Shangdi MOMA is a mixed-use residential and retail community located at Anningzhuang West Road, Qinghe, Haidian District, Beijing. It is close to the Shangdi Information Industrial Base. It consists of 19 residential and retail buildings and one kindergarten.

The project successfully integrated the “Modern MOMA” energy-saving technologies and the buildings in Shangdi MOMA are able to maintain constant humidity and temperature. Construction for Shangdi MOMA commenced in November 2005 and was completed in June 2008. As of March 31, 2013, 96.9% of the total GFA of 175,794 sq.m. was sold.

Based on our internal records as of March 31, 2013, details of Shangdi MOMA were as follows:

Construction period	
– Commencement	November 2005 to April 2007
– Completion	November 2007 to June 2008
Development costs incurred (<i>RMB million</i>)	997
Total GFA (<i>sq.m.</i>)	175,794
Total GFA sold and pre-sold (<i>sq.m.</i>)	170,335
Total GFA unsold (<i>sq.m.</i>)	2,542
Total GFA held for own use (<i>sq.m.</i>)	2,917
% of total GFA sold and pre-sold	96.9%
Attributable interest to our Group	100.0%

3. *MOMA Forest Forever (MOMA 萬萬樹)*



Project Overview

MOMA Forest Forever is a residential low-density villa community located at Center of Gaoliying Town, Shunyi District, Beijing and within close proximity of Beijing Capital International Airport. MOMA Forest Forever was developed in four phases. As of March 31, 2013, the first three phases were completed and the fourth phase was under construction. Phase 2 of MOMA Forest Forever received the award “IHA Green Building Model” from International Housing Association in 2007.

MOMA Forest Forever aims to achieve harmony between indoor and outdoor environments and to integrate nature with the residential living environment. Construction for Phases 1 and 2 began in April 2006 and were completed in May 2010 and November 2009, respectively. Construction for Phase 3 began in June 2006 and was completed in November 2010. Phase 4 began in June 2006 and was completed in February 2013. As of March 31, 2013, Phases 1 and 2 are completely sold out, for Phase 3, 93.9% of the total GFA of 22,430 sq.m. was sold, and for Phase 4, 30.8% of the total GFA of 21,463 sq.m. was sold. We had obtained necessary permits for commencement of construction of all four phases of MOMA Forest Forever in 2006, and have fixed different development schedule for each phase according to our business plans and the market conditions.

BUSINESS

Phase 1

Based on our internal records as of March 31, 2013, details of Phase 1 were as follows:

Construction period	
– Commencement	April 2006 to July 2006
– Completion	December 2009 to May 2010
Development costs incurred (<i>RMB million</i>)	269.5
Total GFA (<i>sq.m.</i>)	32,418
Total GFA sold (<i>sq.m.</i>)	32,418
% of total GFA sold	100.0%
Attributable interest to our Group	100.0%

Phase 2

Based on our internal records as of December 31, 2012, details of Phase 2 were as follows:

Construction period	
– Commencement	April 2006
– Completion	September 2008 to November 2009
Development costs incurred (<i>RMB million</i>)	230.5
Total GFA (<i>sq.m.</i>)	23,634
Total GFA sold (<i>sq.m.</i>)	23,634
% of total GFA sold	100.0%
Attributable interest to our Group	100.0%

Phase 3

Based on our internal records as of March 31, 2013, details of Phase 3 were as follows:

Construction period	
– Commencement	June 2006
– Completion	November 2010
Development costs incurred (<i>RMB million</i>)	208.9
Total GFA (<i>sq.m.</i>)	22,430
Total GFA sold (<i>sq.m.</i>)	21,051
Total GFA unsold (<i>sq.m.</i>)	1,379
% of total GFA sold	93.9%
Attributable interest to our Group	100.0%

BUSINESS

Phase 4

Based on our internal records as of March 31, 2013, details of Phase 4 were as follows:

Construction period	
– Commencement	June 2006
– Completion	July 2012 to February 2013
Budgeted development costs (<i>RMB million</i>)	265.0
Total GFA (<i>sq.m.</i>)	21,659
Total GFA sold (<i>sq.m.</i>)	6,666
Total GFA unsold (<i>sq.m.</i>)	14,993
% of total planned GFA sold and pre-sold	30.8%
Attributable interest to our Group	100.0%

As of the Latest Practicable Date, we had not obtained Building Ownership Certificate for a clubhouse with a total GFA of 6,271 sq.m. of MOMA Forest Forever. Since we acquired the said clubhouse in 2005 for our own occupation, we had not applied for the Building Ownership Certificate. We have applied to relevant government authorities for the outstanding Building Ownership Certificate which we expect to obtain by November 2013. Our PRC legal advisor is of the opinion that there shall be no substantial legal impediment to obtain the Building Ownership Certificate if we submit all necessary documents required by the government authorities namely the application form together with the applicant's identification document and address proof, the land use rights certificate, the construction work planning permit, the certification of approval for assessment of project planning, the construction commencement permit, the filing record of acceptance examination of construction, the surveying and drawing report of the relevant building, and other documents required by the government authorities from time to time. As the property is held by us for own occupation and based on the advice of our PRC legal advisor, it will not have material impact on our use of the property and we are entitled to occupy and use the said clubhouse in the absence of Building Ownership Certificate.

4. *Modern MOMA (当代 MOMA)*



Project Overview

Modern MOMA is a community consisting of luxury apartments, retail shops, a cinema and office space, and is located at No. 1 Xiangheyuan Road, Dongcheng District, Beijing, between the East Second Ring Road and the East Third Ring Road. Modern MOMA's distinctive feature is the utilization of a ground source geothermal heat pump built under the base of the building which cools and heats the building using renewable energy.

Modern MOMA is comprised of a gallery apartment house and a one-mile corridor which connects nine buildings. There are eight chambers inside the corridor, including a swimming pool, gallery, spa, fitness club, restaurants, cafe and tea house, and the purpose of these chambers is that it provides a common area for the residents to meet together and communicate and open space for various business and leisure activities. Modern MOMA was selected as one of the "2006 World Top Seven Construction Engineering Wonders" by US Popular Science and one of the "2007 The 10 Best (New and Upcoming) Architectural Marvels" by Time Magazine. It also achieved the designation of "Stage 3, Certified" from the U.S. Green Building Council, the Natural Resources Defense Council and the Congress for the New Urbanism under the LEED for Neighborhood Development Pilot in October 2011. Construction commenced in November 2005 and was completed in November 2010. As of March 31, 2013, 65.6% of the total GFA of 157,577 sq.m. has been sold.

BUSINESS

We intend to convert portions of Building 6 within the Modern MOMA community from residential properties to serviced apartments comprised of approximately 64 units.

Based on our internal records as of March 31, 2013, details of Modern MOMA were as follows:

Construction period	
– Commencement	November 2005 to November 2007
– Completion	June 2008 to November 2010
Development costs incurred (<i>RMB million</i>)	2,420.4
Total GFA (<i>sq.m.</i>)	157,577
Total GFA sold and pre-sold (<i>sq.m.</i>)	103,324
Total GFA held for investment (<i>sq.m.</i>)	6,787
Total GFA held for own use (<i>sq.m.</i>)	6,560
Total GFA unsold (<i>sq.m.</i>)	40,906
% of total GFA sold and pre-sold	65.6%
Attributable interest to our Group	100.0%

5. *iMOMA*



Project Overview

iMOMA is a serviced apartment complex building located at Anningzhuang West Road, Qinghe, Haidian District, Beijing. It is within close proximity of the Beijing Urban Rail No. 13 Line. The apartments in iMOMA are relatively small dwelling in size and its target customers are young professionals. iMOMA amenities include a bookstore, cafe, spa, and theme restaurants, all of which help create a comfortable living environment for its residents. Construction for iMOMA began in August 2007 and was completed in April 2011. As of March 31, 2013, 86.8% of the total GFA of 31,645 sq.m. has been sold.

BUSINESS

Based on our internal records as of March 31, 2013, details of iMOMA were as follows:

Construction period	
– Commencement	August 2007
– Completion	April 2011
Development costs incurred (<i>RMB million</i>)	229
Total GFA (<i>sq.m.</i>)	31,645
Total GFA sold and pre-sold (<i>sq.m.</i>)	27,458
Total GFA unsold (<i>sq.m.</i>)	1,262
Total GFA held for investment (<i>sq.m.</i>)	2,141
Total GFA held for own use (<i>sq.m.</i>)	784
% of total GFA sold and pre-sold	86.8%
Attributable interest to our Group	100.0%

6. Phase 1 of Wan Guo Cheng MOMA (Changsha) (萬國城 MOMA(長沙)一期)



Project Overview

Wan Guo Cheng MOMA (Changsha) is a mixed use community consisting of residential units and retail shops located at Kaifu District, Changsha, Hunan Province. It is on the west side of Changsha and within walking distance of the No. 1 Line subway which is under construction. Wan Guo Cheng MOMA (Changsha) incorporates Modern MOMA's energy-saving technologies and the PRC's Ministry of Construction (the predecessor of MOHURD) had listed this project as a demonstration project on building energy efficiency and renewable energy usage.

BUSINESS

The project was designed according to local geographical and climate conditions, and provides a comfortable environment during all four seasons. Construction began in July 2007 and was completed in August 2011, and as of March 31, 2013, 89.5% of the total GFA of 292,713 sq.m. has been sold.

Based on our internal records as of March 31, 2013, details of Phase 1 of Wan Guo Cheng MOMA (Changsha) were as follows:

Construction period	
– Commencement	July 2007 to March 2010
– Completion	August 2009 to August 2011
Development costs incurred (<i>RMB million</i>)	839
Total GFA (<i>sq.m.</i>)	292,713
Total GFA sold (<i>sq.m.</i>)	262,104
Total GFA unsold (<i>sq.m.</i>)	29,575
Total GFA held for investment (<i>sq.m.</i>)	874
Total GFA held for own use (<i>sq.m.</i>)	160
% of total GFA sold	89.5%
Attributable interest to our Group	100.0%

7. *Modern City Garden* (當代城市家園)



Project Overview

Modern City Garden is a low-density residential community consisting of residential units and retail shops located at Anningzhuang West Road, Qinghe, Haidian District, Beijing. The project was completed in November 2007 and the residential portion has been completely sold. The attributable interest of Modern City Garden to our Group is 100.0%.

8. *Yue MOMA*



Project Overview

Yue MOMA is an office building located at Site D3 of South Nanku, Qinghe, Haidian District, Beijing. To the west of Yue MOMA is Zhongguan Cun Shangdi Information Industrial Park, and to the east is Shangdi MOMA. The offices in Yue MOMA feature individually customized work spaces and low-density planning, which help create a comfortable work environment. Construction of the project began in April 2010 and was completed in August 2011, and as of March 31, 2013, 93.5% of the total GFA of 15,867 sq.m. has been sold or pre-sold.

Based on our internal records as of March 31, 2013, details of Yue MOMA were as follows:

Construction period	
– Commencement	April 2010
– Completion	August 2011
Development costs incurred (<i>RMB million</i>)	107
Total GFA (<i>sq.m.</i>)	15,867
Total GFA sold and pre-sold (<i>sq.m.</i>)	14,842
Total GFA unsold (<i>sq.m.</i>)	1,025
% of total GFA sold and pre-sold	93.5%
Attributable interest to our Group	100.0%

9. *Wan Guo Cheng MOMA (Taiyuan)* (萬國城 MOMA (太原))



Project Overview

Wan Guo Cheng MOMA (Taiyuan) is a luxury complex of retail shops, hotels, offices and serviced apartments, which is located at No. 16 Changfeng West Street, Changfeng Business District, Taiyuan, Shanxi Province. It is located at the northwest corner of Taiyuan City, which is the main developing area of the city. Wan Guo Cheng MOMA (Taiyuan) is within close proximity of Shanxi Grand Theatre, Shanxi Library, Shanxi Art Gallery, Shanxi Museum and Shanxi Science & Technology Museum.

Wan Guo Cheng MOMA (Taiyuan) are developed in three phases. As of March 31, 2013, Phase 1 was completed and Phases 2 and 3 were under development, and 94.1% of Phase 1's total GFA of 225,019 sq.m. has been sold, and 5.0% of Phase 2's total GFA of 251,610 sq.m. and 44.5% of Phase 3's total GFA of 108,012 sq.m. has been pre-sold, respectively. In April 2011, Wan Guo Cheng MOMA (Taiyuan) was selected as one of "2011 Taiyuan Citizens' Top Ten Most Trustful Projects" by a Shanxi real property website Housoo.

BUSINESS

Phase 1

Based on our internal records of our completed projects and our internal estimates of current project plans as of March 31, 2013, details of Phase 1 were as follows:

Construction period	
– Commencement	December 2009 to September 2010
– Completion	December 2011
Budgeted development costs (<i>RMB million</i>)	1,259.0
Total GFA (<i>sq.m.</i>)	225,019
Total GFA sold and pre-sold (<i>sq.m.</i>)	211,792
Total GFA unsold (<i>sq.m.</i>)	13,014
Total GFA held for own use (<i>sq.m.</i>)	213
% of total GFA sold and pre-sold	94.1%
Attributable interest to our Group	100.0%

Phase 2

Based on our internal records of our completed projects and our internal estimates of current project plans as of March 31, 2013, details of Phase 2 were as follows:

Construction period	
– Commencement	December 2011
– Planned date of completion	December 2013
Budgeted development costs (<i>RMB million</i>)	1,470.0
Total planned GFA (<i>sq.m.</i>)	251,610
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	12,513
Total planned GFA unsold (<i>sq.m.</i>)	239,097
% of total planned GFA sold and pre-sold	5.0%
Attributable interest to our Group	100.0%

Phase 3

Based on our internal records of our completed projects and our internal estimates of current project plans as of March 31, 2013, details of Phase 3 were as follows:

Construction period	
– Commencement	December 2010
– Planned date of completion	February 2013 to December 2015
Budgeted development costs (<i>RMB million</i>)	840.0
Total planned GFA (<i>sq.m.</i>)	108,012
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	48,051
Total planned GFA unsold (<i>sq.m.</i>)	59,961
% of total planned GFA sold and pre-sold	44.5%
Attributable interest to our Group	100.0%

10. Nanchang Mantingchun MOMA (南昌滿庭春 MOMA)*Project Overview*

Nanchang Mantingchun MOMA is a community consisting of residential units, retail shops, a composite building, supermarket, kindergarten, swimming pool and restaurants. It is located at the east side of Qingshan Lake, Nanchang, Jiangxi Province and within a 25-minute drive of downtown Nanchang. This project is an attempt to create Nanchang's first new mixed-use community that features energy conservation, comfort and design innovation. This project aims to spearhead the construction trend of green buildings in Nanchang. Construction began in September 2010 and as of March 31, 2013, 79.4% of the total GFA of 251,833 sq.m. has been pre-sold.

Based on our internal records of our completed projects and our internal estimates of current project plans as of March 31, 2013, details of Nanchang Mantingchun MOMA were as follows:

Construction period	
– Commencement	September 2010 to January 2011
– Planned date of completion	August 2011 to December 2013
Budgeted development costs (RMB million)	1,059.0
Total planned GFA (sq.m.)	251,833
Total planned GFA sold and pre-sold (sq.m.)	200,047
Total planned GFA unsold (sq.m.)	46,397
Total GFA held for investment (sq.m.)	3,038
Total planned GFA held for own use (sq.m.)	2,351
% of total planned GFA sold and pre-sold	79.4%
Attributable interest to our Group	100.0%

11. Changsha Mantingchun MOMA (長沙滿庭春 MOMA)*Project Overview*

Changsha Mantingchun MOMA is a mixed use community consisting of residential units and retail shops located at Kaifu District, Changsha, Hunan Province. Construction began in June 2010 and residential buildings of Changsha Mantingchun MOMA were completed in December 2011. As of March 31, 2013, 75.9% of the total GFA of 256,418 sq.m. has been sold.

BUSINESS

Based on our internal records of our completed projects and our internal estimates of current project plans as of March 31, 2013, details of Changsha Mantingchun MOMA were as follows:

Construction period	
– Commencement	June 2010 to July 2010
– Date of completion	November 2011 to March 2012
Budgeted development costs (<i>RMB million</i>)	737.0
Total GFA (<i>sq.m.</i>)	256,418
Total GFA sold (<i>sq.m.</i>)	194,498
Total GFA unsold (<i>sq.m.</i>)	39,534
Total GFA held for investment (<i>sq.m.</i>)	14,496
Total GFA held for own use (<i>sq.m.</i>)	7,890
% of total GFA sold	75.9%
Attributable interest to our Group	100.0%

12. *Jiujiang Mantingchun MOMA (九江滿庭春 MOMA)*

Project Overview

Jiujiang Mantingchun MOMA is a residential and commercial development located at Xunyang District, Jiujiang City, Jiangxi Province. It will face the Changjiang River and Fuyin highway. The community will utilize a ground source geothermal heat pump, ceiling radiation and other energy-saving technologies. Jiujiang Mantingchun MOMA aims to improve the living environment of Jiujiang, which typically has a humid and cold winter season and a very hot summer season, and will be one of the only high-end residential developments in Jiujiang's central business district. Construction began in October 2011 and as of March 31, 2013, 42.7% of the total GFA of 241,193 sq.m. has been pre-sold.

Based on our estimates of current project plans as of March 31, 2013, details of Jiujiang Mantingchun MOMA were as follows:

Construction period	
– Commencement	October 2011
– Planned date of completion	June 2013 to March 2014
Budgeted development costs (<i>RMB million</i>)	1,355.0
Total planned GFA (<i>sq.m.</i>)	241,193
Total planned GFA sold and pre-sold (<i>sq.m.</i>)	102,900
Total planned GFA unsold (<i>sq.m.</i>)	138,293
% of total planned GFA pre-sold	42.7%
Attributable interest to our Group	100.0%

BUSINESS

As of the Latest Practicable Date, we are applying to obtain the land use rights of a piece of land with a site area of approximately 25,004 sq.m. for further development of our Jiujiang Mantingchun MOMA Project (a project under development). As confirmed by Jiujiang State-owned Land Resources Bureau (九江市國土資源局), there was delay in relocation of the original residents on such land by the government which was out of the control of our Group. As confirmed by the relevant authorities, on the relevant land parcels, there were a number of residential units and structures pending resettlement and a fire safety passage pending change of route. The Directors confirm that there had not been material implications on our operations as a result of the non-completion of relocation. Jiujiang Xunyang District People's Government (九江市潯陽區人民政府) initially agreed to be responsible for resettlement arrangement for the said residential units and structures and targeted to complete the resettlement for delivery of the land parcels to us. Jiujiang State-owned Assets Operation Company Limited (九江市國有資產經營有限公司) initially agreed to be responsible for the change of route of the fire safety passage and targeted to complete the relevant work. We have fully paid the relevant land grant premium for the said parcel of land in June 2013, and expect that the land will be delivered and the relevant State-owned Land Use Rights Certificate will be issued to us in July 2013.

13. *Changsha Kaifu Mantingchun MOMA (長沙開福滿庭春 MOMA)*

Project Overview

Changsha Kaifu Mantingchun MOMA is a mixed use community consisting of residential units and retail shops located at Kaifu District, Changsha, Hunan Province. Construction commenced in May 2012 and as of March 31, 2013, 18.8% of the total GFA of 529,620 sq.m. has been pre-sold.

Based on our estimates of current project plans as of March 31, 2013, details of Changsha Kaifu Mantingchun MOMA were as follows:

Construction period	
– Commencement	May 2012
– Planned date of completion	October 2013 to October 2015
Budgeted development costs (<i>RMB million</i>)	1,631.0
Total planned GFA (<i>sq.m.</i>)	529,620
Total planned GFA pre-sold (<i>sq.m.</i>)	99,766
Total planned GFA unsold (<i>sq.m.</i>)	429,854
% of total planned GFA pre-sold	18.8%
Attributable interest to our Group	100.0%

14. Xiantao Mantingchun MOMA (仙桃滿庭春 MOMA)

Project Overview

Xiantao Mantingchun MOMA is a residential and commercial development which contains a serviced apartment, hotel, clubhouse and school. It will be located at the south side of Huangjin Boulevard, Ganhe office, Xiantao, Hubei Province. Construction for Xiantao Mantingchun MOMA commenced in October 2011 and as of March 31, 2013, 4.7% of the total planned GFA of 852,473 sq.m. has been pre-sold.

Based on our estimates of current project plans as of March 31, 2013, details of Xiantao Mantingchun MOMA were as follows:

Construction period	
– Commencement	October 2011
– Planned date of completion	May 2013 to August 2015
Budgeted development costs (<i>RMB million</i>)	2,934.0
Total planned GFA (<i>sq.m.</i>)	852,473
Total planned GFA pre-sold (<i>sq.m.</i>)	39,862
Total planned GFA unsold (<i>sq.m.</i>)	809,366
Total planned GFA held for own use (<i>sq.m.</i>)	3,245
% of total planned GFA pre-sold	4.7%
Attributable interest to our Group	100.0%

In addition to the property development projects, we also used to engage in land resettlement with the intention to participate in the future property development of the land. We entered into contracts with the original land use rights owners to deal with land resettlement operations which include compensation and resettlement of residents in the affected area, destruction of existing structures and clearing of the land, construction of infrastructure and civil and public facilities, and construction of the water supply, drainage, power supply, roads, communications infrastructure, heat supply and natural gas supply. We engaged and supervised third party operators to carry out the land resettlement operations. Our total entitlements for the resettlement pursuant to our agreement with the original land use right owner comprised our investment costs (including our prepayments to the original land use rights owner as well as our expenses incurred in the resettlement operations) and any amount in excess of the agreed amount to be retained by the original land use rights owner. After completion of the necessary resettlement, the relevant lands will be put for public tenders, auctions or listings-for-bidding by the relevant land administrative departments. Before the relevant lands were put for public tenders, auctions or listing-for-bidding, qualified valuers would assess, among others, the amount of compensation payable to the original land use rights owner and submit the assessed amounts to the relevant land administrative departments for approval. The assessed and approved amount of compensation would be set out in the compensation agreement to be entered into between the successful bidder and the original land use rights owner as one of the conditions for the grant of the land use rights. If we participate in the relevant public tenders, auctions or listings-for-bidding and are successfully granted the land use rights, our total entitlements for the resettlement pursuant to our agreement with the original land use rights

BUSINESS

owner will be offset from the resettlement compensation payable to the original land owner. On the other hand, if we are not granted the land use rights, we would receive our total entitlements for the resettlement pursuant to our agreement with the original land use rights owner upon receipt of the assessed and approved amount of resettlement compensation by the original land use rights owner. As advised by our PRC legal advisor, there is currently no comprehensive or uniform regulation in the PRC in relation to such cooperation with the original land use rights owners, and our land resettlement operations which are conducted on contractual basis, are not in conflict with PRC laws and regulations. During the Track Record Period, save for RMB146.9 million recognized as other income in respect of the Water Metre Plant area project during the year ended December 31, 2012, there had been no historical income/loss attributable to our land resettlement operations. Our Directors consider that land resettlement was complementary to our core property development operations. We believe that by conducting land resettlement operations, we could enhance our understanding of the relevant land and the related government development plan, thereby increasing our chance of successfully obtaining the land from the public tender, auction and listing-for-sale process for property development purposes.

During the Track Record Period, we had two land resettlement projects, namely Water Metre Plant Area Project and Qinghe Northern Warehouse Area Project. We had completed all land resettlement operations with respect to the two projects and had no outstanding investment for our land resettlement operations.

Qinghe Northern Warehouse Area Project

For Qinghe Northern Warehouse Area Project, our total investment amount was approximately RMB266 million. The land use rights of the relevant land was granted to a third party in the public tenders, auctions or listings-for-bidding held in October 2011 in which we, having considered the relevant terms and conditions including the land and development costs, decided not to participate. Before commencement of Qinghe Northern Warehouse Area project, in May 2006, we had entered into contract with the original land use rights owner, Beijing Hengwu Metal Materials Company Limited (“Hengwu Metal”) in respect of the land resettlement operations including details of the resettlement compensation. According to the relevant compensation agreement signed between the successful bidder and Hengwu Metal, to which we were not a signing party, we were entitled to and had fully received approximately RMB267 million in March 2012 which comprised RMB240 million which we had pre-paid to the original land use right owners, and approximately RMB27 million which we incurred as expenses including payment to third party operators in respect of the land resettlement operations. We had not recorded any income/loss in respect of the Qinghe Northern Warehouse Area Project.

BUSINESS

Water Metre Plant Area Project

For the Water Metre Plant Area Project, our total investment amount (excluding business tax of approximately RMB26.5 million) was approximately RMB400.4 million. The public tenders, auctions or listings-for-bidding of the relevant land was held in March 2012 which, having considered the relevant terms and conditions including the land and development cost of the relevant land, we did not participate. The land use rights of the relevant land was granted to a third party. Before commencement of Water Metre Plant Area project, in December 2002, we entered into contract with the original land use rights owner, Beijing Water Group Company Limited (“Beijing Water”) in respect of the land resettlement operations including details of the resettlement compensation. Based on the agreement in February 2012 between Beijing Land Consolidation and Reserve Centre, Beijing Water and our Group, the total resettlement compensation payable by the successful land bidder is approximately RMB849 million and we would be entitled to part of the resettlement compensation payable by the successful bidder in the amount of approximately RMB574 million comprising our investment cost of approximately RMB426.9 million (which comprised approximately RMB100 million which we had pre-paid to the original land use right owners and approximately RMB326.9 million which we incurred as expenses including payment to third party operators in respect of the land resettlement operations). Agreement in respect of, among others, the resettlement compensation was signed by the successful bidder, Beijing Water and our Group in accordance with the tendering procedures in May 2012. For the year ended December 31, 2012, we had received resettlement compensation of approximately RMB545.2 million and recorded other income of approximately RMB146.9 million (after deduction of business tax of approximately RMB26.5 million but before deduction of income tax estimated to be approximately RMB36.7 million on the basis of the application of an income tax rate of 25%) in respect of the Water Metre Plant Area Project, of which an amount of approximately RMB28.7 million remained unsettled as of December 31, 2012 which had been settled in February 2013.

We have no current intention to engage in new land resettlement project. Since we had not encountered any material difficulties with respect to our land resettlement operations in the past and do not have any outstanding land resettlement operations as of the Latest Practicable Date, our Directors do not foresee any material risk in this regard.

Property development project in Yangquan city, Shanxi Province, the PRC

Background

We entered into a project management service agreement (the “Agreement”) in June 2011 in relation to a property development project located in Yangquan city, Shanxi Province (the “Project”) with an independent third party which is a State-owned enterprise in the PRC and the grantee of the parcel of land on which the Project will be constructed under the relevant land grant contracts. Since the parcel of land belongs to the counterparty, it is not included in the PRC Property Valuation as set out in Appendix IIIA to this prospectus. The Project has a total site area of approximately 89,502 sq.m. and planned total GFA of approximately 376,245 sq.m. subject to final approval of the relevant planning bureau, and will be developed into a

BUSINESS

multi-phases residential and commercial complex with underground car parks. The total investment size of the Project is estimated to be approximately RMB1,391 million subject to final development scale of Project which will be arranged by the counterparty pursuant to the Agreement. We are not responsible for the investment of the Project. According to the relevant land grant contracts, the land grant premium for the Project is approximately RMB176.3 million. To the understanding of the Directors, property management arrangement similar to that undertaken by us under the Agreement is not an uncommon arrangement in the PRC and has been adopted by certain local property developers.

Pursuant to the Agreement, we shall be responsible for the overall management of the Project including without limitation project planning and design, construction, quality and safety control and sales and marketing. It is expected that we will incur staff expenses, travelling and accommodation expenses and other expenses incidental to its performance of the Agreement and all such expenses will be borne by the counterparty. We also authorize the use of our "MOMA" brand name in the Project during the course of the Agreement. Furthermore, it is agreed that the Project shall have a development period of four years commencing from the date when the construction planning permit is obtained and ending on the date of completion of construction, and we undertake to generate for the benefit of the counterparty a minimum investment return of RMB213.0 million on the Project. In the event that there is any delay in the completion of the Project, which is caused directly by us, we may be required to pay compensation to the counterparty in the amount equivalent to 25% of the minimum investment return (or an equivalent of approximately RMB53.25 million) for each year we have caused to the delay in the completion of the development of the Project which is not subject to the cap of RMB213.0 million. Alternatively, we are not liable to pay compensation if delay is not caused by us such as excess time required to arrange for necessary funding by the counterparty for purpose of the Project. We are required to bear the excess costs of the Project, including but not limited to the construction costs and sales and marketing expenses incurred under the Project which exceeded the predetermined budgeted amounts as agreed by the parties. Further, we are required to pay compensation to the counterparty so as to cover economic losses sustained by it as a direct result of the material work accidents, below national standard of the completed property development and payment of penalty caused directly by Company in connection with the Project. Save for the aforesaid, we do not have other material liability under the Agreement. On the other hand, the counterparty is obliged to complete the necessary land resettlement and resident compensation procedures and obtain the necessary land use rights certificates, which are conditions essential for the commencement of the development of the Project and the performance of our obligations under the Agreement. The counterparty is also responsible for the funding of the Project. The counterparty will also be responsible for arrangement of mortgage loans for customers of the properties of the Project.

BUSINESS

In return for the provision of the services, we shall be entitled to a management fee of RMB40.0 million payable by the counterparty which comprised the prepayment of RMB4.0 million which is payable within three days of signing of the Agreement, RMB4.0 million which is payable upon obtaining the construction commencement permit and the remaining balance which is payable in installment, and shall be calculated every six months after signing of the Agreement and equivalent to the ratio of the sales amount of the Project for the previous six months to the total sales amount of the Project pre-determined and agreed by the parties multiplied by RMB28.0 million. An amount equivalent to 10% of the management fee will be withheld by the counterparty as a warranty fee which shall be released to us one year after fulfillment of the Agreement. We are also entitled to sharing of profit in excess of the minimum investment return upon completion of the Project. If the profit of the Project is more than 100% of the minimum investment return, (i) where the excess amount is less than RMB50 million, the counterparty and our Group shall be entitled to 60% and 40% of the excess amount respectively; and (ii) where the excess amount is more than RMB50 million but less than RMB100 million, the counterparty and our Group shall be entitled to 50% and 50% of the excess amount respectively; and (iii) where the excess amount is more than RMB100 million, the counterparty and our Group shall be entitled to 40% and 60% of the excess amount respectively.

Reasons for the Project

We are an experienced property developer as we have completed various property development projects in the PRC including different phases of our property project, namely Wan Guo Cheng MOMA (Taiyuan), located in Taiyuan, Shanxi Province, the PRC during the Track Record Period. The Project offers a good opportunity for us to utilize our industry knowledge as a property developer in managing the development and sale of a property development project in our ordinary course of business in the PRC. Unlike our other property developments projects, the Project has relatively little demand for our working capital resources as we are not required to fund the acquisition for the parcel of land on which the complex is to be constructed and the construction and related costs of the complex expected to be incurred for the Project. In return for the provision of services, we are entitled to management fee and sharing of profit in excess of the minimum investment return of the Project. Further, we have conducted and reviewed the financial analysis of the Project under reasonable assumptions including factors such as specific proportion of sales expenses, administrative expenses to revenue, adjustments for inflation and financial expenditure and based on the outcome of the financial analysis are confident that the Project will be reasonably profitable for purposes of the minimum investment return and profit sharing arrangement for the relevant parties prior to execution of the Agreement. Our independent property valuer has reviewed the ASPs at which the properties are estimated to be sold and bases of such ASPs adopted in the financial analysis and is of the view that the ASPs are comparable to the current market prices of properties of comparable standard and are reasonable for purpose of the financial analysis. The estimated construction costs of the Project are estimated based on those of other projects completed by us during the Track Record Period. In addition, the counterparty has reviewed the financial analysis and assumptions thereto.

BUSINESS

Recent developments

Pursuant to the Agreement, the counterparty should have paid to us a prepayment in the amount of RMB4.0 million within three days of signing of the Agreement. We were required to return the prepayment if the counterparty could not obtain the land use rights certificates necessary for commencement of the Project. The counterparty had not paid the prepayment according to the payment schedule, had not obtained the necessary land use rights certificates and had not informed a concrete timeframe for completing the conditions essential for the commencement of the Project. Based on our dealings with the counterparty and taking into account the protracted delay to the progress of the Project under the Agreement, we then reasonably considered that the Agreement had not been and would not be proceeded with. Our Directors also considered that we were not in breach of the Agreement, and as advised by our Company's PRC legal advisers, we were not liable for such non-performance of the Agreement given the cause of the delay by the counterparty. In the circumstances, the Directors then considered that the Agreement had no material impact to us.

Nevertheless, due to the recent changes in the local property market environment, the counterparty would like to resume its cooperation with us with respect to the development of the Project and as a token of goodwill in July 2012, it had paid in full a prepayment amount of RMB4.0 million to us. It is the intention of both parties to enter into a supplemental agreement setting out the terms and conditions for the development of the Project given the notable delay in the progress of the Project under the Agreement and possible changes to the development scale of the Project. The terms and conditions of the supplemental agreement, if executed will depend on, among others, the types and scale of properties approved by appropriate authority and the local property market environment, and may or may not be the same as those stated in the Agreement. It is expected that the roles of the parties and the parcel of land of the Project will likely remain unchanged while subject to the negotiations of the parties and the planning adjustments as agreed by the parties and approved by the authority, the investment size and the investment return may be revised under the supplemental agreement.

As of the Latest Practicable Date, the counterparty has obtained the relevant land use rights certificates and the relevant permits such as construction planning permit and in second half of 2012, the Project has been commenced and therefore staff expenses, travelling and accommodation and other relevant expenses had been incurred accordingly. We do not foresee any difficulties in discharging our role and responsibility under the above arrangement, which is expected to be completed by 2016. Nonetheless, we are still in the course of negotiations with the other party and have not entered into a supplemental agreement in connection with the development of the Project.

We will issue announcement if we enter into any supplemental agreement in relation to the Project, disclose the progress of the Project in our interim and annual reports after the Listing, and comply where applicable with the requirements under Chapter 14 of Listing Rules.

BUSINESS

Accounting treatments

We consider that the inclusion of the clause of minimum guaranteed return and bonus service fee of the Agreement relate closely to the project management services to be provided by us, and have taken into account of the economic characteristics and the associated risks prior to execution of the Agreement. It also serves as an incentive for the provision of project management services for the Project. Because of the nature of the activities to be undertaken in the service contract, we will conduct periodic review and revise the estimates of both future revenue and budgeted costs of the Project. In case where the anticipated future profit of the Project is less than the amount of guaranteed return as stated in the project management service contract, losses will be recognized immediately when identified. We will recognize the management fee and the bonus service fee when the following conditions are met:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably,

which requires to consider factors like volatility of property price, level of profit anticipated from the Project, progress and significance of individual tasks, financial position of counterparty, reliability of measurement of the amount of service fee and bonus fee and the probability of flows of economic benefits to the Group, etc. as well as an assessment of facts and circumstances pertaining to us in each reporting period.

Pursuant to the Agreement, we will incur staff expenses, travelling and accommodation expenses and other expenses incidental to its performance of the Agreement and all such expenses will be borne by the counterparty. Given that we have no equity interests in the counterparty, its associated companies or companies controlled by them, they will not be accounted for as joint ventures, associated companies or subsidiaries of our Company under relevant accounting standards.

The Agreement had no financial impact to our Group during the year ended December 31, 2011, as our management was of the view that the Agreement had not been and would not be proceeded with, due to the various reasons as stated in “Recent developments” above. The Project has commenced during the second half of 2012, and we recorded a project management service income of RMB6 million as other income for the year ended December 31, 2012.

Property Development in the U.S.

For the purpose of our expansion to the U.S. as part of our long term strategic plan, in December 2012, we purchased a parcel of land with a site area of approximately 48.471 acres (or equivalent to approximately 196,155.35 sq.m.) located in Pearland, Texas, the U.S. for a consideration of US\$4,550,000 which was based on arm's length basis, settled by cash and funded by our internal resources. As of the Latest Practicable Date, we are still in the stages of project planning and assessment, save for the purchase of the said parcel of land, we had not entered into any binding agreement in relation to our proposed expansion plan in the U.S. We do not anticipate to commence the proposed development in the U.S. before December 31, 2013. We currently contemplate that the total investment to be incurred by us in relation to our proposed expansion plan in the U.S. will not exceed RMB419.6 million, being 5% of our total asset value as of December 31, 2012.

We currently have only a few staff in the U.S. supervised by our head of business operations, for our U.S. business operations, and will maintain an adequate number of staff and lease an office of appropriate size in the U.S. to cope with our business development there. We plan to adopt our Multi-Project Management Information System, which has been successfully applied in the management of property development projects in the PRC, in our U.S. property development. To ensure our compliance with the relevant U.S. laws and regulations and careful monitoring of the progress of this project in the U.S., we have designated our head of business operations, in the U.S., to oversee the regulatory compliance in the U.S. and to report to the Board on a quarterly basis. Our staff in the U.S. will be required to attend training sessions on a semi-annual basis provided by competent institutions in relation to compliance with the latest U.S. laws and regulations related to property development and sale in U.S.. Further, we will continue working closely with our external legal advisors on an on-going basis to ensure compliance with all applicable laws and regulations for our U.S. business operations.

BUSINESS

Valuation of the Properties

The following information is extracted from DTZ’s report in “Appendix IIIA – PRC Property Valuation” and summarizes DTZ’s valuation of each of the properties and the selected key assumptions used by DTZ in its valuation. Please refer to “Appendix IIIA – PRC Property Valuation” for further details, including the background of these assumptions.

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
1.	A portion of Wan Guo Cheng MOMA	232,000,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB43,000 per sq.m.</p> <p>Car parking spaces: approximately RMB240,000 to RMB290,000 per lot</p>	IIIA-5
2.	A portion of Modern MOMA	1,984,000,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB60,000 per sq.m.</p> <p>Commercial: approximately RMB38,000 per sq.m.</p> <p>Car parking spaces: approximately RMB290,000 per lot</p>	IIIA-5

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
3.	A portion of Shangdi MOMA	15,900,000	Direct comparison approach: Car parking spaces: approximately RMB160,000 per lot	III A-5
4.	Three villas, Phase 3 of MOMA Forest Forever	40,000,000	Direct comparison approach: Villa: approximately RMB29,000 per sq.m.	III A-5
5.	A portion of iMOMA	38,000,000	Direct comparison approach: Commercial: approximately RMB28,700 per sq.m.	III A-6
6.	Various car parks of Modern City Garden	44,500,000	Direct comparison approach: Car parking spaces: approximately RMB120,000 per lot	III A-6
7.	A portion of Yue MOMA	33,000,000	Direct comparison approach: Commercial: approximately RMB28,700 per sq.m.	III A-6

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
8.	A portion of Phases 1.1 and 1.3, Phase 1 of Wan Guo Cheng MOMA (Changsha)	57,000,000	<p>Direct comparison approach:</p> <p>Commercial: approximately RMB16,000 per sq.m.</p> <p>Car parking spaces: approximately RMB120,000 per lot</p>	IIIA-6
9.	A portion of Phase 1.2 of Wan Guo Cheng, MOMA (Changsha)	207,000,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB8,500 per sq.m.</p> <p>Commercial: approximately RMB10,500 per sq.m.</p>	IIIA-7
10.	A portion of Changsha Mantingchun MOMA	317,000,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB5,800 per sq.m.</p> <p>Car parking spaces: approximately RMB128,000 per lot</p>	IIIA-7

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
11.	A portion of Phase 1 of Wan Guo Cheng MOMA (Taiyuan)	232,000,000	Direct comparison approach: Residential: approximately RMB14,300 per sq.m. Car parking spaces: approximately RMB180,000 per lot	III A-7
12.	A portion of Phase 4 of MOMA Forest Forever (Site D)	442,000,000	Direct comparison approach: Villa: approximately RMB31,000 to RMB34,000 per sq.m. Clubhouse: approximately RMB8,000 per sq.m.	III A-7
13.	A portion of Phase 1 of Nanchang Mantingchun MOMA	24,000,000	Direct comparison approach: Residential: approximately RMB6,800 per sq.m. Car parking spaces: approximately RMB88,000 per lot	III A-8
14.	A portion of Phase 2 of Nanchang Mantingchun MOMA	216,400,000	Direct comparison approach: Residential: approximately RMB6,400 per sq.m.	III A-8

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
15.	A portion of Phase 3 of Wan Guo Cheng MOMA (Taiyuan)	531,000,000	Direct comparison approach: Residential: approximately RMB18,000 per sq.m. Commercial: approximately RMB26,000 per sq.m.	III A-8
16.	A portion of Phase 1 of Xiantao Mantingchun MOMA	53,100,000	Direct comparison approach: Commercial: approximately RMB5,500 per sq.m.	III A-8
17.	Various retail units, Modern MOMA	229,000,000	Income capitalisation approach: • Capitalisation rate: 5.5% to 6.5% • Market monthly rent: approximately RMB96 to RMB260 per sq.m.	III A-9
18.	Various retail and office units, Wan Guo Cheng MOMA	242,000,000	Income capitalisation approach: • Capitalisation rate: 6.5% • Market monthly rent: approximately RMB125 to RMB250 per sq.m.	III A-9

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
19.	Various retail units, Modern City Garden	65,000,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.5% • Market monthly rent: approximately RMB79 to RMB154 per sq.m. 	IIIA-9
20.	A portion of iMOMA	26,000,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.5% • Market monthly rent: approximately RMB79 per sq.m. 	IIIA-9
21.	A portion of the clubhouse of Phase 1 of MOMA Forest Forever	4,600,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.5% • Market monthly rent: approximately RMB30 to RMB50 per sq.m. 	IIIA-10
22.	A portion of Wan Guo Cheng MOMA (Changsha)	13,200,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.0% • Market monthly rent: approximately RMB90 per sq.m. 	IIIA-10

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
23.	A portion of Changsha Mantingchun MOMA	114,500,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.0% • Market monthly rent: approximately RMB36 to RMB100 per sq.m. 	IIIA-10
24.	Various retail units of Phase 1 of Nanchang Mantingchun MOMA	6,000,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.0% • Market monthly rent: approximately RMB51 per sq.m. 	IIIA-10
25.	A portion of the composite building of Nanchang Mantingchun MOMA	11,600,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 6.0% • Market monthly rent: approximately RMB36 to RMB51 per sq.m. 	IIIA-10

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
26.	A portion of office block Nos. 8 to 10 and two residential units, Wan Guo Cheng MOMA	260,900,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB51,000 to RMB58,000 per sq.m.</p> <p>Office: approximately RMB31,000 per sq.m.</p>	IIIA-11
27.	A portion of Modern MOMA	181,000,000	<p>Direct comparison approach:</p> <p>Apartment: approximately RMB27,600 per sq.m.</p>	IIIA-11
28.	A portion of the clubhouse of Phase 1 of MOMA Forest Forever	24,300,000	<p>Income capitalisation approach:</p> <ul style="list-style-type: none"> • Capitalisation rate: 6.5% • Market monthly rent: approximately RMB30 to RMB50 per sq.m. 	IIIA-11
29.	Four residential units of Guangxi Jiayuan	26,900,000	<p>Direct comparison approach:</p> <p>Residential: approximately RMB43,000 per sq.m.</p>	IIIA-11

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
30.	Five residential units of Shangdi MOMA	22,300,000	Direct comparison approach: Residential: approximately RMB28,000 per sq.m.	IIIA-12
31.	Kindergarten of Shangdi MOMA	11,800,000	Income capitalisation approach: • Capitalisation rate: 5.5% • Market monthly rent: approximately RMB33 per sq.m.	IIIA-12
32.	No. 3203, Unit 5, Level 28, Block 6, No. 2 Xibahedongli, Chaoyang District, Beijing	6,600,000	Direct comparison approach: Residential: approximately RMB43,000 per sq.m.	IIIA-12
33.	Unit 6-0701, No. 6 East 4th North Ring Road, Chaoyang District, Beijing	7,200,000	Direct comparison approach: Residential: approximately RMB44,000 per sq.m.	IIIA-12
34.	Unit 2005, Level 18, Block 15, Huaqingjiayuan, Haidian District, Beijing	6,100,000	Direct comparison approach: Residential: approximately RMB52,000 per sq.m.	IIIA-13

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
35.	Kindergarten of iMOMA	6,000,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 5.5% • Market monthly rent: approximately RMB42 per sq.m. 	IIIA-13
36.	Unit 1501, Block 18, Wan Guo Cheng MOMA (Changsha)	1,300,000	Direct comparison approach: Residential: approximately RMB8,000 per sq.m.	IIIA-13
37.	A portion of Changsha Mantingchun MOMA	65,900,000	Direct comparison approach: Commercial: approximately RMB14,700 per sq.m.	IIIA-13
38.	Kindergarten of Changsha Mantingchun MOMA	8,400,000	Income capitalisation approach: <ul style="list-style-type: none"> • Capitalisation rate: 5.5% • Market monthly rent: approximately RMB13 per sq.m. 	IIIA-14

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
39.	Kindergarten of Nanchang Mantingchun MOMA	9,300,000	Income capitalisation approach: • Capitalisation rate: 5.5% • Market monthly rent: approximately RMB31 per sq.m.	IIIA-14
40.	Two residential units of Phase 1 of Nanchang Mantingchun MOMA	1,800,000	Direct comparison approach: Residential: approximately RMB7,000 per sq.m.	IIIA-14
41.	Unit 2604, Block No. 1 Phase 1 of Wan Guo Cheng MOMA (Taiyuan)	3,100,000	Direct comparison approach: Residential: approximately RMB14,500 per sq.m.	IIIA-14
42.	A portion of Phase 1 of Xiantao Mantingchun MOMA	36,700,000	Direct comparison approach: Commercial: approximately RMB11,300 per sq.m.	IIIA-15

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
43.	A portion of Phase 3 of Wan Guo Cheng MOMA (Taiyuan)	520,000,000	<p>Direct comparison approach*:</p> <p>Completion value attributable to the Group:</p> <p>Apartment: approximately RMB15,000 to RMB18,000 per sq.m.</p> <p>Commercial: approximately RMB25,000 to RMB38,400 per sq.m.</p> <p><i>* Subject to adjustment for outstanding development cost necessary for carrying out the proposed development.</i></p>	IIIA-15
44.	Phase 2 of Wan Guo Cheng MOMA (Taiyuan)	518,000,000	<p>Direct comparison approach*:</p> <p>Accommodation value: approximately RMB7,600 per sq.m.</p> <p><i>* Subject to adjustment for expended development cost.</i></p>	IIIA-15

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
45.	A portion of Phase 2 of Nanchang Mantingchun MOMA	428,000,000	<p>Direct comparison approach*:</p> <p>Completion value attributable to the Group:</p> <p>Residential: approximately RMB7,200 per sq.m.</p> <p>Car parking spaces: approximately RMB88,000 per lot</p> <p><i>* Subject to adjustment for outstanding development cost necessary for carrying out the proposed development.</i></p>	IIIA-16

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
46.	A portion of Jiujiang Mantingchun MOMA	750,000,000	<p>Direct comparison approach*:</p> <p>Completion value attributable to the Group:</p> <p>Residential: approximately RMB6,100 to RMB6,500 per sq.m.</p> <p>Commercial: approximately RMB8,100 per sq.m.</p> <p>Car parking spaces: approximately RMB85,000 per lot</p> <p><i>* Subject to adjustment for outstanding development cost necessary for carrying out the proposed development.</i></p>	IIIA-16

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
47.	Portions of Xiantao Mantingchun MOMA	669,000,000	<p>Direct comparison approach*:</p> <p>Completion value attributable to the Group:</p> <p>Residential: approximately RMB4,300 per sq.m.</p> <p>Apartment: approximately RMB5,000 per sq.m.</p> <p>Commercial: approximately RMB7,800 per sq.m.</p> <p><i>* Subject to adjustment for outstanding development cost necessary for carrying out the proposed development.</i></p>	IIIA-16

BUSINESS

No.	Property	Market value in existing state attributable to the Group as at March 31, 2013 (RMB)	Valuation Approach and Key Assumptions	Page no. of Valuation Report
48.	Changsha Kaifu Mantingchun MOMA	1,345,000,000	<p>Direct comparison approach*:</p> <p>Completion value attributable to the Group:</p> <p>Residential: approximately RMB6,800 to RMB7,100 per sq.m.</p> <p>Commercial: approximately RMB12,800 per sq.m.</p> <p>Car parking spaces: approximately RMB130,000 to RMB140,000 per lot</p> <p><i>* Subject to adjustment for outstanding development cost necessary for carrying out the proposed development.</i></p>	IIIA-16

BUSINESS

The following information is extracted from Crosson Dannis, Inc.’s report in “Appendix IIIB – U.S. Property Valuation” and summarizes Crosson Dannis, Inc.’s valuation of our property in U.S. and the selected key assumptions used by Crosson Dannis, Inc.’s in its valuation. Please refer to “Appendix IIIB – U.S. Property Valuation” for further details, including the background of these assumptions.

<u>No.</u>	<u>Property</u>	Market value in existing state attributable to the Group as at March 31, 2013 (US\$)	Valuation approach and key assumptions	Page no of U.S. Property Valuation
1.	Land area of approximately 43.671 acres (given land area of approximately 4.80 acres are in floodway/detention pond and is considered undevelopable)	5,230,000	Sales comparison approach: Based on market value of approximately US\$2.75 per net square feet	IIIB-4

OUR INVESTMENT IN THE APPLICATION OF ENERGY-SAVING TECHNOLOGY IN REAL ESTATE

We have been focusing on the R&D of scientific energy-saving technologies. Through the formation of our energy-saving system, we have integrated a number of advanced building technologies which can be summarized in the following 22 categories based on the national PRC standards of “Four Conservations and One Environment”: land conservation, water conservation, energy conservation, material conservation and environmental protection:

- | | |
|---------------------|--|
| Land Conservation | <ul style="list-style-type: none">• Use of environmental virtualization analysis technology in planning and designing in order to achieve a residential development with reasonable density (with floor area ratio being three or more)• Use of underground spaces• Use of abandoned land or upgrade of city development |
| Water Conservation | <ul style="list-style-type: none">• Dual water supply• Recovery and processing of waste water and use of reclaimed water• Collection and use of rain water• Rain infiltration• Man-made wet land |
| Energy Conservation | <ul style="list-style-type: none">• European standard building surface maintenance structure• Exterior windows with high performance insulation• Exterior shading• Separated air-conditioning systems with coil in dry or wet conditions• Application of heat recycling technology• Application of renewable energy, including solar and geothermal energy• Implementation of an intelligent building control system |

BUSINESS

Material Conservation	<ul style="list-style-type: none">• Recycling and recovery of building materials• Optimizing building design to save material• Modelling, digitalization, standardization and simplification of style to reduce building volume
Environmental Protection	<ul style="list-style-type: none">• Classification and reduction of household rubbish• Use of recoverable and degradable material• Protection of trees and natural vegetation on land to be developed• Prevention of municipal noise and light pollution

These technologies have all been adopted in our property development projects. With respect to each technology, we prepare several alternatives to adapt to various geographic climates and customer needs. While optimizing each technology, we have also proactively explored new energy-saving technologies so as to continuously enrich and improve the entire energy-saving system. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there have not been any material incidents or impact on our Group arising from prohibition of the use or application of eco-friendly technologies in our projects.

Core Technical Systems

To save energy and achieve sustainability, we have adopted the following core technical systems:

Exterior Temperature Preservation System

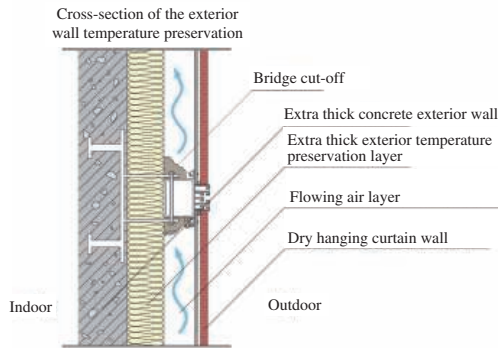
The combination of the exterior walling system, the exterior window system and the exterior shading system constitutes the exterior temperature preservation system that improves heat insulation performance in our buildings.

- **Exterior Walling System:** the exterior walls of our products utilize exterior insulation to preserve temperature. Outside the concrete exterior wall, an insulation layer is created which uses a plate made from rockwool or other high-performance insulation materials. Between the heat-insulation layer and the decorative glass on the exterior wall is a layer of flowing air which enhances insulation and keeps the insulation layer dry. Application of this exterior insulation approach can bring the heat transfer coefficient of the exterior wall to a level lower than that specified in the Energy Saving Design Standards for Residential Buildings.

Exterior Walling System



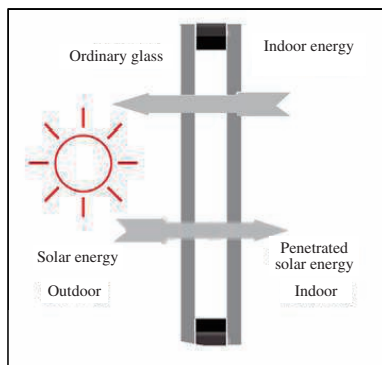
The exterior wall of common residential properties is approximately 20 cm, using common polyphenyl board of 3-5 cm thick, without air layer.



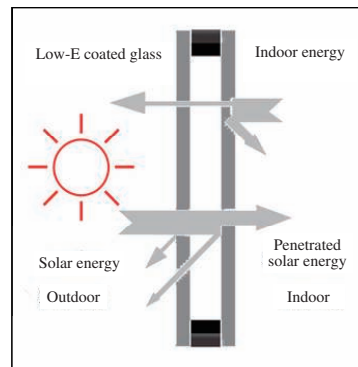
The exterior wall of our products is 30-40 cm, using a board made from rockwool or other high-performance insulation materials which is more than 7 cm thick. Such exterior wall can decrease the heat transmission using the air layer as well as decrease the heat loss of metal parts using bridge cut-off.

- Exterior Window System: our products utilize off-bridge aluminum alloy windows equipped with heat insulating off-bridge technology and the glass used on these windows is Low-E coated glass, ensuring that no heat will leak out in the winter or get in in the summer. This technology brings the heat transfer coefficient of our windows to a level lower than that specified in the Energy Saving Design Standards for Residential Buildings.

Exterior Window System



Solar radiation penetrated through common glass results in higher indoor energy consumption in summer.



The Low-E glass used in our products allows less solar penetration, which results in lower indoor energy consumption.

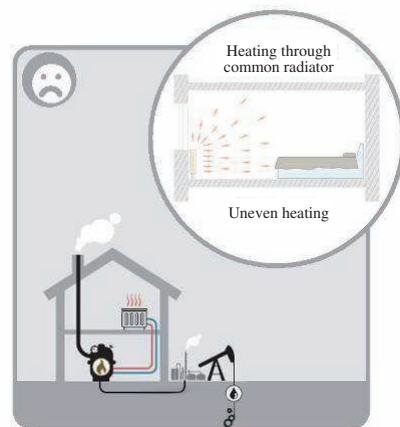
- Exterior Shading System: our products use adjustable exterior shading system, which not only prevents strong sunlight from directly entering the room, but also preserves the interior of the room in private. The combination of the exterior window system and exterior shading system enables the entire building to prevent much of the sunlight radiation and helps keep the room cool throughout the summer.

Heating and Cooling System

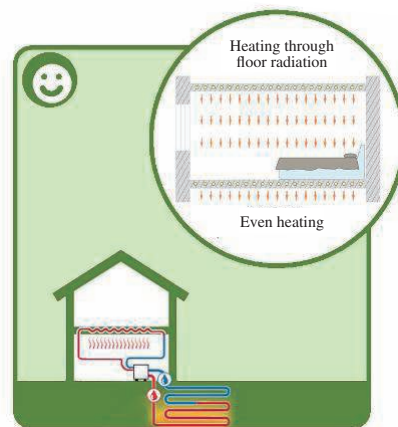
The overall fresh air displacement ventilation system and the ceiling heating and cooling system together achieve the separation of wet and dry air, and assure a comfortable indoor air temperature and humidity. It can also effectively prevent dew corrosion in humid areas during the summer.

- Ceiling Cooling and Heating System: The ceiling cooling and heating system used in our products is an advanced technology which provides constant temperature and humidity, continuous circulation of fresh air and is devoid of external noise. The system can be used in both winter and summer. Under this system, water pipes are buried in concrete floor slabs, either cold or hot water with an appropriate temperature determined by a change in season is injected into the pipes, and the concrete floor slabs will in turn give off and absorb heat. Consequently, the room temperature will be uniformly controlled by mild radiation from the floor slabs. Furthermore, no noise is generated when the system is in operation.

Ceiling Cooling and Heating System



Common Housing properties adopt air conditioner and heater, which result in noise and uneven heating.



Our products do not adopt air conditioner or heater, which does not generate noise but have even heating.

- Overall Fresh Air Displacement Ventilation System: This is a high performance ventilation and air quality control system. Fresh air outdoor is ventilated into the room after filtration, moisture addition or absorption, and polluted air is discharged by the waste ventilation system. Fresh air system is computer controlled, indicating that even if the room is left unoccupied for a long time, the interior air quality and air humidity can be kept constant. Furthermore, it does not cause any damage to the environment and generate any noise.

Overall Fresh Air Displacement Ventilation System



Common Housing properties use air conditioner to control temperature and air circulation, which results in low quality air.



Our products make continuous circulation of fresh air to provide better air quality.

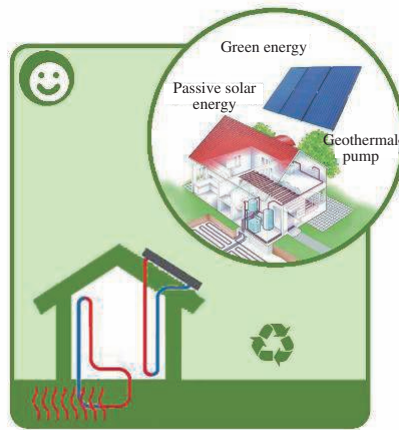
Application of Geothermal Pump System

In consideration of the need for environmental protection and sustainable development, we use the geothermal pump system to a large extent in our property developments, which is able to provide heat in winter and cooling in summer using renewable energy from the ground. The geothermal pump is in line with the PRC Government’s environmental protection and energy efficiency policy since the low temperature heat resource used in the heat pump is subterranean heat, a renewable energy source. In addition, the relatively stable geothermal energy allows the pumps to operate stably and efficiently, thereby greatly reducing maintenance fees.

Application of Geothermal Pump System



Common Housing properties use traditional energy which has low efficiency and high level of pollution.



Our products use clean energy which has high efficiency and no pollution.

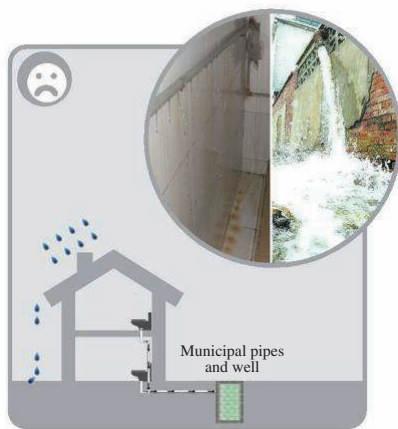
proBA

We installed an energy-saving control and smart home system named “proBA” in the buildings of our properties. The proBA system includes a communication platform and sensory equipment. Based on the inspection platform of the energy consumption of different items and the energy-saving diagnosis, the system is able to provide a highly efficient energy-saving control strategy, which controls a building’s temperature, humidity, fresh air and lighting, and supplies the amount of energy which corresponds to actual need.

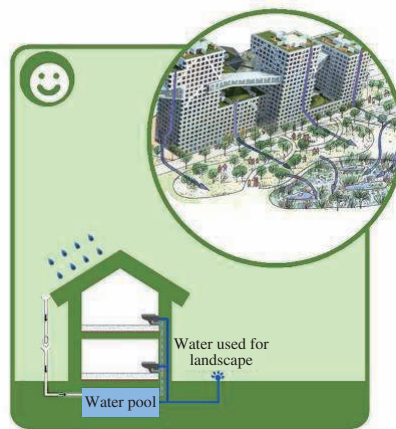
System for Optimizing Water Treatment

Our system for optimizing water treatment comprises of four water supply systems (a cool water system, a hot water system, a reclaimed water system and a drinking water system) and two drainage systems (a waste water system and sewage system). We achieve a multi-purpose use of water resources by (i) recovering the domestic waste water for reclaimed use, (ii) using the reclaimed water for gardening, waterscape and plumbing, (iii) applying our technology to improve the water quality in the landscape work and changing water less frequently, and (iv) recovering, treating, using and recycling rain water.

System for Optimizing Water Treatment



Common Housing properties consume more water which result in higher costs.



Our products use recycled water to reduce costs.

We apply our core technical systems across a number of property projects and some projects utilize more than one of the core technical systems. In terms of degree of application in each project, our core technical systems are applied to the whole project instead of specific units. The following table sets out the application of core technical systems in our property projects.

BUSINESS

Projects	Exterior Temperature Preservation System			Heating and Cooling System			ProBa System	System for Optimizing Water Treatment
	Exterior Walling System	Exterior Window System	Exterior Shading System	Ceiling Cooling and Heating System	Overall Fresh Air Displacement Ventilation System	Geothermal Pump System		
<u>Wan Guo Cheng MOMA</u>								
Wan Guo Cheng MOMA	√	√	√	√	√	-	-	-
Phase 1 of MOMA Forest Forever	-	√	√	√	√	√	√	-
Phase 2 of MOMA Forest Forever	-	√	√	√	√	√	√	-
Phase 3 of MOMA Forest Forever	-	√	√	√	√	√	√	-
Phase 4 of MOMA Forest Forever	√	√	√	√	√	√	√	√
Modern MOMA	√	√	√	√	√	√	√	√
Phase 1 of Wan Guo Cheng MOMA (Taiyuan)	√	√	√	√	√	-	√	-
Phase 2 of Wan Guo Cheng MOMA (Taiyuan)	√	√	√	√	√	-	√	-
Phase 3 of Wan Guo Cheng MOMA (Taiyuan)	√	√	√	√	√	-	√	-
<u>Shang Pin Ge MOMA</u>								
Shangdi MOMA	√	√	√	√	√	-	-	-
iMOMA	-	√	√	√	√	-	-	-
Yue MOMA	-	√	√	√	√	-	-	-
<u>Mantingchun MOMA</u>								
Phase 1 of Wan Guo Cheng MOMA (Changsha)	-	√	-	-	-	-	-	-
Changsha Mantingchun MOMA	√	√	-	-	-	√	-	-
Nanchang Mantingchun MOMA	√	√	-	√	-	√	-	-
Jiujiang Mantingchun MOMA	√	√	-	√	-	√	-	-
Xiantao Mantingchun MOMA	√	√	-	√	-	√	-	√
Changsha Kaifu Mantingchun MOMA	√	√	-	√	-	√	-	-

Energy Conservation Effect of Our Products

Through our proBA system, our “MOMA” series residential buildings are able to reduce energy consumption while providing residents with a comfortable living experience.

For example, according to Inspection Report (No. BETC-JN2-2008-8) dated March 21, 2008, which was issued by the National Architecture Engineering and Construction Quality Supervision and Inspection Center, the heat transfer coefficient of the outer wall of Wan Guo Cheng MOMA No. 8 building was approximately $0.49\text{W}/(\text{m}^2\cdot\text{K})$, which was lower than the specified figure $0.60\text{W}/(\text{m}^2\cdot\text{K})$, the standard heat transfer coefficient of 65% as required by Design Standard for Energy Efficiency of Residential Buildings of Beijing (DBJ01-602-2004). Based on the above inspection result and by using the index of heat loss of the building provided by Design Standard for Energy Efficiency of Residential Buildings of Beijing, the energy consumption of Wan Guo Cheng MOMA No. 8 building was approximately 6.96 kilograms standard coal per sq.m..

According to 2008 China Architecture Energy Saving Development and Research Annual Report released by the Architecture Energy Saving Development and Research Center of Tsinghua University, the energy consumption of a typical Beijing residential building was $83\text{kWh}/\text{m}^2$, equal to 10.2 kilograms standard coal per sq.m. The energy consumption of Wan Guo Cheng MOMA No. 8 building was approximately 31.8% lower than common Beijing residential building (see the table below), while providing residents with a high quality comfortable living environment.

Assuming that the energy consumption of Wan Guo Cheng MOMA No. 8 building is the average energy consumption of our energy-saving products, our energy-saving products can save 162 kilograms of standard coal per sq.m. during the full life span of residential buildings, as calculated on a 50-year basis, as compared to a Beijing common residential building.

BUSINESS

Below is a table that sets forth a comparison of (i) the standard coal consumption of a common residential building in Beijing, (ii) residential buildings that accomplish up to 65% in energy savings and (iii) our residential buildings.

Residential Type	Standard coal consumption per sq.m. of residential buildings	Standard coal consumption per sq.m. during full life span (50 years)
Beijing common residential building <i>(Note)</i>	10.2 kilograms	510 kilograms
Residential buildings in Beijing up to 65% energy-saving standard <i>(Note)</i>	8.82 kilograms	441 kilograms
Wan Guo Cheng MOMA No. 8 building	6.96 kilograms	348 kilograms

Note: The source of the data is the 2008 China Architecture Energy Saving Development and Research Annual Report (the "Report") issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us, the Sole Sponsor, the Underwriters or any other party involved in the Global Offering. As Wan Guo Cheng MOMA No. 8 Building was completed in 2008 and its relevant data were based on the Inspection Report (No. BETC-JN2-2008-8) dated March 21, 2008, which was issued by the National Architecture Engineering and Construction Quality Supervision and Inspection Center, the standards set out in the 2008 Report are adopted for fair comparison.

In addition to calculating energy savings by using standard coal consumption as a measure, our buildings are also energy efficient by using energy consumption for heating per sq.m. as a measure.

For example, Wan Guo Cheng MOMA No. 3 and No. 12 buildings' actual energy consumption index for heating compared to common housing projects is set forth in the below table:

Energy consumption index	Value of the Wan Guo Cheng MOMA No. 3 and No. 12 buildings	Common residential buildings in Northern China	Percentage of energy saving	Reference source
Hourly energy consumption per sq.m. (W/m ²)	16.88	45~70	63%~76%	Architecture Equipment Professional Technology Measures (Beijing Institute of Architectural Design)
Energy consumption for heating per sq.m. (GJ/m ²)	0.186	0.486	62%	2012 China Architectural Energy Saving Development Annual Research Report <i>(Note)</i>

Note: The 2012 China Architecture Energy Saving Development and Research Annual Report (the "Report") was issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us, the Sole Sponsor, the Underwriters or any other party involved in the Global Offering.

BUSINESS

Likewise, for Shangdi MOMA as set forth below:

<u>Energy consumption index</u>	<u>Value of Shangdi MOMA</u>	<u>Common residential buildings in Northern China</u>	<u>Percentage of energy saving</u>	<u>Reference source</u>
Costs of energy consumption for heating per sq.m. (RMB/m ²)	15.98	30	47%	Common residence heating charges of Beijing
Energy consumption for heating per sq.m. (GJ/m ²)	0.18	0.486	63%	2012 China Architectural Energy Saving Development Annual Research Report (<i>Note</i>)

Note: The 2012 China Architecture Energy Saving Development and Research Annual Report (the “Report”) was issued by the Architecture Energy Saving Development and Research Center of Tsinghua University, the preparation of which was not commissioned by us, the Sole Sponsor, the Underwriters or any other party involved in the Global Offering.

With the advanced building energy conservation technology system, the products we developed provide a comfortable accommodation experience and at the same time reduces energy consumption and contributes to the development of energy conservation and emission reduction in the PRC.

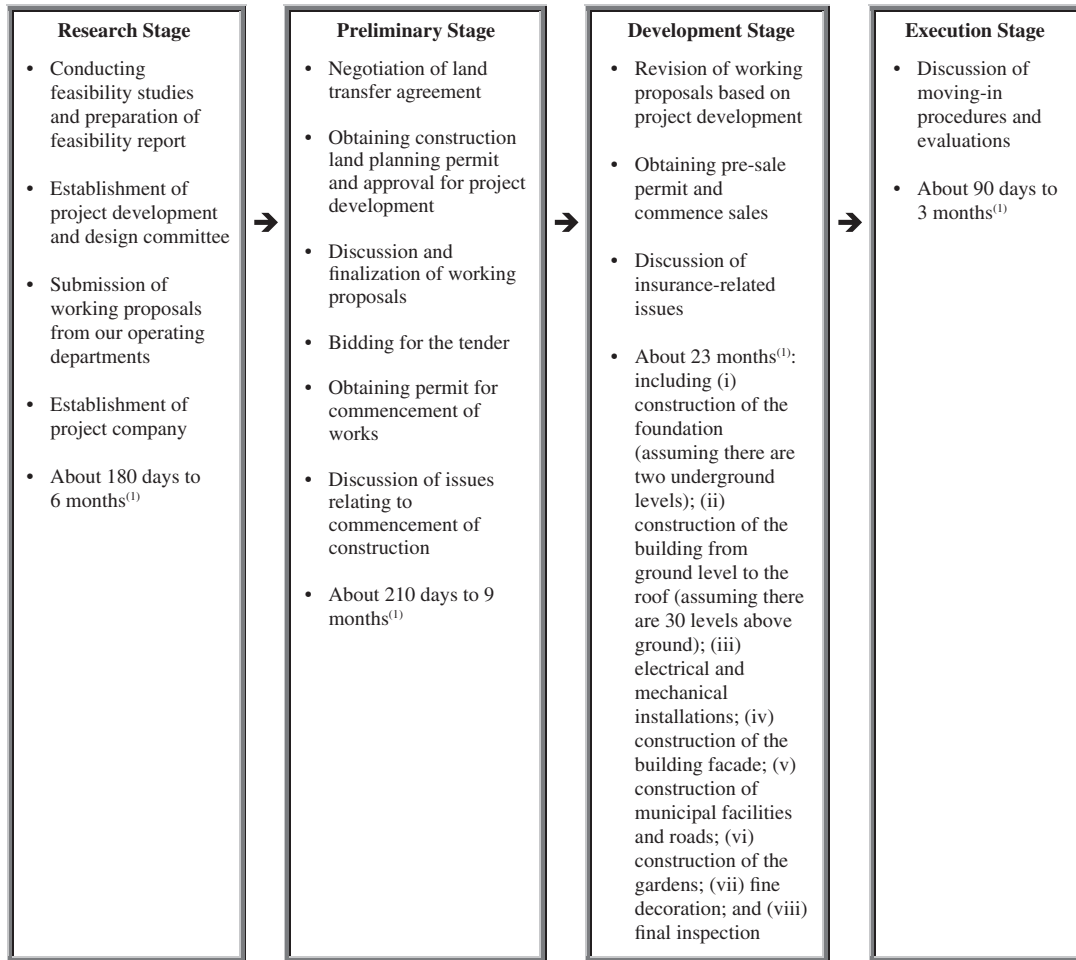
OUR PROPERTY DEVELOPMENT PROCESS

Project management system and procedures

We are highly focused on our property development process. As such, we have developed a set of detailed and standardized operating procedures to which we strictly adhere when conducting each step of the process, including feasibility study, site selection, project planning, project design and construction, marketing, pre-sales, sales, post-sales support, and others. These processes are managed, coordinated and supervised by our management at our headquarters in Beijing and implemented by the departments of our regional offices and project companies. Under these operating procedures, substantial input from, and constant monitoring and supervision by, different departments will be in place for each stage of our development process. We also take into account the conditions of land planning adjustment which relate to different aspects of our project development such as plot ratio, height and density of constructions as well as other development requirements of a project as requested by the planning authorities in our project management system and procedures.

BUSINESS

Our operating procedures are designed to enable real-time monitoring and supervision of each stage of our development process to help us to identify and resolve potential problems as early as possible during the project cycle, and to minimize material deviations from pre-approved budgets at each stage of our development process. Although the nature and sequence of specific planning and execution activities will vary among projects and may be subject to the requirements of local laws and regulations, we have summarized below the core elements of our typical project development process for our properties:



Note:

- (1) This is an estimated range as the required time for each property development stage may vary among projects depending on the geographical location and the size of the projects. As mentioned above, the sequence of specific planning and execution activities may also vary among projects as they may be subject to the requirement of local laws and regulations.

We have generally established separate project companies to undertake and facilitate the management of the development of each project. In line with industry practice and for the purpose of avoiding unnecessary administrative costs and resources to maintain a project company, we will consider a number of factors to determine whether a project company will be dissolved after the property development project has been completed. These factors include the availability of a new property development project in the locality and whether it is necessary or useful to retain the project company to obtain a higher qualification certificate on the basis of the property development experience of such project company.

Project Selection

We generally follow these steps in selecting or developing a new project:

- gather and analyze new project information (including land and projects under development) based on strategic development for a geographic region;
- preliminarily examine and register the project (subject to our strategic planning);
- review and approve project proposals (including preliminary market research and design analysis);
- perform a feasibility study (including detailed market research, design analysis, forensic research, investment budgeting, financial analysis and environmental protection assessment); and
- submit feasibility report to our chief executive officer for approval.

Based on our strategic planning and taking into account local market conditions, we identify and evaluate land with potential and companies holding land or having projects under development. We believe that the ability to identify such sites and companies is essential to the success of a real estate development company. Prior to the development of a piece of land, we conduct market research and analysis to identify the development trends in the area. We continue to monitor the property markets in the northwestern PRC, north PRC and the middle and lower reaches of the Changjiang River and other emerging cities to identify new opportunities for property developments. During the process of evaluation, our operations planning department works closely with our design and marketing team as well as with external consultants to thoroughly analyze the target site and to evaluate its potential for development. We make the decision to invest based upon our analysis of, among other things:

- our strategic planning;
- the location, size, shape and planned use of the project land;
- infrastructure and ancillary facilities nearby;
- regional planning and local policies on real estate development, future land supply and long-term and short-term development plans for the area and surrounding areas;
- local regulations and policies affecting the economy and the technological infrastructure of the region;
- economy development prospects and local population and its purchasing power;

BUSINESS

- estimated time for construction and completion of the project and costs of relocations (as appropriate); and
- competitors in the market.

Once we have decided on the acquisition of either a piece of land or a company with either land or a project under development, we prepare a feasibility report for approval by our chief executive officer. We cooperate with and provide opinions to the relevant local governments throughout the project development process in order to develop the land in a way that is compatible with the general urban planning.

Land Acquisition

We generally acquire land through the acquisition of land use rights by participating in public tenders, auctions or listings-for-bidding. In accordance with the Regulations on the Grant of State-owned Land Use Rights by Invitation of Tender, Auction or Listing-for-bidding (《招標拍賣掛牌出讓國有土地使用權規定》), promulgated on May 9, 2002 and effective since July 1, 2002, all land planned for commercial development (such as retail, tourism, entertainment, and commercial property) must be transferred in one of the following ways: public tenders, auctions or listings-for-bidding on the land exchanges.

Another method we use to acquire land is through the acquisition of equity interests in companies that hold land use rights. This increases our land bank and helps us to maintain a sustainable land supply in accordance with our development strategy.

We generally follow the following steps in land acquisition:

- arrange for bidding/tendering or contract negotiations for land;
- wait for notice of our successful bid/tender;
- sign land grant contract or equity transfer agreement with respect to target company concerning acquisition of the land;
- pay land grant premium;
- obtain land use rights certificate or acquire equity in the company with land use right;
- obtain all requisite permits and approvals from the relevant local PRC Government authorities; and
- relocate existing residents (as appropriate).

BUSINESS

We from time to time enter into land resettlement contracts with original land use rights owners to undertake certain fundamental operations required on their lands before the lands become suitable for property development and can be granted to property developers or other entities through public tender, auction or listing-for-sale. Land resettlement generally involve (i) compensation and resettlement of residents in the affected area, (ii) destruction of existing structures and clearing of the land, (iii) construction of infrastructure and civil and public facilities, and (iv) construction of the water supply, drainage, power supply, roads, communications infrastructure, heat supply and natural gas supply.

We believe that by conducting land resettlement operations, we can enhance our understanding of the relevant land and the related government development plan, thereby increasing our chance of successfully obtaining the land from the public tender, auction and listing-for-sale process for property development purposes.

As of December 31, 2010, 2011 and 2012, we had non-current deposits paid and prepayment for the acquisition of land use rights in the amount of approximately RMB891.3 million, nil and nil, respectively. The table below sets forth the details of the various projects related to such deposits and prepayments:

<u>Location</u>	<u>Identity and background of the recipient</u>	<u>Latest status of the acquisition</u>	<u>Nature of the utilization</u>
Land Lot P(2010)-190 located at Dongli Lake, Wuhan, Hubei Province	Wuhan Land Trade Center, a government agency	In 2010, we were not granted the land use rights and thus the deposit of RMB200 million was returned to us	Bidding deposit
No. 3, Xiangheyuan Road, Dongcheng District, Beijing (“Water Metre Plant Area Project”) ¹	Beijing Water Group Company Limited, a private company and an Independent Third Party; independent contractors for land resettlement operations; original residents on the relevant lands	We had completed all resettlement operations and the total investment with respect to the Water Metre Plant Area Project was approximately RMB413 million	Fees for destruction of existing structures and resettlement of residents; guarantee fee to original land use rights owner

BUSINESS

Location	Identity and background of the recipient	Latest status of the acquisition	Nature of the utilization
Qinghe northern warehouse located at An Ning Zhuang Road, Xisanqi, Haidian District, Beijing (“Qinghe Northern Warehouse Area Project”) ²	Beijing Hengwu Metal Materials Company Limited, a private company and an Independent Third Party; independent contractors for land resettlement operations; original residents on the relevant lands	We had completed all resettlement operations and the total investment with respect to the Qinghe Northern Warehouse Area Project was approximately RMB266 million	Fees for destruction of existing structures and resettlement of residents
Land Lot 2011-1 (Parcel AB) and 2 (Parcel CD) located at Dongbao District, Jingmen, Hubei Province	The Recipient Center of National Treasure of Dongbao District, Jingmen, Hubei province, a government agency	We have not been granted the land use rights and thus the deposit of RMB60 million was returned to us	Bidding deposit

Notes:

1. Water Metre Plant Area Project is a land resettlement project. Beijing Water Group Company Limited (“Beijing Water”) was the original land use rights owner with whom we contracted. Our total investment amount (excluding business tax of approximately RMB26.5 million) in Water Metre Plant Area Project was approximately RMB400.4 million. The public tenders, auctions or listings-for-bidding of the relevant land was held in March 2012 which we did not participate. The land use rights of the relevant land was granted to a third party. Based on the agreement between Beijing Land Consolidation and Reserve Centre, Beijing Water Group Company Limited (“Beijing Water”, the original land user) and our Group, we would be entitled to part of the resettlement compensation payable by the successful bidder in the amount of approximately RMB574 million in respect of Water Metre Plant Area Project. Agreement in respect of, among others, the resettlement compensation was signed by the successful bidder, Beijing Water and our Group in accordance with the tendering procedures in May 2012. For the year ended December 31, 2012, we had received resettlement compensation of approximately RMB545.2 million and recorded other income of approximately RMB146.9 million (after deduction of business tax of approximately RMB26.5 million but before deduction of income tax estimated to be approximately RMB36.7 million on the basis of the application of an income tax rate of 25%) in respect of the Water Metre Plant Area Project, of which an amount of approximately RMB28.7 million remained unsettled as of December 31, 2012 which had been settled in February 2013.
2. Qinghe Northern Warehouse Area Project is a land resettlement project. Beijing Hengwu Metal Materials Company Limited (“Hengwu Metal”) was the original land use rights owner with whom we contracted. Our total investment amount in Qinghe Northern Warehouse Area Project was approximately RMB267 million. The land use rights for the land of the Qinghe Northern Warehouse Area Project was granted to a third party in October 2011. According to the relevant compensation agreement signed between the successful bidder and Hengwu Metal, we were entitled to and had received approximately RMB267 million and therefore we had not recorded historical income/loss in respect of the Qinghe Northern Warehouse Area Project.

All of the deposits recipients above are not related to our Company, our directors, shareholders, senior management and any of their respective associates.

Pre-construction

We begin the pre-construction process by obtaining the necessary permits and certificates prior to the commencement of construction and following the grant of the development rights to a parcel of land. A property developer is only permitted to commence construction of a property development upon obtaining the construction land planning permit, the construction work planning permit and the construction work commencement permit (which will only be issued after the land use rights certificate, the construction land planning permit and the construction work planning permit are obtained). Details of these certificates and permits are set out below:

- land use rights certificate: a certification evidencing the right of a party to use a parcel of land;
- construction land planning permit: a permit authorizing a developer to begin the survey, planning and design of a parcel of land;
- construction work planning permit: a permit evidencing government approval for a developer's overall planning and design of a project and allowing a developer to apply for a construction work commencement permit; and
- construction commencement permit: a permit required for commencement of operation.

As of the Latest Practicable Date, save as disclosed in this prospectus, we had obtained land use rights certificates for all of our property development projects which have been completed, are under development and are held for future development. In addition, for all of our projects currently under development, we had obtained all relevant certificates and permits prior to the commencement of construction as required under PRC laws and regulations.

Project Financing

We finance our projects primarily through bank loans and our internal cash flow, including proceeds from the pre-sale and sale of our properties.

Although the financing methods vary from project to project, under relevant PRC regulations, not less than 35% of the total investment in a property development project must come from a property developer's own capital in order for banks to be able to extend loans to the property developer.

BUSINESS

Bank financing has been one of the major sources of funding for our property development projects. For details of our banking facilities, please refer to the section headed “Financial Information – Indebtedness – Bank and other borrowings” in this prospectus. According to guidelines issued by CBRC, no construction loan may be granted to projects which have not obtained the relevant land use rights certificate, construction land planning permit, construction work planning permit and construction work commencement permit.

We also use proceeds from the pre-sale of our properties to fund part of the construction costs of the relevant projects and to settle the bank loans for projects sold at the pre-sale stage. Proceeds from pre-sale form the integral source of operating cash inflows during our project development. According to the laws of the PRC, we may pre-sell properties under construction after certain criteria are met and proceeds from the pre-sales must be used for the construction of such properties.

Our ability to obtain financing for our projects also depends on the various measures introduced by the PRC Government. The PRC Government had from time to time in the past adopted certain restrictive measures to control the pace of development of the PRC property market, which may affect our ability to obtain bank financing. Among these measures were policy initiatives issued by the PRC Government on May 24, 2006 to use taxation, bank credit and land policies to regulate housing demand. For example, the PBOC has in recent years announced several increases in the reserve ratio of commercial banks as a result of which the reserve ratio increased. The reserve ratio refers to the amount that banks must set aside when they engage in lending. Any decisions to raise the reserve ratio by the PBOC will limit the amount available to commercial banks for lending and our ability to obtain financing from commercial banks may be adversely affected.

It is one of our strategies to optimize our capital and financing structure to secure sufficient financing for our future property development projects which we aim to achieve through a combination of retained earnings and access to the capital and debt markets.

Project Design

Through our mission “better living through architectural design and integrated technology” (科技建築，品位生活), we emphasize quality in all of our designs. We have a dedicated, experienced and professional team of designers. Many of our design managers possess practical experience from leading domestic property companies and extensive international experience. More importantly, our design team understands our culture of quality excellence.

BUSINESS

We also work with selected third party architectural and interior design institutions. We select third party designers through a process involving multiple interviews. Selected designers are highly reputable and known for their great innovation in both the domestic and overseas markets. Their collaboration is integral to the completion of our high-quality projects.

We determine the design of a particular property development by taking into account various factors including:

- proposed type of development;
- target market customers; and
- size and surrounding area of the site.

Construction

A property developer is only permitted to commence construction of a property development upon obtaining the construction land planning permit, the construction work planning permit and the construction work commencement permit (which will only be issued after the land use rights certificate, the construction land planning permit and the construction work planning permit are obtained).

During the construction phase, we work closely together with the contractors, the project engineers and the design firms to manage and monitor the project's progress. We also require our design team to provide constant supervision and conduct progress audits in order to ensure that construction progresses are in accordance with the design plan, budget and schedule.

Under current PRC law, if we failed to commence construction more than one year from the commencement date prescribed in the land grant contract, the relevant PRC land administrative department may serve a warning notice on us and impose an idle land fee of up to 20% of the land grant premium. If we failed to commence construction for more than two years from the relevant prescribed commencement date, the PRC Government may reclaim the land without compensation unless the delay is caused by force majeure, acts of government or their departments concerned, or early preparations necessary for commencement of development. For details, please refer to "Laws and Regulations – Regulations on Real Estate Project Development – Idle Land" in this prospectus. We have failed to carry out development before prescribed commencement date in compliance with the applicable idle land laws and regulations for three of our property development projects. For details, please refer to "Legal and Compliance Matters – (A) Idle Land" in this section. We will strictly comply with the relevant laws and regulations on idle land with respect to our future property development projects.

Procurement

Our procurement department is responsible for our strategic procurement, management of our contractors and suppliers and management of our bidding process.

Our property development projects normally involve the use of various contractors and suppliers, and many of whom we have established strong long-term business relationships. Among the factors we take into account when selecting contractors and suppliers are price, skillset, workmanship, and level of experience. As of the Latest Practicable Date, we had business relationships with approximately 3,000 suppliers, including approximately 90 long-term contractors. Our Directors confirm that we had not experienced any material disputes with our contractors during the Track Record Period.

Our typical co-operation arrangement is for a two-year term, renewable at the consent of both parties. In order to ensure the quality of the product, we generally do not allow our contractors to subcontract the work to others. Our construction contracts generally provide for progressive payments at specific milestones throughout the construction process. We also generally retain 5% of the contract sum for a period of one to two years after completion of the construction work and will apply such retained amount against any expense incurred by us to rectify any defects should the contractor fail to rectify these when called upon to do so. Equipment and construction materials required for our construction works are generally procured by our contractors at a pre-agreed price. In the event that the final purchase price of the equipment and construction materials procured by our construction contractors increases or decreases by more than a pre-determined percentage from the pre-agreed price, payments to our contractors will be adjusted accordingly to reflect any such difference exceeding the pre-determined percentage. Certain equipment, such as elevators and air-conditioning units, are centrally procured through our procurement department from our pre-selected vendors, which are willing to provide favorable price arrangement for our bulk purchases.

For the years ended December 31, 2010, 2011 and 2012, we incurred construction and other development costs of approximately RMB725.6 million, RMB1,332.6 million and RMB834.2 million, respectively.

BUSINESS

During the Track Record Period, we had received construction services from the following related parties:

<u>Name of related party</u>	<u>Projects involved</u>	<u>Year ended December 31,</u>		
		<u>2010</u>	<u>2011</u>	<u>2012</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Beijing Capital City Construction Engineering Co., Ltd. 北京首都城市建設工程有限公司 ⁽¹⁾	iMOMA and Phase I of Wan Guo Cheng MOMA (Changsha)	2,585	1,428	–
Beijing Modern Innovation Landscape Engineering Co., Ltd. 北京當代創新園林工程有限責任公司 ⁽²⁾	Modern MOMA	–	8,235	30
Modern Enlightenment ⁽³⁾	Modern MOMA	9	–	–
Total		<u>2,594</u>	<u>9,663</u>	<u>30</u>

Notes:

- (1) Beijing Capital City Construction Engineering Co., Ltd. is indirectly wholly owned by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (2) Beijing Modern Innovation Landscape Engineering Co., Ltd. is indirectly owned as to 26% by Mr. Zhang Lei. Mr. Zhang Lei disposed of his interest in Beijing Modern Innovation Landscape Engineering Co., Ltd. to Mr. Bai Jianping (an Independent Third Party) in October 2012.
- (3) Modern Enlightenment is indirectly wholly owned by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.

The amounts paid to the Beijing Capital City Construction Engineering Co., Ltd. and Beijing Modern Innovation Landscape Engineering Co., Ltd. for the years ended December 31, 2011 and 2012 represented the payments for past services provided by the said related parties. Our Directors expect that we will not continue to enter into transactions with the above related parties after the Listing.

Quality Control and Supervision

We place a strong emphasis on quality control to ensure our property development projects not only comply with relevant regulations but also meet our quality standards.

Under Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》), all property development companies 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. We may sometimes receive quality warranties from our third-party contractors with respect to our development projects. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there had not been any material incidents or impact on our Group arising from claims under statutory quality warranties.

BUSINESS

We have standardized and detailed quality control procedures in place for our various functional departments. We have also established stringent internal quality control procedures which apply to the design, construction and quality of materials used in our property development projects. In addition, we engage independent and certified engineering supervisory companies to conduct quality and safety control checks on all building materials, equipment and construction in accordance with relevant PRC laws and regulations. Quality control procedures are implemented through on-site inspections and supervision on a daily basis.

Sales and Marketing

In addition to our cooperation arrangements with external professional marketing and sales service providers to support our marketing activities, our Group has a dedicated marketing team of approximately 62 employees as of December 31, 2012. Our marketing and service center is responsible for formulating our marketing and sales strategies and managing the overall sales process. Each of our project companies has also established its own marketing and sales department to implement the marketing and sales strategies laid down by our marketing and sales center. The marketing and sales strategy varies from project to project and depends on a wide range of factors, including market conditions, our cash position, size, the phase and location of the project, timing for sales, targeted customer group as well as assessment of the latest austerity measures on the property market as promulgated by the PRC Government from time to time. We will continue to take into account different factors as mentioned above as well as the potential impacts of the austerity measures on the PRC property market promulgated by the PRC Government in formulating our sales and marketing strategy for our projects. For example, in the second half of 2011, we had postponed the pre-sales of one block of Phase 3 of Wan Guo Cheng MOMA (Taiyuan) in order to enhance the decoration and the interior design plans of the property units in response to the feedback of potential customers. We had adjusted the promotional strategy of Jiujiang Mantingchun MOMA in response to the price reduction of property projects nearby by offering fewer units at competitive price to attract customers when the pre-sale of Jiujiang Mantingchun MOMA was launched in late 2011. We had also adjusted the sales and marketing strategy of Nanchang Mantingchun MOMA to sell units without furnishing as a result of our experience during the course of pre-sales of Nanchang Mantingchun MOMA that unfurnished property units are more attractive to potential customers in the Nanchang market. Our marketing and sales center sets the sale price for each unit within a particular project based on the recommendation by the relevant project company, taking into account the marketing and sales strategies adopted for such project.

During the Track Record Period, we had not engaged in sales and marketing strategies such as provision of price discounts or price guarantees and repurchase of properties, gifts, lucky draws, waivers of down payments, payment of mortgage instalments on behalf of purchasers and conducting auctions with no set price on the internet. There had been no material change in our sales and marketing strategies or terms of our sales after the Track Record Period and up to the Latest Practicable Date.

BUSINESS

Our marketing and service center is divided into a Marketing Planning Department, a Customer Service Department, an Asset Management Department and a Corporate Culture and Brand Name Department. The responsibilities of each department are as follows:

- Marketing Planning Department: responsible for formulation of our marketing strategy and the marketing, promotion, monitoring and management of our projects.
- Customer Service Department: responsible for establishment of our customer service system, monitoring and management of customer service provided by our project companies.
- Asset Management Department: responsible for asset management and other related matters.
- Corporate Culture and Brand Name Department: responsible for corporate culture development, brand name build-up, advertising and computer & information science (CIS) management.

We outsource our sales to external sales agents which are Independent Third Parties. We select sales agents who have a wide client base, ample experience in property sales, a good reputation, and strong historical performance and sales quality. We give priority to sales agents who have previous experience in selling our properties.

Product lines

Currently, we have three product lines: Wan Guo Cheng MOMA, Shang Pin Ge MOMA and Mantingchun MOMA, providing different product features:

- Wan Guo Cheng MOMA targets high-end consumers and these homes are representative of our green and eco-friendly living style, and incorporates our most advanced energy-saving technologies. These properties, which are our highest quality in terms of comfort and design, intend to promote a living style that is “comfortable, energy-saving and sustainable”. While sales are generally slowest of the three product lines, the profit margin for each sale is generally higher. Examples of our Wan Guo Cheng MOMA product line include Wan Guo Cheng MOMA, MOMA Forest Forever, Modern MOMA and Wan Guo Cheng MOMA (Taiyuan).
- Shang Pin Ge MOMA targets mid- to high-end consumers, to whom we provide comfortable and energy-saving homes. The sales and profits margins are in between that of Wan Guo Cheng MOMA and Mantingchun MOMA. Examples of our Shang Pin Ge MOMA product line include Shangdi MOMA, Yue MOMA and iMOMA.

BUSINESS

- Mantingchun MOMA targets the general public. The basic living style of this product line is similar to that for Common Housing, but all of the buildings have used our core energy-saving technology in accordance with local market conditions and geographic climate. This has made our Mantingchun MOMA homes more comfortable and energy-saving than Common Housing. These properties generally sell at a faster pace than those in our other product lines, but result in lower profit margins. Examples of our Mantingchun MOMA product line include Nanchang Mantingchun MOMA, Phase 1 of Wan Guo Cheng MOMA (Changsha), Changsha Mantingchun MOMA, Changsha Kaifu Mantingchun MOMA, Xiantao Mantingchun MOMA and Jiujiang Mantingchun MOMA.

For details of the ASP of each of the projects under our three product lines during the Track Record Period, please refer to “Financial Information – Description of Certain Income Statement Items – Revenue” in this prospectus.

The following sets forth a breakdown of revenue and GFA sold for each period during the Track Record Period for each of our three product lines:

	Year ended December 31,		
	2010	2011	2012
Wan Guo Cheng MOMA			
Revenue (<i>RMB million</i>)	1,020.0	1,903.5	1,089.2
GFA sold (<i>sq.m.</i>)	52,649	147,614	68,094
Shang Pin Ge MOMA			
Revenue (<i>RMB million</i>)	23.6	447.1	42.7
GFA sold (<i>sq.m.</i>)	1,136	29,327	1,848
Mantingchun MOMA			
Revenue (<i>RMB million</i>)	469.7	775.3	605.0
GFA sold (<i>sq.m.</i>)	131,757	148,508	112,145
Revenue (Carpark) (<i>RMB million</i>)	18.8	9.2	208.7
Carpark Unit Sold (<i>units</i>)	84	51	1,110
Total Revenue of Sales of Properties			
<i>(RMB million)</i>	1,532.1	3,135.1	1,945.6

As our products are customer-based and our main selling points are comfort and energy efficiency, apart from relying on a small number of traditional advertising campaigns and promotions, we also encourage potential customers to experience the level of comfort of our properties by living in our sample accommodations. We call this “experimental living”. We have four sample accommodations in Beijing where potential customers can apply for

BUSINESS

“experimental living”. Once their applications are accepted, they can live in our sample accommodations for a few days. During their stay, they and their invited friends can use our facilities and join in leisure activities, such as watching movies at our cinemas or seeing plays at our theatre. At the end of their stay, they are invited to complete questionnaires to help us improve the quality of our properties and tailor them to their individual needs.

We emphasize on the importance of our customers’ relationship management and we use the MOMA Club as an avenue to organize customer events to promote good publicity and maintain strong ties with our existing customers.

Pre-sales and Sales

Our Marketing and Service Center is responsible for setting the price for our property developments. In order to determine the sales price, we take into account a number of factors, including, but not limited to, the following:

- size of the property
- direction where the property faces
- views
- floor level
- average sales price of other similar property developments
- the necessary sales price that will meet the profit rate requirement

During the price determination process, we conduct surveys, communicate with locals and investigate common problems of local housing. We also ascertain the price that locals are willing to pay for a more comfortable living environment. As a result, prices differ for each development.

Under the Measures for Administration of Sale of Commodity Properties (《商品房銷售管理辦法》) promulgated by the MOHURD in April 2001, the sale of commodity houses can include both sales prior to the completion of the buildings i.e. pre-sale of commodity properties and sales after the completion of the buildings. Any pre-sale of commodity properties must be conducted in accordance with the Measures for Administration of Pre-sale of Commodity Properties (《城市商品房預售管理辦法》) promulgated by the Ministry of Construction in November 1994, as amended in August 2001 and July 2004. For details, please refer to “Laws and Regulations – Regulations on the Real Estate Project Development – Sale of Commodity Properties” in this prospectus. The pre-sale of commodity properties is required to meet the following conditions:

- (i) the related land grant fee must be fully paid up and a Land Use Rights Certificate obtained;

BUSINESS

- (ii) a Construction Project Planning Permit and a Construction Commencement Permit must have been obtained;
- (iii) the funds invested in the development of the commodity properties intended for pre-sale must represent 25% or more of the total investment in the project and the progress of construction and the completion and delivery dates must have been properly determined; and
- (iv) the pre-completion sale has been registered and a Pre-sale Permit has been obtained.

The proceeds from the pre-sale of commodity properties must be used to develop the relevant project that is pre-sold.

Generally, it takes approximately 12 to 18 months from the date of purchase of a pre-sale property until its actual completion. Most customers who purchase properties at pre-sales take out mortgages and pay at least a 30% down payment on the value of the property, depending on that customers' particular circumstance.

Our customers are committed to complete the purchase of the pre-sold properties at the fixed price agreed with us pursuant to the relevant pre-sale contracts. There were no major returns of properties sold or pre-sold from the commencement of the Track Record Period to the Latest Practicable Date that had a material adverse impact on the financial or operating positions of our Group. We had not experienced any cancellation of sales (including pre-sales) during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, we were in compliance, in all material respects, with the relevant laws and regulations applicable to the pre-sale of properties in the PRC.

Payment and End-user Financing

Our customers can choose between a lump sum payment or by mortgage payment. During the Track Record Period, we have not pre-sold or sold any of our properties under a payment by instalment arrangement. If our customer chooses to settle the purchase price by making one lump sum payment, the customer will be required to fully settle the purchase price shortly after the date of the execution of the sales contract. Where a customer elects to pay by mortgage payment, such customer is required to pay a portion of the purchase price by cash, which is at least 30% of the total purchase price upon signing of the sales contract in accordance with the terms stipulated thereof, and the remaining amount is settled through proceeds from the relevant mortgage within two to three months, depending on approval process of relevant mortgagee bank. In line with market practice, we have made arrangements with various banks for the provision of mortgage facilities to our customers. Our guarantees are released upon completion of construction and either (i) the delivery of the mortgage registration documents to the relevant banks after the issuance of the property ownership certificate, or (ii) the full settlement of the mortgage loans by our customers, whichever occurs earlier. Where customers default on their mortgage payments, we help them by making the mortgage payment for them. However, if they default on several payments, we may repossess their properties and resell them.

BUSINESS

As of December 31, 2010, 2011 and 2012, and as of April 30, 2013, the amount of the outstanding guarantees of the mortgage loans was approximately RMB1,427.0 million, RMB1,229.6 million, RMB1,434.7 million, and RMB1,543.4 million (unaudited) respectively. In line with market practice, we do not conduct independent credit checks on our customers but instead rely on the credit checks conducted by the relevant bank. During the Track Record Period, we had encountered one incident of default by a purchaser for which we paid to the relevant bank an amount of approximately RMB2.4 million. Except for this one incident, we have not experienced any other purchaser defaults on mortgage loans that we guaranteed during the Track Record Period.

Please also refer to “Risk Factors – Risks Relating to Our Business – We guarantee mortgage loans of our customers and may be liable to the mortgagee banks if our customers default on their mortgage payments” in this prospectus. Our Directors confirm that there were no material disputes between our Group and the mortgagee banks during the Track Record Period.

Delivery of Properties

Once a property development project has passed the requisite government inspections and is ready for delivery, we notify the purchaser and deliver the properties to complete the sales process. Our pre-sale and sale contracts provide the time frame for delivery and we are required to make penalty payments to our customers for any delay in delivery. For sale of completed properties by one lump sum payment, we usually deliver the properties to the customers within one week of signing of the contracts. For pre-sales, our contracts stipulate the expected date of delivery which according to our internal procedures is usually about 60 days after the expected date of completion of construction. To facilitate timely delivery, we closely monitor the construction process and conduct inspections on the property prior to delivery. Upon service of the delivery notice by our customer service officer, our sales and engineering staff, in cooperation with the staff of the project management company, will inspect the property. Our customers are required to acknowledge receipt of delivery of properties in accordance with the terms under their respective sales and purchase agreements.

In relation to our properties for sale, after construction has been completed, we are required to obtain a completion and acceptance certificate (竣工驗收證明) from the relevant local governments before we are able to hand over the properties to our customers. Pursuant to a typical pre-sale agreement, if we fail to deliver the property on the delivery date stipulated in the pre-sale agreement, we are, depending on the length of delay, liable to pay a monetary penalty at the rate of 0.02% of the paid amount of the property purchase price on a daily basis until the delivery of the property is completed. If our delay exceeds 90 days, the relevant purchaser may have the right to declare the pre-sale agreement repudiated and to claim penalty fees against us.

For the years ended December 31, 2010, 2011 and 2012, we had compensation payable due to delay in delivery of properties to customers in the amount of approximately RMB1.0 million, RMB5.1 million and nil, respectively. The relatively higher compensation in 2011 was

BUSINESS

due to the delay in delivery of properties of Changsha Mantingchun MOMA. The delivery date of properties of our Changsha Mantingchun MOMA had been originally scheduled in September 2011. Due to the National Day public holidays in the PRC, the relevant governmental authorities had delayed in their administrative operations which was out of our anticipation at the time of signing the relevant pre-sale contracts with our customers based on our experience with our previous projects in Changsha and resulted in delay in government inspections and issue of the necessary completion and acceptance certificate, and hence delivery of properties. We completed the relevant government inspections and obtained the necessary completion and acceptance certificate, and notified the customers for handover of the properties in October 2011. The amount of compensation for delay in delivery of our Changsha Mantingchun MOMA properties is approximately RMB5.1 million. To ensure timely completion of properties, we actively communicate with our contractors as to the progress of construction. In the event of possible delays, we endeavor to negotiate and resolve such delays with relevant customers. As of the Latest Practicable Date, we did not foresee significant delay in the delivery of properties to our customers in accordance with terms of the relevant pre-sale contracts entered into with them.

Property Management and After-sales Services

Prior to the formation of the owner's committee, we are responsible for the management of the completed developments.

During the Track Record Period, we had received property management services from the following related parties which possess relevant expertise and are more familiar with our business operations enabling them to provide better services to us:

<u>Name of related party</u>	<u>Projects involved</u>	<u>Year ended December 31,</u>		
		<u>2010</u>	<u>2011</u>	<u>2012</u>
		<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Hunan First Estate ⁽¹⁾	Phase I of Wan Guo Cheng MOMA (Changsha)	1,323	3,261	6,958
Shanxi First Estate ⁽²⁾	Phase I of Wan Guo Cheng MOMA (Taiyuan)	1,077	6,203	8,577
Jiangxi First Estate ⁽³⁾	Nanchang Mantingchun MOMA	238	785	3,487
Beijing First Estate ⁽⁴⁾	Modern MOMA, Phase 1, 2 and 3 of MOMA Forest Forever, Yue MOMA, iMOMA and Shangdi MOMA	15,877	11,254	14,380
Moma Club ⁽⁵⁾	Wan Guo Cheng MOMA	326	1,151	1,306
Beijing Tongzheng Equipment ⁽⁶⁾	Modern MOMA	498	946	2,206
Hubei First Estate ⁽⁷⁾	Xiantao Mantingchun MOMA	–	–	1,019
Total		<u>19,339</u>	<u>23,600</u>	<u>37,933</u>

BUSINESS

Notes:

- (1) Hunan First Estate is indirectly wholly owned by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (2) Shanxi First Estate is held as to 95% by Beijing First Estate and as to 5% indirectly by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (3) Jiangxi First Estate is wholly owned by Beijing First Estate.
- (4) Beijing First Estate is indirectly held as to 20% by Mr. Zhang Peng, a member of our senior management and as to 80% by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (5) Moma Club is indirectly held as to 20% by Beijing First Estate and as to 80% by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (6) Beijing Tongzheng Equipment is indirectly wholly owned by Mr. Zhang Lei, our chairman, an executive Director and a Controlling Shareholder, and his daughter, Ms. Zhang Xinyu.
- (7) Hubei First Estate is wholly owned by Beijing First Estate.

We will continue to receive property management services from our related parties, details of which are set out in “Connected Transactions – Continuing connected transactions which are subject to the reporting, annual review and announcement but are exempted from independent shareholders’ approval – (i) Property management services” in this prospectus.

We have a dedicated customer service team providing comprehensive after-sales services, which include assisting customers in obtaining property title certificates, handling customer complaints and sponsoring social events for customers. In addition, our customer service team is responsible for collecting and analyzing customer data to identify the latest trends in customer preferences and it conducts customer satisfaction surveys to help improve our projects’ design, marketing strategies and quality of service.

PROPERTIES USED BY US

Our corporate headquarters is located at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, PRC. In addition, we leased 10 properties from other parties as of March 31, 2013, details of which are set out in Appendix IIIA to this prospectus. We use these leased properties primarily as office space.

Lessors of these leased properties have not provided ownership certificates to prove their titles or rights to lease these properties to us. Pursuant to the Law of Administration of Urban Real Estate in the PRC (《中華人民共和國城市房地產管理法》), promulgated on July 5, 1994 and revised on August 30, 2007 and August 27, 2009, if the lessors do not have titles or are unable to obtain consent to lease properties from the property owners, they are not entitled to lease the relevant properties. As a result, the validity of the relevant lease agreements is uncertain. Since the leased properties are used for office purpose, in the event that the lease agreements are declared invalid, our Directors consider that alternative premises are readily available for relocation and there would not be material impact on our operations.

BUSINESS

INVESTMENT PROPERTIES

We develop certain properties to generate rental income and to gain from the appreciation in the properties' values in the long term. As of the Latest Practicable Date, save as disclosed in the section headed "Connected Transactions" in this prospectus, all of our investment properties have been leased to Independent Third Parties. We lease out our investment properties and carparks for terms ranging from 1 year to twenty years, which leases are negotiated with the counterparties on a case by case basis. For the years ended December 31, 2010, 2011 and 2012, property rental income amounted to approximately RMB15.6 million, RMB17.6 million and RMB19.7 million, respectively. For investment properties amounting to nil, nil, and approximately RMB56.0 million as of December 31, 2010, 2011 and 2012, respectively the Directors concluded that they are not held under a business model whose objective is consumed substantially all of the economic benefits embodied in the investment properties over time. For other investment properties amounting to approximately RMB453.0 million, RMB493.0 million and RMB661.0 million as of December 31, 2010, 2011 and 2012, respectively the Directors concluded that they are held with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. In April and May 2013, the Group entered into sales and purchase agreements with the intention to sell certain of its investment properties to Independent Third Parties at an aggregate consideration of approximately RMB71.9 million.

We carefully monitor and assess the market conditions before making our selection of properties with long-term investment value as investment properties. We take into account various factors such as location, land use plans, supporting commercial facilities in nearby proximity and our commercial interests in deciding whether properties should be held for sale or retained for investment purpose, and will from time to time adjust the portfolio of our investment properties for the best interests of our Group.

Certain information with respect to our investment properties as of March 31, 2013 is set forth in Group II of the "PRC Property Valuation" in Appendix IIIA to this prospectus.

SUPPLIERS AND CUSTOMERS

Our suppliers primarily include construction contractors and building material suppliers. Our five largest suppliers accounted for approximately 45.7%, 15.5% and 41.8% of our total purchases in the years ended December 31, 2010, 2011 and 2012. Purchases from our largest supplier accounted for approximately 11.3%, 5.2% and 14.9% of our total purchases for the years ended December 31, 2010, 2011 and 2012, respectively.

None of our Directors, their associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of our share capital) has any interest in any of our five largest suppliers for the years ended December 31, 2010, 2011 and 2012.

BUSINESS

We target a broad base of customers with varied income levels and backgrounds who aim to improve their living environment and to enjoy a high standard of living while recognizing the significance of conservation.

Our five largest customers accounted for approximately 5.7%, 2.7% and 7.3% of our total sales for the years ended December 31, 2010 and 2011 and 2012. Our largest customer accounted for approximately 1.2%, 0.6% and 2.3% of our total sales for the years ended December 31, 2010, 2011 and 2012.

Except for Gold Family Technology, our largest customer for the year ended December 31, 2010, none of our Directors, their associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of our share capital) has any interest in any of our five largest customers for the years ended December 31, 2010, 2011 and 2012. Gold Family Technology is a company wholly owned by Mr. Zhang Lei (an executive Director and our Controlling Shareholder), hence a connected person of our Company, and currently does not carry on any active business activities. In 2010, Gold Family Technology purchased two properties of our MOMA Forest Forever project for a total amount of approximately RMB19.0 million for long-term investment in 2010. As confirmed by DTZ, the historical purchases of Gold Family Technology are fair and reasonable and on normal commercial terms, as compared to the selling prices of comparable properties to independent customers. Our Directors expect that there will not be any similar connected transactions with Gold Family Technology after the Listing.

RESEARCH AND DEVELOPMENT

Our R&D department headed by Mr. Chen Yin, an executive Director whose biographical details are set out in “Directors, Senior Management and Staff – Directors – Executive Directors” in this prospectus, is responsible for planning and designing our projects and managing the entire process from making the proposal to creating the construction drawing. Our R&D department includes our internal R&D design institute and our PRC subsidiary, Beijing New Power. As of December 31, 2012, our R&D department had 79 full-time employees who are engaged in architecture R&D and design. Our R&D expenses amounted to approximately RMB5.5 million, RMB5.4 million and RMB14.3 million for the years ended December 31, 2010, 2011 and 2012, respectively. According to relevant accounting standards, an intangible asset arising from R&D shall be recognized only if an entity can demonstrate, amongst others, the intangible asset will generate probable future economic benefits. Accordingly, in view that technologies arising from the research and development were embedded into our existing property projects, the additional economic benefit would be rather difficult to be separately identified and cannot demonstrate the existence solely for the developed technology, and as such, R&D costs incurred were being expensed rather than capitalized during the Track Record Period.

BUSINESS

We seek to build comfortable and eco-friendly properties that integrate unique energy-saving technologies. In 2006, the MOHURD issued the Evaluation Standard for Green Building, which provides that the authentication of a “green building” has three levels: one-star, two-star and three-star. Depending on the level of compliance with “green building” standard comprising reduced energy output, water conservation, and decreased consumption of construction materials, a property may be authenticated as a one-star, two-star or for highest level of compliance, three-star “green building”. One-star and two-star authentications can be granted by provincial departments across the PRC that are in-charge of the housing and urban-rural development, but three-star authentication can only be granted by the CSUS Green Building Research Center (中國城市科學研究會綠色建築研究中心) or “Green Building Label” Management Office (綠色建築評價標識管理辦公室). We are in the course of applying for two-star authentication for six buildings of four of our property projects under development and three-star authentication for one building under development. One building of our Nanchang Mantingchun MOMA has been given a three-star authentication.

Our R&D department is in charge of the management of Beijing New Power and the coordination of internal and external R&D resources. Beijing New Power is principally engaged in new architectural technology consultation, the design of specialized systems and working with external R&D institutions. In addition, it is responsible for acceleration of our design process as a whole and integration of our technology and related standardized work. It is engaged in the R&D and production of building automation system and intelligent household products which provides control solutions for various energy-saving technologies.

Our R&D design institute and Beijing New Power work closely together to form a comprehensive research and development platform which provides research and design support for our property projects. As of the Latest Practicable Date, we had registered 40 patents and had made 8 patent applications in the PRC. Of the 40 patents we own, 8 are invention patents and of the 8 pending patents, all are invention patents. Our registered patents are in relation to and applied in one or more of our exterior temperature preservation system, heating and cooling system and proBA system being three of our five core technical systems.

The building of a comfortable and environmentally friendly property development project requires not only certain construction techniques used in isolation. It requires an integrated approach in applying all construction techniques in order to overcome problems caused by differences in the construction environment, changes in customers’ needs, and various obstacles in the design and construction process. Such an approach enables the transformation from design to the finished product which meets market requirements for eco-friendly buildings. We have accumulated a wealth of experience, through years of development and practice, in the integration and practical application of energy-saving technology, which has helped shape our “MOMA” technology system. Further, in order to target the need of each construction project, we have prepared a wide variety of options to meet differing weather, environment and customers’ needs. Following continuous development and practical application, we continue to improve our existing technology, explore new technology and perfect our “MOMA” technology systems.

BUSINESS

AWARDS AND RECOGNITIONS

We have received various awards and recognition for our property development projects, including awards for quality, promotion of eco-friendly, R&D capabilities in the development of real estate products and overall reputation in the real estate industry in the PRC.

The tables below set forth some of the awards and recognitions we have received in the past. None of the awards and recognitions was sponsored or commissioned by our Group.

(a) **Awards and recognitions of our Group**

<u>Recipient</u>	<u>Award</u>	<u>Awarding organization/ institution</u>	<u>Time</u>
Modern Green Development	Low-Carbon Properties Pioneer Enterprise (低碳地產先鋒企業)	China Real Estate Information Corporation, Sina.com (中國房產信息集團、新浪網)	February 2010
	Beijing Outstanding Enterprise for Green Roof (北京屋頂綠色先進單位)	Beijing Green Roof Association (北京屋頂綠化協會)	January 2010
Modern Green Development	China's Best Low-Carbon Enterprise (中國最佳低碳企業)	The Economic Observer (《經濟觀察報》)	August 2010
Shanxi Modern Green Development	Top Leaders of Taiyuan Property Market 2010 – Top Brands Award for Enterprises (2010太原樓市影響力風雲榜頂級品牌企業獎)	Sohu.com (搜狐網)	January 2011

BUSINESS

(b) Awards and recognitions of our property projects

Project	Award	Granter	Time
Wan Guo Cheng MOMA (Changsha)	2012 Changsha Outstanding Property Management Living Community (2012 年度長沙市物業管理優秀住宅小區)	Changsha Municipal Commission of Housing and Urban-Rural Development (長沙市住房和城鄉建設委員會)	March 2013
Nanchang Mantingchun MOMA	Three-star authentication of “Green Building”	Chinese Society for Urban Studies Green Building Research Center	September 2011
Modern MOMA	2012 Beijing Outstanding Property Management Standard (Four-star) Living Community (2012 年度北京市物業管理示範(四星級)住宅小區)	Beijing Municipal Commission of Housing and Urban-Rural Development (北京市住房和城鄉建設委員會)	January 2013
	Stage 3, Certified under the LEED for Neighborhood Development Pilot 2011	U.S. Green Building Council, Natural Resources Defense Council and Congress for the New Urbanism	October 2011
	2010 Year Award of China Residential Building Design (2010 中國住宅建築設計年度大獎)	Real Estate Promotion Council, Construction Industry Sub-council, China Council for the Promotion of International Trade (中國貿促會建設行業分會地產促進會)	October 2010
	Best Residential Project Ground Winner, 2010 China Awards “Good design is good business” (第三屆好設計創造好效益中國獎最佳住宅項目大獎)	Architectural Record Magazine 《建築實錄》雜誌	March 2010
	2009 Best Tall Building Award Overall Best Tall Building (2009 年世界最佳高層建築獎整體最佳高層建築)	Council on Tall Buildings and Urban Habitat (高層建築與城市住宅協會)	July 2009
	2009 China Civil Engineering Zhan Tianyou Awards – Best Residential Community (2009 中國土木工程詹天佑獎—優秀住宅小區金獎)	China Civil Engineering Society Residential Project Guiding Working Committee (中國土木工程學會住宅工程指導工作委員會)	October 2009

BUSINESS

Project	Award	Granter	Time
	2008 Residential Merit Award (Sustainable Design) (2008年可持續發展建築獎)	American Institute of Architects New York Chapter (美國紐約建築師協會)	April 2008
	2007 The 10 Best (New and Upcoming) Architectural Marvels (2007年世界十大建築奇跡)	Time Magazine (美國《時代》週刊)	December 2007
	2006 World Top Seven Construction Engineering Wonders (2006年世界七大建築工程奇跡)	US Popular Science (美國《大眾科學》)	December 2006
	10 Wonders of the New China (新中國十大建築奇跡)	Business Week (US) (《商業週刊》(美國))	December 2005
	Human Culture Architecture Award (人文建築獎)	www.aaart.com.cn (中國建築藝術網)	March 2005
	Elite Foundation Sci-Tech Awards – Residential Community Green Ecological Technology Gold Award (精瑞住宅科學技術獎—住區綠色生態技術金獎)	All-China Federation of Industry and Commerce Residential Industry Chamber of Commerce (中華全國工商業聯合會住宅產業商會)	November 2004
	Best Building Exterior Design and Best Sustainable Development (最佳建築外觀獎、最具可持續發展獎)	Beijing News (《新京報》)	September 2004
	International Residential Architecture Art Overall Gold Award (國際居住建築藝術綜合金獎)	Organization Committee of First China International Architecture Art Festival, All-China Federation of Industry and Commerce Residential Industry Chamber of Commerce (2004首屆中國國際建築藝術雙年展組委會、中華全國工商業聯合會住宅產業商會)	September 2004
	China Architecture Art Awards – Residential Sector Committee Award (中國建築藝術獎—住宅類評委獎)	Chinese National Academy of Arts Institute of Architecture Art (中國藝術研究院建築藝術研究所)	April 2004

BUSINESS

Project	Award	Granter	Time
Modern MOMA (Building 8, 9 and 10)	China Sci-Tech Real Estate Classic Project (中國科技 地產經典項目)	China New Humanities Habitat Forum Organizational Committee, Science Times (中國新人居論壇組 織委員會、《科學時報》)	October 2004
Modern MOMA (Building 5, North)	2009 High-quality Project Award (2009年優質工程 獎)	Beijing Construction & Decoration Association (北京建築裝飾協會)	November 2009
Shangdi MOMA	2005-2006 China Real Estate Annual Most Valued Brand Building Site (2005-2006中國房地 產年度最具品牌價值名盤)	Department of Architecture of University of Hong Kong, School of Real Estate of Beijing Normal University, Sina.com and Lanchou Real Estate Review (香港大學建築學 院、北師大不動產學院、 新浪網、《藍籌地產評 論》)	June 2006
	2005 Beijing Star Building (2005年度明星樓盤)	Beijing Evening (《北京晚報》)	December 2005
	2005 The Best Quality Housing (2005年度最佳品 質住宅)	Reference News Beijing Reference (《參考消息北 京參考》)	November 2005
	2005 Best Buy Property (2005最值得購買樓盤)	www.focus.cn, China National Radio (搜狐焦點 房地產網、中央人民廣播 電台)	October 2005
	2005 Prize for Green & Ecological Architectural Technology (2005年度住 宅綠色生態技術優秀獎)	All-China Federation of Industry and Commerce Residential Industry Chamber of Commerce (中華全國工商業聯合會 住宅產業商會)	October 2005
	Beijing Energy-saving Model Project (北京優秀 建築節能示範項目)	China Real Estate Trade Association Urban Development Professional Development Committee, Property Market and China Business Times (中國房地產業協會城市開 發專業委員會、樓市雜 誌、中華工商時報社)	September 2005
MOMA Forest Forever Phase 2	China Top 100 Beautiful Property Projects (中國最 美麗的100個樓盤)	China National Geography (《中國地理雜誌》)	September 2008

BUSINESS

Project	Award	Granter	Time
	Beijing Property of Image – Mainstream Sci-Tech Residential Housing (北京形象樓盤—主流科技住宅)	Life Style (《精品購物指南》)	December 2007
	IHA Green Building Model (國際住協綠色建築獎—範例項目)	International Housing Association (國際住宅協會 (IHA))	September 2007
Wan Guo Cheng MOMA	2011 Top Ten Most Trusted Property Projects by Taiyuan Citizens (2011年太原市民最信賴的十大樓盤)	HOUSOO Shanxi Real Estate Portal (HOUSOO 山西房地產門戶網站)	April 2011
	2009 Top Ten Influential Projects in Taiyuan (2009年太原樓市十大影響力樓盤)	Shanxi Real Estate Association, Sohu Focus, Shanxi Youth Daily (山西房地產協會、搜狐焦點網、山西青年報社)	November 2009
	2006 China Gold House Awards – Outstanding Project of Increasing City Value (2006年度中國金房獎提升城市價值卓越項目)	All-China Federation of Industry and Commerce Residential Industry Chamber of Commerce, China Academy of Social Science Urban Development and Environment Research Center and Xinhua News Agency The Economic Observer (中華全國工商業聯合會住宅產業商會、中國社會科學院城市發展與環境研究中心、新華社經濟參考報)	October 2006
	2004 Beijing Bio-Waterside Residence (2004北京生態水景住宅)	All-China Federation of Industry and Commerce Residential Industry Chamber of Commerce, New Beijing Property Market (中華全國工商業聯合會住宅產業商會、《新北京樓市》)	November 2004

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights primarily consist of the patents, trademarks and domain names we use in our operations. For further details, please see “Statutory and General Information – B. Further Information About Our Business – 2. Intellectual Property Rights of our Group” included in Appendix V to this prospectus. As of the Latest Practicable Date, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

BUSINESS

INSURANCE

Property developers are not required under PRC laws and regulations to maintain insurance coverage with respect of their property development operations. In addition, we generally do not take out insurance against personal injuries that may occur during the construction of our properties. According to relevant PRC laws and regulations, general contractors and construction companies are responsible for safety control during the course of construction and are required to maintain accident insurance for their construction workers. The general contractors and construction companies will bear the risks and liabilities arising from tortuous acts committed on work sites under the terms of our construction contracts. As of the Latest Practicable Date, we have not experienced any material damage to our property developments nor have any material personal injury-related claims brought against us.

We are of the view that the insurance coverage taken out by our Group is typical and in line with the industry practice for similar operations and is adequate for the operations of our Group. However, there is a risk that we do not have sufficient insurance coverage for losses, damages and liabilities that may arise from our business operations. Please refer to the section headed “Risk Factors – Risks Relating to Our Business – We may not have adequate insurance to cover all kinds of losses and claims in our operations.” in this prospectus.

SOCIAL, HEALTH AND SAFETY MATTERS

In respect of social responsibilities, in particular, health, safety and social insurance, pursuant to the relevant laws and regulations in the PRC, we are required to execute an employment contract with our employees in accordance with relevant laws and regulations and cannot rescind the employment contract without cause. In addition, we are required to pay contributions for basic medical insurance, pension insurance, maternity insurance, unemployment insurance and personal injury insurance as well as to housing funds for our employees in accordance with the relevant law and regulations. For details of the applicable laws and regulations, please refer to “Laws and Regulations – Regulations on Labors” in this prospectus.

In order to comply with the relevant laws and regulations, we participate in various defined retirement contribution plans organized by the PRC provincial and municipal governments for our employees. We pay on behalf of our employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing provident fund. During the Track Record Period, we have complied with applicable PRC social, health and safety regulations in all material respects.

ENVIRONMENTAL MATTERS

We are subject to certain laws and regulations concerning the protection of the environment. The particular environmental laws and regulations that apply to any given property development project vary according to its location, the environmental factors associated with such development, construction and/or operations and the current and future usage of the land and the properties. Pursuant to these laws and regulations, each property development project is required to undergo environmental assessments. An environmental impact assessment document has to be submitted by the property developer before the relevant authorities will grant a permit for commencement of construction work on the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure the compliance with applicable environmental standards and regulations before the property can be delivered to the purchaser.

LEGAL AND COMPLIANCE MATTERS

Set out below is an overview of certain legal and compliance matters affecting our Group during the Track Record Period. The Directors consider that none of the legal and compliance matters as mentioned below will have any material operational or financial impact on our operations and the risk that we will be subject to claims, damages or further penalty with respect thereto is remote. Save as disclosed herein, we have obtained all necessary licences, approvals and permits that are material to our business operations and, during the Track Record Period and up to the Latest Practicable Date, we have been in compliance in all material respects with the applicable laws and regulations in the PRC. So far as we are aware, there are no pending or threatened actions against us by any regulatory authority in the PRC and we are not currently subject to any penalty imposed by the relevant PRC authorities.

(A) Idle Land

Under current PRC law, unless the delay is caused by force majeure, acts of government or their departments concerned, or early preparations necessary for commencement of development as provided in the Measures on Disposing Idle Land (《閒置土地處置辦法》), if we fail to commence construction for more than one year from the commencement date prescribed in the land grant contract, the relevant PRC land administrative department may serve a warning notice on us and impose an idle land fee of up to 20% of the land grant premium, and if we fail to commence construction for more than two years from the relevant prescribed commencement date, the PRC Government may reclaim the land without compensation. For details, please refer to “Laws and Regulations – Regulations on Real Estate Project Development – Idle Land” in this prospectus.

BUSINESS

As of the Latest Practicable Date, construction of one of our projects under development, namely Phase 2 of Wan Guo Cheng MOMA (Taiyuan), had been delayed for more than one year from the prescribed construction commencement date under the relevant land grant contracts. Nevertheless, in view of the relevant documents issued by the relevant PRC governmental authorities, and based on the opinion of our PRC legal advisor, the Directors consider that the failure of our Group with respect to the obligations under the relevant land use rights grant contracts as mentioned above will not have any material operational or financial impact on our operations, and the risk that we will be subject to idle land fees and/or forfeiture of lands with respect thereto is remote.

We have not been subject to any penalty and no action has been taken by the governmental authorities in relation to our delay in commencement of construction. Construction of Phase 2 of Wan Guo Cheng MOMA (Taiyuan) have commenced and are under development. Pursuant to the confirmations obtained from and consultations conducted with the relevant competent authorities, our PRC legal advisor is of the view that we will not be subject to payment of idle land fees and/or forfeiture of lands with respect to our delays in commencement of construction in respect of Phase 2 of Wan Guo Cheng MOMA (Taiyuan).

We have established internal procedures and a management operation system to ensure that we will comply with the obligations under land use rights grant contracts under the applicable PRC laws. Please refer to “Business – Internal Control Measures to Ensure Future Compliance” in this prospectus for details.

BUSINESS

The following table sets out the relevant details of our Phase 2 of Wan Guo Cheng MOMA (Taiyuan):

Item No.	Project	Location	Approximate Site Area Involved (sq.m.)	Proposed Construction Commencement	Delay Period	Current Status	Reasons for Non-compliance	Explanatory Documents from Relevant Authorities	Our PRC legal advisor's opinions
				Date under Land Grant Contract					
1.	Wan Guo Cheng MOMA (Taiyuan) (Phase 2)	Taiyuan, Shanxi Province	52,918	December 31, 2009	2009.12.31 – 2011.11.23 (being the commencement date of construction)	Project under development (Pre-sale permit was obtained in September 2012 and construction is expected to complete by December 2013.)	<ul style="list-style-type: none"> Pursuant to the consultation with Taiyuan State-owned Resources Bureau (太原市國土資源局) which advised that the time requirement in construction planning and commencement procedures had partly led to the delay in commencement of construction Under the suggestion by Taiyuan Central Business Management Center for the sake of public security and improvement of environmental quality that Wan Guo Cheng MOMA (Taiyuan) (Phase 2) would commence the construction after the China Middle Area Investment Exhibition held in September 2011, so as to avoid possible inconvenience that might be caused by property related construction in the area 	Our Directors believe that given the reasons for the delay in commencement of construction as well as the fact that construction had been commenced, Taiyuan State-owned Land Resources Bureau (太原市國土資源局) issued a certification dated August 30, 2011 which certified that Shanxi Modern Green Development had not conducted any land development activities which are in breach of laws and confirmed that the said bureau would not terminate the relevant land grant contract, impose default payment or idle land fees, or reclaim the land use rights against us	Based on (i) the reasons for the delay in commencement of construction given by Taiyuan Commercial Management Center (太原市中心商務管理中心); (ii) the certification dated August 30, 2011 issued by Taiyuan State-owned land Resources Bureau that there is no land development activities in breach of laws, (iii) we have not received any idle land notification nor penalty in relation to the delay in commencement of construction from the relevant land administrative department; (iv) we have obtained the relevant construction permits on November 23, 2011; (v) consultation with Taiyuan State-owned land Resources Bureau; (vi) our PRC legal advisors are not aware of any evidence which suggests that there is idle land situation, our PRC legal advisor advises that Taiyuan State-owned Land Resources Bureau will not claim against us for our breaches of the construction terms of the relevant land grant contracts under normal circumstance. Our PRC legal advisor also advises that Taiyuan State-owned Land Resources Bureau is the competent authority to issue the relevant explanatory document

(B) Delay in Commencement of Construction for One Year or Below

As of the Latest Practicable Date, construction of four of our projects, namely Changsha Kaifu Mantingchun MOMA, Phase 3 of Wan Guo Cheng MOMA (Taiyuan), Xiantao Mantingchun MOMA and Nanchang Mantingchun MOMA, all of which have commenced construction and under development, had been delayed for less than one year from the prescribed commencement date under the relevant land grant contracts. The said delays were due to the adjustment in district planning, failure of land resettlement on time, and lack of municipal facilities which were out of our control. For further details, please refer to the table below. We have never been imposed any default payment in relation to our delays in commencement of construction. As advised by our PRC legal advisor, the relevant land administrative department will not claim against us for our breaches of the construction terms of the relevant land grant contracts for Changsha Kaifu Mantingchun MOMA, Phase 3 of Wan Guo Cheng MOMA (Taiyuan), Xiantao Mantingchun MOMA and Nanchang Mantingchun MOMA.

Pursuant to the relevant land grant contracts, we may be liable to pay liquidated damages equivalent to 0.5% of the outstanding land grant premium per day and/or may have the relevant land grant contracts terminated by the land administrative departments. Nevertheless, in view of the relevant documents issued by the relevant PRC governmental authorities, and based on the opinion of our PRC legal advisor, the Directors consider that the failure of our Group with respect to the obligations under the relevant land use rights grant contracts as mentioned above will not have any material operational or financial impact on our operations, and the risk that we will be subject to liquidated damages and/or termination of the land grant contracts with respect thereto is remote.

We have established internal procedures and a management operation system to ensure that we will comply with the obligations under land use rights grant contracts under the applicable PRC laws. Please refer to “Business – Internal Control Measures to Ensure Future Compliance” in this prospectus for details.

BUSINESS

The following table sets out the relevant details of our Changsha Kaifu Mantingchun MOMA, Phase 3 of Wan Guo Cheng MOMA (Taiyuan), Xiantao Mantingchun MOMA and Nanchang Mantingchun MOMA:

Item No.	Project	Location	Approximate Site Area Involved	Proposed Construction Commencement		Current Status	Reasons for Non-compliance	Explanatory Documents from Relevant Authorities	Our PRC legal advisor's opinions
				Date under Land Grant Contract	Delay Period				
			<i>(sq.m.)</i>						
1.	Changsha Kaifu Mantingchun MOMA	Changsha, Hunan Province	147,688	June 30, 2011	2011.6.30 – 2012.5.18 (being the commencement date of construction)	Project under development (Construction is expected to complete by October 2013 to October 2015.)	Adjustment in district planning by municipal government of Kaifu District in correspondence to adjustment of electricity facilities in the district	Confirmation Letter dated August 29, 2011 issued by Changsha State-owned Land Resources Bureau (長沙市國土資源局), the said bureau confirmed that the delay in commencement of construction was due to adjustment in district planning, it will not terminate the relevant land grant contract, impose penalty, or suspend Hunan Modern Green's qualification to participate in land transfer activities in its governing land transaction market	Based on (i) we have not received any notification or request in relation to the delay in commencement of construction from Changsha State-owned Land Resources Bureau; (ii) that Changsha State-owned Land Resources Bureau confirmed that the delay in commencement of construction was due to adjustment in district planning and it will not terminate the relevant land grant contract, impose penalty or suspend Hunan Modern Green's qualification to participate in land transfer activities, our PRC legal advisor advises that Changsha State-owned Land Resources Bureau will not claim against us or impose penalty on us for our breaches of the construction terms of the relevant land grant contracts. Our PRC legal advisor also advises that Changsha State-owned Land Resources Bureau is the competent authority to issue the relevant explanatory document

BUSINESS

Item No.	Project	Location	Approximate Site Area Involved (sq.m.)	Proposed Construction Commencement		Current Status	Reasons for Non-compliance	Explanatory Documents from Relevant Authorities	
				Date under Land Grant Contract	Delay Period			Our PRC legal advisor's opinions	
2.	Wan Guo Cheng MOMA (Taiyuan) (Phase 3)	Taiyuan, Shanxi Province	18,861	December 31, 2009	2009.12.31 – 2010.12.30 (being the commencement date of construction)	Project under development (Pre-sale permit was obtained in March 2011 and construction is expected to complete by February 2013 to December 2015.)	Failure of land resettlement on time by original land user entity	As delay in the construction was due to the original land user entity and construction of the project had been commenced, Taiyuan State-owned Land Resources Bureau (太原市國土資源局) issued a certification dated August 30, 2011 and certified that Shanxi Modern Green Real Estate Development (which developed Phase 3 of Wan Guo Cheng MOMA (Taiyuan)) has not conducted any land development activities which are in breach of contracts or laws	In view that (i) we have not received any notification or request from Taiyuan State-owned Land Resources Bureau in relation to the delay in commencement of construction; and (ii) that Taiyuan State-owned Land Resources Bureau confirmed there was no land development activities in breach of contract or laws, the above-mentioned land administrative department will not claim against us or impose penalty on us for our breaches of the construction terms of the relevant land grant contracts. Our PRC legal advisor also advises that Taiyuan State-owned Land Resources Bureau is the competent authority to issue the relevant explanatory document

BUSINESS

Item No.	Project	Location	Approximate Site Area Involved (sq.m.)	Proposed Construction Commencement		Current Status	Reasons for Non-compliance	Explanatory Documents from Relevant Authorities	
				Date under Land Grant Contract	Delay Period			Our PRC legal advisor's opinions	
3.	Nanchang Mantingchun MOMA	Nanchang, Jiangxi Province	116,349	June 28, 2010	2010.6.28 – 2010.9.21 (being the commencement date of construction)	Project under development (Pre-sale permit was obtained in November to December 2010 and construction of portion of Nanchang Mantingchun MOMA was completed in August 2011 and the remaining portion is expected to complete by December 2013.)	Failure of land resettlement on time by original land user entity	Letter dated May 6, 2010 issued by Nanchang State-owned Land Resources Bureau (南昌市國土資源局), the said bureau confirmed that the original land user entity failed to complete the land resettlement on time	In view that (i) we have not received any notification or request from Nanchang State-owned Land Resources Bureau in respect of the delay in commencement of construction; (ii) that Nanchang State-owned Land Resources Bureau confirmed the delay in commencement of construction was due to the failure of third party to complete land resettlement on time; and (iii) consultation with the relevant land administrative departments which confirmed that if the delay in commencement of construction was caused by the government authorities, they will not claim against the enterprises or impose penalty on them for breaches of the construction terms of the relevant land grant contracts, our PRC legal advisor advises that the relevant land administrative department will not claim against us or impose penalty on us for our breaches of the construction terms of the land grant contracts under normal circumstances. Our PRC legal advisor also advises that Nanchang State-owned Land Resources Bureau is the competent authority to issue the relevant explanatory document

BUSINESS

Item No.	Project	Location	Approximate Site Area Involved (<i>sq.m.</i>)	Proposed Construction Commencement		Current Status	Reasons for Non-compliance	Explanatory Documents from Relevant Authorities	
				Date under Land Grant Contract	Delay Period			Our PRC legal advisor's opinions	
4.	Xiantao Mantingchun MOMA	Xiantao, Hubei Province	226,095	July 31, 2011	2011.7.31 – 2011.10.28 (being the commencement date of construction)	Project under development (Pre-sale permit was obtained in March 2012 and construction is expected to complete by May 2013 to August 2015.)	Failure of land resettlement on time and lack of municipal facilities	Certification dated November 25, 2011 issued by Xiantao State-owned Land Resources Bureau (仙桃市國土資源局) which confirmed, among other things, that the delay in commencement of construction was due to the failure in completion of land resettlement and Hubei Wanxing has not breached the terms of the land grant contract	In view that (i) we have not received any notification or request from Xiantao State-owned Land Resources Bureau in relation to the delay in commencement of construction; (ii) the construction has commenced since October 28, 2011; and (iii) the certification issued by Xiantao State-owned Land Resources Bureau (仙桃市國土資源局) which confirmed that the delay in commencement of construction was due to the failure in completion of land resettlement and Hubei Wanxing has not breached the terms of the land grant contract, our PRC legal advisor advises that the above-mentioned land administrative department will not claim against us or impose penalty on us for our breaches of the construction terms of the relevant land grant contracts. Our PRC legal advisor also advises that Xiantao State-owned Land Resources Bureau is the competent authority to issue the relevant explanatory document

(C) Delay in Payment of Land Grant Premium

Save as disclosed in this prospectus, as of the Latest Practicable Date, we had duly and fully made payment of the land grant premium in respect of all our projects and had not received any claims of liquidated damages in this regard from the relevant land administrative departments. Although Hubei Wanxing has fully paid the land grant premium in May 2011 and obtained the State-owned Land Use Rights Certificates, Hubei Wanxing did not pay the land grant premium in accordance with the relevant land grant contracts in a timely manner. The delays in payment of land grant premium was due to the failure of land resettlement on time and lack of municipal facilities (which were responsible by third parties) and occurred before our acquisition of Hubei Wanxing in 2011, and were therefore out of our control.

BUSINESS

Pursuant to the relevant land grant contracts, we may be liable to pay liquidated damages equivalent to 0.1% of the outstanding land grant premium per day and/or may have the relevant land grant contracts terminated by the land administrative departments. Nevertheless, since we had fully paid the land grant premium and obtained the land use rights certificates, as advised by our PRC legal advisor, we will not be subject to any further penalty in respect of the aforesaid delay in payment of land grant premium by Hubei Wanxing. In view of the relevant documents issued by the relevant PRC governmental authorities, and based on the opinion of our PRC legal advisor, the Directors consider that the failure of our Group with respect to the obligations under the relevant land use rights grant contracts as mentioned above will not have any material operational or financial impact on our operations and the risk that we will be subject to further liquidated damages and/or termination of the land grant contracts with respect thereto is remote.

We have established internal procedures and a management operation system to ensure that we will comply with the obligations under land use rights grant contracts under the applicable PRC laws. Please refer to “Business – Internal Control Measures to Ensure Future Compliance” in this prospectus for details.

(D) Non-registration of Leases

As of the Latest Practicable Date, we leased 53 properties to other parties. According to the Commercial Properties Leasing Management Regulations (《商品房屋租賃管理辦法》), lease agreements have to be registered with the relevant authorities within 30 days of signing. In the event of non-compliance, relevant government authorities may order for rectification, and if the relevant parties fail to comply with the rectification requirements within the prescribed time limit, they will be fined RMB1,000 to RMB10,000. As of the Latest Practicable Date, we have not registered 30 lease agreements with the relevant government authorities. Out of the 30 lease agreements, 3 lessees have signed letters of intent to purchase their respective leased properties and the relevant sale and purchase transactions will be completed by end of June 2013, and hence we will not continue with the relevant registration applications. For the remaining 27 lease agreements, the failure to register was due to the fact that additional steps have to be taken by the relevant lessees and/or the request of the relevant government authorities for additional documents such as the business licenses and authorizations for the filings of the relevant lessees, which are out of our control. We have been liaising with the relevant parties for the necessary assistance and/or documents for completion of the registration applications, and expect to complete registration of all 27 lease agreements in the second half of 2013. Our Directors consider that it is not uncommon for non-registration of lease agreements in the PRC. Furthermore, as advised by our PRC legal advisor, non-registration of the lease agreements do not affect their validity. As of the Latest Practicable Date, we have not received any rectification order or been subject to any fine in respect of the above-mentioned non-registration of lease agreements.

LEGAL PROCEEDINGS

We are involved in arbitration proceedings with a Hong Kong based hotel management group (the “Hotel Management Group”) specializing in the management of hotel residences and serviced apartments in relation to engagement of the said firms for the management services of our planned serviced apartments. On October 10, 2010, each of Modern Green Development and Shanxi Modern Green Real Estate Development entered into a strategic oversight and consultation agreement (the “Strategic Agreement(s)”) with the Hotel Management Group in relation to the provision of general hotel management related consultation and services for the management of blocks 6,7 & 8 of Modern MOMA in Beijing (which were then being converted into fully furnished serviced apartments and hotel residences) and certain blocks of Phase 3 of Wan Guo Cheng MOMA (Taiyuan) in Taiyuan (which were then and are still under development) respectively. In connection with the Strategic Agreements, each of Modern Green Development and Shanxi Modern Green Real Estate Development also entered into other ancillary agreements including a hotel/residence management agreement (the “Management Agreement(s)”) and a trademark license agreement (the “License Agreement(s)”, together with the Strategic Agreement(s) and the “Management Agreement(s), the “Agreements”)) with the Hotel Management Group in October 2010 for provision of day-to-day on-site hotel management and related services and permission to use the relevant trademarks of the Hotel Management Group in connection with the operation of the relevant serviced apartments and hotel residences.

The term of the Agreements shall commence upon signing and have an initial operating term of 20 years which is subject to extension at the option of the Hotel Management Group for up to two successive periods of five years. Pursuant to the Agreements, the Hotel Management Group shall be entitled to receive monthly strategic fees, management fees and license fees representing 0.5%, 1% and 0.5% of revenue derived from the leasing of the serviced apartments and hotel residences respectively, and an additional incentive fee of 8.0% of the gross operating profit derived therefrom.

In February 2013, as a result of divergence in hotel management strategy, we commenced arbitration procedures in the PRC with the intention to terminate the Agreements. On the other hand, the Hotel Management Group commenced arbitration procedures in Hong Kong for, among others, their loss of profits under the Agreements.

Since the relevant serviced apartments and hotel residences in Modern MOMA and Wuo Guo Cheng MOMA (Taiyuan) were at the relevant times still under conversion or construction and therefore not ready for leasing, the Directors confirm that the termination of the Agreements with the Hotel Management Group does not have any material impact on our business operations. We are considering the appointment of competent and independent management firms to manage block 6 of Modern MOMA at later stage and when such serviced apartments and hotel residence are about ready for leasing purpose. We intend that the blocks 7 & 8 of Modern MOMA and relevant blocks of Phase 3 of Wan Guo Cheng MOMA (Taiyuan) are to be held as properties for sale.

BUSINESS

As of the Latest Practicable Date, there was no outstanding amount which we are liable for payment to the Hotel Management Group under the Agreements. We have engaged legal and other professional advisors in connection with the arbitration and incurred related professional fees. In our view, the Hotel Management Group had not fully performed the Agreements, in particular, the on-site management of the unfinished serviced apartments and hotel residences which constitutes the core part of our cooperation arrangement with the Hotel Management Group. We therefore consider that the claims of the Hotel Management Group under the Agreements are of no basis and unfounded. We have sought advice from our legal advisors in connection with the arbitration proceedings, and based on their understanding of the PRC legal principles, the claims of the Hotel Management Group to a large extent should not be supported, and we therefore understand the risk that we will be held liable for full payment of the claims of the Hotel Management Group in the arbitration proceedings is remote. Directors were of the view that liability arising from the above was not required to be recognised for the financial year ended December 31, 2012 and up to the date of this prospectus. On the assumption that we were held liable to compensate the Hotel Management Group and we could arrange due payment for the same, there is no material adverse impact on our real estate qualification and business operations. In any event, Mr. Zhang Lei and Super Land, being our Controlling Shareholders, have agreed to fully indemnify us against the costs, expenses, losses and damages in relation to such arbitration proceedings.

As of the Latest Practicable Date, we were not aware of any current, pending or threatened litigation, arbitration proceedings or administrative proceedings against or any of our subsidiaries or any of our Directors which could have a material adverse effect on the results of our operations or financial condition.

BUSINESS

INTERNAL CONTROL MEASURES TO ENSURE FUTURE COMPLIANCE

During the Track Record Period, we had been utilizing a Multi-Project Management Information System (the “MPS”) which was established since April 2005 and is specialized for property development companies for the management of property development projects. The MPS records the details and the progress of each project, including the progress of the selection of projects, obtaining lands, the commencement and completion of projects, the handover of properties etc. and monitors different stages of the projects through standardizing project management. Each property development project should be designated according to the handled timeline, work standard and responsibilities allocation as shown in the MPS. Our responsible staff shall implement and update the progress of the projects according to the instructions as shown in the MPS and the MPS has a reminder function to alert our responsible staff of the deadlines of tasks and any foreseeable delays in our project timelines through the use of short messages. We implemented our MPS since April 2005. In order to improve our corporate governance continuously and to ensure future compliance, we have continuously revised and enhanced our MPS as well as implemented other internal control policies and procedures to ensure our future compliance with the governmental regulations and related policies in different operational aspects. These are summarized as follows:

Matters of compliance	Internal control measures	Time of implementation of internal control measures
Idle land and delay in commencement of construction	<p>After the relevant non-compliance matters, we have enhanced our MPS and strengthened our internal control policies and procedures with respect to commencement of construction as follows:</p> <ul style="list-style-type: none"> • The responsible staff will be reminded to handle uncompleted scheduled tasks of projects and communicate with relevant governmental departments in order to complete relocation and land delivery on time. • Our project management department supervised by Mr. Chen Yin, our Executive Director, is set up for the overall coordination and implementation of the MPS including provision of engineering support and time management of project development will initiate communication with our construction department to ensure that the projects are completed on time according to the timeline provided in our MPS. • A research and development team formed by 8 relevant experts will inspect each of our project companies on a monthly basis to ensure the progress and quality. • Our internal audit department will perform audit on our project companies on a monthly basis to ensure the due authorization of responsibilities and the implementation of budgeting. • Our Group shall hold a monthly meeting to assess and evaluate the operation of each project and will determine the resolution to resolve major issues. 	Our MPS was implemented in April 2005 in accordance with governmental regulations and related policies and is constantly updated.

BUSINESS

<u>Matters of compliance</u>	<u>Internal control measures</u>	<u>Time of implementation of internal control measures</u>
<p>Delay in payment of land grant premium</p>	<p>After the relevant non-compliance matters, we have enhanced our MPS and strengthened our internal control policies and procedures with respect to payment of land grant premium as follows:</p> <ul style="list-style-type: none"> • Our responsible staff will be reminded to arrange the payment of land grant premium before the payment of land grant premium is due. • We monitor and manage our land acquisitions and related financing according to the MPS to ensure timeline payment of land grant premium. • Our business department and our Group companies will be responsible for information collection and will report on a timely basis to Company management any possible matters that may have a negative impact on our Company. • Our legal department, the external lawyers appointed by our Company and our financial planning center will assess the financial and legal risks associated with unexpected circumstances and provide appropriate advice and input. Our legal department also has authority to perform due diligence investigations into our land acquisitions. On the other hand, our business department (project management center) is responsible for the implementation of the recommendations and ensuring that the projects comply with the relevant legal requirements. • Our finance department is responsible for the feasibility analysis and funding sufficiency. 	<p>Our MPS was implemented in April 2005 in accordance with governmental regulations and related policies and is constantly updated.</p>
<p>Registration of leases</p>	<p>After the relevant non-compliance matters, we have established the standard procedure to register lease agreements with relevant government authorities.</p> <p>In addition, we require the relevant lessees to undertake to us to provide us with necessary assistance including without limitation the provision of relevant information in completion of relevant lease registration procedures.</p> <p>In view of the above, we consider our internal control measures to monitor the registration of lease agreements are adequate and effective.</p>	<p>Our standard procedures for lease registration were implemented in October 2009.</p>

BUSINESS

<u>Matters of compliance</u>	<u>Internal control measures</u>	<u>Time of implementation of internal control measures</u>
Permits, certificates and approvals	<p>After the relevant non-compliance matters, we have enhanced our MPS and strengthened our internal control policies and procedures with respect to obtaining permits, certificates and approvals for our operations as follows:</p> <ul style="list-style-type: none"> • Our business department (central project management unit) shall construe the timeline for the obtaining of relevant licenses with respect to different stages of each project and upload such timetable to MPS so that our responsible staff can supervise according to the timeline provided by the MPS. • Our business department (central project management unit) will remind the responsible staff to handle uncompleted scheduled tasks of projects, to strictly adhere to the schedules with respect to application for certificates and approvals and will communicate with relevant governmental departments in order to obtain the qualification certificates on a timely basis. • Our business department (central project management unit) and other project companies will be responsible for information collection and will report on a timely basis to by way of short messages for any possible matters that may have a negative impact on our Company. • Our business department (central project management unit) will work with our legal department and the operational center according to the instructions from the management of our Company to determine solutions for legal issues we may encounter and our business department (central project management unit) will implement the solutions to ensure that the projects comply with the relevant legal requirements. 	Our MPS was implemented in April 2005 in accordance with governmental regulations and related policies and is constantly updated.

As mentioned above after the incidents of non-compliance matters, our project management department has proceeded to strengthen supervision of the overall development of our property projects, among others and to ensure the developments of the projects will be carried out in accordance with schedules so as to minimise the possibility of non-compliance with the relevant laws and regulations in the PRC. In addition, each of our Directors has completed a half-day training provided by our Hong Kong legal advisers in relation to our on-going compliance after Listing including directors' duties and responsibilities which cover fiduciary duties, duties of skill, care and diligence, as well as disclosure obligations and other compliance obligations. Furthermore, it is resolved that external legal advisers will be appointed where necessary for provision of appropriate legal advice on compliance with relevant laws and regulations after Listing. Having considered the nature of the historical matters of compliance and the advice of our PRC legal advisor as mentioned above, the Directors and the Sole Sponsor are of the view that the internal control measures adopted by our Group are effective to prevent the recurrence of future non-compliances.

COMPETITION

Competition within the property industry in the PRC is intense. Our existing and potential competitors include major domestic State-owned and private property developers and foreign-funded property developers who focus on developing residential properties in the PRC. Competitive factors include size of land reserves, geographical location of properties, brand recognition and creditworthiness, ability to secure financing, pricing and property design quality and ancillary facilities. Some of these developers may have better track records and greater financial, land and other resources, broader name recognition and greater economies of scale than us. We consider those property developers who adopt energy-saving technologies in their properties, have property developments close to our projects and target customers similar to ours as our direct competitors.

Notwithstanding the foregoing, we believe that we offer a unique product within the property development space.

There are many PRC property developers that compete with each other on the basis of price and quality of product. These developers may have a competitive advantage over us in terms of the pricing of the development properties, location of the property or in their marketing strategy or brand name. However, we believe that our primary competitive advantage is that we are a developer of eco-friendly residential communities, and that we offer strong R&D capabilities and technology application ability. We also have a strong, highly experienced management team.

We believe that the major entry barriers to the property market in the PRC, and in particular to the market for eco-friendly properties, include the limited knowledge of local property market conditions, limited brand recognition, and limited knowledge and R&D capability for green technologies.

PRC GOVERNMENT'S AUSTERITY MEASURES IN THE PROPERTY MARKET

The PRC Government has recently introduced a number of new policies intended to curtail overheating of the property market in the PRC. In April 2010, the State Council issued the Notice on Strictly Control of the Escalation of Property Prices in Certain Cities (《國務院關於堅決遏制部分城市房價過快上漲的通知》) (the "Notice"), which, among others, increased the minimum percentage of down payments and/or mortgage rates to be paid by (i) first owner-occupied residential properties with a GFA of more than 90 sq.m.; (ii) purchasers of second residential properties; and (iii) purchasers of third or more residential properties. In furtherance to the Notice, a number of policies were introduced by local government and/or different authorities of the PRC Government for the implementation of the Notice, for example:

- (i) the Circular on Implementation of the Notice on Containing the Excessive Hike of Property Price in Some Cities by the State Council (《北京市人民政府貫徹落實國務院關於堅決遏制部分城市房價上漲文件的通知》) (issued by the Beijing Municipal Government in April 2010), which allows one household to purchase only one new residential unit in Beijing;

- (ii) the Circular on Standardizing the Assessing Criteria of the Second Home for Personal Mortgage Loans (《關於規範商業性個人住房貸款中第二套住房認定標準的通知》) (jointly issued by the MOHURD, the PBOC, and the CBRC in May 2010), which adopts a stricter standard in assessing whether a house to be bought is a second home when granting mortgage loans;
- (iii) the Notice of the People's Bank of China and China Banking Regulatory Commission on Issues concerning the Improvement of Differential Housing Credit Policies (《中國人民銀行、中國銀行業監督管理委員會關於完善差別化住房信貸政策有關問題的通知》) (issued by the PBOC and the CBRC in September 2010), which suspends the extension of loans to individuals for the purchase of third or subsequent residential properties as well as non-residents; and
- (iv) the Circular on Issues Concerning Policies on Regulation of Personal Housing Provident Fund Loan (《關於規範住房公積金個人住房貸款政策有關問題的通知》) (jointly issued by the MOF, the MOHURD, the CBRC and the PBOC in November 2010), which regulates the use of personal housing provident fund loan for purchase of properties.

In January 2011, the State Council further issued the Notice of the State Council on Issues relating to Further Well Managing the Central Control of the Real Estate Market (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》) which specified that: (i) individuals who resell a residential property within five years of purchase would be subject to a business tax on the proceeds from the resale; (ii) if a property developer fails to obtain the relevant construction permits and fails to commence construction within two years from the designation of land for property development, the relevant land use rights granted would be forfeited and an idle land penalty would be imposed; (iii) transfer of land and property development projects is prohibited if the amount of property development investment (excluding the land premium) incurred is less than 25% of the total investment amount in respect of the project; (iv) in the cities where the real estate market price is under rapidly growth, families holding local residency and owning two or more residential properties and families holding non-local residency and owning at least one residential property or who cannot provide a local tax payment certificate or a social security certificate are prohibited from purchasing additional residential properties in the local district. In connection with the said Notice issued by the State Council in January 2011, various municipal governments have promulgated measures to further control the property markets in their respective cities. Some of which are set out below:

- *Beijing*: in February 2011, the Beijing Municipal Government issued the Notice on Implementation of the Spirit of the State Counsel's Rules and Further Intense the City's Real Estate Market Control Work (《北京市人民政府辦公廳關於貫徹落實國務院辦公廳文件精神進一步加強本市房地產市場調控工作的通知》), which suspend the sales of properties to Beijing households who have already purchased two residential properties or non-Beijing households who have already purchased one residential property or non-Beijing households who without a temporary living permit and a five years tax payment certificate and social security certificate;

- *Taiyuan:* In January 2011, the Taiyuan Municipal Government issued Several Measures on Further Implementation of Real Estate Central Control Policies and Help the Stable and Health Growth of the Real Estate Market (《太原市人民政府關於進一步貫徹落實房地產宏觀調控政策促進房地產市場平穩健康發展的若干意見》), which, amongst others, allows one household to purchase only one new residential unit in six areas under the administration of the city; and in February 2011, the Taiyuan Municipal Government further issued Taiyuan Municipal Government's Opinion on Further Conduct the Real Estate Market Control Work (《太原市人民政府關於進一步做好房地產市場調控工作的意見》), which, amongst others, suspends the sales of properties situated in the six areas under the administration of the city to Taiyuan resident households who have already purchased two residential properties in the six area under the administration of the city or non-Taiyuan resident households who have already purchased one residential property in the six area under the administration of the city or non-Taiyuan resident households who are not able to provide a one-year tax payment certificate and social security certificate;
- *Nanchang:* In January 2011, the Nanchang Municipal Government issued the Notice on Further Implementation of the Supplemental Opinions on Central Real Estate Control Policies and Help the Stable and Health Growth of the Real Estate Market (《關於進一步貫徹落實國家宏觀調控政策促進房地產市場平穩健康有序發展的補充意見的通知》), under which each household is allowed to purchase only one new residential property in the five downtown area of the city since February 1, 2011; and in February 2011, Nanchang Municipal Government further issued Opinions on Nanchang Municipal's Implementation of State Counsel's Notice on Further Conduct Real Estate Market Control Work (《南昌市貫徹落實國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知的意見》), under which, amongst others, properties are not allowed to sell to the Nanchang resident household who have already purchased two residential properties or non-Nanchang resident households who have purchased one residential property or non-Nanchang resident households who are not able to provide a one year tax payment certificate and social security certificate; and
- *Changsha:* In March 2011, Changsha Municipal Government issued Notice on Further Intense the Real Estate Market Administration (《關於進一步加強房地產市場管理有關問題的通知》), under which, amongst others, no properties are allowed to be sold to Changsha resident households who have already purchased two residential properties situated in downtown area (the five areas under the administration of the city) or non-Changsha resident households who have already purchased one residential property situated in downtown area (the five areas under the administration of the city) or who are not able to provide the living permit.

In February 2013, the State Council issued the Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》) to strengthen the management and control over the

BUSINESS

property market in the PRC. In March 2013, Beijing Government Office issued a Notice on Implementation of Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market and Further Improve the Work of Control Beijing Real Estate Market (《北京市人民政府辦公廳貫徹落實《國務院辦公廳關於繼續做好房地產市場調控工作的通知》精神進一步做好本市房地產市場調控工作的通知》), pursuant to which, among others, each of Beijing residents who is single is allowed to purchase one residential property if he/she has not purchased any properties and is prohibited from purchasing another residential properties if he/she already owns properties, and individual transferor will be subject to individual income tax of 20% upon transfer of his property unless the property is the sole property for which his family has lived in for more than 5 years in which case individual income tax will continue to be exempted.

Details of such policies are set out in “Laws and Regulations – Regulations on the Real Estate Project Development – Measures on Stabilizing Property Prices” in this prospectus.

Our Directors believe that one of the objectives of the recent austerity measures of the PRC Government is to direct consumers to make reasonable purchases of residential properties and discourage investment and speculation in the housing market. In particular, the austerity measures promulgated in March 2013 may curb, to an extent, the speculation activity in the PRC property market. We believe the austerity measures may result in lower volume of transactions and lower transaction prices for properties, which in turn may dampen demand for properties in near future. As such, our sales and marketing strategy and pricing of our properties will be adjusted conservatively so as to cope with the changing property market conditions. Further, in terms of types of properties, the austerity measures introduced may affect the sales for residential properties with a GFA of over 90 sq.m. and in terms of customers, the austerity measures introduced may reduce the demands from customers who purchase second or more residential properties as well as non-resident customers. Furthermore, the imposition of business tax on re-sale of properties within five years of purchase also increase the transaction cost for second-hand property market. In Beijing, Taiyuan and Nanchang, in particular, each household is only allowed to purchase only one new residential unit. In Changsha, local household who already owned a residential unit and household outside Changsha who does not have any residential unit in Changsha is only allowed to purchase only one new residential unit of GFA under 90 sq.m.

We offer properties with a range of sizes including those with unit GFA of not more than 90 sq.m., which are considered in general to be properties with the appropriate sizes as encouraged by the PRC Government and their first time purchasers may enjoy lower rate of deed tax or the minimum down payment proportion of not lower than 20% if such purchases are financed through personal housing provident fund loans. Majority of residential properties of our existing projects under development and projects held for future development, namely our Changsha Mantingchun MOMA, Nanchang Mantingchun MOMA, Changsha Kaifu Mantingchun MOMA, Jiujiang Mantingchun MOMA and Xiantao Mantingchun MOMA, belong to our “Mantingchun” product line and target general public as the purchasers. Pursuant to the relevant land grant contracts and land planning requirement, Nanchang Mantingchun MOMA, Xiantao Mantingchun MOMA and Changsha Mantingchun MOMA shall have

BUSINESS

percentage of residential units of individual GFA of not more than 90 sq.m. of not less than 70%, 40% and 60% of their respective total GFA. There is no similar restriction in the land grant contracts of our other property projects. On the other hand, most of the residential units of our Wan Guo Cheng MOMA product line, such as MOMA Forest Forever, Wan Guo Cheng MOMA, Modern MOMA and Wan Guo Cheng MOMA (Taiyuan), have individual GFA of more than 90 sq.m. which may be more susceptible to the effects of the recent austerity measures of the PRC Government.

With respect to the effects of the austerity measures on demands from customers, while there will be negative effects on demand from buyers of second or more residential properties which are usually speculative buyers or property investors as well as from non-resident customers, some of our potential buyers are to the extent not subject to the austerity measures namely, first-home buyers or buyers who can afford one-off payment for acquisition of properties.

Our Directors consider that the imposition of business tax on re-sale of properties within five years of purchase and the resulting increase in the transaction cost for second-hand property market will mainly affect speculative investors instead of purchasers of first-hand properties who intend to purchase for their own use rather than re-sale. We believe that for those of our customers purchasing our properties as first-home buyers as well as buyers who intend to improve their quality of housing environments as opposed to speculative investors, the imposition of business tax and transaction costs will have less effect on their decisions for purchase of our properties.

We had only one property project under development in Beijing, namely Phase 4 of MOMA Forest Forever, which will be subject to the stricter residential unit purchase restriction imposed by the Beijing Municipal Government, which allows one household to purchase only one new residential unit. We have one property project in Taiyuan, namely Wan Guo Cheng MOMA (Taiyuan), which will be subject to the austerity measures imposed by Taiyuan Municipal Government which among others restricts the purchase by one household of only one new residential unit in certain districts in Taiyuan. We have one property project under development in Nanchang, namely Nanchang Mantingchun MOMA, which will be subject to the austerity measures imposed by Nanchang Municipal Government to restrict one household to purchase only one new residential unit in Nanchang. We have three projects in Changsha, namely Phase 1 of Wan Guo Cheng MOMA (Changsha), Changsha Mantingchun MOMA and Changsha Kaifu Mantingchun MOMA, which will be subject to the purchase restrictions imposed by Changsha Municipal Government to allow each local household already owned one residential unit and each household outside Changsha which does not own any residential unit to purchase only one new residential unit under 90 sq.m. in Changsha. Phase 1 of Wan Guo Cheng MOMA (Taiyuan) and Changsha Mantingchun MOMA are both completed projects. Changsha Kaifu Mantingchun MOMA is a project under development. Given Changsha Kaifu Mantingchun MOMA is a project with an approximate total GFA of 529,620 sq.m. which will be developed by phases, we will take into account, amongst others, the austerity measures imposed by the Changsha Municipal Government from time to time to make appropriate adjustment to its development and obtain the necessary regulatory approval in the future. The

BUSINESS

Directors consider that the restrictive policies imposed by the respective municipal governments in these cities will reduce the demand for residential properties and will have negative effect on our pre-sales/sales of properties in these markets. To the best knowledge of our Directors, the cities in which our other property projects under development or held for future development are not subject to restrictions similar to those implemented in Beijing, Taiyuan, Changsha and Nanchang. With regard to the regulation on the use of personal housing provident fund loan introduced in November 2010, our Directors believe that there is no material impact on our operations during the Track Record Period as few of our customers are using their personal housing provident fund loan for purchase of our properties.

Our Directors believe that the introduction of these austerity measures may have affected the availability of credit facilities to potential customers and increased their interest expenses, affected the general investment appetite in the industry and the availability of funding for property developers for land acquisitions and development. Since these austerity measures affect the macro-environment of the PRC property market and the sentiment of potential buyers, it is difficult to ascertain the full extent of the effect of these austerity measures on our performance or to accurately estimate what our sales volume and turnover might have been had the measures not been introduced. In addition, the PRC Government adjusts its macro-economic control policies to encourage or restrict development in the private property sector through regulations relating to, among other things, land grants, pre-sales of properties, bank financing and taxation from time to time. These policies have led, and may continue to lead, to changes in market conditions, including changes in price stability, costs of ownership, costs of development and the balance of supply and demand in respect of residential and commercial properties.

Notwithstanding the austerity measures and policies promulgated recently by the PRC Government, our business operation has continued to be profitable and for the years ended December 31, 2010, 2011 and 2012, our Company recorded profit attributable to our owners of approximately RMB234.8 million, RMB431.6 million and RMB471.5 million, respectively. Our Directors confirm that we had not experienced any material adverse impact on our operations or any cancellation of sales (including but not limited to pre-sales) during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, we had not experienced any material difficulty in selling our properties but we cannot assure that property development and investment activities in the PRC will continue at past levels or that there will not be a downturn in the property markets in the regions and cities of the PRC where we operate or intend to expand our operations. Please see the section entitled “Risk Factors – Risks Relating to the PRC Property Industry – The regulatory measures adopted from time to time by the PRC Government to curtail the overheating of, and foreign investment in the PRC property market can slow down the cause the PRC property market to decline.”, the section entitled “Industry Overview – Key real estate reforms and policies in the PRC” and the section entitled “Laws and Regulation – Measures on stabilizing property prices” in this prospectus for further information.