You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Shares. Our business, financial position and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESSES

Our business is heavily dependent on the growth of the real estate market in the PRC and, in particular, in Guangdong and Hunan Provinces

We are one of the leading property developers in Guangdong Province and we are heavily dependent on the growth of the real estate market in the PRC and, in particular, in Guangdong and Hunan Provinces. As of September 30, 2013, we had a total of 28 residential property projects at various stages of development, 27 of which are located in Guangdong Province, including ten in Guangzhou, six in Foshan, six in Zhuhai, three in Qingyuan and two in Zhongshan, and one in Changsha, Hunan Province. These 28 projects have an aggregate site area of approximately 4,328,327 sq.m. and an aggregate GFA of approximately 11,269,018 sq.m. As of September 30, 2013, approximately 3,016,908 sq.m. of the GFA was completed, approximately 3,697,977 sq.m. of the GFA was under development and approximately 4,554,133 sq.m. of the GFA was held for future development. As one of our business strategies is to strengthen our leadership position in cities in Guangdong Province where we currently operate and to expand into other cities in Guangdong Province with high growth potential and explore opportunities to diversify our product portfolio, any adverse movements in the supply of, or demand for, properties in Guangdong and Hunan Provinces in particular, or in prices paid for such properties, may have a material adverse effect on our business, results of operations and financial position. These property markets may be affected by local, regional, national and global factors, including economic and financial conditions, speculative activities in local markets, the demand for and supply of properties, the availability of alternative investment choices for property buyers, inflation, government policies, interest rates and the availability of capital.

Demand for properties and property prices in China, including Guangdong and Hunan Provinces, have fluctuated significantly in recent years, and is expected to continue to be affected by macro-economic control measures implemented by the PRC government from time to time. Further restrictive measures adopted by the PRC government on bank loans, trust financing arrangements for real estate development projects and property purchases since April 2010 have had, and may continue to have, a dampening effect on property markets in many areas of the PRC, including Guangdong and Hunan Provinces.

In addition, future demand for different types of residential or commercial properties in Guangdong and Hunan Provinces and the rest of the PRC is uncertain. If we do not respond to changes in market conditions or customer preferences in a timely manner, our business, results of operations and financial position may be materially and adversely affected.

Our business is subject to extensive governmental regulations and policies and, in particular, we are susceptible to policy changes in the PRC property industry

Our business is subject to extensive governmental regulations and policies. As with other PRC property developers, we must comply with various requirements mandated by PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, which, among other things, control foreign exchange, taxation, foreign investment and the supply of land for property development. Through these policies and measures, the PRC government may raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales, restrict foreign investment in the PRC property sector and restrict or reduce the supply of land for property development.

During the Track Record Period and up to the Latest Practicable Date, the PRC government had implemented a series of regulations and policies to ensure healthy growth of the property market and to slow down the increase in property prices, as well as to dampen property speculation. See the section entitled "Regulatory Overview — Land Grants" in this prospectus. These policies may limit our ability to obtain financing, acquire land for future developments, sell our properties at a profit or generate sufficient operating cash flow from contracted sales. For example, the PRC government has adopted various restrictive measures since April 2010, which is part of the reason that the increase in the average selling price per sq.m. for our residential properties from 2011 to 2012 was less than the increase in the average selling price per sq.m. from 2010 to 2011. The average selling price per sq.m. for our residential properties increased by 29.7% from RMB6,066 per sq.m. in 2010 to RMB7,868 per sq.m. in 2011, while the average selling price per sq.m. of our residential properties increased by 2.1% from RMB7,868 per sq.m. in 2011 to RMB8,032 per sq.m. in 2012. Other political, economic and social factors may lead to further adjustments of such policies. This refining and adjustment process may have a negative effect on our business, results of operations and financial position, as well as our future business growth.

We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. It is also impossible to ascertain the extent of the impact of these policies, regulations or measures or to accurately estimate our sales volume and turnover if such policies, regulations and measures are introduced. If we fail to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real estate industry in China, or such policy changes disrupt or hinder our business or cause us to incur additional costs, our business, results of operations and financial position may be materially and adversely affected.

If we are unable to comply with the restrictions and covenants and meet the payment schedule under the Restructuring Deed, a termination event could be triggered and there could be a default under the terms of the Restructuring Deed, which could cause repayment of our debt to be accelerated, payment of liquidated damages and enforcement of mortgages over the shares of our offshore subsidiaries

If we are unable to comply with the restrictions and covenants and meet the payment schedule under the Restructuring Deed, a summary of which is set out in the section entitled "History and Corporate Structure — Pre-IPO Investment and Debt Restructuring" in this prospectus, there could be a default under the terms of the Restructuring Deed. In the event that a termination event (as provided under the Restructuring Deed including but without limitation, any amount payable under the Restructuring Deed which has fallen due but not settled by the due date) is triggered prior to the full payment of the installments under the Restructuring Deed, Highup Holdings Limited (as agent of the Investors) could accelerate repayment of the debt and declare all outstanding amounts due and payable, enforce their rights for liquidated damages (in the amount which will yield an internal rate of return of 20% per annum on all avoided, reduced or unpaid installments under the Restructuring Deed) and enforce any of their rights under the share mortgages over all of the issued share capital of Wisdom Sharp, Grand Highway and Hong Kong Times Investments (including but not limited to dispose any and/or all of the shares subject to the share mortgages aforesaid which may lead to loss of key assets and holding interests in our operating subsidiaries in the PRC) and other transaction documents. In addition, the Investors are entitled to proceed to wind up our offshore holding companies, the shares of which are subject to the shares mortgages aforesaid. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing for the repayment of our debt under the Restructuring Deed. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our profit margin varies with each property development, and we may not be able to sustain our existing profit margin

We recorded gross profit margin of approximately 25.3%, 27.8%, 28.4% and 23.2%, respectively, for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013. Factors that may affect our gross profit margin include (i) product mix, (ii) selling price and (iii) cost of development. For further details of the effect these factors may have on our gross profit margin, see the sections entitled "Financial Information — Key Factors Affecting Our Business, Results of Operations and Financial Position — Change in Product Mix," "Financial Information — Key Factors Affecting Our Business, Results of Operations and Financial Position — Ability to Acquire Suitable Land at Reasonable Cost" and "Financial Information — Key Factors Affecting Our Business, Results of Operations and Financial Position — Price Volatility of Construction Materials" in this prospectus. We cannot assure you that we will be able to maintain or increase our gross profit margin. If we are unable to maintain our gross profit margin, our profitability may be materially and adversely affected.

We had negative net operating cash flows for the years ended December 31, 2010 and 2011 and the six months ended June 30, 2013. If we are unable to meet our payment obligations, our business, financial condition and results of operations may be materially and adversely affected

For the years ended December 31, 2010 and 2011 and the six months ended June 30, 2013, we recorded negative net cash flows from operating activities of approximately RMB261.4 million, RMB363.6 million and RMB275.5 million, respectively. Our negative net operating cash flows were principally attributable to project development and construction, our land acquisitions, the long-term and capital-intensive nature of property development and our business expansion during the relevant periods. During the Track Record Period, we funded our capital expenditure with internal resources and external financing. For further information, see the section entitled "Financial Information — Key Factors Affecting Our Business, Results of Operations and Financial Position — Access to Adequate Financing and Capital Resources" in this prospectus. We cannot assure you that we will not experience negative net cash flows in the future. We incurred capital expenditure of RMB349.0 million for the six months ended June 30, 2013 and our current planned capital expenditure for the second half of 2013 is RMB102.2 million. As of September 30, 2013, for our properties under development and properties held for future development, we incurred development costs of RMB17,284.7 million and our current estimated future development costs is RMB23,306.5 million. See the section entitled "Business — Our Business — Summary Information Regarding Our Property Projects — Properties under development and properties held for future development" for details. As of June 30, 2013, we did not have any unutilized bank facilities. From July 1, 2013 to September 30, 2013, we had additional bank loans and other borrowings of approximately RMB3,134.0 million. Negative net operating cash flows require us to obtain sufficient external financing to meet our financial needs and obligations. If we are unable to do so, we will be in default of our payment obligations and may not be able to develop our projects as planned or meet our capital expenditure requirements. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to acquire land reserves of sufficient size in desirable locations and at a commercially acceptable cost in the future

We derive our revenue principally from sales of properties that we have developed. This revenue stream depends on the completion of, and our ability to sell, our property developments. In order to maintain and grow our business in the future, we will need to replenish our land reserves with land of sufficient size in desirable locations and at a commercially acceptable cost. During the Track Record Period, we acquired land primarily through government-organized auctions and the listing-for-sale process, and by acquiring equity interests in project companies that hold land use rights and by participating in the "Urban Redevelopment" policies. Our ability to identify and acquire suitable land is subject to a number of factors that may be beyond our control. See the section entitled "Regulatory Overview — Land Grants" in this prospectus for information on the regulatory procedures and restrictions relating to land acquisition in the PRC.

Among our 28 projects, nine projects, namely, Times Bund, Times King City (Zengcheng), Times King City (Zhongshan), Times City, Zhuhai Guoji Project, Fogang Huanghua Lake Project, Times King City (Changsha), Times King City (Guangzhou) and Zhuhai Jingrun Project (phase 4 of Times Eolia City), were acquired via acquisition of equity interests in project companies that held the land use rights. There may be latent liabilities in these companies that we were unable to identify before we acquired them. If these latent liabilities are determined to be material, our business, results of operations and financial position may be materially and adversely affected.

In addition, we cannot assure you that the parcels of land we have acquired to date will appreciate in value, or that we will continue to be able to acquire land of sufficient size and with an appropriate scope of usage, in desirable locations and at a commercially acceptable cost, for our property projects.

The PRC government controls the supply of land in China and regulates the transfer of land use rights in the secondary market. As a result, the policies of the PRC government have a direct impact on our ability to acquire the land use rights we seek and could increase our costs of acquisition. In recent years, the PRC central and local governments have implemented various measures to regulate the means by which property developers may obtain land and the manner in which land may be developed. The PRC government also controls land supply through zoning, land usage regulations and other measures. All these measures could intensify the competition for land in China among property developers. Our business, results of operations and financial position may be materially and adversely affected if we are unable to obtain sites for development at prices that allow us to achieve reasonable returns upon sale to our customers.

We maintain a certain level of indebtedness and may incur additional indebtedness in the future, and any default under any of our loan or financing arrangements could result in enforcement against the security we have granted, which could materially and adversely affect our ownership of our PRC project companies and our ability to continue our operations

We maintain a certain level of indebtedness to finance our operations, a substantial portion of which is generally secured by (i) pledges of equity interests in, or land use rights or properties held by, some of our PRC subsidiaries, and (ii) guarantees provided by some of our PRC subsidiaries. As of December 31, 2010, 2011 and 2012 and June 30, 2013, our aggregate outstanding bank loans and other borrowings were RMB2,778.4 million, RMB4,231.6 million, RMB5,676.8 million and RMB5,723.1 million, respectively. Our total indebtedness described above does not include our guarantee or indemnity obligations. As of December 31, 2010, 2011 and 2012 and June 30, 2013, the outstanding guarantees we had given in relation to mortgage loans of purchasers of our properties amounted to RMB1,217.0 million, RMB1,710.5 million, RMB3,210.2 million and RMB3,548.3 million, respectively. In the future, we may also, in the ordinary course of business, enter into additional bank loan or other financing arrangements to finance our property developments and, as a result, incur additional indebtedness.

Some of our loan agreements contain cross default clauses. If any cross default occurs, these banks are entitled to accelerate payment of all or any part of the indebtedness owing under all the loan agreements and to enforce all or any of the security for such indebtedness. In addition, certain loan agreements contain covenants where we or our relevant PRC operating subsidiaries may not enter into any merger, joint venture or restructuring, or decrease our registered share capital, transfer material assets, liquidate, change our shareholding, or distribute dividends, without the relevant lenders' prior written consent or unless we first fully settle the amounts outstanding under the relevant loan agreements. Some loan agreements also require us to maintain certain financial ratios, such as the debt ratio, at specified levels. For example, under four bank loan agreements, we are required to maintain the debt ratio of our borrowing subsidiaries at 80% or below, or 70% or below, respectively, during the term of the relevant loan agreements. See the section entitled "Financial Information — Key Financial Ratios" in this prospectus for further information on the relationship of our indebtedness to other items in our financial statements. As the debt owed to the Investors under the Restructuring Deed assumed was recorded at our Company level, it is expected that the outstanding balance under the Restructuring Deed will not have any material impact on the relevant PRC operating subsidiaries' ability to meet the related financial covenants.

If we are unable to make scheduled payments in connection with our debt and other fixed payment obligations as they become due, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. We cannot assure you that our renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms, or at all. If financial institutions decline to lend additional funds to us or to refinance our existing loans when they mature as a result of our credit risk, or if we fail to raise financing through other means, our financial position, cash flow position and business prospects may be materially and adversely affected.

In particular, during the Track Record Period, we had nine trust financing arrangements to obtain trust loans in an aggregate amount of RMB1,779.2 million. See the section entitled "Business — Financing Provided by Trust Financing Companies" in this prospectus for further information relating to our trust financing arrangements. As of September 30, 2013, we had four outstanding trust financing arrangements with an aggregate outstanding amount of approximately RMB1,111.3 million and we may enter into additional trust financing arrangements from time to time. From October 1, 2013 to the Latest Practicable Date, we entered into two additional trust financing arrangements. For further information, see the section entitled "Business — Financing Provided by Trust Financing Companies — Trust Financing Arrangements Entered into by Our Group." These trust financing arrangements are normally secured borrowing transactions where land use rights, property interest or equity interest are effectively held as collateral to secure our repayment obligations. Should we default on any of our obligations under the respective arrangements, the relevant trust financing companies can enforce their rights against land use rights, property interest or equity interest we pledged. We may, as a result, lose control or ownership of such rights or interests, and our results of operations and financial position may be materially and adversely affected. We cannot assure you that we will be able to perform all of our obligations under the trust loan arrangements that we have entered into or will enter into. We also cannot assure you that we will not enter into similar financing arrangements in the future and that we will be able to continue meeting all of our obligations under the bank loans and trust financing arrangements.

Our operating results may fluctuate from period to period, and such fluctuations make it difficult to predict our future performance, which may vary significantly from period to period

As we derive our revenue principally from the sale of properties developed by us, our operating results may vary significantly from period to period. For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, our revenue from sales of properties was RMB1,466.3 million, RMB2,369.6 million, RMB3,090.8 million and RMB2,251.2 million, respectively, which accounted for 94.8%, 96.1%, 96.7% and 95.3% of our total revenue, respectively, for the corresponding period.

According to our accounting policies, our recognized revenue depends mainly on the project completion and delivery schedule. Periods in which we deliver properties with a higher aggregate GFA typically generate higher levels of revenue. However, our revenue is not evenly distributed over different periods of any particular year due to a combination of factors, which include the overall delivery schedules of our projects, the market demand for our properties and the timing of the sale of properties that we have developed.

Consequently, our operating results for any given period may not be indicative of the actual demand for our properties or the pre-sale or sales achieved during such period. Our revenue and profit during any given period generally reflect property purchase decisions made by purchasers some time earlier. As a result, our operating results are not necessarily indicative of results that may be expected for any future period but may lead to fluctuations in the price of our Shares.

Any recurrence of the global financial crisis and economic downturn or a deterioration of our cash flow position may have a material adverse effect on our ability to service our indebtedness and continue our operations

The global capital and credit markets have in recent years experienced periods of extreme volatility and disruption. The global financial crisis in recent years has caused banks and other credit providers to restrict the availability of new credit facilities and to require more collateral and higher pricing upon the renewal of existing credit facilities. The recurrence of the global financial crisis or prolonged disruptions to the credit market may further slow down the growth of the PRC economy and sales of property, limiting our ability to raise funds from current or other funding sources, or cause our access to funds to be more expensive, which may materially and adversely affect our business, financial position and operating results.

In addition to bank loans and other borrowings, we rely on internally generated funds, in particular, pre-sale proceeds of our properties as a major source of funding for our operations. If our pre-sale activities are significantly limited or otherwise materially and adversely affected as a result of changes in the relevant PRC laws and regulations, the occurrence of a global economic downturn, or a significant economic slowdown in China generally or in the cities where we have properties, our cash flow position and ability to service our indebtedness may be materially and adversely affected. Furthermore, if banks or other financial institutions decline to provide additional loans to us or to re-finance our existing loans when they mature as a result of our perceived credit risk, and we fail to raise financing through other channels, our business and financial position may be materially and adversely affected.

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

Pursuant to the PRC regulations on LAT, all entities and individuals receiving net profits from the sale or transfer of land use rights, buildings and their attached facilities are required to pay LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property. If the taxpayer constructs ordinary residential properties and the amount of appreciation does not exceed 20% of the total deductible items set forth in the tax regulation, the taxpayer is exempt from paying LAT. Sales of commercial properties are not eligible for this exemption. Pursuant to a circular issued by the State Administration of Taxation with respect to the settlement of LAT on real estate enterprises, effective on February 1, 2007, LAT obligations must be settled with the relevant tax bureau within a specified time frame after the completion of a property project. See the section entitled "Regulatory Overview — PRC Taxation — Land Appreciation Tax" in this prospectus for a detailed description of the PRC regulations on LAT.

We make sufficient provisions for the amount of applicable LAT payable in accordance with the relevant PRC laws and regulations from time to time, pending final settlement with the relevant tax authorities. Under relevant laws and regulations of the regions in which we operate, we are required to prepay an LAT amount of between 2.0% and 4.0% of the proceeds from pre-sales of our properties in areas of Guangdong Province and between 1.5% and 3.0% in areas of Hunan Province, depending on the type of property. As we often develop our projects in phases, deductible items for calculating LAT, such as land costs, are apportioned among such different phases of development. Provisions for LAT are based partly on our own apportionment of deductible expenses, which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. We believe that our overall provisions for LAT are sufficient. However, given the time gap between the point at which we make provisions for LAT, and the point at which we settle the full amount of LAT payable, the relevant tax authorities may have different interpretation to the relevant LAT provisions and may not necessarily agree with our own apportionment of deductible expenses or other bases on which we calculate LAT. Hence, our LAT expenses as recorded in our financial statements for a particular period may require subsequent adjustment.

For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, we recorded approximately RMB3.6 million, RMB18.2 million, RMB123.2 million and RMB27.7 million, respectively, as LAT expenses. If the LAT provisions we have made are substantially lower than the actual LAT amounts assessed by the PRC government in the future, our business, results of operations and financial position will be materially and adversely affected.

We may not have sufficient cash flow or financing to fund land acquisitions or property developments, and such capital resources may not be available on commercially reasonable terms, or at all

Property development is capital intensive. We finance our land acquisitions and property developments through a combination of internally generated funds and external financing including bank loans and trust financings. We expect to continue to incur a high level of capital expenditures for land acquisitions and construction, and we cannot assure you that we will have sufficient funds or cash flow available or that we will be able to achieve sufficient pre-sales and sales to fund land acquisitions or property developments. In addition, we cannot assure you that we will be able to secure external financing on commercially reasonable terms or at all. See the section entitled "Financial Information — Indebtedness and Contingent Liabilities" in this prospectus for information on our capital commitment.

Our ability to arrange adequate financing for land acquisitions or property developments on terms that will allow us to earn reasonable returns depends on a number of factors, many of which are beyond our control, including general economic conditions in the PRC, performance and outlook of the property development industry in the PRC, our financial strength and performance, availability of credit from financial institutions, and regulatory measures instituted by the PRC government. We cannot assure you that we will be able to meet our sales targets or that we will be able to secure external financing on terms acceptable to us or at all. As a result, we may not be able to raise adequate funds for our operations in the future.

The PRC government has in recent years introduced numerous policies to manage money supply growth and credit availability, especially with respect to the property development sector, which, among other things:

- prohibit PRC commercial banks from granting loans to property developers for funding the payment of land premiums;

- restrict PRC commercial banks from granting loans for the development of luxury residential properties;

- prohibit PRC commercial banks from granting loans to a property developer to fund a project if the property developer's registered capital has not been paid in full or if the developer has failed to acquire the land use rights certificate with respect to the relevant parcel of land, or if the property developer's internal funds available for the project are less than 35% of the total estimated capital required for that project; and

- prohibit property developers from using borrowings obtained from local banks to fund property developments outside that local region.

See the section entitled "Regulatory Overview" in this prospectus for further information. The above measures and other similar government policy initiatives have limited our ability and flexibility in using bank loans and trust financing arrangements to finance our property developments. We cannot assure you that the PRC government will not introduce other initiatives that may further limit our access to capital resources, or that we will be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms or at all.

We provide guarantees over mortgage loans given by banks to purchasers of our properties, which may negatively impact our financial position if we are required to honor the guarantees

We arrange for various domestic banks to provide mortgage loans to purchasers of our properties. According to typical guarantee contracts for mortgage loans, the banks require us to guarantee these mortgage loans. These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks and (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers of our projects. In line with industry practice, we do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagee banks. As of December 31, 2010, 2011 and 2012 and June 30, 2013, our outstanding guarantees over mortgage loans of our customers amounted to RMB1,217.0 million, RMB1,710.5 million, RMB3,210.2 million and RMB3,548.3 million, respectively. During the Track Record Period, to our best knowledge, there were six minor defaults by purchasers on mortgage loans that we had guaranteed and which the mortgagee banks had enforced the mortgages through court proceedings. These mortgage loan defaults amounted to an aggregate of approximately RMB1.6 million over the Track Record Period. Our Directors confirm that we did not experience any material default on mortgage during the Track Record Period and we were not required to make any payment in respect of these six default incidents. See the section entitled "Business — Payment Arrangements" in this prospectus for further information.

In the event of a significant depreciation in the market value of the underlying properties, the purchasers may refuse to continue paying the mortgages and the banks may require us to repurchase the underlying properties in order to discharge our obligations as guarantor. We may resell the properties but may not be able to achieve a sale price sufficient to cover the shortfall between the market value of the properties and the amounts guaranteed by us. This could have a material adverse effect on our business, results of operations and financial position. We cannot assure you that defaults will not occur in the future or that we will not suffer any loss as a result of such defaults. In addition, if a significant number of customers default on their mortgages and our guarantees are called upon, our business, results of operations and financial position could be materially and adversely affected.

We may not have maintained adequate insurance to cover our potential losses and claims

We do not maintain insurance against all risks associated with our industry. In line with industry practice, we do not maintain insurance for any destruction of, or damage to, our property developments (whether they are under development or have been completed and are pending delivery to our customers) other than with respect to those buildings in which our lending banks have security interests, for which we are required to maintain insurance coverage under the relevant loan agreements. Apart from insurance covering construction-related personal injuries of our employees, which we are required to maintain as an employer under relevant PRC laws and regulations, we do not maintain insurance covering construction-related property damage or personal injuries of third parties.

In addition, we do not maintain insurance against any liability arising from allegedly tortious acts committed on our work sites. We cannot assure you that we will not be sued or held liable for damage arising from, or in connection with, any such tortious acts. Moreover, there are certain losses for which insurance is not available on commercially practicable terms, such as those suffered due to earthquakes, typhoons, floodings, wars, civil disorders and other events of force majeure. See the section entitled "Business — Insurance" in this prospectus for further information on our insurance coverage. If we suffer any loss, damage or liability in the course of our business operations, we may not have sufficient funds to cover such loss, damage or liability or to replace any property development that has been destroyed. In addition, any payment we make to cover any loss, damage or liability could have a material adverse effect on our business, results of operations and financial position.

We may be subject to fines due to the lack of registration of our leases

Pursuant to the Measures for Administration of Lease of Commodity Properties《商品房屋租賃管理辦法》, which was promulgated by the Ministry of Construction on December 1, 2010 and became effective on February 1, 2011, registration of leases is required and a fine will be imposed on the parties to a lease for the failure to register a lease. For an entity, the fine will range from RMB1,000 to RMB10,000, and for an individual, the fine will not be more than RMB1,000 for non-registration of a lease. As of the Latest Practicable Date, we leased 100 properties in the PRC from different landlords, out of which we sub-leased 17 properties to third parties. In total, we entered into 572 lease agreements as lessor with different tenants, out of which 330 lease agreements had yet to be registered with the relevant government authorities. As advised by our PRC legal advisers, Commerce & Finance, the lack of registration of a lease will not affect its legality, validity or enforceability. See the section entitled "Business — Compliance" in this prospectus for further details on the potential legal consequences of the lack of registration of leases.

Our business operations may be delayed or disrupted if we are not able to obtain all the necessary governmental approvals and certificates and to meet regulatory requirements

The real estate industry in the PRC is subject to extensive governmental regulations. In order to undertake and complete a property development or to commence property leasing, a property developer must obtain various permits, licenses, certificates and other approvals from the relevant governmental or administrative authorities at various stages of the property development, including, but not limited to, land use rights certificates, construction land planning permits, construction work planning permits, construction work commencement permits, pre-sale permits, permits to carry our property management services and various certificates or confirmations of completion and acceptance. Each approval may depend on the satisfaction of certain conditions.

As of the Latest Practicable Date, we had not obtained the land use rights certificate for three parcels of land in relation to Times King City (Zhuhai), our Foshan Fengrui Project and Zhongshan Shiqi Project, the total site area of these three projects is approximately 279,179 sq.m. and is being held for future development. Also, we are in the process of converting the land use for each of our Guangzhou Tianhe Project and Guangzhou Tiansi Project from industrial use to residential and commercial use. See the sections entitled "Business — Our Business — Summary Information Regarding Our Property Projects" and "Business — Description of Our Projects" in this prospectus for further details. We cannot assure you that we will not encounter problems in obtaining such governmental approvals or in fulfilling the conditions required for obtaining the approvals and certificates including land use rights certificates, or that we will be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to regulatory approvals and certificates. If we fail to obtain the relevant approvals or to fulfill the conditions of the approvals and certificates for our property development, those developments may not proceed on schedule. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to fines due to the commencement of construction work prior to obtaining the relevant construction work commencement permit or building unauthorized construction without local government's permission

Pursuant to the Regulations on Administration Regarding Permission for Commencement of Construction Work (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction on October 15, 1999 and amended on July 4, 2001, a property developer shall apply for a construction work commencement permit from the relevant authority prior to the commencement of any construction work on the land. If a property developer fails to obtain the relevant construction work commencement permit before commencement of construction work, a fine ranging from RMB5,000 to RMB10,000 (if no proceeds were generated by such non-compliance) or from RMB5,000 to RMB30,000 (if proceeds were generated by such non-compliance) will be imposed on such property developer.

For historical non-compliance incidents during the Track Record Period, see the section entitled "Business — Compliance — Non-Compliance Record" in this prospectus for further details.

We may not be able to complete or deliver our development projects on time and face substantial development risks before we realize any benefits from a property development project

Property development projects require substantial capital expenditures prior to and during the construction period. It may take longer than a year from the commencement of construction before a property development project can generate cash flow through pre-sales, sales or leases. The progress and costs of a property development project can be materially and adversely affected by many factors, including, without limitation:

- delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;
- relocation of existing residents or demolition of existing structures;
- shortages of our increase in costs of materials, equipment, contractors and skilled labor;
- availability and cost of financing;
- failure of contractors or suppliers to provide products and services as anticipated, due to financial difficulties or other reasons;
- labor disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in government policies.

Construction delays or failure to complete the construction of a property development project according to its planned specifications, schedule or budget as a result of any or all of the above factors may materially and adversely affect our business, results of operations and financial position and may also cause reputational damage. We cannot assure you that we will not experience any significant delays in the completion or delivery of any of our property development projects or that we will not be subject to any liabilities for any such delays. Such disruptions may materially and adversely affect our business, results of operations and financial position.

In addition, if a pre-sold property development project is not completed on time, purchasers may be entitled to compensation for late delivery. If the delay extends beyond the contractually specified period, or if the actual GFA of a completed property delivered to a purchaser deviates by more than 3.0% from the GFA originally indicated in the sale and purchase agreement, the purchaser is entitled to terminate the sale and purchase agreement and claim a refund of the paid purchase price along with accrued interest. Depending on the number of affected purchasers, this would materially and adversely affect our business, results of operations and financial position.

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

The appraised value of our properties as contained in the Property Valuation Report is based on multiple assumptions that include elements of subjectivity and uncertainty. With respect to properties under development and properties held for future development, the valuations are based on the assumptions that (i) the properties will be completed or developed as currently scheduled; (ii) regulatory and governmental approvals for the proposals have been or will be obtained; and (iii) the properties are free from encumbrances and other restrictions. For properties owned by the project companies in which we have an attributable interest of less than 100%, the valuation assumes that the interest of the relevant project companies in the aggregate value of the property or business is equal to our proportionate ownership interest in the relevant company or business.

If any of these assumptions turns out to be incorrect or the actual realizable value of any of our properties is significantly lower than its appraised value, our business, financial condition and results of operations may be materially and adversely affected.

We mainly purchase from a small group of suppliers, and any disruption in their supply may have a material adverse effect on our business and results of operations

During the Track Record Period, our major suppliers were mainly our construction contractors and construction material suppliers. Purchases from our five largest suppliers accounted for approximately 63.1%, 43.0%, 59.0% and 63.0%, respectively, of our total purchases for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, and purchases from our largest supplier accounted for approximately 41.4%, 22.2%, 41.1% and 29.6%, respectively, of our total purchases for the corresponding periods. We have, on average, a five-year working relationship with each of them. Should there be a disruption in supply by one or more of our major suppliers and we fail to find replacement suppliers on favorable terms, or at all, our business and results of operations may be materially and adversely affected.

We rely on third-party architecture and design firms and construction contractors for various services relating to our property developments and are subject to risks relating to their performance and reputation and any additional unforeseen costs associated with engaging them

We engage third-party architecture and design firms and construction contractors to carry out various services relating to our property development projects. Services provided by third-party architecture and design firms include master planning, architectural design, landscape design, interior design and ancillary facilities design. Services provided by third-party construction contractors include construction, piling and foundation, engineering, interior decoration, mechanical and electrical installation and utilities installation. Construction and completion of our projects is, therefore, largely subject to the performance of these independent firms and contractors.

When selecting third-party architecture and design firms, we take into consideration factors such as reputation, technical abilities, product innovation capabilities, track record in developing similar projects, service standards and past relationship with us. Although we generally engage firms or designers that are reputable, we cannot assure you that the work or designs rendered by any of these firms will meet the needs and preferences of our potential customers. We generally select independent contractors through a tender process. Although we invite contractors to tender bids which we assess and consider according to their reliability, timeliness, quality, past relationship with us, track record and references, and our supervision of the construction progress once a contract is awarded, we cannot assure you that the services rendered by any of these independent contractors or their subcontractors will be satisfactory or meet our quality standard, especially since it is difficult for us to effectively monitor the quality and progress of contracted work at all times.

In addition, reputation and brand name are important to architecture and design firms and construction companies. Any negative incident or negative publicity affecting the reputation of these firms and companies may in turn have a negative impact on our properties that are designed or constructed by them. Moreover, construction or completion of our property developments may be delayed, and we may incur additional costs, due to financial or other difficulties related to these design firms and contractors. Any of these factors could have a material adverse effect on our business, reputation, results of operations and financial position.

The PRC government may impose a fine or forfeit our land if we fail to comply with the terms of the land grant contracts

Under PRC laws and regulations, if a property developer fails to comply with the terms of the land grant contract, including those relating to payment of land premiums, the designated use of the land and the schedule for commencement and completion of the development of the land, the relevant PRC land bureau may issue a warning to, or impose a penalty on, the developer or reclaim the relevant land. Specifically, under current PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated deadline, a late payment penalty of 0.1% of the unpaid land premium will be imposed on a daily basis. If a developer fails to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may launch an investigation in respect of idle land. Upon investigation, if the bureau proves the land to be idle land, they will issue the Letter of Identification of Idle Land and impose an idle land fee on the land of 20% of the land premium specified in the contract. If a developer fails to commence development for more than two years from the commencement date stipulated in the land grant contract, the land may be subject to reclamation by the PRC government unless the delay in development is caused by governmental actions or force majeure.

In addition, even if the commencement of the development is in line with the relevant land grant contract, the land will nonetheless be treated as idle land if (i) the developed GFA on the land is less than one-third of the total GFA of the project under the land grant contract or the total capital invested is less than one-fourth of the total estimated investment of the project under the land grant contract, and (ii) the development of the land has been suspended for more than one year without governmental approval. See the sections entitled "Regulatory Overview — Termination" and "Regulatory Overview — Idle Land" in this prospectus for further information.

During the Track Record Period, our subsidiaries, Foshan Yudonglong, Guangzhou Hongtai, Guangdong Guangchang and Guangzhou Tianlang had experienced delay in payment of land premium and were fined approximately RMB1.8 million, RMB950,000, RMB3.0 million and RMB10.0 million (including interest), respectively. See the section entitled "Business — Compliance — Non-compliance Record" in this prospectus for further details. We cannot assure you that delays in payment of land premium, or other circumstances, including insufficient cash flow or financing to fund land acquisitions or property developments, leading to delay in commencement or completion of a property development will not arise in the future.

If we are sanctioned or any of our land is forfeited in the future, we will not be able to continue our property development on the forfeited land, recover the costs incurred for the initial acquisition of the forfeited land or recover development costs and other costs incurred up to the date of forfeiture, which may, in turn, materially and adversely affect our business, results of operations, financial position and future prospects.

Our property development schedule may be delayed and our development costs may increase as a result of the demolition and resettlement processes

The land parcels that we acquire in the future for development may have existing buildings or other structures or may be occupied by third parties, which require demolition and resettlement. Given the nature of demolition and resettlement, which depends on various external factors that are beyond our control, we cannot guarantee that there will not be any delay in our development schedule. If the party responsible for the demolition or resettlement and the original residents fail to reach an agreement on the amount of compensation, either of them may apply to the relevant authorities for a ruling on the amount of compensation. Dissenting residents may also refuse to relocate. Such administrative process or resistance or refusal to relocate may delay the timetable of our development projects or, in extreme cases, prevent their completion. The occurrence of any of the above events may have an adverse effect on our business, financial condition and results of operations.

As of the Latest Practicable Date, one of our potential development projects, Hongwei Village property development project in Guangzhou, involved the demolition of existing properties and relocating existing residents. For further information of this project, see the section entitled "Business — Potential Development Projects" in this prospectus. We cannot assure you that the resettlement negotiation will proceed smoothly or our potential development project will not be delayed. If such delay occurs, it could adversely affect our reputation and lead to an increase in development cost, which may in turn adversely affect our business, financial position and results of operations.

We may not be able to use or sublet certain properties leased by us because of defects affecting our leasehold interests

We occupy or sublet to third parties some properties of which the property ownership certificates have not been obtained by the lessors. Some of our lessors were not able to provide property ownership certificates or proof to allow us to sub-lease the relevant properties to us. As a result, it is possible that third parties may seek to assert their ownership rights against the landlords or challenge our sub-leases. As of the Latest Practicable Date, we leased 100 properties with an aggregate GFA of 280,316 sq.m. from third parties, of which 54 of them with an aggregate GFA of 182,954 sq.m. did not have the property ownership certificates. Out of these 54 properties, 40 of which with an aggregate GFA of 7,979 sq.m. were leased for our own use and 14 of which with an aggregate GFA of 174,975 sq.m. were sublet by us to third parties.

Since we are not able to confirm the ownership of some of the properties we occupy due to the lack of the property ownership certificates, in the event that any party claims its right upon such properties, we may need to relocate and seek for an alternative location. However, we cannot assure you that we can find a suitable replacement in a timely manner, or at all. Any relocation of our operations on such properties, or failure to find a suitable replacement, may result in significant costs to us or cause a disruption to our operations.

In addition, although we have disclosed to our sub-lessees when we sublet to them the fact that certain properties may not have the property ownership certificate and such parties have confirmed that they are fully aware of such defects, there is no assurance that we will not be sued or held liable for damages arising from, or in connection with, our sub-lease arrangements with third-parties. There may be disruptions to our sub-leasing business in relation to properties without the property ownership certificates if any of the leases are terminated as a result of any challenges by third parties. In this case, our business, results of operations and financial position would be adversely affected. For further information on our property leasing business, see the section entitled "Business — Property Leasing — Sub-leasing" in this prospectus.

A deterioration in our "Times Property" (時代地產) brand image and any third party's inappropriate use of the trademarks and service marks of "Times Property" (時代地產) may damage our reputation and materially and adversely affect our business, results of operations and financial position

We rely, to a significant extent, on our "Times Property" (時代地產) brand name and image to attract potential customers to our properties. Any negative incident or negative publicity concerning us or our properties may materially and adversely affect our reputation, business, results of operations and financial position. Brand value is based largely on consumer perceptions with a variety of subjective qualities and can be damaged even by isolated business incidents that degrade consumer trust. Consumer demand for our properties and our brand value could diminish significantly if we fail to preserve the quality of our properties or fail to deliver a consistently positive consumer experience, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity and the resulting decrease in brand value, or any failure to establish our brand outside Guangdong and Hunan Provinces and cities in which we currently operate, may have a material adverse effect on our business, results of operation and financial position.

Our brand name may be used by third parties without our prior consent. If a third party uses "Times Property" (時代地產) in its operations and conducts its businesses in a negligent or reckless manner, our "Times Property" (時代地產) brand and our reputation may be materially and adversely affected. This may in turn have a negative impact on our business, results of operations and financial position.

Furthermore, as of the Latest Practicable Date, we were licensed to use 23 trademarks in the PRC. These 23 trademarks are registered in the PRC and held by Times Development Group. On March 13, 2013, Times Group entered into the Trademark License Agreement with Times Development Group. Pursuant to the Trademark License Agreement (which was amended and supplemented by a supplemental agreement dated July 1, 2013), Times Development Group granted an exclusive license to us to use the Trademark on a royalty free basis for a period commencing from March 13, 2013 and ending on March 12, 2033. Failure to renew the license to use such trademarks may have a material adverse effect on our business, financial condition and operating results.

If we are unable to retain our existing senior management and other key personnel and hires, train and retain senior management or key personnel, our ability to maintain and develop our business could be harmed

Our operations and long-term success depend heavily upon the continued service of members of our senior management team and our ability to attract and retain qualified staff. Our chairman, Mr. Shum, has over 14 years of experience in the PRC real estate industry. In 2001, he founded Times Group and served as the president of Times Group's business. In addition, several other members of our senior management team have worked for us for many years and have played key roles in making major business decisions. If any of our senior management team or other key personnel is unable or unwilling to continue in their present position with us and we are unable to replace them in a timely manner, our business operations may be disrupted and our business, results of operations and financial position may be materially and adversely affected. As competition in China for quality, experienced senior management and key personnel is intense, we may not be able to retain the services of our senior executives or key personnel, or attract, retain or replace quality senior executives or key personnel in the future. If any member of our senior management team or key personnel joins a competitor or carries on a competing business, we may lose customers and other key staff members, which will materially and adversely affect our business and expansion prospects.

In addition, we may be unable to retain a sufficient number of suitable employees for the development of our existing projects or recruit additional qualified employees for our daily operations and business expansion, in which case, our business, results of operations, growth and business prospects could be materially and adversely affected.

We rely principally on dividends paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business

We are a holding company incorporated in the Cayman Islands and operate our core business primarily through our subsidiaries in the PRC. We rely principally on dividends paid by our subsidiaries for our cash requirements, including the funds necessary to service any debt we may incur. If any of our subsidiaries incurs debt in its own name in the future, the instruments governing the debt may restrict dividends or other distributions to us. Furthermore, our PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on PRC accounting standards each year for their reserve fund in accordance with the requirements of relevant laws and provisions in their respective articles of associations. As a result, our PRC subsidiaries may be restricted in their ability to transfer any portion of their net income to us, whether in the form of dividends, loans or advances. In addition, restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future, if any, may also restrict the ability of our PRC subsidiaries to make distributions to us. Any limitation on the ability of our subsidiaries to pay dividends to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

Our financing costs are subject to changes in interest rates

We rely on and expect to continue to rely on bank and third-party loans to finance a substantial part of our project developments. In addition, purchasers of our properties often obtain mortgage loans to purchase our properties. Accordingly, changes in interest rates have affected and will continue to affect the purchasers of our properties and our financing costs. As our bank loans are principally denominated in Renminbi, the interest rates on our loans are primarily affected by the benchmark interest rates set by the PBOC, which have fluctuated significantly in recent years. The PBOC benchmark one-year lending rates in the PRC (which directly affects the property mortgage rates offered by commercial banks in the PRC) as of December 31, 2010, 2011 and 2012 and June 30, 2013 were 5.81%, 6.56%, 6.00% and 6.00%, respectively. The weighted average effective interest rate for our bank loans was 6.09%, 9.04%, 9.62% and 7.92%, respectively, and the weighted average effective interest rate for our trust financing arrangements was 7.60%, 8.20%, 12.15% and 15.60%, respectively, as of December 31, 2010, 2011 and 2012 and June 30, 2013. We cannot assure you that lending rates will remain unchanged. Future increases in the PBOC benchmark interest rate may lead to higher lending rates, which may increase our financing costs and thereby materially and adversely affect our business, results of operations and financial position.

If we are not properly insulated from the price volatility of construction materials, our results of operations may be materially and adversely affected when prices of construction materials appreciate substantially

The cost of construction materials such as steel and cement, as well as contractors' labor costs, may fluctuate. Our results of operations are affected by the price volatility of construction materials, particularly in light of the fact that it normally takes several years to complete a project. As some of our major construction contracts are not fixed unit price contracts, we bear the risk of fluctuations in construction material prices during the term of the relevant contract. To the extent that we are unable to pass any increased materials costs on to our customers, our cost of sales will increase and our profit margin will decrease. Furthermore, we normally pre-sell our properties prior to their completion, and we will be unable to pass the increased costs on to our pre-sale customers if construction costs increase subsequent to the time of such pre-sale. If we are unable to pass the increase in the cost of construction materials on to either our construction contractors or to the purchasers of our property, our results of operations and profitability may be materially and adversely affected.

As we expand into new regions, we may not be able to replicate the success we have achieved in cities in which we currently operate

We are one of the leading property developers in Guangdong Province focusing on the development of mid-market to high-end residential properties. We believe we have a deep understanding of, and insight into, the market developments and trends in these regions. We began our business in Guangzhou in 1999 and since then expanded into other cities in Guangdong Province, including Foshan, Zhuhai, Zhongshan and Qingyuan, as well as Changsha in Hunan Province. As one of our business strategies, we plan to further penetrate the existing areas where we operate and expand our business into other cities in Guangdong Province with high growth potential. Such areas or cities may differ from our existing markets in terms of level of economic development, topography, real estate trends and regulatory practices. In addition, as we enter new markets, we may not have the same level of familiarity with local contractors, business practices, customs and customer tastes, behavior and preferences. As a result, we may not be able to successfully replicate our successful business model in our existing markets to the new regional markets.

In addition, when we enter new geographical areas, we may face intense competition from developers with more established experience or presence in those markets in terms of land acquisition and recruitment of suitable personnel. Any failure to leverage our experience or to understand the property market in other cities that we target for expansion may have a material adverse effect on our business, results of operations, growth and business prospects and financial position.

We may not be successful in leveraging our past experience in residential property development to further expand into other business segments or businesses complementary to property development

In the mid-to-long term, we may expand our business into new segments and product offerings. We may also pursue selective strategic acquisitions of complementary businesses and investment properties, if a suitable opportunity arises, in order to maintain a more balanced earnings and cash flow profile. However, our experience as a predominantly residential property developer may not be applicable to the future development and management of properties in other segments in which we have relatively little experience. Furthermore, expansion or acquisition may require a significant amount of capital investment and may involve uncertainties and risks, including the risks of operating in a new product market, the costs and difficulties of integrating new businesses into our existing businesses and the diversion of resources and attention of our management. Any failure to adequately address these risks may materially and adversely affect our business, results of operations and financial position.

Property owners may cease to engage us as the provider of property management services

Through our property management companies, we provide property management services to the owners or tenants of the residential and commercial properties that we have developed. We believe that property management is an important part of our business and critical to the successful marketing and promotion of our property developments. Under PRC laws and regulations, home owners of a residential property that we have developed do not have to engage us as the provider of property management services. Furthermore, homeowners in a residential community of a certain scale have the right to change the property management service provider upon the consent of a certain percentage of homeowners. If homeowners of the projects that we have developed choose not to engage us or to terminate our property management services, our reputation, business, financial position and results of operations could be materially and adversely affected.

We may be involved in disputes arising out of our operations and may face significant liability as a result

We may be involved in disputes with various parties involved in the development and sale of our properties, including contractors, suppliers, construction workers, tenants, residents of surrounding areas, business partners and purchasers. These disputes may lead to protests and legal or other proceedings and may result in damage to our reputation, substantial costs, delay in our development schedule and diversion of resources and management’s attention. We may also have disagreements with regulatory bodies in the course of our operations.

We carry out some of our projects through joint ventures or cooperation arrangements. Such joint ventures and cooperation arrangements involve a number of risks, including, without limitation:

- disputes with our business partners in connection with the scope or performance of their obligations under the relevant joint venture or cooperation arrangements;
- financial difficulties encountered by a business partner affecting its ability to perform its obligations under the relevant joint venture or cooperation arrangements; and
- conflicts between the policies or objectives adopted by our business partners and those adopted by us.

Furthermore, as some of our projects comprise multiple phases, purchasers of our properties in earlier phases may commence legal action against us if our subsequent planning and development of the projects are perceived to be inconsistent with our representations and warranties made to such earlier purchasers. In addition, we may have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decisions that result in penalties or delays to our property developments. We may also be involved in disputes or legal proceedings relating to delays in the completion and delivery of our projects. The occurrence of any of the above events may have a material adverse effect on our business, financial position and operating results. During the Track Record Period, we were involved in certain legal, administrative or other disputes in the ordinary course of our business. See the section entitled "Business — Legal Proceedings" in this prospectus for further details.

We may be deemed a PRC resident enterprise under the PRC Corporate Income Tax Law ("PRC CIT Law") and be subject to PRC taxation on our worldwide income

Under the PRC CIT Law that came into effect on January 1, 2008, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and will generally be subject to a uniform 25% corporate income tax on their global income. Under the implementation regulations of the PRC CIT Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. Substantially all of our management is currently based in China and may remain in China. Therefore, we may be treated as a PRC resident enterprise for PRC corporate income tax purposes. The tax consequences of such treatment are currently unclear, as they will depend on how local tax authorities apply or enforce the new PRC CIT Law and the implementation regulations. See the section entitled "— Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax laws" below.

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

Under the PRC CIT Law and its implementation regulations issued by the State Council, PRC withholding tax at the rate of 10%, or a lower rate for investors who qualify for the benefits of a double-taxation treaty with China is applicable to dividends payable to investors that are "non-resident enterprises," i.e., non-PRC incorporated enterprises that do not have an establishment or place of business in China, or whose only establishment or place of business in China is not effectively connected with the dividends, to the extent such dividends are sourced within China. Similarly, any gain realized on the transfer of Shares by such investors is also subject to 10% PRC withholding tax if such gain is regarded as income derived from sources within China, or a lower rate for investors who qualify for the benefits of a double-taxation treaty with China.

If we are considered a PRC "resident enterprise," it is unclear whether the dividends we pay with respect to our Shares, or the gain you may realize from the transfer of our Shares, would be treated as income derived from sources within China and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply and enforce the PRC CIT Law and the implementation rules. One exception to the 10% withholding tax under the PRC CIT Law is that, pursuant to a tax treaty between the PRC and Hong Kong, which became effective on January 1, 2007, a company incorporated in Hong Kong is subject to withholding tax at the rate of 5% on dividends it receives from a company established in the PRC if it holds a 25% or greater interest in such PRC company.

If we are required under the PRC CIT Law to withhold PRC income tax on dividends payable to foreign shareholders, or if you are required to pay PRC withholding tax on the transfer of our Shares, the value of your investment in our Shares may be materially and adversely affected.

Your interests may not always align with those of other Shareholders, including our Controlling Shareholders

Your interests may not always align with those of other Shareholders, including our Controlling Shareholders, Mr. Shum, Ms. Li, Renowned Brand, East Profit and Asiaciti Enterprises. Immediately following the Global Offering, assuming the Over-allotment Option is not exercised, our founder, chief executive officer, chairman and Controlling Shareholder, Mr. Shum, together with his spouse, Ms. Li, will beneficially own approximately 75.0% of our issued share capital. Mr. Shum and Ms. Li could have significant influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, the election of Directors and other significant corporate actions, and the power to prevent or cause a change in control. Without the consent of Mr. Shum and Ms. Li, we may not be allowed to enter into transactions. We cannot assure you that actions taken by our Controlling Shareholders will completely align with your interests, or that any conflicts of interest will be resolved in a way beneficial to you.

RISKS RELATING TO THE REAL ESTATE INDUSTRY IN THE PRC

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

The PRC government exerts considerable direct and indirect influence on the growth and development of the PRC property market through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duty on property transfers and imposing foreign investment and currency exchange restrictions. From 2004 to 2012, the PRC government introduced a series of regulations and policies designed generally to control the growth of the property market, including, without limitation:

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

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

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

See the section entitled "Regulatory Overview — Land Grants" in this prospectus for further information.

Following a downturn in the PRC property market in late 2008 and early 2009, property prices and transaction volume began increasing sharply in the second half of 2009. This has led to the imposition of further regulations and policies by the PRC government aimed at slowing down the property market. These measures resulted in downward pricing pressure on the PRC property market starting in the second half of 2011 and low transaction volumes in the first half of 2012. See the section entitled "Regulatory Overview" in this prospectus.

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

PRC government policies, regulations and measures intended to discourage speculation in the real estate market may materially and adversely affect our business

Along with economic growth in China, investment in the property sector has increased significantly in the past few years. In May 2006, the Ministry of Construction, the NDRC, the PBOC and other relevant PRC government authorities jointly issued the Opinions on Adjusting Housing Supply Structure and the Stabilization of Property Prices (《關於調整住房供應結構穩定住房價格的意見》) to further curb rapid increases in property prices in certain cities and to promote the healthy development of the PRC property market.

In September 2007, the PBOC and the CBRC jointly issued the Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的通知》), and in December 2007, they issued the Supplementary Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (《關於加強商業性房地產信貸管理的補充通知》) to further regulate the management of credit loans for commercial real estate.

In December 2011, MOFCOM and the NDRC jointly issued the amended Catalog which became effective on January 30, 2012. Compared to the previous version of the Catalog issued in 2007, foreign investment in the development of villas is no longer only "restricted"; instead, it is now "forbidden." Foreign investment in the development of a whole parcel of land (through joint ventures and cooperative arrangements), high-end hotels, high-end office buildings and international convention centers is still classified as "restricted." Although such investment has not been "forbidden," our future ability to engage in the development of high-end hotels and high-end office buildings may potentially be restricted. If the PRC government issues additional policies or regulations to further regulate or restrict foreign investment in the PRC property industry, and if these policies or regulations directly apply to our business and operations, our business, financial position and results of operations could be adversely affected.

The various restrictive measures taken by the PRC government to ensure the healthy growth of the property sector may limit our access to capital resources, reduce market demand and increase our operating costs in adapting to these measures. See the section entitled "Regulatory Overview" in this prospectus for further information on the restrictive measures taken by the PRC government. We cannot assure you that the PRC government will not adopt additional and more stringent measures, which could further slow down property development in China. Any limitation on our access to capital, increase in our operating costs or decrease in property development growth in China resulting from existing or future measures could have a material adverse effect on our business, results of operations and financial position.

Our ability to secure new projects may be materially and adversely affected by policies and regulations introduced by the PRC government which have the effect of restricting investment in the PRC real estate industry

In recent years, the PRC government has introduced a number of policies and regulations aimed at regulating overseas investment in the real estate industry to ease pressure on the Renminbi, which is perceived to result from foreign equity and debt financing of real estate developments. On May 23, 2007, MOFCOM and SAFE jointly issued Notice 50. Notice 50, among other things, regulates the establishment of a FIREE in the PRC by a foreign investor, by requiring additional filing procedures with MOFCOM. Further, on July 10, 2007, SAFE issued Notice 130, which further restricts the ability of a FIREE to increase its registered capital and apply for foreign exchange registrations after June 2007. FIREEs that obtain a certificate of approval for increasing their registered capital will be required to complete MOFCOM filing procedures. Should we be unable to obtain approvals and complete the filing requirements for increasing the registered capital of our existing FIREEs in the PRC or for establishing new FIREEs in the PRC, we may be unable to inject the net proceeds of our Global Offering into the PRC. See the section entitled "Regulatory Overview — Foreign Investment in Property Development" in this prospectus for further details.

If we increase the registered capital of our FIREEs in the future, we will have to follow the relevant procedures stipulated in Notice 50 and Notice 130, and undertake credit and foreign exchange registrations in accordance with relevant PRC laws within the approved investment deadline and amount. If the PRC government issues policies or regulations aimed at further regulating or restricting overseas investment in the PRC real estate industry that directly apply to us, our ability to secure new projects may be materially and adversely affected, and our revenue and results of operations may also suffer.

The terms on which mortgage loans are available, if at all, may affect our sales

Substantially all purchasers of our residential properties rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing and affect the affordability of residential properties. In addition, the PRC government and commercial banks may also increase the down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. Under the existing PRC laws and regulations, purchasers of residential properties with a unit floor area of less than 90 sq.m. must generally pay at least 20% of the purchase price of the property before they can finance their purchases through mortgages. Since June 2006, the PRC government has increased the minimum amount of down payment to 30% of the purchase price for first-time homeowners if the property has a unit floor area of 90 sq.m. or more. For second-time homeowners that use mortgage financing, the PRC government-sanctioned minimum down payment has increased to 40% of the purchase price, with a minimum mortgage loan interest rate of 110% of the relevant PBOC benchmark interest rate.

For commercial property buyers, banks are not allowed to finance the purchase of any pre-sold properties. The minimum down payment for commercial property buyers has increased to 50% of the purchase price, with a minimum mortgage loan interest rate of 110% of the relevant PBOC benchmark interest rate and maximum maturities of no more than ten years. In addition, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50% of the individual borrower's monthly income. If the availability or attractiveness of mortgage financing is reduced or limited, many of our prospective customers may not be able to purchase our properties and, as a result, our business, results of operations and financial position could be materially and adversely affected.

Increasing competition in the PRC, particularly in Guangdong and Hunan Provinces, may materially and adversely affect our business, results of operations and financial position

In recent years, a large number of property developers have begun undertaking property development and investment projects in Guangdong Province and elsewhere in the PRC. These include overseas property developers (including a number of leading Hong Kong property developers) and developers from other regions of the PRC, some of which may have better track records and greater financial and other resources than we do. The intensity of the competition among property developers, and also among Guangdong Province, Hunan Province and other regions or cities in the PRC, may result in increased costs for the acquisition of land for development, an oversupply of properties in certain parts of the PRC, including Guangdong and Hunan Provinces, a decrease in property prices, a price war or a slowdown in the rate at which new property developments will be approved or reviewed by the relevant government authorities, any of which may materially and adversely affect our business, results of operations and financial position. In addition, the real estate market in Guangdong Province, Hunan Province and elsewhere in the PRC is rapidly changing. If we cannot respond to such changes in market conditions more quickly or more effectively than our competitors, our business, results of operations and financial position may be materially and adversely affected.

Our property development business is subject to claims under statutorily mandated quality warranties

Under the Administrative Regulations on the Development and Operation of Urban Real Estate (《城市房地產開發經營管理條例》), all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide, and we have provided, these warranties to our customers. We may sometimes receive quality warranties from third-party contractors that we hire to construct our development projects. If a significant number of claims is brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money we retained from contractors is not sufficient to cover our payment obligations under the quality warranties, we could incur significant expenses to resolve such claims or face delays in correcting the related defects, which could in turn harm our reputation and have a material adverse effect on our business, results of operations and financial condition.

We may be liable to our customers for damages if we do not deliver individual property ownership certificates in a timely manner

According to the relevant PRC rules, property developers are required to assist purchasers in obtaining the relevant individual property ownership certificates within 90 days of delivery of the property or within a time frame set out in the relevant sale and purchase agreement. Property developers, including us, generally elect not to specify the deadline for the delivery of the individual property ownership certificates in the sale and purchase agreements to allow sufficient time for the application and approval processes. We generally obtain and deliver to our property owners the ownership certificates within two years of delivery of the completed properties.

Under the local regulations of Guangdong Province, we are required to submit requisite governmental approvals in connection with our property developments, including, among other things, land use rights certificates and construction work planning permits, to the local bureau of land resources and housing administration within 30 days of receipt of the completion certificate for the relevant properties and to apply for the general property ownership certificate with respect to these properties. Purchasers may then submit or authorize us to submit, within 30 days of delivery of the properties, the relevant property sale and purchase agreements, identification documents of the purchasers, proof of payment of the deed tax, and the general property ownership certificates, for the bureau's review and the issuance of the individual property ownership certificates with respect to the properties purchased. Similar regulations are applicable for Hunan Province, except no specific time limits were imposed by local authorities. Delays by administrative authorities in reviewing the relevant applications and granting approval, as well as other factors, may affect timely delivery of the general as well as individual property ownership certificates. As a result, our reputation may be harmed and we may become liable for monetary penalties to purchasers for late delivery of the individual property ownership certificates due to delays in the administrative approval process.

Potential liability for environmental problems could result in substantial costs

We are subject to various laws and regulations concerning the protection of the environment. The particular environmental laws and regulations which apply to a given project development site vary greatly according to the site's location, its environmental condition, and the present and former uses of the site as well as of any adjoining properties. Environmental laws and conditions may result in delays to our property developments, may cause us to incur substantial compliance and other costs and can prohibit or severely restrict project development activity in environmentally sensitive regions or areas.

Pursuant to PRC laws and regulations, each project we develop is required to undergo environmental assessments. Further, an environmental impact assessment report is required to be submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request us to submit additional environmental impact documents, issue orders to suspend construction and impose penalties for any projects that have not, prior to the commencement of construction, received approval following the submission of the required environmental impact assessment documents. Although the environmental investigations conducted to date have not revealed any environmental liability that we believe would have a material adverse effect on our business, results of operations or financial position, it is possible that these investigations did not reveal all environmental liabilities, or that there are material environmental liabilities of which we are unaware. If we are subject to any regulatory action as a result of our failure to carry out an environmental impact assessment fully, or at all, our reputation, business, results of operations and financial position may be materially and adversely affected. See the section entitled "Business — Environmental Matters" in this prospectus for a description of the foregoing environmental matters.

RISKS RELATING TO THE PRC

All of our assets are located in the PRC and all of our revenue is sourced from the PRC. Accordingly, our business, results of operations, financial position and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC.

PRC economic, political and social conditions, as well as governmental policies, could affect our business

The economy of the PRC differs from the economies of most developed countries in many respects, including, with our limitation, structure, level of government involvement, level of development, growth rate, government policies relating to foreign exchange, and allocation of resources.

While the PRC economy has grown significantly in the past 20 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example, our business, results of operations and financial position may be materially and adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to us.

The PRC economy has been transitioning from a planned economy to a market-oriented economy. For the past two decades, the PRC government has implemented economic reforms emphasizing the utilization of market forces to develop the PRC economy. Although we believe these reforms will have a positive effect on our overall and long-term development, we cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on our current or future business, results of operations or financial position.

Governmental control of currency conversion may affect the value of your investment

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside China. We receive substantially all of our revenue in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations, if any.

Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required when Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of indebtedness denominated in foreign currency. The restrictions on foreign exchange transactions under capital accounts could also affect our subsidiaries' ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us. Furthermore, the PRC government may in the future and at its discretion restrict access to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

Uncertainty with respect to the PRC legal system could affect us

As all of our businesses are conducted and all of our assets are located in the PRC, our operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can be cited only as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activity in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware that we have violated these policies and rules until some time after the violation. Any litigation in China may be protracted and result in substantial costs and diversion of resources and management's attention.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares, and the liquidity and market price of our Shares may be volatile

Prior to the Global Offering, there has been no public market for our Shares. The initial public offer price range per Share was the result of negotiations among us and the Joint Global Coordinators (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for the Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares. There is no assurance that the Global Offering will result in the development of an active and liquid public trading market for the Shares. In addition, the price, liquidity and trading volume of the Shares may be volatile. Factors such as fluctuations in our revenue, earnings and cash flow or any other developments may affect the volume and price at which the Shares will be traded. In addition, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our Shares will be subject to changes in price not directly related to our performance.

Purchasers of our Shares in the Global Offering will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

The offer price range of our Shares is substantially higher than our net tangible book value per share immediately prior to the completion of the Global Offering. Therefore, purchases in our Shares in the Global Offering will experience an immediate and substantial dilution in pro forma net tangible book value. Our existing Shareholders will, however, receive an increase in pro forma net tangible book value per Share with respect to their shareholdings. In addition, if we issue additional Shares or equity-linked securities in the future, you may experience further dilution.

Future sales of a substantial number of our Shares in the public market by our Directors, officers or current Shareholders could materially and adversely affect the prevailing market price of our Shares

Future sales of a substantial number of our Shares in the public market by our Directors, officers or current Shareholders, including Shares issued upon exercise of share options in the public market in Hong Kong, or the possibility or perception of such sales, could negatively impact the market price in Hong Kong of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for periods of up to 12 months after the date on which trading in our Shares commences on the Stock Exchange, details of which are set forth in the section entitled "Underwriting — Underwriting Arrangements and Expenses — Undertakings" in this prospectus. While we are not aware of any intentions our Controlling Shareholders may have to dispose of significant amounts of their Shares after the lock-up periods conclude, we are not in a position to give any assurance that they will not dispose of any Shares they may own now or in the future.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in mainland China or to enforce against them in mainland China any judgments obtained from non-PRC courts

All of our executive Directors and executive officers reside within mainland China, and all of our assets and all of the assets of those persons are located within mainland China. Therefore, it may be difficult for you and other investors to effect service of process upon us or those persons inside mainland China or to enforce against us or them in mainland China any judgments obtained from non-PRC courts.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands, the United States, the United Kingdom, Japan and many other countries. Therefore, recognition and enforcement in China of judgments of a non-PRC court may be difficult or impossible.

Certain facts and other statistics with respect to China, the PRC economy and the PRC real estate industry in this prospectus are derived from various official government sources and third-party sources and may not be reliable

Certain facts and other statistics in this prospectus relating to China, the PRC economy and the PRC real estate industry have been derived from various official government publications and commissioned research reports. However, we cannot guarantee the quality or reliability of these sources. They have not been prepared or independently verified by us or any of our affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies. As a result, prospective investors should consider carefully how much weight or importance they should attach to or place on such facts or statistics.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering

Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering which included, among other things, certain financial information, projection, valuations and other information about our Group and the Global Offering. We have not authorized the disclosure of any such information in the press or media and we do not accept any responsibility for the accuracy or completeness of press coverage or other media reports that have not been prepared or approved by us in advance of publication. We make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any such report, projection, valuation or forward-looking information about us, or any of the assumptions underlying such information. We disclaim statements in the press or other media that are inconsistent or conflict with the information contained in this prospectus. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.