OVERVIEW

We are a PRC real estate developer with a nationally recognized brand, "Sunshine 100 (陽光100)." We commenced our business in 1994, and were among the earliest PRC real estate developers to develop large-scale mixed-use business complexes, which are typically centered on office properties and supplemented by retail shops, hotels, apartments and ancillary facilities, in fast-growing second- and third-tier Chinese cities. We have also been developing multi-functional residential communities, which typically consist of a complementary mix of residential and commercial properties. We focus on second- and third-tier Chinese cities as we believe that they, benefiting from continuous urbanization in China, present a growth potential for property development that exceeds the national average. In 2012 and 2013, we were recognized as one of the "Excellent Commercial Property Developers in China (中國商業地產優秀企業)" by the China Real Estate Top 10 Research Group, sponsored by the Development Research Center of the PRC State Council, Tsinghua University and China Index Academy. We were also recognized by the China Real Estate Top 10 Research Group as among the "Top 10 Most Valuable Real Estate Brands in China" from 2006 to 2011 and the "Top 100 Real Estate Companies in China" from 2005 to 2012.

We are predominantly a "build-to-sell" property developer, selling rather than holding most of the properties we have developed. Nevertheless, we have held a small number of investment properties, mostly key retail shops in our developments, to help set the style of commercial activities in our developments, which we believe enhances our brand and helps us market our properties for sale. We also recorded considerable amounts of fair value gains and received rental income from our investment properties during the Track Record Period. We intend to continue to sell most of the properties we develop and hold a small number of investment properties for these reasons. In our property development business, we follow a standardized process in site selection, planning, design, construction and sales to ensure efficiency and quality. We engage external construction contractors to conduct all of our construction work. After we have acquired a land parcel, it generally takes us six to 12 months to conduct preparation work before the commencement of construction. Our property development cycle, which represents the period of time between our receipt of the certificate to commence construction works and our receipt of the certificate of completion with respect to each property development in our multi-phase, multi-property development projects, ranged between 13 and 32 months during the Track Record Period, depending on the type of the property and particular circumstances relating to the property. We also provide property management services to our development projects and own hotels we have developed in select locations. In addition to property development, we also conducted primary land development during the Track Record Period, cooperating with local PRC governments in preparing land to conditions ready for public auction, as a business expansion strategy.

Since 1994, we have selectively entered 16 cities in China, including nine second-tier cities that are regional economic centers (Tianjin, Chongqing, Wuhan, Changsha, Jinan, Nanning, Shenyang, Chengdu and Wuxi) and seven third-tier cities that are important high-growth cities in their respective provinces (Yantai, Dongying, Liuzhou, Guilin, Weifang, Dongguan (via an associated company) and Qingyuan). We typically select second- and third-tier cities with sizeable economies that we believe possess the potential for rapid future growth in the property sector. Most of the cities we have entered have a population of one million or above, a local GDP of RMB200 billion or above and annual total commodity property sales of three million sq.m. or above in terms of GFA. According to China Index Academy, there are approximately 67 second- and third-tier cities in China that meet these criteria, which presents a sizeable pool from which we may select cities to enter. Through developing mixed-use business complexes that we expect will become local landmarks and form new urban centers and multi-functional residential communities in second- and third-tier Chinese cities, we endeavor to bring a cosmopolitan lifestyle to purchasers of our properties in these cities. We primarily market our mixed-use business complexes to the local affluent population and our multi-functional residential communities to the emerging middle class and white-collar professionals.

As of November 30, 2013, we had cumulatively completed development of 8.1 million sq.m. in total GFA.[(1)] As of the same date, we had, in terms of GFA attributable to us in our 25 current projects, land reserves of 11.7 million sq.m., which included (i) completed and unsold properties and completed properties held for investment of approximately 1.2 million sq.m., (ii) properties under development of approximately 2.4 million sq.m. and (iii) properties held for future development of approximately 8.1 million sq.m., which included an aggregate planned GFA attributable to us of approximately 2.8 million sq.m. for which we had not obtained land use rights certificates. See "Risk Factors—Risks Relating to Our Business—Our business may be adversely affected if we fail to obtain, or if there is any material delay in obtaining, the relevant PRC governmental approvals for our property development projects" on page 39 of this prospectus. As of November 30, 2013, mixed-use business complexes and multi-functional residential communities accounted for 5.3 million sq.m. and 6.4 million sq.m., or 45.3% and 54.7%, respectively, of our total land reserves in terms of attributable GFA.

Note:

(1) Our Original Shareholders, led by Mr. Yi Xiaodi, hold a 49% interest in Beijing Sunshine 100 International Apartment (北京陽光100國際公寓), a project completed in 2003 with a GFA of approximately 158,974 sq.m.

OUR PROPERTY DEVELOPMENT PORTFOLIO

The following table sets forth key development information about our 25 projects as of November 30, 2013:

Project	Location	Completed			GFA Under Development	Held for Future Development		Our Attributable Interest
		Total	Saleable GFA Remaining Unsold	Rentable GFA Held for Investment		Planned GFA	Land Use Rights Not Yet Obtained	
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(%)
Mix-used Business Complexes								
Nanning Sunshine 100 City Plaza	Nanning	122,419	16,919	6,732	—	92,230	—	100%
Phase I		122,419	16,919	6,732	—	—	—	100%
Phase II		—	—	—	—	92,230	—	100%
Nanning Sunshine 100 Upper East Side International	Nanning	229,190	54,319	—	—	—	—	26%(1)
Vantone Air Garden	Nanning	36,465	2,751	22,791	—	—	—	100%
Yantai Sunshine 100 City Plaza	Yantai	219,489	33,479	46,533	—	361,347	361,347	100%
Phase I		219,489	33,479	46,533	—	—	—	100%
Phase II		—	—	—	—	361,347	361,347	100%
Yangshuo Sunshine 100 West Street Square	Yangshuo	22,943	—	12,421	—	—	—	75%
Liuzhou Sunshine 100 City Plaza	Liuzhou	579,268	73,517	23,470	138,480	—	—	75%
Phase I		280,023	17,058	6,693	—	—	—	75%
Phase II		172,651	44,664	16,007	—	—	—	75%
Phase III		126,594	11,794	770	—	—	—	75%
Phase IV		—	—	—	138,480	—	—	75%
Weifang Sunshine 100 City Plaza	Weifang	—	—	—	175,729	1,419,414	1,262,961	100%
Phase I		—	—	—	175,729	—	—	100%
Phase II		—	—	—	—	397,443	240,990	100%
Phase III		—	—	—	—	478,382	478,382	100%
Phase IV		—	—	—	—	360,155	360,155	100%
Phase V		—	—	—	—	183,434	183,434	100%
Chongqing Sunshine 100 International New Town	Chongqing	629,545	35,445	19,724	153,188	886,408	261,571	100%
Phase I		629,545	35,445	19,724	21,888	—	—	100%
Phase II Area A, D, G and H		—	—	—	131,300	624,837	—	100%
Phase II Area B, C, E2, F and S		—	—	—	—	—	261,571	
Shenyang Sunshine 100 International New Town(Phase III)	Shenyang	—	—	—	250,048	1,067,424	883,526	100%
Jinan Sunshine 100 International New Town	Jinan	1,476,335	180,566	70,203	188,115	581,526	54,297	49%
Attributable GFA subtotal		2,242,799	246,386	157,098	775,002	4,111,771	2,796,011	
Multi-functional Residential Communities								
Tianjin Sunshine 100 International New Town	Tianjin	987,620	203,095	17,543	—	—	—	86%
Nanning Sunshine 100 Mountainside Garden	Nanning	106,246	10,603	2,598	—	—	—	51%
Nanning Sunshine 100 Australian Garden	Nanning	125,262	800	2,904	—	—	—	50%
Nanning Sunshine 100 European Garden	Nanning	70,515	—	843	—	—	—	100%
Liuzhou Sunshine 100 Classical Era	Liuzhou	233,610	1,434	1,120	—	—	—	100%
Shenyang Sunshine 100 International New Town (Phase I and II)	Shenyang	872,454	117,558	47,863	282,562	—	—	100%
Phase I		384,932	55,608	—	—	—	—	100%
Phase II		487,522	61,950	47,863	282,562	—	—	100%
Shenyang Sunshine 100 Golf Mansion	Shenyang	—	—	—	136,515	133,250	—	51%
Phase I		—	—	—	130,865	—	—	51%
Phase II &III		—	—	—	5,650	133,250	—	51%
Chengdu Sunshine 100 Mia Center	Chengdu	189,697	53,304	—	143,977	—	—	100%
Phase I		189,697	53,304	—	—	—	—	100%
Phase II		—	—	—	143,977	—	—	100%
Wuxi Sunshine 100 International New Town	Wuxi	1,070,285	197,733	—	389,136	1,144,528	—	100%
Phase I		563,747	108,334	—	—	—	—	100%
Phase II		337,273	33,504	—	—	—	—	100%
Phase III		43,170	14,964	—	31,637	—	—	100%
Phase IV		126,095	40,931	—	357,499	70,565	—	100%
Phase V		—	—	—	—	66,816	—	100%
Phase VI		—	—	—	—	1,007,147	—	100%
Changsha Sunshine 100 International New Town	Changsha	726,369	96,524	—	320,581	370,111	—	100%
Phase I		235,659	42,735	—	—	—	—	100%
Phase II		338,614	49,497	—	—	—	—	100%
Phase III		152,096	4,291	—	320,581	—	—	100%
Phase IV		—	—	—	—	370,111	—	100%
Wuhan Sunshine 100 Lakeside Residence	Wuhan	205,780	14,935	—	203,745	437,023	—	100%
Phase I		102,545	4,079	—	—	—	—	100%
Phase II		—	—	—	101,490	—	—	100%
Phase III		103,236	10,856	—	—	—	—	100%
Phase IV		—	—	—	102,255	—	—	100%
Phase V		—	—	—	—	437,023	—	100%
Dongying Sunshine 100 City Garden	Dongying	228,457	35,755	2,225	147,629	147,116	—	100%
Phase I		136,756	2,905	2,225	—	—	—	100%
Phase II		91,702	32,850	—	71,240	—	—	100%
Phase III		—	—	—	76,389	147,116	—	100%
Qingyuan Mango Town	Qingyuan	—	—	—	254,832	3,117,065	—	55%
Phase I		—	—	—	108,555	—	—	55%
Phase II		—	—	—	146,277	1,158,024	—	55%
Phase III		—	—	—	—	1,959,041	—	55%
Guilin Lijiang Project	Guilin	—	—	—	2,625	75,576	—	75%
Chengdu Xin Sheng Yuan Project	Chengdu	—	—	—	—	20,000	—	100%
Attributable GFA subtotal		4,563,337	697,713	69,915	1,699,379	3,957,804	—	
Attributable GFA total		6,806,136	944,099	227,013	2,474,381	8,069,574	2,796,011	

Note:

(1) The project was developed by Nanning Zhuangye, which is 51%-owned by Nanning Sunshine 100, which, in turn, is 51%-owned by us, giving us an effective interest of 26%.

You should refer to the table on page 149 of this prospectus for detailed assumptions and notes on these property developments.

SELECT RESULTS OF OPERATIONS

Sales of Properties

We derived most of our revenue from sales of properties during the Track Record Period. For the years ended December 31, 2010, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013, we recorded revenue of RMB2,835.2 million, RMB2,819.9 million, RMB4,273.4 million, RMB2,084.8 million and RMB2,023.2 million, respectively, and gross profit of RMB944.9 million, RMB833.0 million, RMB1,393.4 million, RMB727.5 million and RMB491.7 million, respectively, from sales of properties. In terms of total contracted sales, we achieved RMB4,526.6 million, RMB3,475.3 million, RMB4,298.8 million RMB2,850.2 million and RMB3,801.4 million, respectively, for the same periods.

The average selling prices of our mixed-use business complexes and multi-functional residential communities both increased steadily through the Track Record Period. Generally, our mixed-use business complexes command higher average selling prices and higher gross profit margins than our multi-functional residential communities. The following tables set forth key comparisons between and key trends in our two principal series of properties:

	Revenue		Gross Profit		Gross Profit Margin	ASP[(1)]
	(RMB in millions except percentages and ASPs)					
Nine months ended September 30, 2013						
Mixed-use business complexes	280.6	13.9%	131.1	26.7%	46.7%	11,633.9
Multi-functional residential communities	1,742.6	86.1%	360.6	73.3%	20.7%	7,308.6
Total	2,023.2	100.0%	491.7	100.0%	24.3%	
Nine months ended September 30, 2012						
Mixed-use business complexes	225.5	10.8%	59.6	8.2%	26.4%	9,969.0
Multi-functional residential communities	1,859.3	89.2%	667.9	91.8%	35.9%	7,640.7
Total	2,084.8	100.0%	727.5	100.0%	34.9%	
2012						
Mixed-use business complexes	934.5	21.9%	390.6	28.0%	41.8%	10,217.2
Multi-functional residential communities	3,338.9	78.1%	1,002.8	72.0%	30.0%	8,139.6
Total	4,273.4	100%	1,393.4	100%		
2011						
Mixed-use business complexes	1,149.8	40.8%	387.5	46.5%	33.7%	9,107.9
Multi-functional residential communities	1,670.1	59.2%	445.5	53.5%	26.7%	5,661.2
Total	2,819.9	100%	833.0	100%		
2010						
Mixed-use business complexes	1,328.5	46.9%	526.7	55.7%	39.6%	6,396.6
Multi-functional residential communities	1,506.7	53.1%	418.2	44.3%	27.8%	5,052.0
Total	2,835.2	100%	944.9	100%		

Note:

(1) Average selling price (excluding car parks) in Renminbi per sq.m.

The average cost of our land reserves under development or held for future development as of September 30, 2013 was RMB629 per sq.m., which we believe is relatively low.[(a)]

Note:

(a) Calculated as the weighted (by planned total GFA under development and held for future development) average of land acquisition cost per sq.m. of our projects with properties under development or held for future development. For each such project, the average cost is calculated by dividing the total land acquisition cost by total planned GFA. See page 142 in this prospectus for a detailed illustration of the comparative low costs of our land reserves.

Valuation Gains on Investment Properties

For the years ended December 31, 2010, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013, we recorded valuation gains from our investment properties in the amount of RMB373.3 million, RMB242.4 million, RMB139.3 million, RMB115.0 million and RMB121.3 million, respectively.[(1)] The following table sets forth the respective valuation gain of each investment property we held for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2010	2011	2012	2012	2013
Project	(RMB in millions)			(RMB in millions)	
Yantai Sunshine 100 City Plaza (Phase I)	115.2	65.5	20.3	12.2	23.4
Liuzhou Sunshine 100 City Plaza	82.3	16.1	25.2	22.2	79.1
Shenyang Sunshine 100 International New Town (Phase II)	39.8	95.1	47.1	41.0	(9.5)
Nanning Sunshine 100 European Garden	45.2	10.8	1.3	1.0	8.5
Tianjin Sunshine 100 International New Town	62.8	26.2	32.6	31.2	7.1
Chongqing Sunshine 100 International New Town	20.5	21.0	9.3	4.8	6.3
Others[(2)]	7.5	7.7	3.5	2.6	6.4
Total	373.3	242.4	139.3	115.0	121.3

Notes:

(1) For these periods, our profit/(loss) for the year/period was RMB270.2 million, RMB60.8 million, RMB384.3 million, RMB22.5 million and RMB74.1 million, respectively. Excluding the net effect of valuation gains on investment properties (net of tax adjustments), the adjusted net (loss)/profit would be RMB(9.7) million, RMB(121.0) million, RMB279.8 million, RMB(63.7) million and RMB(16.9) million, with an adjusted net (loss)/profit margin of (0.3)%, (4.1)%, 6.3%, (2.9)% and (0.8)%. After such adjustments, we would have net losses in the years ended December 31, 2010 and 2011 and the nine months ended September 30, 2012 and 2013, primarily because, as compared with our recognized revenue from properties delivered during the respective year/period, (i) we incurred relatively high financial expenses as we increased borrowings to expand development activities and increase our land reserves and as we incurred fair value losses from the Riverside loans and (ii) our administrative expenses were relatively high.

(2) Including Nanning Sunshine 100 City Plaza (Phase I), Nanning Sunshine 100 Mountainside Garden, Nanning Sunshine 100 Australian Garden, Liuzhou Sunshine 100 Classical Era, Dongying Sunshine 100 City Garden, Yangshuo Sunshine 100 West Street Square and Jinan Sunshine 100 International New Town.

OUR COMPETITIVE STRENGTHS AND BUSINESS STRATEGIES

We believe that our market position is principally attributable to the following competitive strengths:

- Early focus on developing large-scale mixed-use business complexes in fast-growing second- and third-tier cities;
- Proven business model in developing multi-functional residential communities with a complementary mix of residential and commercial properties;
- Wide recognition among target customers due to nationally recognized brand associated with a young and international image, innovative and fashionable architectural styles and clear customer positioning;
- Nationwide, cross-regional presence with large-scale, mostly low-cost land reserves with development potential tailored to our property developments;
- Experienced, stable management team with vision and a strong focus on execution to ensure our long-term growth;
- Nationwide management platform, centralized sales and marketing team and long-term relationships with business partners, which enables us to execute multiple development projects across China.

We aim to become one of the leading developers of large-scale mixed-use business complexes and multi-functional residential communities in second- and third-tier cities in China. To achieve this goal, we intend to implement the following strategies:

- Continue to develop mixed-use business complexes in central locations in second- and third-tier cities;
- Continue to develop multi-functional residential communities in close suburbs of first- and large second-tier Chinese cities;
- Maximize customer value and brand premium by enhancing our operational capabilities;
- Continue to strengthen corporate culture, emphasize innovation in property design and strengthen our "people first" management philosophy;
- Continue to pursue a prudent land acquisition strategy; and
- Continue to accelerate asset turnover and enhance profitability.

See "Business—Our Strengths" and "—Our Strategies" beginning on page 137 of this prospectus.

SUMMARY HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

The following tables summarize the consolidated financial information of our Group as of and for the years ended December 31, 2010, 2011 and 2012 and as of and for the nine months ended September 30, 2012 and 2013, which is derived from our consolidated financial statements included in the Accountants' Report of our Group, the text of which is set forth in Appendix I to this prospectus. The summary consolidated financial information should be read together with, and is qualified in its entirety by reference to, these consolidated financial statements, including the related notes.

Summary Consolidated Comprehensive Income Statement Data

	Year ended December 31,			Nine months ended September 30,	
	2010	2011	2012	2012	2013
	(RMB in thousands)				
Revenue	2,932,274	2,939,600	4,454,610	2,212,529	2,189,567
Cost of sales	(1,960,772)	(2,082,080)	(3,042,204)	(1,466,676)	(1,650,520)
Gross profit	971,502	857,520	1,412,406	745,853	539,047
Valuation gains on investment properties	373,330	242,399	139,329	114,986	121,273
Other income	38,325	14,008	7,115	6,647	13,742
Selling expenses	(185,764)	(225,386)	(186,959)	(127,349)	(171,424)
Administrative expenses	(253,668)	(268,278)	(266,130)	(175,785)	(196,126)
Other operating expenses	(52,587)	(51,600)	(63,836)	(26,169)	(21,678)
Profit from operations	891,138	568,663	1,041,925	538,183	284,834
Financial income	11,229	18,029	32,551	21,347	31,111
Financial expenses	(291,256)	(261,828)	(343,359)	(295,997)	(118,976)
Share of profits less losses of associates	5,013	4,169	23,061	(4,541)	10,211
Profit before taxation	616,124	329,033	754,178	258,992	207,180
Income tax	(345,877)	(268,255)	(369,884)	(236,483)	(133,110)
Profit for the year/period	270,247	60,778	384,294	22,509	74,070
Other comprehensive income for the year/period, net of income tax	(316)	9,939	(947)	(947)	—
Total comprehensive income for the year/period	269,931	70,717	383,347	21,562	74,070
Total comprehensive income attributable to:					
Equity shareholders of the Company	161,514	33,877	299,962	21,164	92,992
Non-controlling interests	108,417	36,840	83,385	398	(18,922)
Total comprehensive income for the year/period	269,931	70,717	383,347	21,562	74,070

Summary Consolidated Balance Sheet Data

	As of December 31,			As of September 30,
	2010	2011	2012	2013
	(RMB in thousands)			
Non-current assets	3,898,888	4,852,507	4,585,584	5,763,919
Current assets	11,961,992	14,846,788	17,924,368	22,738,647
Current liabilities	11,102,637	13,345,295	15,627,273	17,162,922
Net current assets	859,355	1,501,493	2,297,095	5,575,725
Total assets less current liabilities	4,758,243	6,354,000	6,882,679	11,339,644
Non-current liabilities	3,390,912	4,909,686	5,042,518	9,066,494
Total equity	1,367,331	1,444,314	1,840,161	2,273,150

As of December 31, 2013, our total loans and borrowings amounted to RMB13,614.7 million. See “Financial Information—Indebtedness—Loans and Borrowings” on page 329 of this prospectus. As of January 31, 2014, our net current assets amounted to RMB5,935.1 million. See “Financial Information—Liquidity and Capital Resources—Net Current Assets” on page 323 of this prospectus.

Summary Consolidated Cash Flow Statement Data

	Year ended December 31,			Nine months ended September 30,
	2010	2011	2012	2013
	(RMB in thousands)			
Net cash (used in)/generated from operating activities	(40,653)	175,520	(212,309)	(495,617)
Net cash used in investing activities	(511,541)	(295,543)	(496,630)	(558,689)
Net cash generated from financing activities	530,579	106,724	1,253,591	1,317,587
Cash and cash equivalents at January 1	598,582	576,967	563,668	1,108,320
Cash and cash equivalents at December 31/September 30	576,967	563,668	1,108,320	1,371,601

LIQUIDITY AND CAPITAL RESOURCES

Capital Expenditure and Net Cash Outflow from Operating Activities

Property development requires substantial capital investment for land acquisition and construction, while on the other hand it may take months or years before positive cash flows can be generated. We fund our growth principally from internally generated funds, bank borrowings, trust financings, financings from other financial institutions and shareholders’ contributions. Our financing methods vary from project to project and are subject to limitations imposed by PRC regulations and monetary policies. Our policy is to finance our property developments with internally generated cash flows to the extent practicable so as to reduce the level of external funding required.

We had a net cash outflow from operating activities of RMB495.6 million for the nine months ended September 30, 2013, primarily due to increased properties under development and completed properties held for sale following our increased development scale. We had a net cash outflow from operating activities of RMB212.3 million for the year ended December 31, 2012, primarily due to a decrease in sales deposits, as we increased deliveries of properties. We also had a net cash outflow from operating activities of RMB40.7 million for the year ended December 31, 2010.

As of September 30, 2013, we had total loans and borrowings of RMB13,041.2 million, including bank loans of RMB5,531.2 million and trust loans of RMB3,524.0 million. As of the same date, we had total bank loan facilities of RMB3,700.0 million, of which RMB1,580.0 million remained unutilized. As of September 30, 2013, the total commitments in respect of properties under development and investment properties under construction of our Group amounted to RMB7,333.4 million. As of the Latest Practicable Date, we had aggregate bank facilities of RMB4,000.0 million, of which RMB2,229.8 million was utilized and RMB1,770.2 million remained un-utilized.

Our Directors believe that such capital expenditure plan is tenable and we intend to fund such capital expenditure by executing our sales plan efficiently and generating sufficient operating cash flow from sale of properties, as well as by obtaining external financing including bank borrowings and trust financings. Taking into account our current project development, sales and pre-sales schedules and the estimated proceeds from the Global Offering, our Directors expect that our operating cash position will improve in 2014 and we will have sufficient working capital to maintain our operations. For further details on our liquidity and capital resources, including our substantial use of trust financing, see “Financial Information—Liquidity and Capital Resources” beginning on page 323 in this prospectus.

Trust Financing

We have obtained trust financing as a supplement to bank loans primarily to finance our property development projects. Compared to bank loans, trust financing offers greater flexibility in terms and structures and more favorable timing of draw-downs and repayments. However, trust financing generally costs more than bank loans. There is no guarantee that we will be able to enter into new trust financing arrangements in the future on favorable terms, or at all. For the nine months ended September 30, 2013, the effective annual interest rate on our bank loans ranged from 3.5% to 13.00%, and the effective annual interest rate on our trust financings ranged from 10.75% to 15.00%, respectively.

As of December 31, 2010, 2011 and 2012 and September 30, 2013, we had a total of RMB783.2 million, RMB2,047.9 million, RMB1,911.8 million and RMB3,524.0 million, respectively, of trust financing in place, accounting for 13.7%, 28.2%, 18.8% and 27.0% of our total borrowings, respectively. As of November 30, 2013, we had a total principal amount of RMB3,728.7 million of trust financing outstanding, accounting for approximately 26.7% of our total borrowings. As of the Latest Practicable Date, we had 12 trust financing arrangements in place, with a total principal amount of RMB3,962.3 million.

RECENT DEVELOPMENTS

Developments in Our Business

For the two months ended November 30, 2013, we recorded revenue of RMB801.0 million, gross profit of RMB222.4 million and a gross profit margin of 27.8%. During this period, we recorded revenue of RMB262.7 million from sales of our mixed-use business complexes and gross profit from this segment of RMB92.9 million, with a gross profit margin of 35.4%. During the same period, we recorded revenue of RMB499.7 million from sales of our multi-functional residential communities and gross profit from this segment of RMB86.4 million, with a gross profit margin of 17.3%, as all properties delivered in this period were residential, carrying relatively low profit gross margins, and as the relevant projects had relatively high financing costs. The financial information disclosed above is derived from the consolidated financial statements for the two months ended November 30, 2013, which are unaudited but have been reviewed by our reporting accountants in accordance with the Hong Kong Standards on Review Engagements 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity."

For the three months ended December 31, 2013, we achieved total contracted sales of RMB1,552.3 million and delivered a GFA of 84,811 sq.m. with an average selling price of approximately RMB8,127 per sq.m. from sales of our mixed-use business complexes and a GFA of 326,614 sq.m. with an average selling price of approximately RMB8,927 per sq.m. from sales of our multi-functional residential communities. As we delivered a total GFA of 311,678 sq.m. in December 2013, much higher than the total GFA delivered in any other month in 2013, our revenue and net profit are expected to increase substantially in December 2013.

Since September 30, 2013 and up to January 31, 2014, we incurred approximately RMB827.6 million in land acquisition cost. Since September 30, 2013 and up to the Latest Practicable Date, we entered into three new trust financing arrangements, with a total principal amount of RMB907.0 million, and fully repaid one trust loan, with a principal amount of RMB450.0 million.

Developments in the Market and Policy Environment

Since February 2013, a new round of policies aimed at adjusting and controlling the real estate industry was announced by the PRC central and local governments. For more details, see "Appendix V—Measures on Stabilizing Housing Price—Recent Regulations" on page V-23 of this prospectus. We do not believe that these and other PRC government measures on the real estate market in recent years materially and adversely affected our results of operations. Our revenue from property sales decreased by 3.0% to RMB2,023.2 million for the nine months ended September 30, 2013 from RMB2,084.8 million for the nine months ended September 30, 2012. Comparing the two periods, the average selling price of our mixed-use business complexes increased to RMB11,633.9 per sq.m. from RMB9,969.0 per sq.m. and that of our multi-functional residential communities decreased to RMB7,308.6 per sq.m. from RMB7,640.7 per sq.m. Our gross profit margin in the nine months ended September 30, 2013 of 24.6% was lower than the 33.7% achieved in the nine months ended September 30, 2012, but the primary reason for the decrease was that we achieved proportionally more revenue from multi-functional residential communities, which carry a lower margin than mixed-use business complexes. Earlier in the Track Record Period, from 2010 to 2012, our property development business also generally grew. Our revenue from property sales increased from RMB2,835.2 million in the year ended December 31, 2010 to RMB4,273.4 million in the year ended December 31, 2012; the average selling price of our mixed-use business complexes and multifunctional residential communities increased from RMB6,396.6 per sq.m. and RMB5,052.0 per sq.m. for the year ended December 31, 2010, respectively, to RMB10,217.2 per sq.m. and RMB8,139.6 per sq.m. for the year ended December 31, 2012, respectively.

Also, since late 2009, the PRC government changed benchmark interest rates several times. As of September 30, 2013 and as of the Latest Practicable Date, the benchmark one-year lending rate was 6.00%. As commercial banks in China and other financial institutions based in China link the interest rates on their loans to benchmark lending rates published by the PBOC, any increase in such benchmark lending rates will increase the mortgage rates of our customers and our financing costs. On July 19, 2013, the PBOC announced measures to liberalize restrictions on bank lending rates, removing the lending rate floor, regulations on interest rates for bill financing and upside limits for lending rates by rural credit cooperatives. As bank lending is important for property development, we believe these policy developments may have a long-term significance for the real estate industry. We do not believe that these recent PRC government measures on interest rates had a material adverse effect on our working capital sufficiency. The effective interest rates for our bank and other borrowings fluctuated over the Track Record Period. The interest rates for our long-term bank loans ranged from 5.40% to 6.63% for the year ended December 31, 2010, broadened to 2.71% to 10.56% for the year ended December 31, 2011, and remained relatively stable at between 2.83% and 10.64% for the year ended December 31, 2012. The rates increased, particularly at the lower end, for the nine months ended September 30, 2013, to 6.05% to 10.46%. As for our short-term bank loans, the interest rates broadened from 5.31% for the year ended December 31, 2010 to 4.03%-14.70% for the year ended December 31, 2011, decreased to 3.50%-11.00% for the year ended December 31, 2012, and again broadened moderately to 3.50% to 13.00% for the nine months ended September 30, 2013. The interest rates for our trust loans fluctuated as well. We believe that these fluctuations were primarily due to the particular commercial circumstances of the borrowings we obtained, and not strongly correlated with the policies of the PRC government.

COMPETITIVE LANDSCAPE

In recent years, a large number of property developers have undertaken property development and investment projects in second- and third-tier cities in China, including property developments similar to ours, with commercial and residential properties integrated to varying degrees. Our major competitors include large national and regional property developers and overseas developers, some of which may have better track records and greater financial and other resources than us. We also compete with small local property developers. Intense competition among property developers in second- and third-tier cities in China for land, financing, raw materials and skilled management and labor resources may result in increased cost for land acquisition and construction. It may also lead to an oversupply of properties available for sale and a decrease in property prices.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2013

We have prepared the following profit estimate for the year ended December 31, 2013. This profit estimate is based on accounting policies consistent with those adopted for the purpose of the Accountants' Report of our Group, the text of which is set forth in Appendix I to this prospectus, and the bases set forth in Appendix III to this prospectus. You should read these bases when you analyze our profit estimate.

	RMB (in millions, except per Share data)
Estimate consolidated profit attributable to the equity shareholders of our Company(1)	not less than 553.0
Estimate fair value gains on investment properties (net of deferred tax and non-controlling interests)	146.6
Estimate consolidated profit attributable to the equity shareholders of our Company (excluding fair value gains)	not less than 406.4
Estimate earnings per Share	
Unaudited *pro forma* fully diluted(2)	not less than RMB0.28 (approximately HK$0.35)

Notes:

(1) The bases on which the above profit estimate for the year ended December 31, 2013 has been prepared are summarized in Appendix III to this prospectus. The unaudited estimate of consolidated profit attributable to equity shareholders for the year ended December 31, 2013 has been prepared by the Directors based on accounting policies consistent in all material respects with those adopted for the purpose of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

(2) The calculation of the estimate earning per Share on a *pro forma* fully diluted basis is based on the estimate consolidated profit attributable to equity shareholders of the Company for the year ended December 31, 2013, assuming that a total of 2,000,000,000 Shares had been in issue throughout the year. The calculation of the estimate earning per Share on a *pro forma* fully diluted basis does not take into account any Shares which may be issued upon any exercise of the Over-allotment Option and the options granted under the Share Option Scheme of the Company. The unaudited *pro forma* estimate earnings per Share is converted into Hong Kong dollars at an exchange rate of RMB0.78755 to HK$1.00. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

SENSITIVITY ANALYSIS

The following table is for illustrative purposes and sets out the sensitivity of the estimate consolidated net profit attributable to our equity shareholders to the variations of forecast floor areas of properties sold recognized as revenue, forecast unit cost of properties sold and forecast valuation gains on investment properties for the year ended December 31, 2013.

	Revenue	Profit attributable to equity shareholders of the Company
	RMB'000	RMB'000
Estimate	5,686,783	552,990
Variations of forecast floor areas of properties sold recognized as revenue		
(a) 5% decrease	5,402,444	492,550
(b) 10% decrease	5,118,105	432,110
(c) 15% decrease	4,833,766	371,671
(d) 20% decrease	4,549,426	311,231

	Cost of properties sold	Profit/(loss) attributable to equity shareholders of the Company
	RMB'000	RMB'000
Estimate	4,075,047	552,990
Variations in forecast unit cost of properties sold		
(a) 5% increase	4,278,799	400,177
(b) 10% increase	4,482,552	247,364
(c) 15% increase	4,686,304	94,549
(d) 20% increase	4,890,056	(58,264)

	Valuations gains on investment properties	Profit attributable to equity shareholders of the Company
	RMB'000	RMB'000
Estimate	221,024	552,990
Variations in forecast valuation gains on investment properties		
(a) 5% decrease	209,973	545,658
(b) 10% decrease	198,922	538,327
(c) 15% decrease	187,870	530,993
(d) 20% decrease	176,819	523,661

We adopt a 5%, 10%, 15% and 20% range of increment/decrement to the base case in the sensitivity analysis above in respect of the variation of forecast floor areas of properties sold recognized as revenue, forecast unit cost of properties sold and valuation gains on investment properties for the year ended December 31, 2013. During the Track Record Period and two months ended November 30, 2013, the largest deviation of actual floor areas of properties sold recognized as revenue, unit cost properties sold and valuation gains on investment properties from our estimate was less than 20%, therefore the Directors are of the view that the

5%, 10%, 15%, 20% range used in the sensitivity analysis is reasonable. The above sensitivity analysis is intended to be for reference only and not meant to be exhaustive. While we have considered for the purposes of the profit estimate what we believe is the best estimate of floor areas of properties sold, unit cost of properties sold and valuation gains on investment properties for the year ended December 31, 2013, floor areas of properties sold, unit cost of properties sold and valuation gains on investment properties at the relevant time may differ materially from our estimate and are dependent on market conditions and other factors which are beyond our control. We have not included a sensitivity analysis of our profit estimate based on the average selling prices of our properties, as the relevant properties had been pre-sold and the selling prices are generally not subject to change.

OUR SHAREHOLDERS

Immediately prior to the Global Offering, our Company was 100% directly held by Joywise. Upon completion of the Global Offering and assuming no exercise of the Over-allotment Option and the Offer Price is fixed at the mid-point of the Offer Price range, our Company will be 5.17% held by Riverside Holdings A, 69.83% directly held by Joywise and 25%-owned by the public. Yi Xiaodi, Fan Xiaochong, Jin Xiangfei, Liu Chaohui, Tian Feng, Li Mingqiang and Fan Xiaohua will continue to be our Controlling Shareholders after the Global Offering.

Since 2006, we have received a number of strategic investments from various affiliates of Warburg Pincus, primarily involving certain of our planned development projects in Chengdu, Sichuan Province and Shenyang, Liaoning Province. Riverside Holdings A, an affiliate of Warburg Pincus, will become our Shareholder upon Listing, holding 103,334,195 Shares, or 5.17% of our share capital assuming the Offer Price is fixed at the mid-point of the Offer Price range. See "History, Reorganization and Group Structure—Warburg Pincus Investments" on page 115 of this prospectus.

OFFERING STATISTICS(1)

	Based on an Offer Price of HK$4.00 per Share	Based on an Offer Price of HK$4.80 per Share
Market capitalization of our Shares(2)	HK$8,000.0 million	HK$9,600.0 million
Unaudited *pro forma* net tangible asset value per Share(2)(3)	HK$2.04	HK$2.23

Notes:

(1) Assuming no exercise of the Over-allotment Option.

(2) Based on 2,000,000,000 Shares expected to be in issue immediately following the completion of the Global Offering.

(3) After adjustment referred to in the paragraph headed "Unaudited pro forma adjusted net tangible assets" in Appendix II to this prospectus.

DIVIDEND POLICY

We currently intend to make approximately 20% to 30% of our distributable profits for potential distribution to our Shareholders. Our dividend policy is subject to change, and our Board retains sole discretion in declaring and paying dividends.

LISTING EXPENSES

Our listing expenses mainly comprise professional fees paid to the Joint Global Coordinators, property valuer, legal advisers and the reporting accountants, among other things, for their services rendered in relation to the Listing and the Global Offering. As of September 30, 2013, we had incurred listing expenses of

RMB12.0 million, RMB3.0 million of which we recorded as prepayment and the remaining RMB9.0 million was recorded as expenses in our consolidated statements of comprehensive income for the Track Record Period. The total amount of listing expenses is estimated to be approximately RMB101.0 million (based on the mid-point of our indicative price range for Global Offering), of which approximately RMB75.2 million is expected to be capitalized upon Listing and the remaining RMB25.8 million is expected to be recognized as expenses in our consolidated statements of comprehensive income. Our Directors do not expect expenses to be incurred after the Track Record Period to have a material adverse impact on our financial results for the year ended December 31, 2013.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$2,071.7 million (assuming an Offer Price of HK$4.40 per Share, being the mid-point of the indicative Offer Price range) after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming no exercise of the Over-allotment Option.

We currently intend to apply these net proceeds in the following manner:

- approximately 60%, or HK$1,243.0 million, of the net proceeds will be used for acquisitions of new projects or land for development in the PRC, with a primary focus on mixed-use business complexes and multi-functional residential communities. As of the Latest Practicable Date, we had not identified or committed to any definitive acquisition targets, but we intend to use this portion of the net proceeds to finance three developments, with approximately HK$500 million for each;
- approximately 30%, or HK$621.5 million, will be used to finance the development of our existing projects. As of November 30, 2013, we had 12 projects under development in 11 cities and four projects held for future development in four cities. The planned distribution of this portion of the net proceeds among our projects is as follows:

Projects	Percentage of Proceeds
Shenyang Sunshine 100 International New Town (Phase III)	4%
Wuxi Sunshine 100 International New Town	4%
Chongqing Sunshine 100 International New Town	3%
Weifang Sunshine 100 City Plaza	3%
Jinan Sunshine 100 International New Town	2%
Wuhan Sunshine 100 Lakeside Residence	2%
Yantai Sunshine 100 City Plaza (Phase II)	2%
Qingyuan Mango Town	2%
Liuzhou Sunshine 100 City Plaza	2%
Changsha Sunshine 100 International New Town	2%
Dongying Sunshine 100 City Garden	1%
Shenyang Sunshine 100 Golf Mansion	1%
Guilin Lijiang Project	1%
Chengdu Xin Sheng Yuan Project	1%

- approximately 10%, or HK$207.2 million, will be used for working capital and general corporate purposes.

To the extent our net proceeds from the Global Offering are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations and bank and other financing. See "Future Plans and Use of Proceeds" on page 355 of this prospectus.

RISK FACTORS

There are certain risks relating to an investment in the Offer Shares. Some of the particular risks in investing in the Offer Shares are further described in the section entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Some of the most important risks we face include those relating to changes in the government regulatory environment in the PRC that affect the supply of and demand for the types of properties we develop, our ability to identify and acquire suitable land for future development, and our substantial indebtedness and liquidity and capital resources.