

RISK FACTORS

An investment in our Shares involve risks. You should carefully consider the risks described below and all other information contained in this prospectus before making an investment decision. You should pay particular attention to the fact that we are incorporated in the Cayman Islands and that all of our operations are conducted in China and are governed by a legal and regulatory environment that differs in some respects from those that prevail in other countries. Any of these risks and uncertainties, if materialized, may have a material adverse effect on our business, financial condition and results of operations. In that event, the trading price of our Shares could decline, and you may lose part or all of your investment. This prospectus also contains forward-looking statements that identify certain risks and uncertainties. See “Forward-looking Statements.”

There are certain risks relating to an investment in our Shares. These risks can be broadly categorized into: (i) risks relating to our businesses in general; (ii) risks primarily relating to our theme park business; (iii) risks primarily relating to our ancillary commercial property business; (iv) risks relating to doing business in China; and (v) risks relating to our Global Offering. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that are presently deemed immaterial, could also harm our business, financial condition and operating results.

RISKS RELATING TO OUR BUSINESSES IN GENERAL

Our success depends on continued effective execution of our business strategy and our inability to do so may affect our results of operations and financial condition.

Our business strategy focuses on leveraging our expertise in the cultivation, training and exhibition of marine and polar animals to develop and operate marine theme parks. The successful execution of our business strategy depends on our ability to maintain our industry-leading marine animal care expertise and develop attractive marine or other theme parks together with ancillary commercial properties. Our revenue also depends on a healthy mix of revenue from our park operations segment and property development and holding segment. The successful execution of our business strategy may be adversely affected by a number of factors, such as loss of our key management members, change in the PRC government’s policies with respect to the theme park and commercial real estate industries, the availability of suitable land and sufficient funding, or a downturn in the PRC economy. If we cannot continue to execute our business strategy, we may be unable to continue our growth or maintain our market position, which may materially and adversely affect our results of operations and financial condition.

We may not be able to successfully manage our growth.

Our future success will depend on our ability to grow our business through improvement of our existing theme parks and their ancillary commercial properties and acquisition or development of new projects. We intend to explore new theme park projects in cities strategically located across China to enlarge our portfolio and further expand our business. For instance, we intend to develop Shanghai Haichang Polar Ocean World and Sanya Haitang Bay Dream World in Shanghai and Sanya, respectively. Expansion may place substantial strain on our managerial, operational and financial resources. For example, we may not have sufficient working capital or financing to take up new opportunities for theme park or ancillary commercial property projects, including acquisition of our options granted by the Remaining Group to purchase businesses from the Remaining Group, in respect of which see “Relationship with Our Controlling Shareholders – Option to Purchase

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and/or Operate and Manage Excluded Business.” In addition, we have limited knowledge of the local conditions of these new markets, which may differ from the conditions of the markets in which we currently operate. We cannot assure you that we will be able to successfully leverage our experience to expand into other parts of the PRC. When we enter new markets, we may face intense competition from other theme park operators with industry experience or established presence in the relevant geographical areas and from other developers with similar expansion targets. We may not be able to recover the costs incurred in developing our new projects and initiatives or to realize their intended or projected benefits. We cannot assure you that we can anticipate and resolve all problems that may occur during our expansion and failure to do so may have a material adverse effect on our business, financial condition and results of operations.

Restrictive measures adopted from time to time by the PRC government to curtail or strengthen control over the development of theme parks or tourism-related commercial properties may inhibit our ability to develop new theme park projects.

Our business model depends on our ability to acquire suitable land at competitive prices in strategic locations. The PRC government controls the availability of land in China and its land supply policies have a direct impact on our ability to acquire land use rights and our costs of acquisition. We may also face difficulties in obtaining suitable land and necessary permits for developing new projects if the PRC government tightens its policy towards the development of new theme parks. For example, the PRC government issued a Notice on Suspending New Theme Park Construction Projects (《關於暫停新開工建設主題公園項目的通知》) in August 2011, according to which the relevant local government authorities suspended approval procedures for the construction of new theme parks with planned or actual site area of 300 mu (approximately 200,100 sq.m.) or more or total investment of RMB500 million or more until further rules are promulgated. In March 2013, the PRC government promulgated Certain Opinions on Regulating the Development of Theme Parks (《關於規範主題公園發展的若干意見》), pursuant to which theme parks are for the first time defined under the PRC regulations and such theme park projects are classified into three categories according to their site area and total investment, with each category being subject to approvals by governments at various levels. See “Regulatory Overview – Regulation – Project Approval Regime.” See the definition of “Theme Parks Under 2013 Opinions” in “Definitions” for details of such statutory definition, which differs from the term “theme park” as used in this prospectus and defined in “Glossary of Technical Terms.” The implementation of these policies or the promulgation of new restrictive measures may prevent us from acquiring suitable land or required approvals for new theme park projects if our theme park projects are deemed by the relevant government authorities as projects that fall within the ambit of these policies and as result, may have a material adverse effect on our business, financial condition, results of operations and prospects.

If we lose or are unable to renew licenses and permits required to cultivate and exhibit animals or conduct other licensed businesses, our business will be adversely affected.

We are required to hold government licenses and permits, some of which are subject to yearly or periodic renewal, for purposes of possessing, exhibiting and maintaining animals and conducting other licensed businesses. Although our theme parks’ licenses and permits have always been renewed in the past, in the event that any of our licenses or permits are not renewed or any of our licenses or permits are revoked, the affected theme park might not be able to remain open for purpose of displaying or retaining the animals covered by such licenses or permits or we may have to suspend or cease other business operations for which we are unable to obtain the required permit or license.

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In addition, in order to engage in our property development and other operations, we must apply to relevant government authorities to obtain and renew (in the case of those relating to on-going operations) various licenses, permits, certificates and approvals. Before the government authorities issue or renew any certificate or permit, we must meet specific conditions. For instance, up to January 2014, Yantai Yudaishan Hot Spring Resort had not obtained the mining license required for the extraction of natural hot spring water since its commencement of operations in 2011. As our preparatory work for applying for the license showed that the hot spring from which we were then extracting water could not meet the conditions for the issuance of the license, we ceased the extraction from the hot spring in January 2014. See “Business – Legal Proceedings and Regulatory Compliances.”

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

If we are unable to complete the Acquisitions as expected, our results of operations and financial condition may be adversely affected.

We have included in this prospectus the historical financial information and certain other operational information of the Additional Theme Parks. We entered into an equity transfer agreement on September 24, 2013 to purchase 100% of the equity interest in Dalian Haichang Discoveryland and an equity transfer agreement on September 23, 2013 to purchase 100% of the equity interest in Chongqing Haichang Caribbean. We expect both Acquisitions to be completed by the end of 2014, subject to certain conditions precedent set out in the relevant equity transfer agreements.

The completion of the Acquisitions is, however, subject to various factors that may be beyond our control, such as refusal by the PRC government authorities to approve and/or register the equity transfers. As of the Latest Practicable Date, our PRC legal advisor was not aware of any circumstances which would result in any legal obstacle to obtain relevant approval or registration from relevant PRC authority in connection with the completion of these Acquisitions. However, there is no assurance that legal or other obstacles will not arise in the future. Assuming the Acquisitions had occurred on the first day of the relevant period, the pro forma revenue of the Enlarged Group would have been RMB1,112.9 million for the year ended December 31, 2012, an increase of 25.2% over the revenue of our Group in 2012; and RMB1,015.6 million for the nine months ended September 30, 2013, an increase of 30.3% over the revenue of our Group for the same period. In the event that the Acquisitions are not completed within the timeframe as currently expected or at all, our business, results of operations and financial condition could be materially and adversely affected. In addition, if we cannot complete the Acquisitions, our Controlling Shareholders will continue operating the Additional Theme Parks and may compete with us in the theme park industry, which may have an adverse impact on our results of operations and financial condition.

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Our business, operational performance and financial condition may be adversely affected if we fail to obtain, or if there is any material delay in obtaining, any of the relevant PRC governmental approvals for the construction of our theme parks or commercial property development projects.

In developing and completing a theme park or a commercial property project, we are required to obtain various permits, licenses, certificates and other approvals including, but not limited to, project approval, the State-owned Land Use Rights Certificate (國有土地使用權證), Planning Permit for Construction Land (建設用地規劃許可證), Planning Permit for Construction Works (建設工程規劃許可證), Permit for Commencement of Construction Works (建築工程施工許可證), and project completion and acceptance forms from the relevant PRC government authorities at various development and construction stages of the project. In particular, under the PRC laws, a project is not allowed to commence its operation before it has obtained the project completion and acceptance form from the relevant administrative authorities. Our projects in Yantai, Qingdao, Tianjin and Dalian commenced their operation before the project completion and acceptance forms were obtained. Except for a small portion of the commercial properties in Yantai and the properties in Tianjin, with respect to which we are still applying for the form, all these projects have eventually passed the completion and acceptance inspection and obtained the required forms. In addition, as detailed in “Business – Legal Proceedings and Regulatory Compliances,” there were other instances during the Track Record Period where we failed to obtain certain permits or licenses or were otherwise in violation of certain PRC rules or regulations. We cannot assure you that we will obtain all necessary approvals certificates and permits for existing or any future theme park or ancillary commercial projects in a timely manner, or at all. If we fail to obtain or experience significant delays in obtaining the requisite governmental approvals, penalties could be imposed on us and our theme park or ancillary commercial property development could be delayed. This could materially and adversely affect our business, financial condition and operational performance.

We may not be able to complete or deliver our theme park and property development projects on time, within budget or at all.

Theme park and property development projects require substantial capital expenditures prior to and during the construction period. If our internally generated cash flows are insufficient to pay the development costs, we cannot assure you that we will be able to obtain the required funding in time, on favorable terms and conditions, or at all, or that we will not experience delays or incur additional costs for the development of the relevant projects as a result.

The progress and costs for a development project can be adversely affected by many factors such as delays in obtaining the required government approvals or licenses, resettlement operations of the land involved, shortage of key supplies for the construction works or natural disasters, some of which are beyond our control. If we experience any significant delays or material increases in costs in the completion or delivery of our projects or fail to complete the construction of our projects, our business, results of operations and financial condition may be materially adversely affected.

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We have high leverage ratio and this may adversely affect our cash flows and ability to raise new financing.

Our net debt to equity ratio (calculated by dividing our net debt by total equity) as of December 31, 2010, 2011 and 2012 and September 30, 2013 was 95.5%, 261.1%, 154.1% and 160.8%, respectively. Net debt is calculated by adding interest-bearing bank and other borrowings and amounts due to related companies, subtracting the sum of cash and cash equivalents and amounts due from related companies. In addition, our finance costs charged to our combined statements of profit or loss for the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 were RMB52.2 million, RMB142.2 million, RMB301.3 million and RMB282.1 million, respectively.

Our high degree of leverage could result in significant risks, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we are at a competitive disadvantage to less leveraged competitors; (v) we may be unable to adjust rapidly to changing market conditions; and (vi) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance, indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the international and PRC banking and capital markets. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage.

We may experience a material adverse change in our financial results for the six months ending June 30, 2014 as a result of the listing expenses incurred in relation to the Global Offering and the seasonal fluctuations of our operations.

As of September 30, 2013, we had incurred expenses of RMB5.8 million in connection with the Global Offering, of which RMB4.4 million are accounted for as our administrative expenses for the nine months ended September 30, 2013 with the remaining amount of RMB1.4 million to be offset against the share premium upon the Listing. By the completion of the Global Offering, we expect to further incur listing expenses of approximately RMB100.0 million, of which an estimated amount of approximately RMB30.7 million is to be recognized as our administrative expenses and an estimated amount of RMB69.3 million is expected to be offset against the share premium upon the Listing. Of the amount to be charged to our combined statements of profit or loss as administrative expenses, an amount of approximately RMB15.2 million and RMB19.9 million is expected to be charged for the year ended December 31, 2013 and the six months ending June 30, 2014, respectively. These amounts are current estimates for reference only, and the actual amounts are subject to adjustments based on audit and changes in variables and assumptions. In addition, our

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theme park operations are seasonal in nature while a significant portion of the expenses relating to our park operations and our administrative, financial and other costs are fixed. Further, revenue from our property sales may vary significantly from period to period depending on, among others, the timing of the pre-sale and sale of properties. Primarily due to the seasonal fluctuations and the fact that most of the revenue from property sales in 2013 was recognized in the second half of 2013, we recorded a loss before tax for the six months ended June 30, 2013. We expect revenue from our park operations during the six months ending June 30, 2014 to be lower than that in the second half of 2014 given that May to October are our peak seasons. As a result, we expect such seasonality, coupled with the significant non-recurring item of listing expenses incurred in relation to the Global Offering, as well as our relatively fixed operating expenses to have a material adverse effect on our results of operations and financial condition for the six months ending June 30, 2014. Our interim results for such period may not proportionally reflect our annual results.

If we lose key personnel, our business may be adversely affected.

Our success depends in part upon a number of key employees, including members of our senior management team who have extensive experience in the industry. For example, our joint president, Mr. Zhao Wenjing, is a special member of the European Union of Aquarium Curators (歐盟水族館館長聯盟), advisor to the Japanese Aquatic Wildlife Society (日本水棲野生生物協會), co-founder and vice president of the Aquarium Special Committee of Chinese Association of Natural Science Museums (中國自然科學博物館協會水族館專業委員會). Our technical director, Mr. Tan Guangyuan, is a special member of the European Union of Aquarium Curators (歐盟水族館館長聯盟), advisor to the Japanese Cetaceans Center (日本海豚中心) and vice president of the National Aquatic Wildlife Conservation Association (全國水生野生動物保護分會). Both of them, as well as many of our other management members, with their marine wildlife knowledge and relationships within the industry, have been instrumental in our expansion in the marine theme park industry in the past decade. The loss of the services of our key employees could have a material adverse effect on our business.

Increased labor costs may adversely affect our results of operations.

When taking into account the Additional Theme Parks, we had approximately 2,300 full-time employees and approximately 400 temporary workers as of December 31, 2013. Labor is a primary component in the cost of operating our business. In recent years, labor costs in China, including in the regions where we operate, have seen significant increases. Further increase in labor costs due to competition, shortage in supply of qualified candidates, increased mandatory minimum wage or social welfare contributions or otherwise would adversely impact our operating expenses, reduce our net income and adversely affect our cash flows.

Our business depends on our ability to meet our workforce needs. Failure to recruit and maintain a sufficient, qualified workforce may adversely affect our operations.

Our success depends on our ability to attract, train, motivate and retain qualified employees to keep pace with our needs, including employees with certain specialized skills in the field of animal training and care. We also rely on part-time employees to meet our workforce demand during the peak season in some of our theme parks, whom we recruit mainly through internship programs in cooperation with local technical colleges and universities. We must compete with other local competitors operating theme parks or other local employers with similar peak season workforce demands for the limited pool of qualified candidates. If we are unable to recruit and maintain our employees as expected, our business, financial condition or results of operations may be adversely affected.

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Adverse administrative decisions or litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or limit our ability to operate our business.

We are subject to allegations, claims and legal actions arising in the ordinary course of our business, which may include claims by third parties, such as visitors to our theme parks, our employees and contractual counterparties such as construction or material suppliers, as well as investigations and administrative proceedings by regulators. Such legal proceedings may include lawsuits brought by various parties involved in our project development process and business operations. The outcome of many of these proceedings cannot be predicted. For example, one of our subsidiaries in Qingdao was fined RMB180,000 by the local government authority in 2012 for violating certain PRC competition law due to a rebate arrangement included in its agreement with certain travel agencies. The relevant local government authority subsequently confirmed in writing in July 2013 that the relevant Qingdao subsidiary had not committed any material violation of applicable economic laws or regulations since its inception. We have removed such clauses from the relevant subsidiary's existing agreements with travel agencies. However, there is no assurance that we will not be subject to similar administrative proceedings or even legal actions in the future in respect of our operations of the theme parks or their ancillary commercial properties. If any of these proceedings were to be determined in a manner adverse to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or an injunctive relief were to be issued against us, our business, financial condition and results of operations could be materially adversely affected.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

We seek to maintain comprehensive insurance coverage at commercially reasonable rates. Although we maintain various safety and emergency response programs and carry property and casualty insurance to cover certain risks, our insurance policies do not cover all types of losses and liabilities. There can be no assurance that our insurance will be sufficient to cover the full extent of all losses or liabilities for which we are insured, and we cannot guarantee that we will be able to renew our current insurance policies on favorable terms, or at all. In addition, if we sustain significant losses or make significant insurance claims, our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected.

Potential liability for environmental problems could result in substantial costs for us, delays in the development of our new projects or otherwise adversely affect our new projects or existing operations.

We are subject to a variety of environmental laws and regulations during the construction and operation of our theme park and ancillary commercial property projects. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, its environmental condition, its present and former uses as well as the uses of the its adjoining properties. Environmental laws and conditions may result in project delay and/or substantial compliance and other costs and can prohibit or severely restrict project development activity in environmentally sensitive regions or areas. Our theme park operations may also be disrupted if we are required to rectify environmental problems through suspending a portion or all of the operations of a theme park.

In addition, we cannot predict the impact that unforeseeable environmental contingencies or new or changed laws or regulations may have on us or our projects. As required by PRC law, we are required to submit an environmental impact report, analysis or registration form before

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commencing the construction of any project. Although the environmental investigations conducted to date have not revealed any environmental liability that would be expected to have a material adverse effect on our business, financial condition or results of operations, it is possible that these investigations did not reveal all environmental liabilities or their extent, and there may be material environmental liabilities of which we are unaware. For further information, see “Business – Environmental Matters.”

We may be affected by the performance of third party construction contractors.

We employ third party contractors to carry out various works in constructing our theme parks and ancillary commercial properties, including design, construction, equipment installation, interior decoration, landscaping, electromechanical engineering, pipeline engineering and elevator installation. We select third-party contractors mainly through a tender or a privately negotiated selection process. We may not be able to engage sufficient quality third-party contractors in the cities into which we plan to expand. Moreover, completion of our property developments may be delayed and we may incur additional costs due to a contractor’s financial or operational difficulties. The contractors may undertake projects from other developers; engage in risky undertakings or otherwise encounter financial or other difficulties, which may cause delay in the completion of our property projects or increase our project development costs. The services rendered by any of these contractors may not always be satisfactory or meet our quality standards. Any of these factors could have a negative impact on our reputation, business, results of operations and financial condition.

We use various adjustments and assumptions in deriving some non-IFRS financial measures set out in this prospectus, which may be calculated differently by investors and other market participants based on adjustments and assumptions different from ours.

Some of the financial data included in this prospectus is not measures of financial performance recognized by IFRS. These non-IFRS financial measures include adjusted EBITDA of our two main business segments and the Additional Theme Parks and adjusted net profit of the two segments. Our management uses these non-IFRS financial measures in its analysis of our and the Additional Theme Parks’ performance. We have defined these terms, and the way that we use them, when the relevant non-IFRS data is set out elsewhere in this prospectus. See “Summary – Summary of Combined Financial Information of Our Group – Certain Operational and Financial Data” and “Financial Information – Financial Information of Our Group – Certain Non-IFRS Data.” Although we believe these non-IFRS financial measures provide a greater understanding of our operating performance, these measures are not necessarily comparable to similar measures that may be presented by other companies. Therefore, comparison with our competitors or other companies may not be meaningful. Further, because it involves various subjective adjustments and assumptions in deriving segmental data of adjusted EBITDA and adjusted net profit, such non-IFRS data may not be representative of the actual results of each segment if such segment is operated on a standalone basis as a separate group or entity. Also, such segmental non-IFRS data may be calculated by investors and other market participants based on adjustments and assumptions that are different from the ones we use to calculate such data. Investors should not consider them as alternatives to any measures determined in accordance with IFRS or as being indicative of funds available to fund our cash needs, including our ability to make distribution to our Shareholders.

The unaudited pro forma combined financial statements may not necessarily reflect our future financial condition and results of operations.

We have prepared certain unaudited pro forma combined financial information as of and for the year ended December 31, 2012 and as of and for the nine months ended September 30, 2013, after giving effect to the Acquisitions, as if such Acquisitions had occurred on the first day of the

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relevant periods. For example, giving pro forma effect to the Acquisitions, our revenue would have been RMB1,112.9 million for 2012, an increase of 25.2% over the revenue of our Group for the same year and RMB1,015.6 million for the nine months ended September 30, 2013, an increase of 30.3% over the revenue of our Group for the same period, had the Acquisitions occurred on the first day of the relevant period. Our net assets would have been RMB1,928.6 million as of September 30, 2013, an increase of 62.4% over the net assets of our Group as of that date, had the Acquisitions occurred on January 1, 2013. See “Appendix IIA – Unaudited Pro Forma Financial Information of the Enlarged Group.”

However, our pro forma combined financial statements are not necessarily representative of our financial condition, results of operations and changes in liquidity and capital resources, as they would have appeared in our financial statements had the Acquisitions occurred. In addition, these financial statements are not necessarily indicative of what our financial condition, results of operations and changes in liquidity and capital resources will be in the years following the completion of the Acquisitions. Investors should not place undue reliance on the pro forma financial information.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Prior to and immediately following the Global Offering, our Controlling Shareholders will remain our Controlling Shareholders. Accordingly, subject to our memorandum and articles of association and the Cayman Companies Law, Qu Naijie, by virtue of his controlling beneficial ownership of our share capital as well as his position as the chairman of our Board, will be able to exercise substantial influence over our business or otherwise by voting, at the general meetings of Shareholders or at the Board meetings, on matters of significance to us and our other Shareholders such as election of our directors, amount and timing of dividend payments and other distribution, the acquisition of another entity and overall strategic and investment decisions.

The interests of our Controlling Shareholders may differ from the interests of our other Shareholders and they are free to exercise their votes according to their interests. Our Controlling Shareholders will have the power to prevent or cause a change in control of us. Without the consent of our Controlling Shareholders, we may be prevented from entering into transactions that could be beneficial to us and our other Shareholders.

Our transfer of funds into China to finance our development projects is subject to approval by the PRC government and, as a result, our use of proceeds as disclosed in this prospectus may be subject to delay.

In recent years, in an effort to cool down its economy, the PRC government has introduced a series of rules and measures, including those aimed at controlling the inflow of foreign funds into the property development industry or for speculative property activities. The transfer of our net proceeds from the Global Offering into China will be subject to such PRC governmental approval process.

In particular, on May 23, 2007, the Ministry of Commerce and SAFE issued the *Notice on Further Strengthening and Standardizing the Approval and Administration of Foreign Direct Investments in Real Estate Enterprise* (《商務部國家外匯管理局關於進一步加強規範外商直接投資房地產業審批與監管的通知》), also known as “Notice No. 50.” According to Notice No. 50, the local governments/authorities that approve new FIREE establishments are now required to file such approvals with the Ministry of Commerce, and the practice of allowing foreign investors taking over

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local project companies by way of round trip investment is strictly controlled. On July 10, 2007, SAFE issued the Notice of the General Department of the State Administration of Foreign Exchange on Issuing the List of the First Batch of Foreign-invested Real Estate Projects Having Passed the Procedures for Filing with the Ministry of Commerce (《關於下發第一批通過商務部備案的外商投資房地產項目名單的通知》), also known as “Notice No. 130,” together with a list of FIREEs that had effected their filings with the Ministry of Commerce. According to Notice No. 130, SAFE no longer processes foreign debt registrations or applications by FIREEs for permission to purchase foreign exchange to service their foreign debt if such FIREEs have not obtained their approval certificates from the relevant PRC government authorities before June 1, 2007. As a result of Notice No. 130, unless the latest approval certificate of an FIREE as of May 31, 2007 contained an aggregate investment amount sufficient to permit additional foreign funds to be injected into its operations in China in the form of borrowing, such FIREE effectively will no longer be able to borrow foreign debt, including shareholder loans and overseas commercial loans, to finance its operations in China. It may only use its capital contributions instead, subject, however, to the relevant capital contribution regulations. SAFE further informed in Notice No. 130 that it will not process any foreign exchange registration (or change of such registration) or application for settlement in foreign currency under the capital account by any FIREE if it has obtained only the relevant local approval certificates on or after June 1, 2007 but has not completed its filing with the Ministry of Commerce. Notice No. 130 was repealed by the Notice of the State Administration of Foreign Exchange on the Promulgation of the Regulations on the Administration of Foreign Exchange in Domestic Foreign Direct Investment by Foreign Investors and the Related Documents (《國家外匯管理局關於印發《外國投資者境內直接投資外匯管理規定》及配套文件的通知》) issued by SAFE on May 10, 2013, but the prohibition on incurring foreign debt by FIREEs remains in place through the Notice of the State Administration of Foreign Exchange on the Promulgation of Administrative Measures on Foreign Debt Registration (《國家外匯管理局關於發佈《外債登記管理辦法》的通知》) issued by SAFE on April 28, 2013.

In June 2008, the Ministry of Commerce issued the Notice on Completing the Registration of Foreign Investment in the Real Estate Sector (《關於做好外商投資房地產業備案工作的通知》), also known as “Notice No. 23.” According to Notice No. 23, the Ministry of Commerce entrusts the Ministry of Commerce departments at provincial level to verify the filing materials of FIREEs. Notice No. 23 requires that the establishment (including the increase of registered capital) of a FIREE shall comply with the principle that each project company will engage in, or each increase of registered capital will be used for, the development of a single approved real estate project.

As advised by our PRC legal advisor, our existing project companies are classified as companies directly or indirectly reinvested by foreign-invested companies and therefore are not subject to the above restrictions applicable to FIREEs. However, the use of the proceeds from the Global Offering to fund new project companies established as FIREEs to undertake our new projects may be subject to the aforesaid restrictions applicable to FIREEs, which include, without limitation, the approval by the relevant local counterparts of the Ministry of Commerce of the establishment of a new FIREE and filing with the Ministry of Commerce pursuant to Notice No. 23. However, as Qu Naijie, as our controlling Shareholder and a PRC resident, has completed the relevant foreign exchange registration, our investment in new FIREEs may be deemed investment in project companies by way of round-trip investment and thus these new FIREEs may face difficulties in successfully completing the FIREE filing with the Ministry of Commerce. Accordingly, these new FIREEs may not be able to conduct foreign exchange registration nor can they convert their registered capital into RMB funds. As a result, we may not be able to use capital contribution, shareholder loans or other offshore commercial loans to fund the project companies established as FIREEs, which would not only reduce our financial flexibility in terms of the manner of funding we could utilize, but also increase the difficulty for us to extract funds from the project companies to the offshore holding company level for purposes such as dividend distribution.

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We have pledged certain of our real properties to secure our borrowings and our inability to service our debt may result in foreclosure of the pledged properties and materially disrupt our operations.

We have pledged certain of our properties to secure some of our banking and other facilities and loans granted to us. Other than the breach of the financial covenant under the Wuhan Credit Facility as described under “Financial Information – Indebtedness and Contractual Obligations – Interest-bearing Bank and Other Borrowings,” we did not experience any default on our borrowings secured by pledges over properties during the Track Record Period. If we are unable to service our debt in a timely manner and the secured lenders choose to initiate foreclosure proceedings against such properties, our operations may be significantly disrupted.

China’s intellectual property rights protection is still problematic and we may not generate revenues as expected in our investment in proprietary consumer and cultural products.





We currently own a number of intellectual property rights such as trademarks and copyrights. We intend to develop more proprietary consumer and cultural products to diversify our revenue streams in the future. However, the level of protection for intellectual property rights and the enforcement of the relevant laws and regulations provided under PRC law is relatively inadequate compared to those available under the legal regimes in more developed economies. In particular, piracy and other forms of infringement of intellectual property rights remain a serious problem in China. We may also face economic and legal difficulties in making claims against anyone infringing our intellectual property rights. As such, we may not be able to generate revenues as expected from our investment in developing proprietary consumer and cultural products and to that extent, our results of operations and financial condition may be materially and adversely affected.

Natural disasters or other catastrophic events in the PRC may severely disrupt our business and operations and may have a material adverse effect on our financial condition and results of operations.

Our business operations may be disrupted due to the occurrence of typhoons, earthquakes, floods, fire, acts of terror, epidemics or other natural disasters or similar events. For example, in May 2008, a major earthquake registering 8.0 on the Richter scale struck Sichuan Province and certain other parts of the PRC, devastating much of the affected areas and causing tens of thousands of deaths and widespread injuries. Since then, Sichuan Province has also experienced a series of earthquakes of smaller scale. Although our theme park and ancillary commercial property operations in China, including those in Chengdu, Sichuan’s capital city, were not materially adversely affected by earthquakes or other natural disasters or catastrophic events during the Track Record Period, we are unable to predict the effect, if any, that any future natural disasters or catastrophic events may have on our business. Any future natural disasters or other catastrophic events may, among other things, significantly disrupt our ability to maintain our normal operations and services. Furthermore, such events may severely restrict the level of economic activity in affected areas, in particular the volume of tourist traffic to the areas in which our theme parks operate, which may in turn materially and adversely affect our business and prospects.

RISK FACTORS

We may not be able to register our trademarks in Hong Kong.

We will use certain trademarks including the logos “,” “” and “海昌” for our future business operations. As at the Latest Practicable Date, we have applied for the trademark registration of the portfolio of trademarks set out in the paragraph headed “Statutory and General Information – Intellectual Property Rights of the Group – Trademarks” in Appendix VI to this prospectus. However, there is no assurance that these applications for trademark registration in Hong Kong would eventually be approved or that we would be granted with exclusive rights to use these marks as registered trademarks in Hong Kong. If the trademarks including the logos “,” “” and “海昌” could not be registered or if the registration process is delayed, our trademarks may be infringed, and our business may be adversely affected.

RISKS PRIMARILY RELATING TO OUR THEME PARK BUSINESS

We could be adversely affected by a decline in discretionary consumer spending or consumer confidence.

Our theme park business depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of discretionary income. An economic downturn in China could have an adverse effect on consumers’ discretionary income and consumer confidence. Difficult economic conditions and recessionary periods may adversely impact attendance figures, the frequency with which guests choose to visit our theme parks and guest spending patterns at our theme parks and relevant ancillary commercial properties.

Both attendance and the level of per capita spending at our theme parks are key drivers of revenue and profitability, and reductions in either can materially adversely affect our theme park business, its financial condition and results of operations. In addition, our ability to derive rental income from the ancillary commercial properties depends on our ability to continue attracting a growing number of visitors to our theme parks so that we can retain our existing tenants or attract new tenants and maintain our advantage in negotiating the rents for our leased properties.

Animals in our care are important to our theme parks, and they could be exposed to various diseases, in particular infectious diseases.

Many of our theme parks are distinguished from those of our competitors in that we offer our guests experiences with marine and polar animals. Such animals could be exposed to various types of diseases, in particular infectious diseases. While we have never had any such experiences, where a particular marine or polar animal of a theme park is widely popular and is a key driver of attendance for the park, the loss of, or our inability to exhibit for a prolonged period of time, that particular animal because of a particular disease may significantly reduce the revenue of that park and thereby materially affect our results of operation and financial condition. In addition, while we have never had any such experiences, an outbreak of an infectious disease among any animals in our theme parks or the public’s perception that a certain disease could be harmful to human health may materially adversely affect our animal collection and attendance at our theme parks, which in turn may have a material adverse effect on our business, financial condition and results of operations.

RISK FACTORS

Development of Sanya Haitang Bay Dream World and Shanghai Haichang Polar Ocean World is subject to uncertainties.

Our pipeline projects to be developed include Sanya Haitang Bay Dream World and Shanghai Haichang Polar Ocean World. We have entered into a cooperation agreement with the local government authority in Sanya in respect of the development of the Sanya Haitang Bay Dream World, and an investment agreement with Shanghai Harbor City Development (Group) Co., Ltd., a Shanghai government-owned enterprise responsible for primary land development, in respect of the development of Shanghai Haichang Polar Ocean World. Under the agreements, we plan to acquire property development sites of approximately 980,000 sq.m. and 500,000 sq.m., respectively, for the development and construction of the two new projects. We expect to acquire the land use rights for both projects through tender, auction and listing-for-sale procedures as required under the relevant PRC laws or for the land in respect of the tourism-related portion of the Sanya project, enter into a land lease contract for the land. As further disclosed in the section titled “Business – Theme Parks to be Developed,” we have experienced delays in obtaining the land use rights and entering into the land lease contract for the project land. Based on our discussion with relevant local government authorities, the relevant land tender, auction or listing-for-sale procedures are expected to be carried out in 2014 in phases. We entered into the land lease contract for the tourism-related portion of the Sanya project on January 16, 2014, following which we have started developing the tourism-related portion of the Sanya project. If we can obtain the relevant land use rights through such procedures, the construction of the Shanghai project or the ancillary commercial property of the Sanya project is expected to commence in 2014.

The availability and price of the land use rights to be acquired through tender, auction and listing-for-sale procedures depend on factors including government land policies and competition. There is no assurance that we will be able to acquire the land use rights at acceptable terms or at all. Notwithstanding our agreements with the local government or the state-owned enterprise in respect of the two new projects, we may not succeed in the tender, auction or listings-for-sale procedures for the parcels of lands comprising the two projects’ sites (other than the leased portion of the land for Sanya project). In addition, development of the two new projects may face challenges or fail to achieve the results we expect due to various reasons, such as failure to obtain the necessary approvals for either of the projects, changes in market conditions or relevant governmental policies, incorrect estimates by us of market demand or prices, or other uncertainties. For instance, based on our interviews with the competent local government authorities and as advised by our PRC legal advisor, the development of the proposed theme parks in Shanghai and Sanya is subject to approval by local branches of NDRC in Shanghai and Hainan Province, respectively, pursuant to the applicable PRC laws and regulations. Based on our interviews with the local government authorities in Sanya and the advice of our PRC legal advisor, given that our Sanya project is not planned to be a park operated in an enclosed manner, it should not be deemed as a Theme Park Under 2013 Opinion and therefore should not be subject to the Theme Park Opinions. As of the Latest Practicable Date, the local government has not issued any planning document in respect of the Dishui Lake area in which our Shanghai project will be located. If our Shanghai project is deemed by Shanghai government authority as a Theme Park Under 2013 Opinions in the future, it is expected to fall within the “small to medium theme parks” category given its planned size which is subject to the approval of the Shanghai branch of NDRC. There is no assurance that the interpretation or implementation of these laws and regulation will not change or that we will not encounter delays in obtaining relevant approvals, or experience other adverse events, including those mentioned above, which may lead to delays or increased costs in developing or operating these projects. As a result, our plan with respect to the development of Shanghai Haichang Polar Ocean World and Sanya Haitang Bay Dream World may require further adjustment or changes, which may materially and adversely affect our future revenue, profit and financial condition.

RISK FACTORS

As we operate in a highly competitive industry, our revenue, profit or market share could be harmed if we are unable to compete effectively.

The entertainment industry, and the theme park industry in particular, in China are highly competitive. Our theme parks compete with other theme, water and amusement parks and with other types of recreational facilities and forms of entertainment, including movies, home entertainment options, sports attractions, restaurants and vacation travel.

Principal direct national competitors of our theme parks include theme parks operated by the Overseas China Town Group (which has operations in Tianjin, Wuhan, Chengdu directly competing with us) and the Fantawild Holdings Inc. (which has operations in Qingdao and Chongqing directly competing with us), as well as new local theme parks that may be developed by international theme park operators such as Disneyland. We also face competition from local operators in the regions of our operations such as Dalian Sunasia in Dalian and Qingdao Underwater World in Qingdao. The principal competitive factors of a theme park include location, price, originality and perceived quality of the attractions, the atmosphere and cleanliness of the theme park, the quality of its food and entertainment as well as the recreational offerings provided on the adjacent commercial properties such as restaurants and shopping venues, weather conditions, ease of travel to the theme park, and availability and cost of transportation to a theme park. Certain of our direct competitors have substantially greater financial resources than we do, and they may be able to adapt more quickly to changes in consumer preferences or devote greater resources to promotion of their offerings and attractions than us. Our competitors may be able to attract visitors to their theme parks in lieu of ours through the development or acquisition of new attractions or shows that are perceived by visitors to be of a higher quality and entertainment value. As a result, we may not be able to compete successfully against such competitors.

Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks.

Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks. Such factors include:

- war, terrorist activities or threats, public security threats and heightened travel security measures instituted in response to these events;
- outbreaks of pandemic or contagious diseases or consumers' concerns relating to potential exposure to contagious diseases;
- natural disasters, such as hurricanes, fires, earthquakes, tsunamis, tornados, floods and volcanic eruptions and man-made disasters such as oil spills or explosions, which may deter travelers from scheduling vacations or cause them to cancel travel or vacation plans;
- bad weather and even forecasts of bad weather, including abnormally hot, cold and/or wet weather, particularly during weekends, holidays or other peak periods;
- changes in the desirability of particular locations or travel patterns of our guests;
- low consumer confidence; and
- oil prices, travel costs and the financial condition of the airline, railway, automotive and other transportation-related industries, any travel-related disruptions or incidents and their impact on travel.

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Any one or more of these factors could adversely affect attendance and total spending at our theme parks.

A significant portion of our revenue from the operation of our theme parks in Dalian and Qingdao. Any risks affecting either of these theme parks may materially adversely affect our business, financial condition and results of operations.

In 2012 and the nine months ended September 30, 2013, revenue attributable to Dalian Laohutan Ocean Park and Qingdao Polar Ocean World together accounted for 56.2% and 59.2%, respectively, of the total revenue from our park operations for the relevant periods. Such concentration of revenue exposes us to risks affecting the tourism and theme park markets in Dalian and Qingdao, such as natural disasters, public safety concerns or travel-related disruptions or incidents. If the markets in Dalian and Qingdao experience any risks that significantly affect the attendance at either of the two theme parks, our business, financial condition and results of operations may be materially and adversely affected.

Our theme park operations depend on the proper performance of the local public infrastructure and may be adversely affected if there is any material disruption to the infrastructure.

Our theme park operations rely on the proper performance of a variety of public infrastructure such as transportation, water and electricity supply. If the traffic flow near our theme parks is affected by the lack of or availability of transportation infrastructure, attendance may decrease, reducing our revenue from theme parks. For instance, attendance at our theme park in Tianjin decreased in 2011 as a result of the operation of a draw-bridge near the park. This theme park had higher attendance during the nine months ended September 30, 2013 after the local government adjusted the operation schedule of the draw-bridge leading to improved access to the park. In addition, if we experience shortage in the supply of electricity and water, we may have to close our theme parks for a certain period of time and lose visitors accordingly. If any of these risks materializes, our business, results of operations and financial condition may be materially and adversely affected.

Our revenue from Dalian Laohutan Ocean Park may be adversely affected if we are unable to continue our ticketing cooperation arrangement with Hutun Park or if we experience difficulties in enforcing the terms of the arrangement.

The ticket price and revenue from Dalian Laohutan Ocean Park are subject to the annual ticketing cooperation agreements that we have entered into with Hutun Park since 2008. Under the agreements, Hutun Park is responsible for the sale of a single admission ticket for admission to Dalian Laohutan Park where our Dalian Laohutan Ocean Park and other attractions operated by Hutun Park are located. The agreements also provide a revenue split mechanism in respect of the amount of revenue we receive from ticket sales. The actual amount we receive at the end of each year is subject to adjustment agreed by us and Hutun Park based upon the actual attendance and performance for the relevant year. See "Business – Marine Theme Parks – Dalian Laohutan Ocean Park." Historically, revenue from ticket sales of Dalian Laohutan Ocean Park accounted for a significant portion of our total revenue. Our revenue from Dalian Laohutan Ocean Park may be materially and adversely affected if we are not paid the agreed amount for any reason. The revenue split mechanism provided under the annual agreements is subject to our commercial negotiation with Hutun Park which takes place typically in the beginning of each year, taking into account various factors, such as the historical operating results, the then current ticket price and expected pricing adjustment for the next year, the in-park spending of visitors, the estimated

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attendance and revenue generated from ticket sales. Although we negotiate with Hutan Park for an adjustment based on actual attendance and operating performance at the end of each year, the actual amount of revenue we receive from ticket sales at the park may not increase at the same rate as the increase in attendance or may decrease at a greater rate than the decrease in attendance when attendance declines. In addition, if we are unable to continue our cooperation with Hutan Park and have to charge the visitors separately for admission into our attractions, our revenue may decline because a substantial number of the park visitors may choose not to enter our attractions after being admitted into the Dalian Laohutan Park. If any of the above risks materializes, our business, results of operation and financial condition may be materially and adversely affected.

The fixed cost structure of theme park operations can result in significantly lower margins if our revenue declines.

A large portion of our expenses are relatively fixed as the costs for depreciation, full-time employees, maintenance, animal care, utilities, advertising and insurance do not vary significantly with attendance. These costs may increase at a greater rate than our revenue and may not be reduced at the same rate as declining revenues. If cost-cutting efforts are insufficient to offset declines in revenue or are impracticable, we could experience a material decline in margins and profitability and reduced or negative cash flows. Such effects can be especially pronounced during periods of economic contraction or slow economic growth.

Changes in consumer tastes and preferences for entertainment and consumer products could reduce demand for our entertainment offerings and products and adversely affect the profitability of our business.

The success of our business depends on our ability to provide, maintain and expand theme park attractions as well as create and distribute brand-name merchandise that meet changing consumer preferences. If our entertainment offerings and products do not achieve sufficient consumer acceptance, if consumer preferences change and we do not respond efficiently and effectively, or if our new attractions fail to attract visitors as projected or our existing theme parks fail to retain or increase their attendance, our results of operations and financial condition may be adversely affected, including due to loss of revenue from decline in the admissions to and the consumption in our theme parks. In addition, such situations may also result in the loss of tenants who rely on visitor traffic to our theme parks for their businesses operated on our ancillary commercial properties or losses from our own business operations on the ancillary commercial properties.

Incidents or adverse publicity concerning our theme parks or the theme park industry generally could harm our brands or reputation as well as negatively impact our revenues and profitability.

Our ability to attract and retain customers depends, in part, upon the external perception of our group, the quality of our theme parks and services and our corporate and management integrity. The operation of theme parks involves the risk of accidents, illnesses, environmental incidents and other incidents which may negatively affect the perception of guest and employee safety, health, security and guest satisfaction and which could negatively impact our brands or reputation and our business and results of operations.

The considerable expansion in the use of social media over recent years in China has compounded the impact of negative publicity. An accident or an injury at any of our theme parks or at theme parks operated by our competitors, particularly an accident or an injury involving the

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safety of guests and employees, that receives media attention or is the subject of public discussions, may harm our brands or reputation, cause a loss of consumer confidence in us, reduce attendance at our theme parks and negatively impact our results of operations.

Our theme park operations and operating results are subject to seasonality.

We have historically experienced, and expect to continue to experience, seasonal fluctuations in our theme park attendance and revenue, which are typically higher from May to October. For instance, revenue from our park operations for the nine months ended September 30, 2012 accounted for 80.9% of revenue from our park operations for the full year of 2012. In addition, public holidays, school vacations and weather conditions also cause fluctuations in our theme park attendance and revenue. Therefore, our profitability fluctuates during the year and our interim results may not necessarily reflect our annual results.

We may be unable to purchase or contract with third-party suppliers for animals needed in our theme park operations and for our theme park attractions.

We may be unable to acquire the animals needed in our theme park operations or contract with third parties to manufacture, service and maintain high quality attractions at competitive prices, or to provide the replacement parts needed to maintain the operation of such attractions. Our acquisition of rare species of marine and polar animals, which may be key to the attractiveness of some of our theme parks, is subject to the limited availability of animals at our international animal suppliers and the evolving regulatory environment. In addition, if our third-party suppliers' financial condition deteriorates or they go out of business, we may not be able to obtain the full benefit of supplier warranties typically contained in our supply contracts or may need to incur greater costs for the maintenance, repair, replacement or insurance of these assets.

Our reputation and results of operations may be materially and adversely affected if we fail or are deemed to fail to comply with standards related to animal welfare.

We rely heavily on our large animal collection for our theme park, in particular our marine theme park, operations. If we are unable to comply with, or deemed to be in violation of, existing or future standards that are accepted domestically or internationally for animal welfare, our reputation may be damaged as a result, which may lead to loss of visitors to our theme parks and have a material adverse effect on our results of operations and financial conditions.

We may not succeed in obtaining the membership of, or may fail in maintaining our current memberships in, certain international animal organizations.

As disclosed in "Business – Awards and Memberships – Memberships," we are the members of several international marine and aquatic animal organizations such as IMATA, IAAAM, ABMA and E.A.A.M. We cannot assure you that our memberships in such organizations will be successfully maintained in the future or the loss of our memberships in such organizations will not have an adverse impact on our operations.

In addition, as disclosed in "Business – Our Animals – Husbandry, Care and Research," we intend to, and are also assessing the possibility to, join other international animal organizations such as WAZA. We cannot assure you that we will succeed in any of our membership applications or such failure will not adversely affect our operations.

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RISKS PRIMARILY RELATING TO OUR ANCILLARY COMMERCIAL PROPERTY BUSINESS

Our property development and holding segment depends on the performance of the real estate market in China, in particular in the cities and regions in which we develop, sell, lease or manage our ancillary commercial property projects.

Our property development and holding segment and its prospects depend in part on the performance of the PRC property market, in particular the markets for commercial properties and, more specifically, tourism-related commercial properties. Any property market downturn in China generally or in the cities and regions in which we have property projects could adversely affect our business, results of operations and financial condition. Such downturn may take place due to a variety of factors such as a general economic downturn, government policies aimed at restricting the development of certain types of properties, limited availability of financing from PRC financial institutions for the purchasers of our commercial properties or deteriorating business sentiment among potential purchasers or lessees interested in buying or leasing our commercial properties. Any regional or national downturn in the real estate market may result in a decline in property sales or property prices regionally and/or nationally, which would have a material adverse effect on our business, results of operations and financial condition. In particular, our ancillary commercial property businesses are very much exposed to the health of the business environment of the cities and regions in which we have operations in comparison to the residential property market as most of our customers are purchasing or leasing our properties to conduct profit-oriented businesses. Any significant deterioration in the business sentiment of the PRC in general or in the regions in which we operate may have a material adverse effect on the sales and leasing of our ancillary commercial properties, and thereby our results of operations and financial condition.

The results of operations of our property development and holding segment may vary significantly from period to period.

Revenue from our property development and holding segment consists primarily of revenue from property sales. The results of operations of our property development may vary significantly from period to period, due to a number of factors, including the timetables of our property development projects, the timing of the sale of properties that we have developed, and any volatility in expenses such as raw material or labor costs. The overall schedules of our property development and the number of properties that we can develop or complete during any particular period are limited as a result of the substantial capital required for the acquisition of land, demolition and resettlement and construction. Further, the construction timetable of our ancillary commercial properties is subject to the development schedule of theme parks near the properties. The sale of properties we develop is subject to general market or economic conditions in the areas where we conduct our business and the level of acceptance of our properties by prospective customers. According to our accounting policy, we recognize revenue upon the completion and delivery of the properties to purchasers, which may generally take one to two years after the commencement of pre-sales. Therefore, in periods in which we pre-sell a large aggregate GFA, we may not generate a correspondingly high level of revenue if the properties pre-sold are not delivered within the same period. We will continue to experience significant fluctuations in revenue and profit from period to period in connection with our property development business.

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Our results of operations may be materially and adversely affected if our property sales decrease in the future.

During the Track Record Period, a significant portion of our revenue was contributed by the property development and holding segment, of which the property sales revenue constitutes a majority. The revenue from our property development and holding segment contributed 51.7%, 21.5%, 28.1% and 18.9% of our total revenue for the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, respectively. If our property sales decrease in the future, our results of operations and financial conditions may be materially and adversely affected.

The appraised value of our properties and the properties of Chongqing Caribbean Water Park may be different from their actual realizable value and is subject to change.

The appraised value of our properties and the properties of Chongqing Caribbean Water Park as contained in the property valuation reports included in Appendix IVA and Appendix IVB, respectively, to this prospectus is based on multiple assumptions that include elements of subjectivity and uncertainty, and may be subject to substantial fluctuations. Therefore, the appraised value of these properties should not be taken as their actual realizable value or a forecast of their realizable value. Unforeseeable changes to the development and operation of our theme park and ancillary commercial property projects as well as national and local economic conditions may affect the value of our property holdings. In particular, the fair value of our investment properties could decrease in the event that the market for comparable properties in the PRC experiences a downturn as a result of, among other factors, the PRC government policies aimed at cooling-off the PRC property market, the continued effect of the recent global economic downturn, or the gradual slowdown of China's economic growth.

The appraised value of our properties and our land reserves is based on many assumptions, including that:

- we will complete the relevant development projects on time;
- we have obtained or will obtain, on a timely basis, all approvals from regulators necessary for the development of the projects; and
- we have paid all the land grant premium and obtained all land use rights certificates and transferable land use rights.

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

Our LAT provisions may not be sufficient to meet our LAT obligations.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (《中華人民共和國土地增值稅暫行條例》) and the related implementation rules, all entities and individuals that receive income from the sale or transfer of land use rights, buildings and ancillary facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of such properties, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of total deductible expense items allowed under the relevant regulations. The exemption is not applicable to the sales of our ancillary commercial properties, which are not ordinary residential properties.

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We have estimated and made the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities at a later stage of our project development process and may exceed the LAT provisions we have made in respect of a particular project. To the extent that the tax authorities seek to collect the excess amount from us, our cash flow, results of operations and financial condition may be materially and adversely affected.

Our results of operations included unrealized revaluation adjustments on investment properties, which may fluctuate significantly over financial periods and may materially and adversely affect our business, financial condition and operating results.

In 2010 and 2012 and for the nine months ended September 30, 2013, we had fair valuation gains on investment properties of RMB7.2 million, RMB143.1 million and RMB56.1 million, respectively. In 2011, we had fair value losses on investment properties of RMB15.7 million. In addition, in 2010, 2011 and 2012, we had revaluation gains upon reclassification from properties under development to investment properties of RMB46.7 million, RMB122.0 million and RMB3.6 million, respectively. For the nine months ended September 30, 2013, we had revaluation gains upon reclassification from completed properties held for sale of RMB8.9 million. The aggregate amount of such fair value gains/(losses) and revaluation gains for 2010, 2011 and 2012 and the nine months ended September 30, 2013 accounted for 18.3%, 91.6%, 78.4% and 37.0% of our profit before tax during the same periods, respectively.

Upward revaluation adjustments, which reflected unrealized capital gains on our investment properties during the relevant periods, were not profit generated from the sales or leasing of our investment properties, and did not generate any actual cash inflow to us. Unless such investment properties are disposed of at similarly revalued amounts, we will not realize actual cash flow for purposes such as dividend distribution to our Shareholders. The amount of revaluation adjustments have been, and will continue to be, significantly affected by additions of new investment properties and the prevailing property markets and will be subject to market fluctuations. We cannot guarantee that changes in market conditions will continue to create fair value gains on our investment properties at the historical levels or at all, that the fair value of our investment properties will not decrease in the future or that the portfolio of our investment properties will increase at the historical levels or at all. A downward change in market rental rates or an upward change in capitalization rates, both being key assumptions in the valuation of our investment properties, will have an adverse effect on the market value of our investment properties. In addition, the fair value of our investment properties may materially differ from the amount we will receive in actual sales of the investment properties. In the event that there is material downward adjustment in the revaluation amount of our investment properties in the future or our investment properties are disposed of at significantly lower prices than their valuation, our business, results of operations and financial condition may be materially and adversely affected.

The PRC government may impose fines or other penalties on us or even reclaim our land if we fail to comply with the terms of our land grant contracts.

Under PRC laws and regulations, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land grant premium, demolition and resettlement costs and other fees, scope of usage of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose fines or other penalties. In particular, if we fail to commence development for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land resources bureau may serve a warning notice on us and impose a land idle fee on the land of up to

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20% of the land grant premium. If we fail to commence development for more than two years, the land is subject to reclamation by the PRC government unless the delay in development is caused by government actions or force majeure. Moreover, notwithstanding that the commencement of the land development is in line with the land grant contract, if the development of the land has been suspended for over one year without government approval and (i) the developed site area of the land is less than one-third of the total site area of the project scheduled to have been developed or (ii) the total capital expenditure is less than one-fourth of the total investment of the project, the land will be treated as idle land. We have experienced such delays in the development process in the past, however we had not been subject to the idle land fee or reclamation of the idle land by the local government authority as of the Latest Practicable Date. See “Business – Properties – Idle Land.” We cannot assure you that we will not be subject to penalties in relation to past delays or circumstances leading to imposition of idle land fees or reclamation or significant delays in development schedule will not arise in the future. If our land is subject to reclamation, we will not only lose the opportunity to develop theme parks or ancillary commercial properties on such land, but may also lose all our past investments in the land, including land grant premium paid and development costs incurred.

We face risks related to the pre-sale of properties from any potential limitation and restriction imposed by the PRC government as to such activities and claims from customers in the event the pre-sold properties are not delivered on time or at all.

PRC law allows property developers to pre-sell properties prior to their completion upon satisfaction of certain requirements. Under the PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sale of properties and may use pre-sale proceeds only to finance the development project where the pre-sold properties are located. There is no guarantee that the PRC national or local government will not adopt any additional limitation or restriction on, or abolish, the pre-sale practice in the commercial property industry. Any such measure may materially and adversely affect our cash flow position and requires us to seek alternative sources of funding for much of our property development business.

In addition, the pre-sale of our properties carries certain risks. For example, we may fail to complete a fully or partially pre-sold property development, in which case we will be required to return the deposits to purchasers and will be liable to purchasers for any losses suffered by them. Furthermore, if a pre-sold property development is not delivered on time, the purchaser will be entitled to damages.

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

Pursuant to the Administration of the Measures for Commodity House Leasing in Urban Areas (商品房屋租賃管理辦法) promulgated on December 1, 2010 and taking effect on February 1, 2011, both landlords and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. During the Track Record Period, we rented out certain of our properties to third parties but had not filed for registration or obtained property leasing certificates for the relevant leases. See “Business – Legal Proceedings and Regulatory Compliances.” We may be required by relevant government authorities to file the lease agreements for registration and may be subject to a fine for non-registration, which may range from RMB1,000 to RMB10,000 per lease agreement. The registration of these lease agreements requires additional steps to be taken by the respective lessees which are beyond our control. We cannot assure you that the lessees will be cooperative and we can complete the registration of these lease agreements and any other lease agreements that we may enter into in the future.

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

As part of our business strategy, we hold a significant amount of properties developed by us as investment properties to support our theme park business and we may continue adding to our investment property portfolio.

Real estate investment is by nature largely illiquid and, as a result, our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We also cannot predict the length of time needed to find purchasers for such investment properties. In addition, we may need to incur capital expenditure to manage and maintain our properties, or to correct defects or make improvements to these properties before selling them. We cannot assure you that financings for such expenditures would be available when needed, at terms acceptable to us, or at all.

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

We provide guarantees for mortgage loans of our customers and may become liable to mortgagee banks if customers default on their mortgage loans.

We derive a significant portion of our revenue from sales of our ancillary commercial properties and certain of our purchasers apply for bank borrowings and mortgages to fund their purchases. Therefore, the lack of availability of mortgages to our prospective purchasers would significantly affect our results of operations and financial conditions.

In accordance with market practice, we provide guarantees to banks in connection with mortgage loans granted to certain customers of our completed properties held for sale to finance their purchase of our properties. Our guarantees are generally released upon completion of construction and either (1) the delivery of the mortgage registration documents to the relevant banks after the issuance of the property ownership certificate, or (2) the full settlement of the mortgage loans by our customers, whichever occurs earlier. Pursuant to the terms of the guarantees, if the purchasers default on these mortgage loans, we are responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the purchasers to the mortgage banks, upon which we are entitled to take over the legal title of the related properties. If we fail to make the repayment, the mortgage banks are entitled to auction off the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds.

RISK FACTORS

These guarantees are contingent liabilities not reflected on our combined statements of financial position. As of December 31, 2010, 2011 and 2012 and September 30, 2013, our outstanding guarantees for mortgage loans of our customers were approximately RMB92.1 million, RMB121.7 million, RMB126.1 million and RMB110.5 million, respectively. During the Track Record Period, we did not incur any material losses in respect of our guarantees provided for such mortgage loans of our customers. However, should any material default occur and if we were called upon to honor our guarantees, our financial condition and results of operations could be materially and adversely affected.

Our profitability and results of operations are impacted by the development and profitability of our commercial property leasing segment.

As part of our business, we lease out certain of our ancillary commercial properties. Our total rental income was approximately RMB15.2 million, RMB13.9 million, RMB19.8 million and RMB21.5 million for 2010, 2011, 2012 and the nine months ended September 30, 2013, accounting for 1.9%, 2.0%, 2.2% and 2.8% of our total revenue, respectively. We expect to continue expanding our commercial leasing business as we further develop our ancillary commercial property business. If there is a significant downturn in the commercial property leasing markets in the cities and regions where we have investment properties, we may not be able to maintain our current levels of rental income, enter into new leases or renew leases with our tenants upon the expiration of the existing terms on terms acceptable to us, or at all.

As we seek to expand our portfolio of commercial investment properties, rental income is expected to become an increasingly significant contributor to our revenue going forward. We may not, however, be able to identify or secure suitable tenants for our commercial properties. Our inability to expand our portfolio of commercial properties for lease and operations, secure suitable tenants or otherwise to enhance the profitability of our leasing segment could have an adverse effect on our business, results of operations and financial position.

RISKS RELATING TO DOING BUSINESS IN CHINA

Our business operation and future growth rely on the GDP and consumption growth in the PRC market and may be adversely affected by changes in the economic, political and social conditions, globally and in China.

All of our revenues during the Track Record Period were derived from our operations in China. We anticipate that China will remain our primary market in the foreseeable future. One of our strategies is to expand our operations in China. Accordingly, our business, financial condition, results of operations and prospects are, to a significant degree, subject to economic development in China. Should there be any adverse change in the GDP and/or consumer spending growth in China, our results of operations, financial condition and growth prospects may be materially and adversely affected.

In the past twenty years, China has been one of the world's fastest growing economies measured in terms of GDP. However, from time to time and in recent years in particular, the PRC government has taken measures to attempt to slow economic growth to a more manageable level, especially with respect to the rate of growth in industrial production, bank credit, fixed investment and monetary supply. Furthermore, a slowdown in the economies of the United States, the European Union and certain Asian countries may significantly and adversely affect economic growth in China.

RISK FACTORS

Since early 2008, concerns over inflation or deflation, energy costs, geopolitical issues, the availability and cost of credit, have contributed to unprecedented levels of market volatility and diminished expectations for the global economy and the markets in the future. These factors, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have precipitated an economic slowdown and a possible prolonged recession on a global basis. These events have led the PRC economy to experience a slowdown. We cannot predict the extent to which the changing global economic conditions will affect GDP and consumer spending in China. In addition, consumer spending can be affected by factors such as changes or developments in economic and financial condition, and social and political stability in China, and other factors which are beyond our control. Any changes in any of these conditions, or any changes in the PRC laws, rules and regulations or other policies in reaction to the changing economic conditions that are relevant to us and our operations could materially and adversely affect our results of operation and financial condition.

Any adverse change in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

All our operations are conducted in the PRC and all our revenues are sourced from the PRC. Accordingly, our results of operations, financial condition and prospects are subject to a significant degree to the economic, political and legal developments of the PRC. The PRC economy differs from the more developed economies of the world in many respects, including:

- its socialist market economic structure;
- the level of governmental involvement;
- the level of development;
- growth rate;
- the control of foreign exchange; and
- the allocation of resources.

As a result of these differences, our business may not develop in the same way or at the same rate as might be expected if the PRC economy were similar to those of the more developed countries. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. The PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy but continues to play a significant role in regulating industries by imposing industrial policies. We cannot predict whether changes in the political, economic and social conditions and policies in the PRC, or in the relevant laws, rules and regulations, will materialize or be effected or have any material and adverse effect on our current or future business, financial condition and results of operations.

RISK FACTORS

There are uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations.

All of our operations are conducted in the PRC. The PRC legal system is based on written statutes and prior court decisions are not binding. Since 1979, the PRC government has been developing a comprehensive system of laws, rules and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, due to the fact that these laws, rules and regulations have not been fully developed, and because of the limited volume of published cases and their non-binding nature, the interpretation and enforcement of these laws, rules and regulations involve some degree of uncertainty with respect to the outcome of any legal action in which we may be involved in the PRC.

Changes in laws, rules, regulations or enforcement policies of the PRC government could have a material adverse effect on our business, financial condition and results of operations.

The laws, rules and regulations, as well as enforcement policies, of the PRC government, including those regulating our industry and business, are evolving and subject to change. Changes in laws, rules, regulations or administrative interpretations, or stricter enforcement policies by the PRC government, could impose more stringent requirements on us, including significant fines or other penalties for violations or non-compliance. Changes in applicable laws, rules and regulations may also cause disruption to our operation or increase our operating costs. In addition, compliance with such requirements could impose substantial additional costs or otherwise have a material adverse effect on our business, financial condition and results of operations. Furthermore, regulatory agencies in China may periodically, and sometimes abruptly, change their enforcement practices. As a result, prior enforcement activity, or lack of enforcement activity, is not necessarily predictive of future actions. Any enforcement actions against us could severely harm our results of operation and financial condition. In addition, any litigation or governmental investigation or enforcement proceedings in China may be protracted and may result in substantial cost and diversion of resources and management attention, negative publicity and damage to our reputation.

There are significant uncertainties under the EIT Law relating to our PRC enterprise income tax liabilities.

Under the EIT Law, the profits of a foreign invested enterprise generated from January 1, 2008 and onwards, which are distributed to its immediate holding company outside the PRC, are subject to a withholding tax rate of 10%. Pursuant to a special arrangement between Hong Kong and the PRC, such rate will be lowered to 5% if a Hong Kong resident enterprise owns over 25% of the PRC company. However, according to the Circular of State Administration of Taxation on Printing and Issuing the Administrative Measures for Non-residents to Enjoy the Treatment Under Taxation Treaties (Tentative) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》), which became effective on October 1, 2009, the 5% tax rate does not automatically apply. Approvals from competent local tax authorities are required before an enterprise can enjoy the relevant tax treatments relating to dividends under relevant taxation treaties. However, according to a tax circular issued by the State Administration of Taxation in February 2009 (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, PRC tax authorities have the discretion to adjust the tax rate enjoyed by the relevant offshore entity. We cannot assure you that the PRC tax authorities will determine that the 5% tax rate applies to dividends received by our subsidiary in Hong Kong from our PRC subsidiaries, nor that the PRC tax authorities will not levy a higher withholding tax rate on such dividends in the future.

RISK FACTORS

Under the EIT Law, we may be classified as a “resident enterprise” of the PRC. Such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the EIT Law, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a “resident enterprise,” meaning that it can be treated in a manner similar to a PRC enterprise for enterprise income tax purposes. The implementation rules of the EIT Law define “de facto management” as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. As no official interpretation or application of this new “resident enterprise” classification is currently available, the status and tax treatment of an enterprise registered outside the PRC in accordance with foreign laws and with a PRC individual as a controlling shareholder are unclear.

If the PRC tax authorities determine that our Company is a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. We may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that any income sourced by us from outside the PRC such as interest on offering proceeds would be subject to PRC enterprise income tax at a rate of 25%. By comparison, there is no taxation on such income in the Cayman Islands. In addition, if the Company is treated as PRC “resident enterprise” under the PRC law, it may be required to withhold PRC income tax on capital gains realized from sales of our shares and dividends paid to non-PRC residents with respect to our shares under the EIT Law as such income may be regarded as income from “sources within the PRC.” In such case, our foreign corporate shareholders may be subject to a 10% withholding income tax under the EIT Law, unless any such foreign corporate shareholder is qualified for a preferential withholding rate under a tax treaty.

It may be difficult to effect service of process upon some of our directors and executive officers who live in the PRC or to enforce against them in the PRC any judgments obtained from non-PRC courts.

Most of our assets and our principal business operations are in the PRC. All our executive directors and all members of our senior management team are residing in the PRC with no permanent addresses outside the PRC. Therefore, it may not be possible for investors to effect service of process upon such persons in the PRC or to enforce against our Company or such persons in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties or arrangements providing for the recognition and enforcement of civil judgments of the courts of most other jurisdictions including the United States. Therefore, recognition and enforcement in the PRC of judgments obtained in such jurisdictions may not be possible. On July 14, 2006, the PRC and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》). However, investors are reminded that only an enforceable final judgment requiring payment of money arising out of a commercial contract with an exclusive jurisdiction clause and granted by Hong Kong courts may be recognized by the PRC courts, subject to the requirements and restrictions set forth in the arrangement.

RISK FACTORS

Furthermore, an original action may be brought in China against us or our Directors or officers only if the actions are not required to be arbitrated by the PRC law and upon satisfaction of the conditions for institution of a cause of action pursuant to the PRC Civil Procedure Law (《中華人民共和國民事訴訟法》). As a result of the conditions set forth in the PRC Civil Procedure Law, and the discretion of the PRC courts to determine whether the conditions are satisfied and whether to accept the action for adjudication, there remains uncertainty on whether an investor like you will be able to bring an original action in China in this fashion.

Any outbreak of severe communicable diseases in the PRC may cause suspension of our operations and affect the economic conditions of the PRC, which may, in turn, affect our business and operations.

The outbreak of any severe communicable disease in the PRC could have a material adverse effect on the domestic consumption and, possibly, the overall GDP growth of the PRC. As all of our revenue is currently derived from our PRC operations, any contraction or slowdown in the growth of domestic consumption or slowdown in the GDP growth of the PRC may materially and adversely affect our business, prospects, financial condition and results of operations. In addition, if our employees are affected by any severe communicable disease, we may be required to close our theme parks or take other measures to prevent the spread of disease, which may materially and adversely affect or disrupt our operation. The spread of any severe communicable disease in the PRC and elsewhere may also affect the economic sentiment and in turn have a material adverse effect on our results of operation and financial condition.

RISKS RELATING TO OUR GLOBAL OFFERING

There has been no prior public market for our shares and an active trading market for our shares may not develop.

Prior to the Global Offering, there has been no public market for our shares. We have applied to the Stock Exchange for the listing of, and permission to deal in, our shares. However, there is no assurance that the Listing will result in the development of an active and liquid public trading market for our shares following the Global Offering or in the future, and the failure of developing or sustaining such market could have a material adverse effect on the market and liquidity of our shares.

The Offer Price for our shares will be the result of negotiations among the Joint Global Coordinators (on behalf of themselves and the other Underwriters of the Global Offering) and us and may differ from the market prices for our shares after the Listing. An investor who purchases shares in the Global Offering may not be able to resell such shares at or above the Offer Price and, as a result, may lose all or part of the investment in such shares. In addition, the initial trading price of our shares could be lower than the Offer Price due to a variety of reasons including material negative events affecting us.

RISK FACTORS

The liquidity, trading volume and trading price of our shares may be volatile, which could result in substantial losses to our shareholders.

Immediately following the Global Offering, the liquidity, trading volume and trading price of our shares will be determined by the marketplace and may be volatile and may be influenced by many factors, some of which are beyond our control, including:

- fluctuations in our interim or annual results of operations;
- changes in financial performance estimates by securities analysts;
- investor perceptions of us and the investment environment in Asia, including Hong Kong and the PRC;
- changes in policies and developments relating to the theme park, commercial property and entertainment industry;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- changes in pricing policies adopted by us or our competitors;
- depth and liquidity of the market for our shares;
- demand for and supply of our shares;
- general economic factors; and
- other factors, such as those described in the other risk factors set forth in this prospectus.

Moreover, stock markets and shares of listed companies in general have experienced increased price and volume fluctuations in recent years. These broad market and industry fluctuations may adversely affect the market price of our shares regardless of our operating performance or prospects.

Purchasers of the Offer 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 of the Offer Shares is higher than the net tangible assets per Share immediately before the Global Offering. Therefore, purchasers of the Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible assets per Share. Purchasers of the Shares may experience dilution in the net tangible assets per Share if we issue additional Shares in the future at a price which is lower than the net tangible assets per Share.

RISK FACTORS

There may be a dilutive effect on the earnings per Share associated with the Share Option Scheme.

We have conditionally adopted the Share Option Scheme pursuant to which options may be granted after the Listing Date, subject to the provisions of the Share Option Scheme and the Listing Rules. See “Statutory and General Information – Share Option Scheme” in Appendix VI to this prospectus for details on the Share Option Scheme. Any exercise of the options granted under the Share Option Scheme will result in an increase in the number of Shares in issue, and may result in the dilution in the percentage of ownership of the Shareholders, the earnings per Share and net asset value per Share.

There can be no assurance on the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry consultant report, contained in this prospectus.

Certain facts, forecasts and other statistics relating to China and other countries and regions and the tourism and theme park markets as well as the commercial real estate industry in China contained in this prospectus have been derived from various government publications, market data providers and other independent third-party sources, including Euromonitor, an independent industry consultant, and generally are believed to be reliable. However, we cannot guarantee the accuracy and completeness of such information. These facts, forecasts and other statistics have not been independently verified by us, the Joint Sponsors, the Underwriters, their respective directors and advisors or any other parties involved in the Global Offering and none of them makes any representation as to the accuracy or completeness of such information. Furthermore, such facts, forecasts and other statistics may not be prepared on a comparable basis or may not be consistent with other information compiled within or outside China. For these reasons, you should not place undue reliance on such information as a basis for making your investment in our Shares.