

OVERVIEW

We are engaged in the development and operation of large-scale business parks with distinctive industry themes. According to the Top Ten China Real Estate Research Group (中國房地產10強研究組)⁽¹⁾, we ranked among the “2013 Top Ten Brands of China Industrial Real Estate Companies (2013中國產業地產品牌價值TOP10)”. The PRC commercial business park market emerged in the late 1990s to 2000 and has grown rapidly due to significant demand from enterprises in a large number of industries for business parks, government policies in upgrading and restructuring of industries, increased level of urbanization, as well as the development and business innovation of SMEs. According to the Savills Report, we ranked second in China as of December 31, 2013 among all commercial business park developers and operators in terms of the total GFA of completed projects, projects under development and projects planned for future development.

Our Business Model

Property Development

We have developed a portfolio of multi-theme business parks, and we are a market leader in the business park development sector, in Wuhan, Qingdao and Ezhou. Based on our accumulated industry knowledge, development capabilities and operational expertise in the development and operation of large-scale business parks in Wuhan, we replicate our business model in business park development in our other target cities. We have recently started to develop a business park project in Huangshi. We also expect to commence the development of our business park projects in Shenyang and Hefei and plan to further expand to our target cities, including Beijing, Shanghai, Xi'an, Chongqing and Tianjin. Our business parks with distinctive industry themes, which we develop in line with the trend of industry clustering, provide enterprises in a large number of emerging, fast-growing industries with solutions to their needs for business space, operating environment, industry-specific supporting facilities as well as a wide range of business operation services. The themes of our large-scale business parks span a broad spectrum of industries, including, among others, software development, service outsourcing, financial back-office services, data centers, research and development, information technology, biotechnology, medical devices, new materials, energy conservation, environmental protection, ocean technology and creative industry.

We have engaged primarily in developing large-scale, industry theme-focused business parks to cater to the trend of industry clustering and create value for our customers. We proactively track and analyze leading enterprises in our target industries with regard to their

Note:

(1) The Top Ten China Real Estate Research Group (中國房地產10強研究組) comprises the Enterprise Research Institute of the Development Research Center of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Academy(中國指數研究院).

needs for locations, business spaces and operating environments, and we offer competitive terms to attract selected enterprises to establish their businesses in our business parks. We believe that the presence of these leading enterprises may further attract other companies in the same or similar industries as well as their suppliers and service providers along the relevant industry value-chains to relocate to our business parks. With close proximity to each other, the enterprises and companies in our business parks may benefit from increased interactions and knowledge exchanges and business synergy, which, combined with the high-level concentration of industry-specific resources, talents, know-how and expertise in our business parks, are in turn conducive to increased productivity and business innovations, and the production and commercial activities so generated in our business parks will be able to further contribute to the growth of local economies. While our general approach is to develop industry theme-focused business parks, we generally do not impose a strict requirement that they must engage in certain business activities in line with the distinctive theme of the relevant business park.

Our large-scale and theme-focused business parks have played a significant role in assisting local governments in the cities where we have operations to achieve their policy initiatives to upgrade local industry structures, promote the development and business innovation of SMEs and start-up companies, enhance and improve city functions, and transform the locations of these business parks and their surrounding areas into new city centers. Local governments often provide us with incentives and help us attract companies to establish their presence in our business parks.

We focus on, and have strong capabilities in, developing business parks with customized properties and features that meet the individualized demands of our customers. We proactively conduct extensive market researches on our target industries and the leading enterprises in the relevant industries with regard to their needs for locations, business spaces and operating environments. We initiate our sales and marketing efforts at an early stage of our projects, and we endeavor to work closely with and guide our customers throughout the development process to improve the project design and customized features of our business parks so as to ensure that the particular demands of individual customers are fully addressed.

In line with local urban development plans in our target cities, we develop residential projects that are generally in proximity and complementary to our business park developments so as to develop our large-scale projects with a fully-functional living environment (產城一體). During the Track Record Period and up to December 31, 2013, we and our joint venture had three completed residential projects, namely the Romantic Town and the Lido Mason (Phase I) in Wuhan and the Lido Top View in Huangshi, and had two residential projects under development, namely the Lido 2046 and the Lido Mason (Phase II) in Wuhan. The Lido Mason projects (Phases I and II) are wholly owned and developed by our joint venture, Wuhan Mason. The standardized development process of residential projects is substantially similar to that of business park projects. See the subsection headed “Business – Property Development – Residential Property Development Process” in this prospectus for further discussion. Due to our foresight in understanding the new urbanization trends in China, we have assisted local governments to develop the locations of our large-scale business parks and their surrounding areas into new city centers, which in turn offer more job opportunities and fully-functional living communities for new urban residents.

Other Business Activities

We also engage in a variety of other business operations and activities, each of which is an integral part of and essential to our business park development and operation business and contribute to our turnover and profits. These business operations and activities include:

- ***Business operation services for the companies in our business parks.*** We provide enterprises in our business parks with a wide range of business operation services to facilitate their business operations and reduce their operational costs. In addition to property management and operation services, our business operation services also include centralized energy supply systems and services for the relevant districts, human resources and training services. Furthermore, we provide supporting facilities (including apartments, hotels, canteens, enterprise service centers, conference centers and employee activity centers), deliver group catering, property agency and advertising agency services, and organize sports games and leisure activities catering for the business needs of our customers as well as social and other needs of their employees.
- ***Construction contract.*** We provide construction services for decorating and improving external parts and internal areas of buildings to customers in our business parks as well as property developments owned by third parties.
- ***Property leasing.*** We engage in property leasing and strategically hold and lease out certain properties providing supporting services in our business parks as well as office properties suitable for general business uses to generate recurring rental income. We generally decide to hold certain of our developed properties for recurring rental income when we expect that such investment properties could preserve and increase the property value of our business parks as well as improve our investment property portfolio in line with our business strategies. We plan to increase the proportion of investment properties to approximately 10% within the next three to five years and further to approximately 20% thereafter. Accordingly, we will increase our holdings of supporting facilities (including canteens, apartments and hotels) and office properties for general business uses in our business parks as investment properties. We will also develop and operate hotels with various brands to enhance our profitability and diversity our revenue base.
- ***Development management services for business parks owned by third parties.*** As part of our strategic plan, we provide, on a selective basis, project planning and development management services primarily to local governments and leading enterprises for landmark or other large-scale business parks owned by them. Through such services, with minimal capital outlay on our part, we have gained significant expertise and strengthened our capabilities in the development and operation of large-scale business parks, enhanced our brand recognition in the business park development sector, developed long-standing relationships with the relevant local governments and leading enterprises, built up our talent reserve, and

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gained access to and information on the enterprises and companies in their business parks, who may be attractive potential customers for our existing or future business parks. Our long-standing relationships with relevant local governments have been developed over the years as we work closely with them to develop our business parks in line with local urban and industrial development plans, provide development management services to them for large-scale business parks owned by them, cooperate with them to attract leading enterprises, SMEs and start-up companies operating in the industries promoted by them to establish businesses in our business parks, and assist them in some of our target cities on industrial development and related policy matters. Local governments have provided us with preferential measures and incentives in relation to various aspects of the development of our business parks focusing on their promoted industries and have assisted us in our efforts to attract potential customers to establish businesses in our business parks.

As a result of our strong capabilities in business park development and operation and favorable government policies, we have strategically expanded our business and improved our operating results. During the Track Record Period, we generated turnover from sales of properties in our business park and residential projects, business operation services, construction contract, property leasing and development management services. The following table illustrates our turnover by operating segment for the indicated periods:

	Year ended December 31,						Nine months ended September 30,			
	2010		2011		2012		2012		2013	
	% of		% of		% of		% of		% of	
Turnover	total	Turnover	total	Turnover	total	Turnover	total	Turnover	total	total
RMB'000		RMB'000		RMB'000		RMB'000		RMB'000		
(Unaudited)										
Property development	647,635	82.1%	1,171,429	83.4%	1,431,893	79.0%	495,567	70.2%	853,254	75.1%
<i>Business park</i>										
<i>projects</i>	473,514	60.0%	727,138	51.8%	1,362,218	75.2%	432,671	61.3%	847,453	74.6%
<i>Residential projects</i>	174,121	22.1%	444,291	31.6%	69,675	3.8%	62,896	8.9%	5,801	0.5%
Business operation										
services	61,175	7.8%	89,098	6.3%	131,331	7.2%	86,409	12.2%	105,497	9.3%
Construction contract	48,977	6.2%	107,658	7.7%	195,056	10.8%	93,594	13.3%	142,531	12.6%
Property leasing	8,199	1.0%	11,927	0.8%	17,635	1.0%	10,874	1.5%	17,613	1.6%
Development										
management										
services	22,812	2.9%	25,057	1.8%	36,099	2.0%	19,627	2.8%	16,171	1.4%
Total	788,798	100.0%	1,405,169	100.0%	1,812,014	100.0%	706,071	100.0%	1,135,066	100.0%

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Our Projects

We have benefited from increasing customer demands for high-quality business parks, government policies in upgrading and restructuring of industries, increased level of urbanization, and development and business innovation of SMEs in our target cities. During the Track Record Period and up to December 31, 2013, we and our joint venture have completed 11 business park projects in Wuhan, Qingdao and Ezhou and three residential projects in Wuhan and Huangshi.

The following table sets forth an overview of the projects held by us as of December 31, 2013.

Project	Cities	Site Area	Total GFA	Saleable GFA	Property Market Value	Property Market Value Attributable to our Group
		(sq.m.)	(sq.m.)	(sq.m.)	(RMB'000)	(RMB'000)
Completed Projects	Wuhan, Qingdao, Ezhou, Huangshi	1,430,928 ⁽¹⁾	2,249,006 ⁽¹⁾	1,884,555 ⁽¹⁾	2,962,700 ⁽¹⁾	2,925,779 ⁽¹⁾
Projects under Development	Wuhan, Qingdao, Ezhou, Huangshi	621,351 ⁽²⁾	1,059,634 ⁽²⁾	872,276 ⁽²⁾	3,432,100 ⁽²⁾	3,419,680 ⁽²⁾
Projects Planned for Future Development	Wuhan, Qingdao, Ezhou, Shenyang, Hefei	1,816,536	5,379,162	4,246,314	6,793,000	5,401,780
Potential Development Projects	Wuhan, Qingdao, Ezhou, Huangshi, Shenyang	2,463,806	5,063,151	4,587,343	Nil	Nil
Total		6,332,621	13,750,953	11,590,488	13,187,800	11,747,239

Notes:

- (1) Excluding the site area of 36,105 sq.m., the GFA of 71,203 sq.m., the saleable GFA of 69,072 sq.m., the property market value of RMB125.3 million and the property market value attributable to our Group of RMB62.65 million, respectively, in respect of the Lido Mason (Phase I). The Lido Mason projects (Phases I and II) are wholly owned and developed by our joint venture, Wuhan Mason.
- (2) Excluding the site area of 36,067 sq.m., the GFA of 80,524 sq.m., the saleable GFA of 60,298 sq.m., the property market value of RMB290.9 million and the property market value attributable to our Group of RMB145.45 million, respectively, in respect of the Lido Mason (Phase II).

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Industry Themes of Our Business Parks

The table below sets out the names and industry themes of our business parks:

Our projects	Industry theme
<i>Wuhan</i>	
Optics Valley Software Park	Software development and service outsourcing
Optics Valley Financial Harbour	Financial back-office services and information technology
Wuhan Innocenter	Research and development
Creative Capital	Creative industry
Energy Conservation Technology Park	Energy conservation and new materials
<i>Qingdao</i>	
Qingdao Optics Valley Software Park	Software development and service outsourcing
Qingdao Marine & Science Park	Ocean technology
Qingdao Innocenter	Research and development
<i>Other cities</i>	
Shenyang Financial Harbour	Financial back-office services and information technology
Ezhou OVU Science and Technology City	Energy conservation and environmental protection
Huangshi OVU Science and Technology City	Biotechnology, energy conservation, environmental protection and new materials
Hefei Financial Harbour	Financial back-office services and information technology

The table below sets out the names and distinctive industry themes of the third party business parks owned by local governments and enterprises which we provide development management services for:

Third party business park projects	Industry theme
Wuhan National Biotech Innovation Business Park	Biotechnology
Wuhan Hi-Tech Medical Devices Business Park	Medical devices
Wuhan Future Technology City	Strategic Emerging Industries
China Electronics New Energy (Wuhan) Research Institute	New energy

OUR COMPETITIVE STRENGTHS

We believe that we have the following competitive strengths which allow us to compete effectively in our markets:

As the second largest commercial business park developer and operator in China in 2013, we have significant experience and strong capacities in the development and operation of large-scale, theme-focused business parks.

According to the Savills Report, we are the second largest commercial business park developer and operator in China as of December 31, 2013 in terms of the total GFA of completed projects, projects under development and projects planned for future development. We have developed a portfolio of multi-theme business parks, and we are a market leader in the business park development sector, in Wuhan, Qingdao and Ezhou. We focus on, and have gained extensive experience and expertise in, developing large-scale and theme-focused business parks. Our business parks with distinctive industry themes provide enterprises in a large number of industries with solutions to their needs for business spaces, operating environments, industry-specific supporting facilities as well as a wide range of operation services. The themes of our large-scale business parks span a broad spectrum of industries, including, among others, software development, service outsourcing, financial back-office services, data centers, research and development, information technology, biotechnology, medical devices, new materials, energy conservation, environmental protection, ocean technology and creative industry. Our strong capabilities and significant expertise in delivering theme-focused business park projects and services and our in-depth understanding of relevant industries have created significant entry barriers for our competitors in our target cities. We are primarily engaged in developing large-scale, industry theme-focused business parks to cater to the trend of industry clustering and we have benefited from incentives and support by local governments in various areas, including customer development and securing financing for our business parks.

We have received numerous awards in recognition of our brand and our strong capacities in the design, development and operation of large-scale, multi-theme business parks from national and local governments, industry associations and leading research institutions. According to the Top Ten China Real Estate Research Group (中國房地產10強研究組), we ranked among the “2013 Top Ten Brands of China Industrial Real Estate Companies (2013中國產業地產品牌價值TOP10)”. We received the prestigious Guangsha Award (廣廈獎) in November 2012 in recognition of the Optics Valley Software Park from the China Real Estate Industry Association (中國房地產業協會), which is awarded annually to a few outstanding landmark property developments in China. We were also awarded “the Leading Enterprise in China’s Industrial Property Industry Award (中國房地產產業地產標杆企業)” in August 2013 by China Real Estate Business News in recognition of our market leading position. Our reputation, track record and expertise in developing and operating large-scale, multi-theme business parks have strengthened our core competitive advantages as a leading commercial business park developer and operator in Wuhan, Qingdao and Ezhou.

Our vertically integrated business model, coupled with our strong capabilities and resources, has proved successful, which we have replicated in our business park developments in our target cities.

As a pioneer among the commercial business park developers and operators in China, we have accumulated extensive industry experience since our entry into the business park development sector and have developed our business model which integrates the full spectrum of business park design, development and operation. We have strong capabilities in developing business parks with customized properties and features and providing our customers with a wide range of business operation services and after-sales services.

We focus on, and have strong capabilities in, developing business parks with customized properties and features that meet the individualized demands of our customers. We conduct extensive market research and strategically select sizeable land sites in our target cities based on anticipated customer demand and other considerations. During our development process, we undertake project planning and prepare the general design of business parks in accordance with the general characteristics, industrial standards and construction requirements of the companies in relevant industries. We initiate our sales and marketing efforts at an early stage of our projects, we endeavor to work closely with and guide our customers throughout the development process to improve the project designs and customized features of our business parks so as to ensure that the particular business demands of individual customers are fully addressed. In addition, we are able to realize financial returns on customized developments from an early development stage as compared to other types of developments as we generally collect payments of purchase price by installments according to the milestone schedules of the relevant agreements.

We provide enterprises in our business parks with a wide range of business operation services and after-sales services to facilitate their business operations and reduce their operational costs. In addition to property management and operation services, we provide enterprises in our business parks with centralized energy supply systems and services for the relevant districts, human resources and training services. Our business operation services also include the corporate functions of government liaison and professional consultation. Furthermore, we provide a variety of supporting facilities in our business parks (including apartments, hotels, canteens, enterprise service centers, conference centers and employee activity centers), deliver group catering, property agency and advertising agency services, and organize sports games and leisure activities. Our business operation services cater to the business needs of enterprises in our business parks as well as the personal needs of their employees. Our business operation services have enhanced the value and attractiveness of our business parks as well as customer loyalty.

With the standardization of our development procedures, documentation and product modules, we have applied our business model to develop business parks with different industry themes in order to replicate our success in our target cities. After our success with the Optics Valley Software Park, we have successfully replicated our business model in a number of business park developments in Wuhan. We proactively conduct extensive market research and

strategically select our potential target cities with significant customer demands for business parks and relatively low entry barriers and risk profile for business park developments. With respect to each of our potential target cities, we conduct further in-depth analyses on local governmental policy, local industrial and urban development plan, locations of available land sites, and business expansion plans of leading local enterprises in our target industries so as to identify our target cities with suitable land sites where we are able to leverage our competitive strengths and develop our major types of business parks. Based on our accumulated industry knowledge, development capabilities and operational expertise in the development and operation of large-scale, industry theme-focused business parks in Wuhan, we replicate our business model in relation to business park development in our other target cities. In particular, we have developed our major types of business parks, namely financial harbour, software park, innocenter (focusing on industries related to research and development as well as information technology) and technology city (focusing on Strategic Emerging Industries) in these cities. Because our business parks are in line with local development plans and have contributed, or are expected to contribute, significantly to the upgrading of local industrial structures and the growth of local economies, local governments often provide us with incentives in relation to various aspects of the development of our projects there and help us attract leading local enterprises and other companies in our target industries to establish their presence in our business parks. The Qingdao Optics Valley Software Park and the Ezhou OVU Science and Technology City have been selected as priority development projects by the local governments. Strategically expanding into our other target cities outside Wuhan, we commenced pre-sale of properties in the Ezhou OVU Science and Technology City (Phase I – 1.1) in July 2013 and have entered into customization agreements with customers in respect of properties in the Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4 and 1.5). See the subsection headed “Summary – Recent Developments” in this prospectus for further discussion. We have recently started to develop a business project in Huangshi. We further expect to commence the development of other business park projects in Qingdao, Ezhou, Shenyang and Hefei in the first half of 2014. Furthermore, as part of our strategic plan to establish our nationwide geographical coverage, we plan to further expand to various national or regional economic centers in China, such as Beijing, Shanghai, Xi’an, Chongqing and Tianjin.

Our business parks are in line with the national development strategies of the PRC Government to promote the restructuring and upgrading of industries, and contribute to the development of “new urbanization” as well as the development and business innovation of SMEs, which enables us to benefit from favorable government policies.

Our large-scale, multi-theme business parks are in line with national development strategies of promoting the restructuring and upgrading of industries. In the 12th Five-Year Plan for 2011 to 2015, the PRC Government has set the restructuring and upgrading of industries as a priority as part of its strategic efforts to stimulate domestic growth and adjust China’s industrial structure. Our business parks are focused primarily on emerging, fast-growing industries which are promoted by the PRC Government. With the support of the PRC central and local governments, many companies in such industries have experienced and will continue to experience rapid business growth and expansion, thus generating significant demands for our business parks. Also, based on our in-depth understanding of governmental

policies (including, among others, the Catalog for the Guidance of Industrial Structure Adjustment), we proactively conduct industrial research and analyses focusing primarily on the following three major areas: restructuring and upgrading of traditional industries; Strategic Emerging Industries (including, among others, biotechnology, new energy, energy conservation and environmental protection, new materials, and next-generation information technology); and innovative industries (including, among others, electronic commerce, cloud computing, mobile office systems and information security). Furthermore, we have also assisted local governments in some of our target cities on industrial development and related policy matters and, upon request, provided them with relevant research materials. This further enables us to plan for and carry out our business park development in accordance with the industrial and economic development policies of local governments in our target markets.

In addition, our integrated developments have contributed significantly to urban development in our target cities. As the national economy further develops and living standards continue to improve in China, the PRC Government has increasingly realized the importance and necessity of a new model of urbanization under which people do not just simply relocate to new urban areas, but more importantly, their various needs for career and social advancement and a better living environment are to be addressed as well. In this regard, the new leadership of the PRC Government has recently promoted the concept of “new urbanization,” which aims to achieve such objectives as industrial modernization, optimized allocation of resources and domestic growth. As a first mover among the commercial business park developers and operators in China, we have the foresight to understand the new urbanization trends in China. We attract many companies to establish their businesses in our business parks, which offer employment positions for new urban residents. Our large-scale developments further integrate our business parks with a fully-functional living environment (產城一體), which provides secure and sustainable urban communities catering for their various social and other needs. Furthermore, we have assisted local governments to develop the locations of our large-scale business parks and their surrounding areas into new city centers, which in turn offer more job opportunities and fully-functional living communities for new urban residents. Our business park developments, which have no fences or other enclosures, are open to and accessible by the general public and thus they are well-integrated with the surrounding areas to form new city centers and contribute to the sustainable growth of local economies of our target cities.

Our business parks have also contributed significantly to the development and business innovation of SMEs in our target cities. The national and local governments have promulgated laws and regulations to create a favorable policy environment for the development of SMEs. They have also provided incentives and measures for overseas talents to establish startup companies focusing on fast-growing, emerging industries. SMEs have experienced rapid growth in recent years and the increasing number and expanded scale of SMEs have created significant demands for business parks. To capitalize on such demand, we have developed the Wuhan Innocenter and the Qingdao Innocenter, which primarily serve as bases of incubation and development for a significant number of SMEs. In addition, we have provided various incentives and business operation services (such as subsidies to rents and assistance to make patent applications as well as applications of technology innovation funds) to SMEs in our business parks to support their development and business innovation.

We have selected our target cities that we believe have significant potentials for economic growth, urban development, and growth and business innovation of SMEs so as to benefit from anticipated customer demands for business parks, favorable government policies and increased urbanization. According to Devott⁽¹⁾, Wuhan, Qingdao, Shenyang and Hefei are among the top ten cities in China whose outsourcing industry will experience the most rapid growth. With our proven track record in successfully developing large-scale, multi-theme business parks in Wuhan and strong presence in our other target cities, we are well-positioned to benefit from the continued industrial and economic developments, urbanization, as well as growth and business innovation of SMEs in these cities as well as the favorable policies and other support of the local governments.

We have developed a high quality, diversified and loyal customer base and established long-term strategic relationships with our customers.

We have developed a sizeable, diversified and loyal customer base and maintained strong relationships with our customers. Compared to residential customers, customers for business parks have more complicated requirements for business spaces, operating environments, neighboring companies, industry-specific supporting facilities and business operation services. We proactively track and analyze leading enterprises in our target industries with regard to their relevant requirements and offer competitive terms to attract selected enterprises to establish their businesses in our business parks. The presence of these leading enterprises in turn may further attract other companies in the same or similar industries as well as their suppliers and service providers along the relevant industry value-chains to relocate to our business parks. Our large-scale, multi-theme business parks have attracted high quality, diversified customers which consist of the largest or other leading global corporations, Chinese blue-chip enterprises, SMEs and start-up companies. As a result of our proven track record in consistently delivering business parks meeting our customers' particular demands, we have established long-term strategic relationships with them.

Our business parks are home to well-known multinational corporations and leading enterprises in various industries. Our long-term customers who are leading global corporations and Chinese blue-chip enterprises include Schneider Electric, Bank of Communications Co., Ltd.* (交通銀行股份有限公司), China Everbright Bank Co., Ltd.* (中國光大銀行股份有限公司) and Wistron Corporation (緯創資通股份有限公司), which are among the world's top 500 enterprises, Taikang Life Insurance Co. Ltd.* (泰康人壽保險股份有限公司) and Guohua Life Insurance Co., Ltd.* (國華人壽保險股份有限公司), which are among China's top 500 enterprises, and Beyond Soft Co., Ltd.* (博彥科技股份有限公司), which is among the world's top 100 service outsourcing companies. The presence of these leading enterprises has increased the property value of our business parks and may further attract other companies in the same or similar industries as well as their suppliers and service providers along the relevant industry value-chains to relocate to our business parks.

Note:

(1) Based in Tianjin with offices in Shanghai and the U.S., Devott is an independent research and advisory service provider in China's outsourcing and technology markets.

Our business parks also serve as bases of incubation and development for a significant number of small to medium-sized, fast-growing companies. When these companies first established their presence in our business parks, many of them were at an early startup stage of their business. We have endeavored to assist such customers to locate suitable office space in our business parks for purchase or leasing. With the continued growth and expansion of their businesses, we will further assist these companies to address their demands for larger office spaces and other business needs. We believe that, throughout their business growth and development, these customers have developed significant loyalty to us and will likely acquire new office space of a larger size in our business parks for their expanded businesses.

In addition, through our development management services for the landmark and other large-scale business parks owned by local governments and leading enterprises, we have cultivated long-standing relationships with them and have gained access to and information on the enterprises and companies in their business parks, who may be attractive potential customers for our existing or future business parks. We have partnered with the Wuhan Municipal Government for the development and management of a number of large-scale development projects, including the Wuhan National Biotech Innovation Business Park in the Biolake and the Wuhan Hi-tech Medical Devices Business Park. Moreover, Wuhan Zhongyuan Electronics Group Company Limited* (武漢中原電子集團有限公司) has selected us as the developer and operator of its large-scale business park in the Wuhan Future Technology City.

We believe that we can capitalize on our strong relationships with existing customers to convert them into repeat customers. Based on our customers' feedback and potential demands and in line with favorable government policies, we have continuously developed business parks focusing on new industries or sectors and expanded into new cities. We expect that, subject to their business needs, our customers in our existing business parks and the enterprises in the third-party business parks for which we provide our development management services would likely become our customers for the business parks focusing on the relevant industries which we develop in new markets. In addition, we believe that, in line with the trend of "industry clustering," the enterprises and companies in our existing business parks would also likely refer our developments to their upstream suppliers and downstream customers and help attract other companies in the same or similar industries as well as their suppliers and service providers along the relevant industry value-chains to relocate to our new business parks.

Strategically located, sizeable and high-quality land reserves which we acquired at relatively low costs provide strong support for our continued growth.

We target affluent second and third-tier cities with strong economic growth potential and significant demand for business parks. We have acquired high quality and sizeable land reserves strategically located in a number of fast-growing cities in China. As of the Latest Practicable Date, we and our joint venture had a land bank located in Wuhan, Qingdao, Shenyang, Hefei, Huangshi and Ezhou with an aggregate GFA of approximately 7,183,744 sq.m., in respect of which we have received relevant land use rights certificates or signed relevant land grant contracts or received relevant confirmation letters on bidding for land use rights but not yet obtained land use rights certificates.

Our business benefits from the relatively low costs of our land reserves. Our large-scale business parks require sizeable land sites of consistent high quality in order to achieve sustainable economies of scale. When we enter our target cities, we work closely with local governments to ensure that our business parks are in line with local development and zoning plans and fully supported by them and enter into project framework, cooperation or investment agreements with them. We believe we have competitive advantages in terms of costs and locations of sizeable land sites we have acquired in our target cities. The total land acquisition cost through public tender, auction and listing-for-sale as of December 31, 2013 was approximately RMB2.4 billion and the average land acquisition cost of approximately RMB395 per sq.m. (calculated by dividing the total land acquisition cost through public tender, auction and listing-for-sale as of December 31, 2013 by the total saleable GFA of above-ground properties in relevant projects). Because our business parks have contributed, or are expected to contribute, significantly to the upgrading of local industrial structures and the growth of local economies, local governments often provide us with incentives (including infrastructure fee waiver and preferential tax policy) and support in relation to various aspects of the development of our projects there. This has assured our profitability and enhanced our ability to respond to potential fluctuation of property prices caused by changing market conditions.

Our land reserves, coupled with our strong execution capability, support our sustainable growth. To minimize operating risks, we do not rely on any one channel of land acquisition, but rather build our land bank through a variety of channels, including public tender, auction, listing-for-sale, purchases from existing land interest holders and investment in a project company holding land interest. We expect to be able to continue to maintain a land bank of optimal size at a reasonable cost to support our growth in the next three to five years. Furthermore, the period from our land acquisition to generation of turnover is generally two to three years. We have established strong execution capability to develop projects rapidly. We are able to use our working capital and other resources more efficiently, maintain a healthy profit margin and respond more effectively to changing market conditions.

Our experienced management team, which has a clear vision and entrepreneurial spirit and whose interests are closely aligned with our Company and shareholders, as well as our unique shareholding structure with the substantial shareholder being a state-owned enterprise, have provided us with a competitive edge.

Our senior management team has worked together for over ten years with a proven record of developing and running a successful property development company. Our founder, Chairman Huang, has more than 16 years of experience in the PRC property industry. The State Council of China has awarded him the special expert allowance in recognition of his significant contribution to the development of medical and healthcare industry in China. Other members of our management team also have an average of nearly 16 years of experience in the property industry. The members of our management team have expertise on a variety of industries. Their industrial expertise and insight and diversified background have enabled us to deliver products and services to meet the requirements of our customers across a large number of industries. In addition, the vision and entrepreneurial spirit of our management team have driven us to develop business parks focusing on new, fast-growing industries. Our management team has also helped us cultivate strong relationships with governmental authorities, industry leaders, major customers, suppliers and other market participants.

In addition, since 2008 we have benefited from our strategic relationship with Hubei Science & Technology Investment, a state-owned enterprise, as our substantial shareholder. Our state-owned substantial shareholder has fully supported our business strategies, and has played an important role in facilitating our communication and cultivating strong relationships with governmental authorities. It has also helped us establish beneficial relationships with strategic partners and premium customers. We have also benefited from its strong commitment to transparent corporate governance standards and prudent financial policies, which in turn have enabled us to create significant values for our shareholders, customers and employees.

We have adopted prudent strategies in business expansion and financial management and endeavored to maintain a strategic balance between healthy business growth and financial stability. As a result, we believe we should be able to continue to capture strategic market opportunities while also effectively managing our liquidity and other business risks.

We have also implemented comprehensive management policies aimed at recruiting, developing and retaining a highly qualified workforce to support our long-term sustainable growth. Our employees are the most valuable assets to our business and will continue to be a key contributor to our success. Our senior management and other employees became shareholders of our Group in 2007 and their interests are aligned with our Company and Shareholders as a whole. These 104 shareholders (including 13 senior management members) will together hold through a trust, Hengxin PTC Trust, an aggregate interest of approximately 8.009% of our share capital upon completion of the Global Offering (assuming no exercise of the Over-allotment Option). In recognition of our talent recruitment and retention strategies and management policy, Peking University and Zhaopin.com, a well-known Chinese company for recruitment and human resource management, jointly awarded us the China Best Employer Award for three consecutive years from 2011 to 2013.

OUR STRATEGIES

We aim to further strengthen our established market leader position in China's business park development sector and broaden our large-scale, theme-focused developments to cover new, fast-growing industries and new market segments. To generate satisfactory profits and investment returns for our shareholders and drive our sustainable growth in the future, we plan to adopt the following strategies:

Further consolidate our market leader position in business park development, and continue to replicate our business model in fast-growing target cities and establish our national market coverage of our business

We intend to replicate our business model in fast-growing target cities with sustainable growth potential. We have developed 15 business park projects with different industry themes, and we are a market leader in the business park development sector, in Wuhan, Qingdao and Ezhou. We have recently started to develop a business park project in Huangshi. We have also acquired land for business park development in Shenyang and Hefei and are further expanding into our other target cities. In Qingdao, Shenyang, Ezhou, Huangshi and Hefei where we have entered into project framework, cooperation or investment agreements with local governments,

we will continue to replicate our business model to develop new projects. Furthermore, in order to identify and select our new target cities, we plan to regularly review industry-wide recognized research reports on the growth potential and risks relating to the business park markets in Chinese cities. We will then rank Chinese cities with respect to a series of factors (including, among others, size and growth rate of local economy, investment in property development, number of higher educational institutions and size of student enrollment population) and select our potential target cities which ranked in the top tier after taking into account these factors. With respect to each of our potential target cities, we will conduct further in-depth analyses on several factors (including, among others, its local favorable governmental policy, local industrial and urban development plan, locations of available land sites, cost of transportation, cost of energy supply, and business expansion plans of leading enterprises in our target industries) to identify our target cities with suitable land sites for our property development. To enhance our brand recognition and strengthen our strong market position, we intend to enter into other fast-growing cities and national or regional economic centers in China (such as Beijing, Shanghai, Xi'an, Chongqing and Tianjin).

We have actively communicated with local governments of our target cities and worked closely with them for their support for our business park projects. We plan to enter our new target cities in accordance with our strategic plan formulated based on our competitive strengths. We expect to enter into project framework, cooperation or investment agreements with local governmental authorities in some of our new target cities in 2014. With our track record of successfully developing and operating large-scale and multi-theme business parks in Wuhan, Qingdao and Ezhou and the in-depth understanding of our target cities and the relevant industries which our business park projects will focus on, we believe that we will be able to successfully replicate our business model in strategically selected cities, gain significant market share in new geographic markets and establish our national market coverage.

Based on our extensive experience in business park development, we intend to further enhance our standardized development procedures and products to replicate our business model in new developments in our new target cities. We are in the process of further enhancing the standardized development procedures (including, among others, site selection, project planning and design, construction, and business operation services) in respect of our five major types of business parks (namely financial harbour, software park, innocenter (focusing on industries related to research and development as well as information technology), creative capital and technology city). We aim to achieve more efficient use of capital and other resources, and complete new projects on a timely basis while maintaining an effective control over our costs. We believe that, with increased standardization of our development procedures and products, we should be able to execute our business expansion plan effectively, thus further enhancing our profitability in the future.

Leverage our brand, experience and talents and continuously develop business parks focusing on new, fast-growing industries with significant growth potential

We intend to leverage our brand, experience, talents and other competitive strengths to develop business parks focusing on new, fast-growing industries. With our foresight into the trends of national and local industrial development and our in-depth understanding of the

demands from leading, well-known enterprises across a large number of industries, we will strategically select new, fast-growing industries with significant growth potential as the themes for our new business parks. We are currently developing the Qingdao Marine & Science Park focusing on the ocean technology industry. In addition, we have a near-term plan to develop several additional new types of business parks in our target cities that focus on various new, fast-growing industries, including electronic commerce and engineering design in Wuhan, ocean technology and the Internet in Qingdao, intelligent manufacturing in Shenyang, creative industry and online finance in Beijing, creative industry in Shanghai and intelligent manufacturing in Xi'an.

Furthermore, we intend to develop business parks focusing on new, fast-growing industries based on our existing business park modules. In line with the development trend of industry clustering, our large-scale business parks with distinctive industry themes are designed for, and have drawn, not only enterprises in the relevant industries but their suppliers and service providers along the relevant industry value-chains as well. As a particular sub-sector or segment in the relevant industry or along the relevant industry value-chain develops and presents opportunities for business park development, we are able to use our existing business park modules and experience to develop a new business park with a theme focusing on such sub-sector or segment. For example, in operating the Optics Valley Software Park, we gained further understanding of and expertise in the financial back-office service industry and identified significant potential demands for back-office services by banks and other financial institutions. As a result, we have applied our experience with relevant product modules of the Optics Valley Software Park and successfully developed the Optics Valley Financial Harbour. We intend to continue to develop such new business parks focusing on a particular sub-sector or segment of the industries covered by our existing business parks, including business parks for data centers and cloud computing-related companies as we foresee significant potential demands for data storage and information processing in the financial back-office service industry.

Further enhance our strong capacities in business park development and operation and strengthen our vertically integrated business model

We intend to enhance our strong capacities in business park development. We believe our strong capacities in delivering high-quality business parks to our customers are fundamental to the successful development of our vertically integrated business model. Our specialized development and service companies (such as Wuhan Jitian Construction in construction and Wuhan Lido Technology in decoration and improvement of building interior and external parts) have strong capacities in business park development. We intend to further enhance capacities of other specialized development and service companies (such as OVU Architectural Design Institute in project design, OV Energy Conservation Engineering in construction of energy conservation project and Wuhan Lido Curtain Wall in manufacture of construction components). We also intend to establish new companies in respect of such development phases as consultation, project planning and construction supervision along the value-chain of the business park development industry, as well as a new company specialized in civil engineering and construction. We are in the process of establishing a project management

system to achieve smooth workflow and scientific evaluation of each project. We will deploy specialized personnel in charge of key development stages and further enhance and streamline our development process to shorten our development cycle and achieve greater cost-efficiency. In addition, we are implementing a centralized procurement of construction materials for our property development and will form strategic alliance with suppliers and service providers so as to reduce development cost and improve operational efficiency.

Furthermore, we intend to improve the levels and expand the scope of our business operation services. We are in the process of establishing a service system with uniformed standards and requirements to ensure that we deliver consistently high quality services to customers. We intend to further strengthen service capacities of our specialized development and service companies and expand operation scale of relevant service businesses (including Wuhan Lido Property Management in property management and operation services, Wuhan Quantai Catering Management in group catering, OV Energy Conservation Technology in distributed energy supply services and energy conservation solutions, and Wuhan Ziyuan Hotel Management in hotel management service). In addition, we plan to expand the scope of our business operation services into new areas. In particular, we intend to collaborate with third party telecommunication operators to provide customers in our business parks with a wide range of high-speed Internet services (such as cloud computing, mobile office systems, video conferencing and remote project monitoring) and e-commerce services. We also intend to provide our customers with commercial property management and corporate finance services as well as cultural and art-related services for the customers that purchase properties of our creative capital type of business parks.

Strategically increase our holdings of investment properties and develop hotels with various brands to enhance our profitability and diversify our revenue base

We intend to strategically increase our holdings of investment properties to enhance our profitability. We plan to increase our holdings of supporting facilities (including canteens, apartments and hotels) in our business parks as investment properties. These facilities provide supporting services to the enterprises and companies in our business parks, which will generate recurring income for us. Such investment properties are also expected to appreciate in value as an increasing number of enterprises and companies are attracted to our business parks and their surrounding areas are further developed. Furthermore, we intend to increase our holdings of office properties in our business parks which are suitable for general business uses. Some enterprises, such as local operations of multinational corporations, prefer leasing office properties in our business parks. In addition, many small, fast-growing companies at an early startup stage of their business may not have the financial ability to purchase, and thus want to lease, suitable office space in our business parks. Because of the significant demands for leasing office properties suitable for general business uses and the high financial returns on such leased properties, we will be able to enhance our profitability by increasing our holdings of such properties.

We have been actively promoting our various hotel brands, including Ziyuan (紫緣) (our luxury and boutique hotel brand), Lido (麗島) (our first class hotel brand) and Liyuan (麗緣) (our standard business class hotel brand), and intend to develop hotels for customers at different income levels. We intend to develop and operate three hotels in the Optics Valley Financial Harbour (Phase I) and (Phase IV) and the Creative Capital respectively as part of our plan to increase the holdings of investment properties. We will further standardize and replicate our hotel development procedures in our other business parks (including, among others, the Qingdao Optics Valley Software Park, the Qingdao Innocenter and the Qingdao Marine & Science Park). We aim to achieve and maintain a diversified revenue base so that we will be better able to respond to potential fluctuations of property prices caused by changing market conditions.

Further expand the scope of our development management services

We plan to expand the scope of our development management services with respect to business parks owned by third parties. Leveraging our experience and expertise in the development and operation of large-scale business park projects owned by local governments, we intend to further provide development management services to third party enterprises in relation to their business parks. In addition to the development and operation of such business parks, our comprehensive services will also include sales and marketing of completed properties in these business parks. Furthermore, we intend to design, develop and operate the business parks owned by third party enterprises under our brands to help build our brand and expand our market influences. When the land owned by third party developers is in proximity to our business parks, by undertaking such joint projects, we will be able to exercise a significant control over the quality, industry themes and customers of these business parks so that we can manage to ensure that the areas surrounding our business parks are orderly developed and conducive to the operations of our business parks. We typically select a potential project to render development management services on the condition that such project does not over-commit our manpower and other resources to such an extent that the progress and quality of our own projects are adversely affected, and where we are interested in developing a long-standing strategic relationship with such third party enterprise. We will also evaluate the size, location and other features of the land owned by the third party enterprise, and further assess the potential influence and status of the project in the relevant region, and whether our participation in the development and management of the business park would significantly enhance our brand recognition and facilitate our entry into new markets.

OUR PROPERTY DEVELOPMENT PROJECTS

We have developed and completed business parks with distinctive industry themes and residential projects in our target cities. The following map illustrates our national geographic coverage of China with locations of our target cities and business park projects:



As of December 31, 2013, we and our joint venture, Wuhan Mason, had 35 business park projects and five residential projects in various stages of development. We divide our property development projects, for which we have received the relevant land use rights certificates or entered into land use rights grant contracts, into four categories:

- completed projects, comprising property projects which we have completed and in respect of which we have received the relevant certificates of completion issued by the relevant governmental authorities;
- projects under development, comprising property projects in respect of which we have received the relevant construction works commencement permits, and construction of which has commenced but not yet been completed;
- projects planned for future development, comprising property projects in respect of which we have (a) received the relevant land use rights certificates, or (b) signed the relevant land grant contracts or received the confirmation letters on bidding for land use rights but not yet obtained land use rights certificates; and

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- potential development projects, comprising property projects in respect of which we have entered into project framework, cooperation or investment agreements with the relevant governmental authorities, and we are in the process of carrying out the necessary PRC regulatory procedures to obtain the land use right certificates.

The table below sets forth our classification of projects, and the corresponding classification of projects in the accountants' report and the property valuation report included in this prospectus:

Our classification	Accountants' report	Property valuation report
<ul style="list-style-type: none"> Completed projects Comprised of property projects which we have completed and in respect of which we have received the relevant certificates of completion issued by the relevant governmental authorities 	<ul style="list-style-type: none"> Completed properties held for sale Investment properties 	<p>Group I – Properties held by the Group for owner-occupation or for sale in the PRC</p> <p>Group IV – Properties held by the Group for investment in the PRC (consisting of completed properties only)</p>
<ul style="list-style-type: none"> Projects under development Comprised of property projects in respect of which we have received the relevant construction works commencement permits, and construction of which has commenced but not yet been completed 	<ul style="list-style-type: none"> Properties under development – Properties under development for sale 	<p>Group II – Properties held by the Group under development in the PRC</p>
<ul style="list-style-type: none"> Projects planned for future development Comprised of property projects in respect of which we have (a) received the relevant land use rights certificates, or (b) signed the relevant land grant contracts or received the confirmation letters on bidding for land use rights but not yet obtained land use rights certificates 	<ul style="list-style-type: none"> Properties under development – Properties held for future development for sale Trade and other receivables – Prepayments for properties held for development 	<p>Group III – Properties held by the Group for future development in the PRC</p>
<ul style="list-style-type: none"> Potential Development Projects Comprised of property projects in respect of which we have entered into project framework, cooperation or investment agreements with the relevant governmental authorities, and we are in the process of carrying out the necessary PRC regulatory procedures to obtain the land use right certificates 	<ul style="list-style-type: none"> Commitments 	<p>Group V – Properties intended to be acquired by the Group in the PRC</p>

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Portfolio of Our Property Development Projects

The following table sets forth an overview of the business park projects and residential projects held by our Group and joint venture as of December 31, 2013.

Project	Project Company	City	Interest Attributed to the Group	Actual/ Estimated Commencement Date ⁽¹⁾	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date ⁽²⁾	Site Area	(A)	(B)	GFA with Land Use Rights Obtained	GFA Completed ⁽⁴⁾
								Total GFA ⁽³⁾			
				(month/ year)	(month/ year)	(month/ year)	(sq.m.)	(sq.m.)		(sq.m.)	(sq.m.)
I. Completed Projects											
Business Parks											
1. Optics Valley Software Park (Phases I to IV) (光谷軟件園一至四期)	Wuhan Optics Valley Union	Wuhan	100%	Apr 2001	Dec 2004	Sep 2010	393,296	508,826		457,360	508,826
2. Optics Valley Software Park (Phase V) (光谷軟件園五期)	Wuhan Optics Valley Union	Wuhan	100%	Jan 2010	Nov 2010	Nov 2013	37,925	238,893		183,098	238,893
3. Optics Valley Software Park (Phase VI) (光谷軟件園六期)	Optics Valley Software Park	Wuhan	100%	Oct 2010	Aug 2011	Dec 2012	28,677	100,106		80,290	100,106
4. Optics Valley Software Park Exhibition Center (Phase I) (光谷軟件園展示中心一期)	Wuhan Optics Valley Union	Wuhan	100%	Oct 2008	Feb 2009	Dec 2009	8,946	1,570		1,570	1,570
5. Optics Valley Software Park Exhibition Center (Phase II) (光谷軟件園展示中心二期)	Wuhan Optics Valley Union	Wuhan	100%	Aug 2012	NA ⁽¹³⁾	Dec 2013	19,798	26,319		20,717	26,319
6. Optics Valley Financial Harbour (Phase I) (光谷金融港一期)	OV Financial Harbour Development	Wuhan	100%	Jun 2009	May 2010	Sep 2012	145,856	275,913		256,098	275,913
7. Optics Valley Financial Harbour (Phase II – Buildings B1-B20) (光谷金融港二期B1-B20棟)	Wuhan Optics Valley Union	Wuhan	100%	Aug 2011	Dec 2011	Nov 2013	139,463	335,429		263,809	335,429
8. Wuhan Innocenter (Phase I) (武漢研創中心一期)	Wuhan Minghong Hubei Huisheng	Wuhan	100%	Dec 2011	Jun 2012	Dec 2012	70,500	43,236		41,350	43,236
9. Wuhan Innocenter (Phase II) (武漢研創中心二期)	Hubei Huisheng	Wuhan	100%	Sep 2012	Jul 2013	Aug 2013	65,800	53,353		43,316	53,353
10. Qingdao Optics Valley Software Park (Phase I – 1.1 and 1.5) 青島光谷軟件園一期1.1及1.5區	Qingdao OVU Development	Qingdao	100%	Jul 2012	NA ⁽¹⁴⁾	Dec 2013	49,652	80,664		64,265	80,664
11. Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6) (鄂州光谷聯合科技城一期1.1區D2-D3及D5-D6組團)	Hubei Technology Enterprise Accelerator	Ezhou	80%	May 2013	Jul 2013	Dec 2013	73,414	53,452		53,452	53,452
Subtotal							<u>1,064,686</u>	<u>1,735,852</u>		<u>1,483,006</u>	<u>1,735,852</u>
Residential/Commercial Properties											
12. Romantic Town (麗島漫城) – Residential – Commercial	Wuhan Xuefu	Wuhan	51%				94,432	158,876		144,473	158,876
			51%	Jul 2008	Apr 2009	Dec 2011		152,201		137,798	152,201
			51%	Jul 2008	Apr 2009	Dec 2010		6,675		6,675	6,675
13. Lido Top View (麗島半山華府) – Residential – Commercial	Huangshi OVU Development	Huangshi	100%				122,261	148,271		148,271	148,271
			100%	Mar 2006	Dec 2006	Jun 2010		118,575		118,575	118,411
			100%	Aug 2006	Sep 2007	Jun 2010		29,696		29,696	29,860
Subtotal							<u>216,693</u>	<u>307,147</u>		<u>292,744</u>	<u>307,147</u>
Other Properties											
14. North Harbour Business Park – Part I (北港工業園第一部分)	Wuhan Lido Property Management	Wuhan	100%	NA	NA	NA	NA	3,083 ⁽¹⁵⁾		3,083 ⁽¹⁵⁾	3,083 ⁽¹⁵⁾
15. North Harbour Business Park – Part II (北港工業園第二部分)	Wuhan Lido Technology	Wuhan	100%	NA	NA	NA	NA	3,683		3,683	3,683
16. Lido Garden – Part I (麗島花園第一部分)	Wuhan United Real Estate	Wuhan	100%	NA	NA	NA	149,549	198,119		198,119	198,119
17. Lido Garden – Part II (麗島花園第二部分)	Wuhan Lido Property Management	Wuhan	100%	NA	NA	NA	NA	1,122		1,122	1,122
Subtotal							<u>149,549</u>	<u>206,007</u>		<u>206,007</u>	<u>206,007</u>
Subtotal							<u>1,430,928</u>	<u>2,249,006</u>		<u>1,981,757</u>	<u>2,249,006</u>
Residential Properties Held by Our Joint Venture											
18. Lido Mason (Phase I) ⁽¹⁷⁾ (麗島美生一期)	Wuhan Mason	Wuhan	50%	Jul 2011	May 2012	Sep 2013	36,105	71,203		68,399	71,203

Relationship among marked columns: (A) = (C) + (D) + (E) + (F) + (G)

(B) = (C) + (D) + (E) + (F)

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Measured Area ⁽⁶⁾	(C)	(D)	(E) Saleable GFA ⁽⁸⁾			(F)	(G)		Future Development Costs ⁽¹¹⁾⁽¹²⁾	Property Market Value	Property Number Adopted in Property Valuation Report
	GFA Held for Company's Own Use	Non-Saleable and Non-Leasable GFA ⁽⁵⁾	GFA Sold ⁽⁶⁾	GFA Pre-sold ⁽⁶⁾⁽⁹⁾	GFA Available for Sale ⁽⁶⁾	Leasable GFA ⁽⁶⁾⁽⁷⁾	Underground GFA ⁽⁶⁾⁽¹⁰⁾	Development Costs Incurred ⁽¹¹⁾			
(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)	(RMB million)	
511,490	143	1,495	435,071	—	1,214	19,437	51,466	1,155.0	—	929.4	1 and 31
234,846	—	3,523	160,859	—	18,716	—	55,794	592.2	—	—	—
101,543	—	270	61,065	—	18,954	—	19,817	349.5	—	—	—
1,515	—	—	—	—	1,570	—	—	15.1	—	—	—
—	8,620	—	—	—	12,097	—	5,602	124.1	—	—	—
266,666	12,293	4,104	224,266	—	10,875	4,561	19,815	743.7	—	389.1	2 and 32
289,904	—	8,334	227,504	24,745	3,226	—	71,620	811.5	—	—	—
42,752	—	—	9,942	11,160	20,248	—	1,887	131.3	—	232.9	6
17,542	—	—	5,233	4,303	8,146	—	410	80.4	—	95.1	5
52,489	3,058	—	—	—	40,259	—	10,036	154.1	—	346.9	5
80,646	—	—	—	24,060	40,205	—	16,399	260.2	—	560.9	13
53,452	—	—	10,987	11,667	30,799	—	—	47.6	—	128.5	12
<u>1,652,845</u>	<u>24,114</u>	<u>17,726</u>	<u>1,134,927</u>	<u>75,935</u>	<u>206,309</u>	<u>23,998</u>	<u>252,846</u>	<u>4,464.7</u>	<u>—</u>	<u>2,682.8</u>	<u>—</u>
161,401	—	636	141,499	124	1,822	392	14,403	445.6	—	22.9	3 and 33
154,725	—	124	135,728	124	1,822	—	14,403	426.7	—	—	—
6,676	—	512	5,771	—	—	392	—	18.9	—	—	—
150,035	—	1,189	130,165	164	1,291	15,462	—	326.6	—	159.5	11 and 37
120,002	—	440	117,269	—	866	—	—	261.6	—	—	—
30,033	—	749	12,896	164	425	15,462	—	65.0	—	—	—
<u>311,436</u>	<u>—</u>	<u>1,825</u>	<u>271,664</u>	<u>288</u>	<u>3,113</u>	<u>15,854</u>	<u>14,403</u>	<u>772.2</u>	<u>—</u>	<u>182.4</u>	<u>—</u>
3,546	1,248	—	—	—	—	2,298	—	NA	—	20.6	7 and 34
3,683	2,023	—	—	—	—	1,661	—	NA	—	22.0	8 and 35
198,119	—	—	191,197	—	NA ⁽¹⁶⁾	6,922	—	510.0	—	44.6	9 and 36
1,122	—	—	—	—	1,122	—	—	NA	—	10.3	10
<u>206,470</u>	<u>3,271</u>	<u>—</u>	<u>191,197</u>	<u>—</u>	<u>1,122</u>	<u>10,881</u>	<u>—</u>	<u>510.0</u>	<u>—</u>	<u>97.5</u>	<u>—</u>
<u>2,170,751</u>	<u>27,385</u>	<u>19,551</u>	<u>1,597,788</u>	<u>76,223</u>	<u>210,544</u>	<u>50,733</u>	<u>267,249</u>	<u>5,746.9</u>	<u>—</u>	<u>2,962.7</u>	<u>—</u>
72,620	—	744	57,997	6,274	4,801	—	2,804	210.6	—	125.3	4

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										(A)	(B)
Project	Project Company	City	Interest Attributed to the Group	Actual/ Estimated Commencement Date ⁽¹⁾	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date ⁽²⁾	Site Area	Total GFA ⁽³⁾	GFA with Land Use Rights Obtained		
				(month/ year)	(month/ year)	(month/ year)	(sq.m.)	(sq.m.)	(sq.m.)		
II. Projects under Development											
<u>Business Parks</u>											
1. Optics Valley Financial Harbour (Phase II-Buildings B21-B30) (光谷金融港二期 B21-B30棟)	Wuhan Optics Valley Union	Wuhan	100%	Sep 2012	Dec 2013	Nov 2014	91,848	179,592	139,262		
2. Creative Capital (Phase I) (創意天地一期)	Wuhan Optics Valley Union	Wuhan	100%	Feb 2012	Mar 2014	Jan 2016	193,900	389,255	309,508		
3. Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4) (青島光谷軟件園 一期1.3至1.4區)	Qingdao OVU Development	Qingdao	100%	Apr 2013	NA ⁽¹⁴⁾	Dec 2014	79,615	122,972	95,424		
4. Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9) (鄂州光谷聯合科技城一期1.1區 C7-C9組團)	Hubei Technology Enterprise Accelerator	Ezhou	80%	Jul 2013	Mar 2014	Mar 2014	42,665	50,586	50,586		
5. Huangshi OVU Science and Technology City (Phase I) (黃石光谷聯合科技城一期)	Huangshi OVU Development	Huangshi	100%	Oct 2013	Dec 2013	Nov 2015	175,337	190,600	190,600		
Subtotal							<u>583,365</u>	<u>933,005</u>	<u>785,380</u>		
<u>Residential Properties</u>											
6. Lido 2046 (麗島2046)	Wuhan Optics Valley Union	Wuhan	100%	Aug 2012	May 2014	Oct 2015	37,986	126,629	114,351		
Subtotal							<u>621,351</u>	<u>1,059,634</u>	<u>899,731</u>		
<u>Residential Properties Held by Our Joint Venture</u>											
7. Lido Mason (Phase II) ⁽¹⁷⁾ (麗島美生二期)	Wuhan Mason	Wuhan	50%	Oct 2012	May 2013	Nov 2014	36,067	80,524	60,298		

Relationship among marked columns: (A) = (C) + (D) + (E) + (F) + (G)
(B) = (C) + (D) + (E) + (F)

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	(C)	(D)	(E)			(F)	(G)					Property Number Adopted in Property Valuation Report
	GFA Held for Company's Own Use	Non- Saleable and Non- Leasable GFA ⁽⁵⁾	Saleable GFA ⁽⁸⁾		GFA Available for Sale ⁽⁶⁾	Leasable GFA ⁽⁶⁾⁽⁷⁾	Underground GFA ⁽⁶⁾⁽¹⁰⁾	Development Costs Incurred ⁽¹¹⁾	Future Development Costs ⁽¹¹⁾⁽¹²⁾	Property Market Value		
	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)	(RMB million)		
	–	8,862	–	–	92,456	37,944	–	40,330	309.7	327.9	712.8	14
	–	15,296	69	–	–	294,143	–	79,746	833.5	925.7	1,329.9	16
	–	–	–	–	10,903	84,521	–	27,548	156.2	240.2	352.4	20
	–	–	–	–	–	50,586	–	–	47.8	46.7	62.1	19
	–	2,000	–	–	–	188,600	–	–	69.8	436.5	357.4	18
	–	26,158	69	–	103,359	655,794	–	147,624	1,417.0	1,977.0	2,814.6	–
	–	–	1,228	–	–	113,123	–	12,278	477.2	299.8	617.5	17
	–	26,158	1,297	–	103,359	768,917	–	159,902	1,894.2	2,276.8	3,432.1	–
	–	–	–	–	48,494	11,804	–	20,226	200.6	81.6	290.9	15

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										(A)	(B)
Project	Project Company	City	Interest Attributed to the Group	Actual/ Estimated Commencement Date ⁽¹⁾	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date ⁽²⁾	Site Area	Total GFA ⁽³⁾	GFA with Land Use Rights Obtained		
				(month/ year)	(month/ year)	(month/ year)	(sq.m.)	(sq.m.)	(sq.m.)		
III. Projects Planned for Future Development											
1. Optics Valley Financial Harbour (Phase III) (光谷金融港三期)	Wuhan Financial Harbour Development	Wuhan	70%	Mar 2014	Sep 2015	Jul 2016	57,431	350,463	–		
2. Optics Valley Financial Harbour (Phase IV) (光谷金融港四期)	Wuhan Financial Harbour Development	Wuhan	70%	Sep 2014	Mar 2016	May 2018	91,838	658,333	–		
3. Wuhan Innocenter (Phase III) (武漢研創中心三期)	Wuhan Minghong Hubei Huisheng	Wuhan	100%	Mar 2014	Jan 2015	Mar 2016	15,115	57,113	50,003		
4. Energy Conservation Technology Park (節能科技園)	Energy Conservation Technology Park	Wuhan	70%	May 2014	Mar 2015	Dec 2020	686,255	2,235,156	–		
5. Qingdao Optics Valley Software Park (Phase I – 1.2) (青島光谷軟件園一期1.2區)	Qingdao OVU Development	Qingdao	100%	Mar 2014	NA ⁽¹⁴⁾	Oct 2015	18,366	33,085	28,790		
6. Qingdao Optics Valley Software Park (Phase I – 1.6 to 1.7) (青島光谷軟件園一期1.6至1.7區)	Qingdao OVU Development	Qingdao	100%	Mar 2014	NA ⁽¹⁴⁾	Dec 2016	63,563	209,123	170,725		
7. Qingdao Marine & Science Park (Phase I) (青島海洋科技園一期)	Qingdao OVU Development	Qingdao	100%	Oct 2014	NA ⁽¹⁴⁾	Apr 2016	150,681	197,050	–		
8. Qingdao Innocenter (青島研創中心)	Qingdao OVU Development	Qingdao	100%				62,285	148,285	–		
– Industrial			100%	Jun 2014	NA ⁽¹⁴⁾	Jun 2016	48,072	119,842	–		
– Residential			100%	Sep 2014	NA ⁽¹⁴⁾	Oct 2015	14,213	28,443	–		
9. Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3) (鄂州光谷聯合科技城一期1.2至1.3區)	Hubei Technology Enterprise Accelerator	Ezhou	80%	Mar 2014	Oct 2014	Sep 2015	297,013	374,123	336,770		
10. Shenyang Financial Harbour (Phase I) (瀋陽金融港一期)	Shenyang OVU Development	Shenyang	100%	Apr 2014	Apr 2015	Sep 2016	246,537	415,431	388,431		
11. Hefei Financial Harbour (合肥金融港)	Hefei OVU Development	Hefei	92%	Jul 2014	Jan 2015	Feb 2017	114,435	643,845	–		
Subtotal							1,816,536	5,379,162	1,024,722		

Relationship among marked columns: (A) = (C) + (D) + (E) + (F) + (G)

(B) = (C) + (D) + (E) + (F)

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	(C)	(D)	(E)			(F)	(G)					Property Number Adopted in Property Valuation Report
	GFA Completed ⁽⁴⁾	GFA Held for Company's Own Use	Non- Saleable and Non- Leasable GFA ⁽⁵⁾	Saleable GFA ⁽⁸⁾		GFA Available for Sale ⁽⁶⁾	Leasable GFA ⁽⁶⁾⁽⁷⁾	Underground GFA ⁽⁶⁾⁽¹⁰⁾	Development Costs Incurred ⁽¹¹⁾	Future Development Costs ⁽¹¹⁾⁽¹²⁾	Property Market Value	
	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)	(RMB million)	
	–	6,583	2,074	–	–	249,834	–	91,972	74.0	1,260.6	2,000.3	21
	–	–	–	–	–	496,200	–	162,133	201.6	2,074.2	–	–
	–	–	200	–	–	49,803	–	7,110	15.3	149.4	180.3	24
	–	–	200	–	–	49,803	–	7,152	3.0	162.1	121.8	23
	–	–	3,000	–	–	1,712,420	–	519,736	287.3	5,977.0	2,388.3	22
	–	2,922	–	–	–	25,868	–	4,294	9.7	137.6	444.1	26
	–	–	–	–	–	170,725	–	38,398	30.3	663.1	–	–
	–	6,800	–	–	–	160,250	–	30,000	53.0	694.3	282.7	28
	–	–	–	–	–	116,917	–	31,368	24.1	490.0	140.4	27
	–	–	–	–	–	95,662	–	24,180	21.1	395.4	–	–
	–	–	–	–	–	21,255	–	7,188	3.0	94.6	–	–
	–	–	–	–	–	336,770	–	37,353	53.5	587.0	182.2	25
	–	–	–	–	–	388,431	–	27,000	79.8	1,214.1	575.4	29
	–	–	–	–	–	489,293	–	154,552	169.0	1,893.8	477.5	30
	–	16,305	5,474	–	–	4,246,314	–	1,111,068	1,000.5	15,303.2	6,793	–

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										(A)	(B)
Project	Project Company	City	Interest Attributed to the Group	Actual/ Estimated Commencement Date ⁽¹⁾	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date ⁽²⁾	Site Area	Total GFA ⁽³⁾	GFA with Land Use Rights Obtained		
				(month/ year)	(month/ year)	(month/ year)	(sq.m.)	(sq.m.)	(sq.m.)		
IV. Potential Development Projects											
1. Qingdao Optics Valley Software Park (Phase II) (青島光谷軟件園二期)	Qingdao OVU Development	Qingdao	100%	Oct 2014	NA ⁽¹⁴⁾	Jun 2016	113,334	284,214	–		
2. Qingdao Optics Valley Software Park (Phase III) (青島光谷軟件園三期)	Qingdao OVU Development	Qingdao	100%	Dec 2015	NA ⁽¹⁴⁾	Sep 2021	1,000,005	2,369,286	–		
3. Qingdao Marine & Science Park (Phase II) (青島海洋科技園二期)	Qingdao OVU Development	Qingdao	100%	Mar 2015	NA ⁽¹⁴⁾	Mar 2016	12,145	26,218	–		
4. Shenyang Financial Harbour (Phase II) (瀋陽金融港二期)	Shenyang OVU Development	Shenyang	100%	Mar 2015	Mar 2016	Sep 2018	200,001	400,002	–		
5. Ezhou OVU Science and Technology City (Phase II – Phase III) (鄂州光谷聯合科技城二期至三期)	Hubei Technology Enterprise Accelerator	Ezhou	80%				640,244	827,932	–		
			80%	Mar 2015	Jul 2015	Mar 2017	311,402	535,028	–		
			80%	Oct 2015	Oct 2016	Sep 2017	328,842	292,904	–		
6. Huangshi OVU Science and Technology City (Phase II) (黃石光谷聯合科技城二期)	Huangshi OVU Development	Huangshi	100%	Sep 2014	Jun 2015	Mar 2017	145,419	218,100	–		
7. Huangshi OVU Science and Technology City (Phase III) (黃石光谷聯合科技城三期)	Huangshi OVU Development	Huangshi	100%	Mar 2015	Mar 2016	May 2017	167,784	267,800	–		
8. Creative Capital (Phase II) (創意天地二期)	Wuhan Optics Valley Union	Wuhan	100%	Oct 2015	Oct 2016	Sep 2018	184,874	669,599	–		
Subtotal							2,463,806	5,063,151	–		
Aggregate Total of I to IV							6,332,621	13,750,953	3,906,210		

Relationship among marked columns: (A) = (C) + (D) + (E) + (F) + (G)

(B) = (C) + (D) + (E) + (F)

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GFA Completed ⁽⁴⁾	(C)	(D)	(E)			(F)	(G)		Development Costs Incurred ⁽¹¹⁾	Future Development Costs ⁽¹¹⁾⁽¹²⁾	Property Market Value	Property Number Adopted in Property Valuation Report
	GFA Held for Company's Own Use	Non-Saleable and Non-Leasable GFA ⁽⁵⁾	Saleable GFA ⁽⁸⁾		GFA Available for Sale ⁽⁶⁾	Leasable GFA ⁽⁶⁾⁽⁷⁾	Underground GFA ⁽⁶⁾⁽¹⁰⁾					
			GFA Sold ⁽⁶⁾	GFA Pre-sold ⁽⁶⁾⁽⁹⁾								
(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)	(RMB million)		
-	-	-	-	-	240,286	-	43,928	-	1,096.4	Nil	41	
-	-	-	-	-	2,000,000	-	369,286	-	7,983.3	Nil	42	
-	-	-	-	-	18,218	-	8,000	-	46.4	Nil	43	
-	-	-	-	-	400,002	-	-	-	1,453.6	Nil	44	
-	-	-	-	-	773,338	-	54,594	-	1,468.7	Nil	40	
-	-	-	-	-	535,028	-	-	-	1,016.6	Nil	-	
-	-	-	-	-	238,310	-	54,594	-	452.1	Nil	-	
-	-	-	-	-	218,100	-	-	-	657.6	Nil	39	
-	-	-	-	-	267,800	-	-	-	725.5	Nil	-	
-	-	-	-	-	669,599	-	-	-	120.0	Nil	38	
-	-	-	-	-	4,587,343	-	475,808	-	13,551.5	Nil	-	
2,249,006	69,848	26,322	1,597,788	179,582	9,813,118	50,733	2,014,027	8,641.6	31,131.5	13,187.8	-	

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Notes:

- (1) The actual construction commencement date refers to the date in the construction works commencement permit (建築工程施工許可證) on or after which we commenced construction of a project. For projects planned for future development, the estimated construction commencement date of a project reflects our best estimate based on our current development plan for the project.
- (2) The actual construction completion date refers to the date of record for the acceptance examination upon project completion (竣工驗收備案證明) with respect to a project. For projects under development and projects planned for future development, the estimated construction completion date of a project reflects our best estimate based on our current development plan for the project.
- (3) “Total GFA” in respect of each completed property is based on figures provided in the record of acceptance examination upon project completion in respect of the project for which we have obtained the permit, or in some case, our internal records and estimates based on an independent report. “Total GFA” in respect of each project under development is based on figures provided in (i) the construction works commencement permit in respect of the project for which we have obtained the permit but not yet obtained the record of acceptance examination upon project completion, (ii) the planning permit for construction works (建設工程規劃許可證) in respect of the project for which we have obtained the planning permit for construction works but not yet obtained the construction works commencement permit, or (iii) our internal records and estimates. It includes attributable value of amenities.
- (4) “GFA Completed” is based on figures provided in real property certificates, construction and planning permits, surveying reports or record for the acceptance examination upon project completion (竣工驗收備案證明) by relevant government departments.
- (5) “Non-Saleable and Non-Leasable GFA” of properties includes the GFA of certain area above ground used as shared car parking spaces and other ancillary facilities.
- (6) The following information is based on our internal records and estimates: (a) “Measured Area”, (b) “GFA Sold”, (c) “GFA Pre-sold”, (d) “GFA Available for Sale”, (e) “Leasable GFA”, and (f) “Underground GFA”.
- (7) “Leasable GFA” represents the total GFA of investment properties in each project which we hold and lease for recurring rental income.
- (8) “Saleable GFA” in respect of each completed project represents the GFA designated by us for sale but having not been sold; “Saleable GFA” in respect of each project under development represents estimated GFA that is designated by us for sale, being among the GFA that is leasable or saleable according to the pre-sale permit (預售許可證) or, where the pre-sale permit is not yet available, our internal records and estimates.
- (9) Figures for “GFA Pre-sold” are based on our internal records. A property is pre-sold when a binding sales agreement has been executed.
- (10) “Underground GFA” of properties includes the GFA of certain underground area used as car parking spaces and other ancillary facilities (including storage rooms, equipment facilities and power supply stations). Save for the Lido Garden, we do not have titles to or land use rights of the underground car parking spaces in respect of our projects other than an entitlement to use (使用權) them in accordance with the relevant construction and planning permits and the local general practice in Wuhan. We have titles to the underground car parking spaces in the Lido Garden. See the subsection headed “Financial Information – Results of Operations – Description of Certain Income Statement Items – Turnover – Property Development – Car Parking Spaces” in this prospectus for further discussion.
- (11) The following information is based on our internal records or estimates and unaudited financial information: (a) development cost incurred for certain projects and (b) future development costs. Development cost incurred represents all the development costs incurred for each project as of December 31, 2013, mainly including land costs and construction costs for each project.
- (12) Development costs incurred and future development costs for each project equal to the total actual/estimated development costs for the project.
- (13) We currently generate a significant part of our turnover from sales of properties in our projects, and as of December 31, 2013, we did not designate any properties in the Optics Valley Software Park Exhibition Centre (Phase II) as investment properties.
- (14) The Qingdao Municipal Government has not provided the policies allowing pre-sales of properties in respect of business park projects.

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- (15) The total GFA of 3,083 sq.m. excludes that of the construction insulation structure for fire prevention. With the total GFA of that structure included, the total GFA would be 3,546 sq.m.
- (16) There are 93 underground car parking spaces in the Lido Garden project with no GFA information available.
- (17) As we only hold a 50% equity interest in the project company, its financial information was not included in our consolidated financial statements for the Track Record Period.

Description of Our Property Projects

The following are detailed descriptions of the 35 business park projects and five residential projects in proximity to our business parks, which our Group and joint venture have developed. Our business park projects are in various development stages, including completed projects, projects under development, projects planned for future development and potential development projects. The commencement date relating to each of the completed projects generally refers to the date of construction commencement of such project as indicated in the completion reports. If no such date is indicated in the completion report, it means the date of construction commencement as indicated in the relevant approval or permit received from local governments. With respect to each project under development, the commencement date refers to the actual date of construction commencement. The completion dates set out in the description of project developments are derived on the following basis: (i) if the completion and inspection documents have been issued or approved by the relevant authorities, the completion date of the project is taken to be the date when such documents were issued or approved, as applicable; or (ii) if such completion and inspection documents have not been issued or approved by the relevant authorities, the completion date represents our best estimate based on our current development plans.

In addition to our existing property development projects, we are actively exploring opportunities for additional business park projects in China. In accordance with our expansion plan, we have entered into several non-binding project framework, cooperation or investment agreements with certain local governmental authorities to demonstrate our early commitment to develop these projects. We are required to go through the public tender, auction, or listing-for-sale procedures (as the case may be) under relevant PRC rules and regulations and/or obtain relevant government approvals before we can obtain land use rights with respect to land parcels contemplated in these agreements. As such, there is no assurance that these agreements will lead to our acquisition of any land use right. See the subsection headed “Risk Factors – Risks Relating to Our Businesses – We may not be able to obtain land use rights certificates for certain existing properties or properties we may need to acquire in the future” in this prospectus for further details.

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Our Business Parks in Wuhan

The following map illustrates the geographic locations of our projects in Wuhan as of December 31, 2013:



- Our business park projects
- Our residential projects
- Third party projects for which we provided development management services
- ★ Administrative/Municipal Government Center
- ① University
- 🌳 Tourist Attraction
- 🏨 Hotel
- 🛒 Shopping Area
- 🏥 Hospital
- Highway
- Railway

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(1) Optics Valley Software Park (光谷軟件園)



The following table sets forth an overview of our Optics Valley Software Park in different development phases as of December 31, 2013.

Project	Actual/ Estimated Commence Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA				Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Optics Valley Software Park											
Optics Valley Software Park (Phase I-IV) (光谷軟件園一至四期)	Apr 2001	Dec 2004	Sep 2010	393,296	508,826	435,071	–	1,214	436,285	1,155.0	–
Optics Valley Software Park (Phase V) (光谷軟件園五期)	Jan 2010	Nov 2010	Nov 2013	37,925	238,893	160,859	–	18,716	179,575	592.2	–
Optics Valley Software Park (Phase VI) (光谷軟件園六期)	Oct 2010	Aug 2011	Dec 2012	28,677	100,106	61,065	–	18,954	80,019	349.5	–
Total				459,898	847,825	656,995	–	38,884	695,879	2,096.7	–
Optics Valley Software Park Exhibition Center											
Optics Valley Software Park Exhibition Center (Phase I) (光谷軟件園展示中心一期)	Oct 2008	Feb 2009	Dec 2009	8,946	1,570	–	–	1,570	1,570	15.1	–
Optics Valley Software Park Exhibition Center (Phase II) (光谷軟件園展示中心二期)	Aug 2012	NA	Dec 2013	19,798	26,319	–	–	12,097	12,097	124.1	–
Total				28,744	27,889	–	–	13,667	13,667	139.2	–

The Optics Valley Software Park is located in the East Lake Hi-Tech Development Zone, with a man-made lake in the center surrounded by a great number of low-rise, stand-alone office buildings. It provides top-grade infrastructure facilities to multinational corporations and small, fast-growing companies for research and development of software and other technologies, financial back-office services, and service outsourcing. It serves as the platform for (i) start-up businesses by returned overseas students, (ii) designing of cartoon, and (iii) designing of integrated circuits. The Optics Valley Software Park consists of office buildings with supporting facilities (including distributed energy supply stations, canteens and hotels) for both established as well as start-up companies.

The Optics Valley Software Park Exhibition Center is located within the Optics Valley Software Park. It provides the functions of reception and exhibition for events held in the Optics Valley Software Park. The Optics Valley Software Exhibition Center consists of VIP reception, conference halls and activity centers.

As of the Latest Practicable Date, approximately 440 companies had established their businesses in the Optics Valley Software Park, including software development companies focused on computer animation, network communication, information system, geographical services, embedded modules and other technologies, service outsourcing companies, financial institutions, and IT educational service companies. Our long-term residents at the Optics Valley Software Park include International Business Machine, Hewlett Packard, Ericsson, Bank of Communications Co., Ltd.* (交通銀行股份有限公司), China Merchants Bank Co., Ltd.* (招商銀行股份有限公司), China Everbright Bank Co., Ltd.* (中國光大銀行股份有限公司), Hankou Bank Co., Ltd.* (漢口銀行股份有限公司), UnionPay Merchant Services Co. Ltd.* (銀聯商務有限公司), Huawei Technologies Co., Ltd.* (華為技術有限公司), iSoftStone Information Service Corporation* (軟通動力信息技術(集團)有限公司), Transn (China) Technology Co. Ltd.* (傳神(中國)網路科技有限公司), Augmentum, Inc.* (群碩軟件開發公司), Pactera Technology International Ltd.* (文思海輝技術有限公司), Panalpina World Transport (PRC) Ltd. (泛亞班拿國際運輸代理(中國)有限公司), China Security & Surveillance Intelligence (PRC), Inc.* (安防科技(中國)有限公司), China Railway (Second) Engineering Group Co. Ltd.* (中鐵二院工程集團有限責任公司), Hewlett-Packard Company, China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), Tianping Auto Insurance Company Ltd. (天平汽車保險股份有限公司), Shanghai Yishiduo E-Commerce Company Co., Ltd. (上海益實多電子商務有限公司) and Jiang Toon Animation Co., Ltd.* (江通動畫股份有限公司).

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The construction of the Optics Valley Software Park consists of six phases, and the construction of the Optics Valley Software Park Exhibition Center consists of two phases, the details of which are described below:

Optics Valley Software Park (Phases I to IV) – Completed Project



Phase I



Phase II



Phase III



Phase IV

The Optics Valley Software Park (Phases I to IV) occupies a site area of approximately 393,296 sq.m. with a total GFA of approximately 508,826 sq.m. The project is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly-owned subsidiaries. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Software Park (Phases I to IV), which comprises 45 office buildings, commenced in April 2001 and was completed in September 2010. We obtained the pre-sale permits with respect to the GFA of 436,213 sq.m. and commenced the pre-sale of the Optics Valley Software Park (Phases I to IV) in December 2004. As of December 31, 2013, we had sold properties with a GFA of approximately 435,071 sq.m.

Optics Valley Software Park (Phase V) – Completed Project



The Optics Valley Software Park (Phase V) occupies a site area of approximately 37,925 sq.m. with a total GFA of approximately 238,893 sq.m. The project is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly-owned subsidiaries. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Software Park (Phase V), which comprises six high-rise office buildings for research and development, commenced in January 2010 and was completed in November 2013. We obtained the relevant pre-sale permits with respect to the GFA of 173,424 sq.m. and commenced the pre-sale of the Optics Valley Software Park (Phase V) in November 2010. As of December 31, 2013, we had sold properties with a GFA of 160,859 sq.m.

Optics Valley Software Park (Phase VI) – Completed Project



The Optics Valley Software Park (Phase VI) occupies a site area of approximately 28,677 sq.m. with a total GFA of approximately 100,106 sq.m. The project is wholly owned and developed by Optics Valley Software Park, one of our wholly-owned subsidiaries. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

BUSINESS

The construction of the Optics Valley Software Park (Phase VI), which comprises five office buildings, commenced in October 2010 and was completed in December 2012. We obtained the pre-sale permits with respect to the GFA of 80,289.93 sq.m. and commenced the pre-sale of the Optics Valley Software Park (Phase VI) in August 2011. As of December 31, 2013, we had sold properties with a GFA of approximately 61,065 sq.m.

Optics Valley Software Park Exhibition Center (Phase I) – Completed Project



The Optics Valley Software Park Exhibition Center (Phase I) occupies a site area of approximately 8,946 sq.m. with a total GFA of approximately 1,570 sq.m. The project is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly-owned subsidiaries. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Software Park Exhibition Center (Phase I), which comprises one building for event reception and exhibition, commenced in October 2008 and was completed in December 2009. We obtained the pre-sale permits with respect to the GFA of 1,515.08 sq.m.

Optics Valley Software Park Exhibition Center (Phase II) – Completed Project



BUSINESS

The Optics Valley Software Park Exhibition Center (Phase II) occupies a site area of approximately 19,798 sq.m. with a total GFA of approximately 26,319 sq.m. The project is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly-owned subsidiaries. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Software Park Exhibition Center (Phase II), which comprises the expansion of the exhibition center of Phase I and two new office buildings for research and development, commenced in August 2012 and was completed in December 2013.

(2) *Optics Valley Financial Harbour* (光谷金融港)



The following table sets forth an overview of our Optics Valley Financial Harbour in different development phases as of December 31, 2013.

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA					Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale				
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)	
Optics Valley Financial Harbour (Phase I) (光谷金融港一期)	Jun 2009	May 2010	Sep 2012	145,856	275,913	224,266	–	10,875	235,141	743.7	–	
Optics Valley Financial Harbour (Phase II- Buildings B1-B20) (光谷金融港二期 B1-B20棟)	Aug 2011	Dec 2011	Nov 2013	139,463	335,429	227,504	24,745	3,226	255,475	811.5	–	
Optics Valley Financial Harbour (Phase II- Buildings B21-B30) (光谷 金融港二期 B21-B30)	Sep 2012	Dec 2013	Nov 2014	91,848	179,592	–	92,456	37,944	130,400	309.7	327.9	
Optics Valley Financial Harbour (Phase III) (光谷金融港三期)	Mar 2014	Sep 2015	Jul 2016	57,431	350,463	–	–	249,834	249,834	74.0	1,260.6	
Optics Valley Financial Harbour (Phase IV) (光谷金融港四期)	Sep 2014	Mar 2016	May 2018	91,838	658,333	–	–	496,200	496,200	201.6	2,074.2	
Total				526,436	1,799,730	451,770	117,201	798,079	1,367,050	2,140.5	3,662.7	

The Optics Valley Financial Harbour is located in the East Lake Hi-Tech Development Zone, adjacent to the junction of the Beijing-Zhuhai Highway (京珠高速公路) and Shanghai-Chengdu Highway (滬蓉高速公路), two key transportation routes connecting north to south, and east to west in China. The Optics Valley Financial Harbour provides an integrated, multifunctional platform for banks and financial institutions with easy access to financial back-office services, information technology outsourcing services, business process outsourcing services and other information services. It is comprised of integrated financial back-office service centers with supporting facilities (including distributed energy supply stations, canteens and recreation centers).

As of the Latest Practicable Date, approximately 130 banks, financial institutions and research and development companies have established their permanent operations in the Optics Valley Financial Harbour. Our long-term residents at the Optics Valley Financial Harbour include People's Bank of China* (中國人民銀行), Taikang Life Insurance Co., Ltd.* (泰康人壽保險股份有限公司), Guohua Life Insurance Co., Ltd.* (國華人壽保險股份有限公司), Taiping Life Insurance Co., Ltd.* (太平人壽保險有限公司), Changjiang Securities Company Limited* (長江證券股份有限公司), Hubei Bank Corporation Ltd.* (湖北銀行股份有限公司), Bank of Jiujiang* (九江銀行股份有限公司), Shenzhen Rural Commercial Bank* (深圳農村商業銀行), MediaTek (Wuhan) Inc.* (聯發科技軟件(武漢)有限公司), Beyond Soft Co., Ltd.* (博彥科技股份有限公司), Home Credit Consumer Finance Co., Ltd.* (捷信消費金融有限公司), Lenovo Group, Schneider Electric and China General Nuclear Power Group* (咸寧核電有限公司), China Construction Bank Corporation (中國建設銀行股份有限公司), Postal Savings Bank of China (中國郵政儲蓄銀行), CAMCE WHU Design & Research Co., Ltd. (中工武大設計研究有限公司), Dayu Electric Technology Co., Ltd. (大禹電氣科技股份有限公司), Wuhan Building Material Industry Design & Research Institute Co., Ltd. (武漢建築材料工業設計研究院有限公司) and Cummins (China) Investment Co., Ltd. Wuhan Branch (康明斯(中國)投資有限公司武漢分公司).

The construction of the Optics Valley Financial Harbour consists of four phases, the details of which are described below:

Optics Valley Financial Harbour (Phase I) – Completed Project



BUSINESS

The Optics Valley Financial Harbour (Phase I) occupies a site area of approximately 145,856 sq.m. with a total GFA of approximately 275,913 sq.m. The Optics Valley Financial Harbour (Phase I) is wholly owned and developed by OV Financial Harbour Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Financial Harbour (Phase I), which comprises 19 customized office buildings for research and development with supporting facilities (including canteens) in close proximity to major transportation networks, commenced in June 2009 and was completed in September 2012. We obtained the pre-sale permits with respect to 231,696.75 sq.m. and commenced the pre-sale of the Optics Valley Financial Harbour (Phase I) in May 2010. As of December 31, 2013, we had sold properties with the GFA of 224,266 sq.m.

Optics Valley Financial Harbour (Phase II – Buildings B1-B20) – Completed Project



The Optics Valley Financial Harbour (Phase II – Buildings B1-B20) occupies a site area of approximately 139,463 sq.m. with a total GFA of approximately 335,429 sq.m. The Optics Valley Financial Harbour (Phase II – Buildings B1-B20) is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly owned project companies. The land use rights for the Optics Valley Financial Harbour (Phase II – Buildings B1-B20) were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Financial Harbour (Phase II – Buildings B1-B20), which comprises 20 customized high-rise research and development office buildings for financial institutions and companies with large-scale business operations, commenced in August 2011 and was completed in November 2013. We obtained the pre-sale permit with respect to the GFA of 204,847 sq.m. and commenced the pre-sale of the Optics Valley Financial Harbour (Phase II – Buildings B1-B20) in December 2011. As of December 31, 2013, we had sold the GFA of approximately 227,504 sq.m.

BUSINESS

Optics Valley Financial Harbour (Phase II – Buildings B21-B30) – Project under Development



The Optics Valley Financial Harbour (Phase II – Buildings B21-B30) occupies a site area of approximately 91,848 sq.m. with a total GFA of approximately 179,592 sq.m. The Optics Valley Financial Harbour (Phase II – Buildings B21-B30) is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly owned project companies. The land use rights for the Optics Valley Financial Harbour (Phase II – Buildings B21-B30) were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Optics Valley Financial Harbour (Phase II – Buildings B21-B30), which is designed to comprise 10 customized high-rise research and development office buildings for financial institutions and companies with large-scale business operations, commenced in September 2012 and is expected to be completed by November 2014.

Optics Valley Financial Harbour (Phase III) – Project Planned for Future Development

The Optics Valley Financial Harbour (Phase III) is designed to occupy a planned site area of approximately 57,431 sq.m. with a total planned GFA of approximately 350,463 sq.m. The Optics Valley Financial Harbour (Phase III) is wholly owned and developed by Wuhan Financial Harbour Development, a project company in which we hold a 70% equity interest. Pursuant to the relevant confirmation letter on bidding for land use rights, the land use rights for Optics Valley Financial Harbour (Phase III) were designated for industrial purposes.

The construction of the Optics Valley Financial Harbour (Phase III), which is designed to comprise seven high-rise research and development buildings and one exhibition center, is scheduled to commence in March 2014 and is expected to be completed by July 2016.

BUSINESS

Optics Valley Financial Harbour (Phase IV) – Project Planned for Future Development

The Optics Valley Financial Harbour (Phase IV) is designed to occupy a planned site area of approximately 91,838 sq.m. with a total planned GFA of approximately 658,333 sq.m. The Optics Valley Financial Harbour (Phase IV) is wholly owned and developed by Wuhan Financial Harbour Development, a project company in which we hold a 70% equity interest. Pursuant to the relevant confirmation letter on bidding for land use rights, the land use rights for Optics Valley Financial Harbour (Phase IV) were designated for commercial purposes.

The construction of the Optics Valley Financial Harbour (Phase IV), which is designed to comprise nine high-rise buildings with supporting facilities (including one hotel building, one serviced apartment building, three residential apartment buildings and four buildings for general office uses), is scheduled to commence in September 2014, and is expected to be completed by May 2018.

(3) Wuhan Innocenter (武漢研創中心)



The following table sets forth an overview of our Wuhan Innocenter in different development phases as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Total GFA	Saleable GFA			Total Saleable GFA	Development Costs Incurred	Future Development Costs
						GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Wuhan Innocenter (Phase I) (武漢研創 中心一期)	Dec 2011	May 2012	Dec 2012	101,859	61,327	15,175	15,463	28,394	59,032	211.7	–
Wuhan Innocenter (Phase II) (武漢研創 中心二期)	Sep 2012	Jul 2013	Aug 2013	65,800	53,353	–	–	40,259	40,259	154.1	–
Wuhan Innocenter (Phase III) (武漢研創 中心三期)	Mar 2014	Jan 2015	Mar 2016	28,132	114,268	–	–	99,606	99,606	18.3	311.5
Total				195,791	228,948	15,175	15,463	168,259	198,897	384.1	311.5

BUSINESS

The Wuhan Innocenter is located in Jiangxia District, Wuhan and our only business park with the characteristics of traditional Chinese-style architecture, courtyards and gardens. The Wuhan Innocenter provides top-grade infrastructure facilities to SMEs and start-up companies for research and development of photo electron, biological medicine, new materials and other technologies in Strategic Emerging Industries (including, among others, biotechnology, new materials and next-generation information technology), as well as companies for creative designing. The Wuhan Innocenter mainly consists of low-rise office buildings for research and development, a project exhibition center and supporting facilities (including canteens) with low plot ratios.

As of the Latest Practicable Date, approximately 30 companies had established their businesses in the Wuhan Innocenter. Our long-term residents at the Wuhan Innocenter include Beijing Guodian Lantian Energy Saving Science and Technology Development Co., Ltd.* (北京國電藍天節能科技開發有限公司), Hubei Petrokh Machine Manufacturing Co., Ltd.* (湖北中油科昊機械製造有限公司), Wuhan Delpri Electro-hydraulic Science and Technology Co., Ltd.* (武漢德普力電液科技有限公司), Wuhan Yalishan Medical Technology Co., Ltd.* (武漢亞利山醫學科技有限公司), Wuhan Rongxinchangsheng Bio-Tech Development Co., Ltd.* (武漢融鑫昌盛生物科技發展有限公司), Wuhan Prime Media Technology Co., Ltd.* (武漢普潤傳媒科技股份有限公司) and Wuhan Haichen Industrial Control Co., Ltd.* (武漢海晨工控技術有限公司).

The construction of the Wuhan Innocenter consists of three phases, the details of which are described below:

Wuhan Innocenter (Phase I) – Completed Project



The Wuhan Innocenter (Phase I) occupies a site area of approximately 101,859 sq.m. with a total GFA of approximately 61,327 sq.m. The Wuhan Innocenter (Phase I) is owned and developed by Hubei Huisheng and Wuhan Minghong, two of our wholly-owned project companies, respectively. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Wuhan Innocenter (Phase I), which comprises 34 office buildings for research and development (including one office building which is currently designated for project exhibition purposes), commenced in December 2011 and was completed in December

2012. We obtained the pre-sale permit with respect to the GFA of 16,877 sq.m. of the Wuhan Innocenter (Phase I), which is developed by Hubei Huisheng and commenced the pre-sale of the development in May 2012, and we obtained the pre-sale permit with respect to the GFA of 40,024 sq.m. of the project developed by Wuhan Minghong and commenced the pre-sale of the project in June 2012. As of December 31, 2013, we had sold the GFA of 15,175 sq.m.

Wuhan Innocenter (Phase II) – Completed Project



The Wuhan Innocenter (Phase II) occupies a site area of approximately 65,800 sq.m. with a total GFA of approximately 53,353 sq.m. The Wuhan Innocenter (Phase II) is owned and developed by Hubei Huisheng, our wholly-owned project company. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Wuhan Innocenter (Phase II), which comprises 15 office buildings for research and development with supporting facilities (including one canteen building), commenced in September 2012 and was completed by August 2013. We obtained the relevant pre-sale permits with respect to the GFA of 39,703 sq.m. and commenced the pre-sale of the Wuhan Innocenter (Phase II) in July 2013.

Wuhan Innocenter (Phase III) – Project Planned for Future Development

The Wuhan Innocenter (Phase III) is designed to occupy a planned site area of approximately 28,132 sq.m. with a total planned GFA of approximately 114,268 sq.m. The Wuhan Innocenter (Phase III) is owned and developed by Hubei Huisheng and Wuhan Minghong, two of our wholly-owned project companies, respectively. The land use rights for the project were granted for industrial purposes.

The construction of the Wuhan Innocenter (Phases III), which is designed to comprise four high-rise office buildings for research and development, is scheduled to commence in March 2014 and expected to be completed by March 2016.

BUSINESS

(4) *Creative Capital* (創意天地)



The following table sets forth an overview of our Creative Capital as of December 31, 2013.

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA				Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Creative Capital (Phase I) (創意天地一期)	Feb 2012	Mar 2014	Jan 2016	193,900	389,255	–	–	294,143	294,143	833.5	925.7
Creative Capital (Phase II) (創意天地二期)	Oct 2015	Oct 2016	Sep 2018	184,874	669,599	–	–	669,599	669,599	–	120.0 ⁽¹⁾
Total				378,774	1,058,854	–	–	963,742	963,742	833.5	1,045.7

Note:

- (1) The future development costs include only estimated land acquisition costs in accordance with the relevant project development schedule.

The Creative Capital is located in Hongshan District, Wuhan. It is designed to be an integrated, multifunctional platform for artists and companies in creative industries, including, among others, advertising and media, art design, fashion design, music, entertainment and internet games. The Creative Capital will comprise commercial and office facilities (including art galleries, artists' creative studios, outdoor theaters and hotels).

BUSINESS

Creative Capital (Phase I) – Project under Development



The Creative Capital (Phase I) is designed to occupy a site area of approximately 193,900 sq.m. with a total GFA of approximately 389,255 sq.m. The Creative Capital (Phase I) is wholly owned and developed by Wuhan Optics Valley Union, one of our wholly owned subsidiaries. The land use rights for the project were granted for commercial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Creative Capital (Phase I), which is designed to comprise 61 buildings, commenced in February 2012 and is expected to be completed by January 2016. We are in the process of obtaining the relevant pre-sale permits.

Creative Capital (Phase II) – Potential Development Project

The Creative Capital (Phase II) is designed to occupy a site area of approximately 184,874 sq.m. with a total GFA of approximately 669,599 sq.m. The project is to be wholly owned and developed by Wuhan Optics Valley Union, one of our wholly owned subsidiaries.

(5) Energy Conservation Technology Park (節能科技園) – Project Planned for Future Development

The following table sets forth an overview of our Energy Conservation Technology Park as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area (sq.m.)	Total GFA (sq.m.)	Saleable GFA			Total Saleable GFA (sq.m.)	Development Costs Incurred (RMB million)	Future Development Costs (RMB million)
						GFA Sold (sq.m.)	GFA Pre-sold (sq.m.)	GFA Available for Sale (sq.m.)			
Energy Conservation Technology Park (節能科技園)	May 2014	Mar 2015	Dec 2020	686,255	2,235,156	–	–	1,712,420	1,712,420	287.3	5,977.0

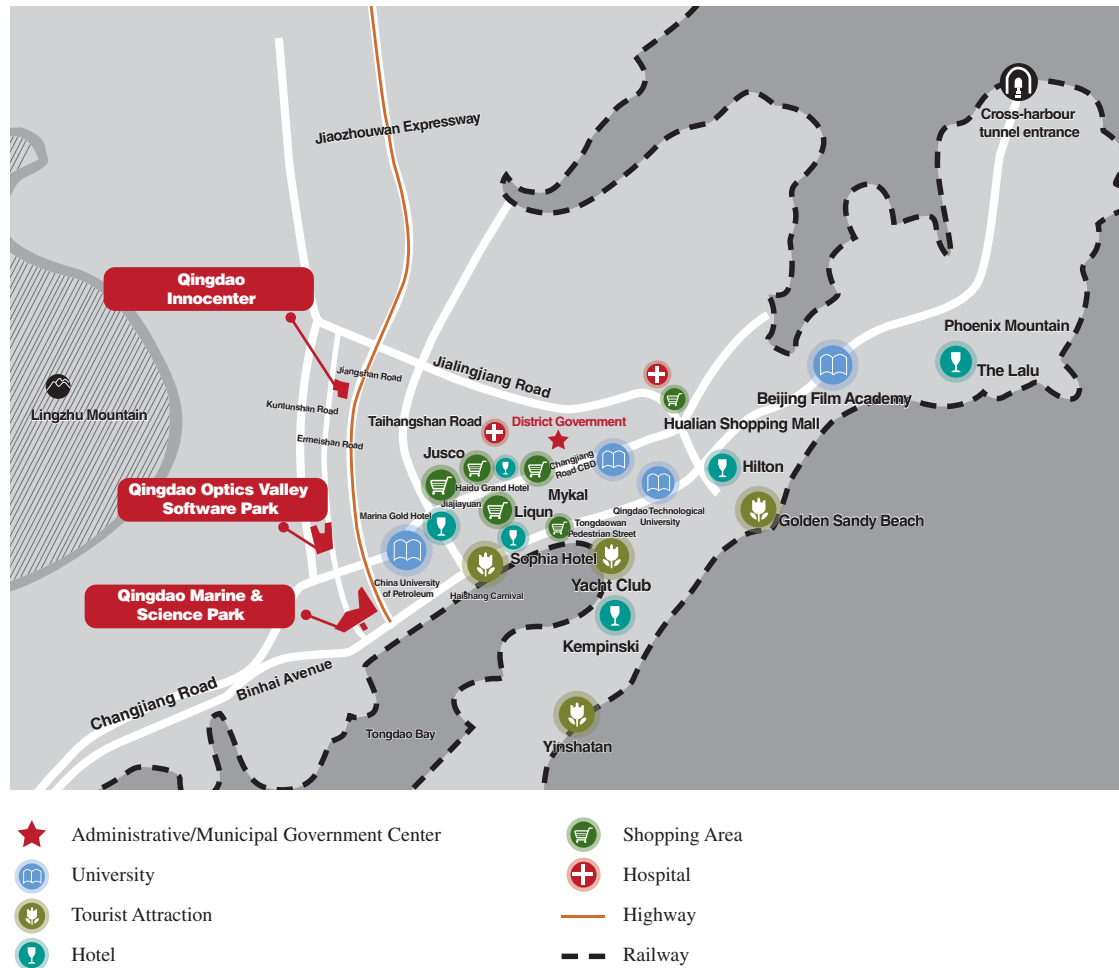
The Energy Conservation Technology Park will be located in the East Lake Hi-Tech Development Zone in Wuhan. It is designed to be an energy-efficient and environment-friendly platform for incubation and development of energy conservation companies as well as research and development of technologies in the fields of energy conservation, environmental protection and relevant information services. The Energy Conservation Technology Park will comprise office buildings for incubation and development of energy conservation companies, office buildings for research and development, a demonstration and experience center, and other supporting facilities.

The Energy Conservation Technology Park is designed to occupy a planned site area of 686,255 sq.m. with a total planned GFA of approximately 2,235,156 sq.m. The Energy Conservation Technology Park is wholly owned and developed by Energy Conservation Technology Park, a project company which we hold a 70% equity interest. Pursuant to the relevant confirmation letter on bidding for land use rights, the land use rights for the project were designated for industrial purposes.

The construction of the Energy Conservation Technology Park, which is designed to comprise 134 office buildings for incubation and development of energy conservation companies and for research and development, is scheduled to commence in May 2014 and expected to be completed by December 2020.

Our Business Parks in Qingdao

The following map illustrates the geographic locations of our projects in Qingdao as of December 31, 2013:



(1) Qingdao Optics Valley Software Park (青島光谷軟件園)



BUSINESS

The following table sets forth an overview of our Qingdao Optics Valley Software Park in different development phases as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area (sq.m.)	Total GFA (sq.m.)	Saleable GFA			Total Saleable GFA (sq.m.)	Development Costs Incurred (RMB million)	Future Development Costs (RMB million)
						GFA Sold (sq.m.)	GFA Pre-sold (sq.m.)	GFA Available for Sale (sq.m.)			
Qingdao Optics Valley Software Park Phase I – 1.1 and 1.5 (青島光谷軟件園一期1.1及1.5區)	Jul 2012	NA	Dec 2013	49,652	80,664	–	24,060	40,205	64,265	260.2	–
Qingdao Optics Valley Software Park Phase I-1.3 to 1.4 (青島光 谷軟件園一期1.3至1.4區)	Apr 2013	NA	Dec 2014	79,615	122,972	–	10,903	84,521	95,424	156.2	240.2
Qingdao Optics Valley Software Park Phase I – 1.2 (青島光谷軟件園一期1.2區)	Mar 2014	NA	Oct 2015	18,366	33,085	–	–	25,868	25,868	9.7	137.6
Qingdao Optics Valley Software Park Phase I-1.6 to 1.7 (青島光 谷軟件園一期1.6至1.7區)	Mar 2014	NA	Dec 2016	63,563	209,123	–	–	170,725	170,725	30.3	663.1
Qingdao Optics Valley Software Park Phase II (青島光谷軟件園 二期)	Oct 2014	NA	Jun 2016	113,334	284,214	–	–	240,286	240,286	–	1,096.4
Qingdao Optics Valley Software Park Phase III (青島光谷軟件園 三期)	Dec 2015	NA	Sep 2021	1,000,005	2,369,286	–	–	2,000,000	2,000,000	–	7,983.3
Total				1,324,535	3,099,344	–	34,963	2,561,605	2,596,568	456.4	10,120.6

The Qingdao Optics Valley Software Park is located in the West Coast Economic Development Zone. It provides top-grade infrastructure facilities to multinational corporations and small, fast-growing companies for research and development of software, computer animation, network communication and other technologies, as well as service outsourcing. The Qingdao Optics Valley Software Park consists of office buildings and supporting facilities (including apartments, canteens and hotels) for both established companies as well as start-ups.

BUSINESS

The construction of the Qingdao Optics Valley Software Park consists of three phases, the details of which are described below:

Qingdao Optics Valley Software Park (Phase I – 1.1 and 1.5) – Completed Project



The Qingdao Optics Valley Software Park (Phase I – 1.1 and 1.5) occupies a site area of approximately 49,652 sq.m. with a total GFA of approximately 80,664 sq.m. The project is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Qingdao Optics Valley Software Park (Phase I – 1.1 and 1.5), which comprises 17 office buildings, commenced in July 2012 and was completed in December 2013.

Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4) – Project under Development



The Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4) is designed to occupy a site area of approximately 79,615 sq.m. with an estimated total GFA of 122,972 sq.m. The project is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4), which is designed to comprise 17 buildings for software development and service outsourcing companies, commenced in April 2013 and is expected to be completed by December 2014.

Qingdao Optics Valley Software Park (Phase I – 1.2) – Project Planned for Future Development

The Qingdao Optics Valley Software Park (Phase I – 1.2) is designed to occupy a site area of approximately 18,366 sq.m. with an estimated total GFA of 33,085 sq.m. The project is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes.

The construction of the Qingdao Optics Valley Software Park (Phase I – 1.2), which is designed to comprise three apartment buildings with supporting facilities (including canteen, restaurant and recreation center), is scheduled to commence in March 2014 and is expected to be completed by October 2015.

Qingdao Optics Valley Software Park (Phase I – 1.6 to 1.7) – Project Planned for Future Development

The Qingdao Optics Valley Software Park (Phase I – 1.6 to 1.7) is designed to occupy a site area of approximately 63,563 sq.m. with an estimated total GFA of 209,123 sq.m. The project is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes.

The construction of the Qingdao Optics Valley Software Park (Phase I – 1.6 to 1.7), which is designed to comprise 19 buildings for software development and service outsourcing companies, is scheduled to commence in March 2014 and is expected to be completed by December 2016.

Qingdao Optics Valley Software Park (Phase II) – Potential Development Project

The Qingdao Optics Valley Software Park (Phase II) is designed to occupy a planned site area of approximately 113,334 sq.m. with a total planned GFA of approximately 284,214 sq.m. The project is to be wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies.

Qingdao Optics Valley Software Park (Phase III) – Potential Development Project

The Qingdao Optics Valley Software Park (Phase III) is designed to occupy a planned site area of approximately 1,000,005 sq.m. with a total planned GFA of approximately 2,369,286 sq.m. The project is to be wholly owned and developed by Qingdao OVU Development.

BUSINESS

(2) *Qingdao Marine & Science Park (青島海洋科技園)*

The following table sets forth an overview of our Qingdao Marine & Science Park in different development phases as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA				Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Qingdao Marine & Science Park (Phase I) (青島海洋科技園一期)	Oct 2014	NA	Apr 2016	150,681	197,050	–	–	160,250	160,250	53.0	694.3
Qingdao Marine & Science Park (Phase II) (青島海洋科技園二期)	Mar 2015	NA	Mar 2016	12,145	26,218	–	–	18,218	18,218	–	46.4
Total				162,826	223,268	–	–	178,468	178,468	53.0	740.7

The Qingdao Marine & Science Park will be located in the West Coast Economic Development Zone. It is designed to provide an integrated, multifunctional platform for the incubation and development of ocean technology companies and the research and development of technologies in the field of marine sciences. The Qingdao Marine & Science Park is designed to comprise buildings for the experiment, research and development, exhibition, services and office uses relating to ocean technologies as well as supporting facilities (including, among others, canteens and residential apartments).

The construction of the Qingdao Marine & Science Park is designed to consist of two phases, the details of which are described below:

Qingdao Marine & Science Park (Phase I) – Project Planned for Future Development

The Qingdao Marine & Science Park (Phase I) is designed to occupy a planned site area of 150,681 sq.m. with a total planned GFA of approximately 197,050 sq.m. The Qingdao Marine & Science Park (Phase I) is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. Pursuant to the relevant land grant contract, the land use rights for the project were designated for industrial purposes.

The construction of the Qingdao Marine & Science Park (Phase I), which is designed to comprise 41 low-rise research and development buildings, is scheduled to commence in October 2014 and expected to be completed by April 2016.

Qingdao Marine & Science Park (Phase II) – Potential Development Project

The Qingdao Marine & Science Park (Phase II) is designed to occupy a planned site area of 12,145 sq.m. with a total planned GFA of approximately 26,218 sq.m. The Qingdao Marine & Science Park (Phase II) is to be wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies.

BUSINESS

(3) *Qingdao Innocenter (青島研創中心) – Project Planned for Future Development*

The following table sets forth an overview of our Qingdao Innocenter as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA				Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Qingdao Innocenter (青島研創中心)	Jun 2014	NA	Jun 2016	62,285	148,285	–	–	116,917	116,917	24.1	490.0

The Qingdao Innocenter will be located at the West Coast Economic Development Zone. It is designed to provide top-grade infrastructure facilities to SMEs and start-up companies for research and development of technologies relating to Strategic Emerging Industries. The Qingdao Innocenter will comprise office buildings for the incubation and development of high-technology companies, office buildings for the research and development of technologies in the field of the network communication and logistics information systems, and supporting facilities (including, among others, canteens, residential apartments and hotel).

The Qingdao Innocenter is designed to occupy a total planned site area of 62,285 sq.m. with a total planned GFA of approximately 148,285 sq.m. The Qingdao Innocenter is wholly owned and developed by Qingdao OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial and residential purposes.

The construction of the Qingdao Innocenter, which is designed to comprise 20 buildings, is scheduled to commence in June 2014 and expected to be completed by June 2016.

Our Business Parks in Other Cities

(1) Shenyang Financial Harbour (瀋陽金融港)

The following map illustrates the geographic location of our project in Shenyang as of December 31, 2013:



The following table sets forth an overview of our Shenyang Financial Harbour in different development phases as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA					Total Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre-sold	GFA Available for Sale	Total Saleable GFA		
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Shenyang Financial Harbour (Phase I) (瀋陽金融港一期)	Apr 2014	Apr 2015	Sep 2016	246,537	415,431	–	–	388,431	388,431	79.8	1,214.1
Shenyang Financial Harbour (Phase II) (瀋陽金融港二期)	Mar 2015	Mar 2016	Sep 2018	200,001	400,002	–	–	400,002	400,002	–	1,453.6
Total				446,538	815,433	–	–	788,433	788,433	79.8	2,667.7

The Shenyang Financial Harbour is located in the new Shenbei district, Shenyang city. It is designed to provide an integrated, multifunctional platform (i) for banks and financial institutions with easy access to financial back-office services, information technology outsourcing services and business process outsourcing services, and (ii) for high-technology companies in the research and development of technologies in the fields of photo electron and software development. It will comprise office buildings and supporting facilities (including, among others, canteens, shopping centers and residential apartments).

The construction of the Shenyang Financial Harbour consists of two phases, the details of which are described below:

Shenyang Financial Harbour (Phase I) – Project Planned for Future Development

The Shenyang Financial Harbour (Phase I) is designed to occupy a site area of 246,537 sq.m. with a total GFA of approximately 415,431 sq.m. The Shenyang Financial Harbour (Phase I) is wholly owned and developed by Shenyang OVU Development, one of our wholly-owned project companies. The land use rights for the project were granted for industrial purposes.

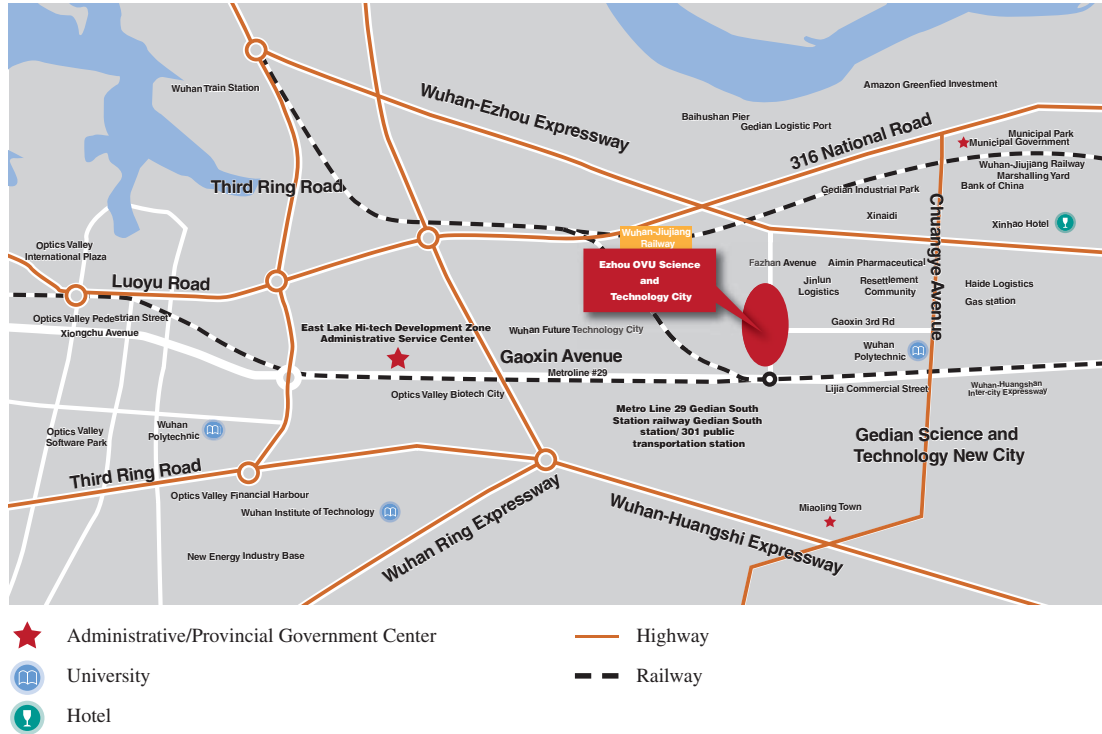
The construction of the Shenyang Financial Harbour (Phase I), which is designed to comprise 36 buildings, is scheduled to commence in April 2014 and is expected to be completed by September 2016.

Shenyang Financial Harbour (Phase II) – Potential Development Project

The Shenyang Financial Harbour (Phase II) is designed to occupy a planned site area of 200,001 sq.m. with a total planned GFA of approximately 400,002 sq.m. The Shenyang Financial Harbour (Phase II) is to be wholly owned and developed by Shenyang OVU Development, one of our wholly-owned project companies.

(2) *Ezhou OVU Science and Technology City* (鄂州光谷聯合科技城)

The following map illustrates the geographic locations of our projects in Ezhou as of December 31, 2013:



BUSINESS

The following table sets forth an overview of our Ezhou OVU Science and Technology City in different development phases as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Total GFA	Saleable GFA			Total Saleable GFA	Development Costs Incurred	Future Development Costs
	(month/year)	(month/year)	(month/year)			GFA Sold	GFA Pre-sold	GFA Available for Sale			
				(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6) (鄂州光谷聯合科技城一期1.1區D2-D3及D5-D6組團)	May 2013	Jul 2013	Dec 2013	73,414	53,452	10,987	11,667	30,799	53,453	47.6	–
Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9) (鄂州光谷聯合科技城一期1.1區C7-C9組團)	Jul 2013	Mar 2014	Mar 2014	42,665	50,586	–	–	50,586	50,586	47.8	46.7
Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3) (鄂州光谷聯合科技城一期1.2至1.3區)	Mar 2014	Oct 2014	Sep 2015	297,013	374,123	–	–	336,770	336,770	53.5	587.0
Ezhou OVU Science and Technology City (Phases II and III) (鄂州光谷聯合科技城二至三期)	Mar 2015	Jul 2015	Sep 2017	640,244	827,932	–	–	773,338	773,338	–	1,468.7
Total				1,053,336	1,306,093	10,987	11,667	1,191,493	1,214,147	148.9	2,102.4

The Ezhou OVU Science and Technology City is located in the Hubei Gedian High-Technology Industrial Development Zone. It is designed to provide top-grade infrastructure facilities to SMEs for research and development of advanced technologies of opto-electronic information, electro-mechanical integration, new materials, energy-conservation and environmental protection. The Ezhou OVU Science and Technology City will comprise office buildings for research and development, one to multi-storey customized buildings for product manufacture, and supporting facilities (including, among others, canteens and residential apartments).

BUSINESS

The construction of the Ezhou OVU Science and Technology City consists of three phases, the details of which are described below:

Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6) – Completed Project



The Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6) occupies a site area of approximately 73,414 sq.m. with a total GFA of approximately 53,452 sq.m. The project is wholly owned and developed by Hubei Technology Enterprise Accelerator, a project company in which we hold an 80% equity interest. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6), which comprise 13 office buildings, commenced in May 2013 and was completed in December 2013. We obtained the pre-sale permits with respect to the GFA of 53,452 sq.m. and commenced the pre-sale of the Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters D2-D3 and D5-D6) in July 2013. As of December 31, 2013, we had sold properties with a GFA of approximately 10,987 sq.m.

Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9) – Project under Development



BUSINESS

The Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9) is designed to occupy a site area of 42,665 sq.m. with a total GFA of approximately 50,586 sq.m. The Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9) is wholly owned and developed by Hubei Technology Enterprise Accelerator, a project company in which we hold an 80% equity interest. The land use rights for the project were granted for industrial purposes. We subsequently obtained the construction works commencement permits.

The construction of the Ezhou OVU Science and Technology City (Phase I – 1.1 – Clusters C7-C9), which is designed to comprise approximately 11 office buildings for product manufacturing, one canteen and one apartment building, commenced in July 2013 and expected to be completed by March 2014.

Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3) – Project Planned for Future Development

The Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3) is designed to occupy a total planned site area of 297,013 sq.m. with a total planned GFA of approximately 374,123 sq.m. The Ezhou OVU Science and Technology City (Phase I – 1.2 to 1.3) is wholly owned and developed by Hubei Technology Enterprise Accelerator, a project company in which we hold an 80% equity interest. The land use rights for the project were granted for industrial purposes.

The construction of the Ezhou OVU Science and Technology City (Phase I – 1.2-1.3), which is designed to comprise approximately 31 buildings for product manufacturing, 15 research and development buildings, 25 high-rise residential buildings, one apartment building, one clubhouse building and two buildings for supporting services is scheduled to commence in March 2014 and expected to be completed by September 2015.

Ezhou OVU Science and Technology City (Phases II and III) – Potential Development Project

The Ezhou OVU Science and Technology City (Phases II and III) is designed to occupy a planned site area of 640,244 sq.m. with a total planned GFA of approximately 827,932 sq.m. The Ezhou OVU Science and Technology City (Phases II and III) is to be wholly owned and developed by Hubei Technology Enterprise Accelerator, a project company in which we hold an 80% equity interest.

(3) *Huangshi OVU Science and Technology City* (黄石光谷联合科技城)

The following map illustrates the geographic locations of our projects in Huangshi as of December 31, 2013:



BUSINESS

The following table sets forth an overview of our Huangshi OVU Science and Technology City as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Total GFA	Saleable GFA			Total Saleable GFA	Development Costs Incurred	Future Development Costs
						GFA Sold	GFA Pre-sold	GFA Available for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Huangshi OVU Science and Technology City (Phase I) (黄石光 谷聯合科技城一期)	Oct 2013	Dec 2013	Nov 2015	175,337	190,600	–	–	188,600	188,600	69.8	436.5
Huangshi OVU Science and Technology City (Phase II) (黄石光 谷聯合科技城二期)	Sep 2014	Jun 2015	Mar 2017	145,419	218,100	–	–	218,100	218,100	–	657.6
Huangshi OVU Science and Technology City (Phase III) (黄石光 谷聯合科技城三期)	Mar 2015	Mar 2016	May 2017	167,784	267,800	–	–	267,800	267,800	–	725.5
Total				488,540	676,500	–	–	674,500	674,500	69.8	1,819.6

The Huangshi OVU Science and Technology City is located in the Golden Hill New Industrial Zone (黃金山工業新區). It is designed to provide an integrated, multifunctional platform for SMEs and start-up companies for the research and development of technologies relating to Strategic Emerging Industries of biotechnology, new energy, high-end equipment manufacturing (including optoelectronic devices), energy conservation and environmental protection, and clean-energy vehicles. The Huangshi OVU Science and Technology City will comprise office buildings for research and development, customized buildings for product manufacture, and supporting facilities providing commercial, living, leisure and entertainment services (including, among others, hotels, shopping centers and residential apartments). The Huangshi OVU Science and Technology City will provide headquarters offices and offices for research and development, hotels with business operation services and customized factory buildings with ancillary residential apartments.

The construction of the Huangshi OVU Science and Technology City consists of three phases, the details of which are described below:

Huangshi OVU Science and Technology City (Phase I) – Project under Development



BUSINESS

The Huangshi OVU Science and Technology City (Phase I) is designed to occupy a planned site area of 175,337 sq.m. with a total planned GFA of approximately 190,600 sq.m. The Huangshi OVU Science and Technology City (Phase I) is wholly owned and developed by Huangshi OVU Development. The land use rights for the project were granted for industrial purposes.

The construction of the Huangshi OVU Science and Technology City (Phase I), which is designed to comprise 50 office buildings for research and development, and other customized buildings for product manufacture, is scheduled to commence in October 2013 and expected to be completed by November 2015.

Huangshi OVU Science and Technology City (Phase II) – Potential Development Project

The Huangshi OVU Science and Technology City (Phase II) is designed to occupy a planned site area of 145,419 sq.m. with a total planned GFA of approximately 218,100 sq.m. The Huangshi OVU Science and Technology City (Phase II) is to be wholly owned and developed by Huangshi OVU Development.

Huangshi OVU Science and Technology City (Phase III) – Potential Development Project

The Huangshi OVU Science and Technology City (Phase III) is designed to occupy a planned site area of 167,784 sq.m. with a total planned GFA of approximately 267,800 sq.m. The Huangshi OVU Science and Technology City (Phase III) is to be wholly owned and developed by Huangshi OVU Development.

(4) Hefei Financial Harbour (合肥金融港) – Project Planned for Future Development

The following map illustrates the geographic location of our project in Hefei as of December 31, 2013:



BUSINESS

The following table sets forth an overview of our Hefei Financial Harbour as of December 31, 2013:

Project	Actual/ Estimated	Actual/ Estimated	Actual/ Estimated	Site Area	Saleable GFA				Total Saleable GFA	Development Costs Incurred	Future Development Costs
	Commencement	Estimated	Completion		Total	GFA	GFA	GFA			
	Date	Pre-sale Date	Date		GFA	GFA Sold	Pre-sold	for Sale			
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)	(RMB million)
Hefei Financial Harbour (合肥金融港)	Jul 2014	Jan 2015	Feb 2017	114,435	643,845	–	–	489,293	489,293	169,0	1,893.8

The Hefei Financial Harbour will be located at Hefei Binhu New District (合肥市濱湖新區). It is designed to provide an integrated, multifunctional platform to financial institutions, outsourcing service companies and fast-growing SMEs that focus on financial back-office services, information technology outsourcing services, and business process outsourcing services. It is designed to be comprised of integrated financial back-office service centers, outsourcing support centers, office buildings and supporting facilities (including, among others, canteens and residential apartments).

The Hefei Financial Harbour is designed to occupy a planned site area of 114,435 sq.m. with a total planned GFA of approximately 643,845 sq.m. The Hefei Financial Harbour is wholly owned and developed by Hefei OVU Development, a project company in which we hold a 92% equity interest. Pursuant to the relevant land grant contract, the land use rights for the project were designated for commercial purposes.

The construction of the Hefei Financial Harbour, which is designed to comprise approximately 25 office buildings with supporting facilities providing commercial, leisure and entertainment services (including hotels and shopping centers), is scheduled to commence in July 2014 and expected to be completed by February 2017.

BUSINESS

Our Residential Projects in Wuhan

We have developed three residential projects in Wuhan in proximity to our business park projects, which cater to the housing needs of our customers' employees working in our business parks. Please refer to the map under "Our Business Parks in Wuhan" for the geographic locations of our residential projects in Wuhan as of December 31, 2013.

The following table sets forth an overview of our residential projects in Wuhan as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area (sq.m.)	Total GFA (sq.m.)	Saleable GFA			Total Saleable GFA (sq.m.)	Development Costs Incurred (RMB million)	Future Development Costs (RMB million)
						GFA		Available for Sale (sq.m.)			
						GFA Sold (sq.m.)	Pre-sold (sq.m.)				
	(month/year)	(month/year)	(month/year)			(sq.m.)	(sq.m.)	(sq.m.)			
Romantic Town (麗島漫城)	Jul 2008	Apr 2009	Dec 2011	94,432	158,876	141,499	124	1,822	143,445	445.6	–
Lido 2046 (麗島2046)	Aug 2012	May 2014	Oct 2015	37,986	126,629	–	–	113,123	113,123	477.2	299.8
Lido Mason (Phase I) (麗島美生一期)	Jul 2011	May 2012	Sep 2013	36,105	71,203	57,997	6,274	4,801	69,072	210.6	–
Lido Mason (Phase II) (麗島美生二期)	Oct 2012	May 2013	Nov 2014	36,067	80,524	–	48,494	11,804	60,298	200.6	81.6
Total				204,590	437,232	199,496	54,892	131,550	385,938	1,334.0	381.4

(1) Romantic Town (麗島漫城) – Completed Project



The Romantic Town is located in the East Lake Hi-Tech Development Zone. It is a residential complex in proximity to the Optics Valley Software Park and the Optics Valley Financial Harbour. Each of the two business parks is in different development phases in Wuhan.

The Romantic Town occupies a site area of approximately 94,432 sq.m. with a total GFA of approximately 158,876 sq.m. The complex is wholly owned and developed by Wuhan Xuefu, a project company in which we hold a 51% equity interest. The land use rights for the project were granted for residential purposes. We subsequently obtained the construction works commencement permits.

The construction of the Romantic Town, which comprises 24 buildings, commenced in July 2008 and was completed in December 2011. We obtained the relevant pre-sale permits with respect to the GFA of 140,303.3 sq.m. and commenced the pre-sale of the Romantic Town in April 2009. As of December 31, 2013, we had sold the GFA of 141,499 sq.m.

(2) Lido 2046 (麗島2046) – Project under Development



The Lido 2046 is located in the East Lake Hi-Tech Development Zone. It is designed to be a residential complex in proximity to the Creative Capital, our business park under development in Wuhan.

The Lido 2046 is designed to occupy a site area of approximately 37,986 sq.m. with a total GFA of 126,629 sq.m. The Lido 2046 is wholly owned and developed by Wuhan Optics Valley Union. The land use rights for the project were granted for residential purposes. We subsequently obtained the construction works commencement permits.

The construction of the Lido 2046, which is designed to comprise eight buildings, commenced on August 2012 and is expected to be completed in October 2015. We are in the process of obtaining the relevant pre-sale permits and expect to commence the pre-sale of the Lido 2046 in May 2014.

(3) *Lido Mason* (麗島美生)



The Lido Mason is located in the East Lake Hi-Tech Development Zone. It is designed to be a residential complex in proximity to the Optics Valley Software Park, our business park in different development phases in Wuhan.

Lido Mason (Phase I) – Completed Project



The Lido Mason (Phase I) occupies a site area of 36,105 sq.m. and a total GFA of approximately 71,203 sq.m. The Lido Mason (Phase I) is wholly owned and developed by Wuhan Mason. We provided development management services for the project. The land use rights for the project were granted for residential purposes. Wuhan Mason subsequently obtained the construction works commencement permits.

The construction of the Lido Mason (Phase I), which comprises five buildings, commenced in July 2011 and was completed in September 2013. We obtained the relevant pre-sale permits with respect to the GFA of 66,152 sq.m. and commenced the pre-sale of the Lido Mason (Phase I) in May 2012. As of December 31, 2013, we had presold the GFA of 6,274 sq.m.

Lido Mason (Phase II) – Project under Development



The Lido Mason (Phase II) is designed to occupy a site area of 36,067 sq.m. and a total GFA of approximately 80,524 sq.m. The Lido Mason (Phase II) is wholly owned and developed by Wuhan Mason. We have provided development management services for the project. The land use rights for the project were granted for residential purposes. Wuhan Mason subsequently obtained the construction works commencement permits.

The construction of the Lido Mason (Phase II), which is designed to comprise three buildings, commenced in October 2012 and is expected to be completed by November 2014. We obtained the relevant pre-sale permits with respect to the GFA of 59,336 sq.m. and commenced the pre-sale of the Lido Mason (Phase II) in May 2013. As of December 31, 2013, we had presold the GFA of 48,494 sq.m.

Our Residential Project in Huangshi – Lido Top View (麗島半山華府) – Completed Project

Our residential project, Lido Top View, in Huangshi has catered to the housing needs of our customers' employees working in the Huangshi Science and Technology Union City. Please refer to the map under "Business – Our Business Parks in Other Cities – Huangshi OVU Science and Technology City" for the geographic location of our residential project in Huangshi as of December 31, 2013.

BUSINESS

The following table sets forth an overview of our residential project, Lido Top View, in Huangshi as of December 31, 2013:

Project	Actual/ Estimated Commencement Date	Actual/ Estimated Pre-sale Date	Actual/ Estimated Completion Date	Site Area	Saleable GFA			Total Saleable GFA	Development Costs Incurred	Future Development Costs
					Total GFA	GFA Sold	GFA Pre- sold	GFA Available for Sale		
	(month/year)	(month/year)	(month/year)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(RMB million)
Lido Top View (麗島半山華府)	Mar 2006	Dec 2006	Jun 2010	122,261	148,271	130,165	164	1,291	131,620	326.6



The Lido Top View is located in the Huangshi Economic Development Zone. It is designed to be a residential complex in proximity to the Huangshi OVU Science and Technology City, our business park in different development phases in Huangshi.

The Lido Top View occupies a site area of approximately 122,261 sq.m. with a total GFA of approximately 148,271 sq.m. The Lido Top View is wholly owned and developed by Huangshi OVU Development, one of our wholly owned project companies. The land use rights for the project were granted for residential purposes. We subsequently obtained the construction works commencement permits.

The construction of the Lido Top View, which comprises 56 buildings, commenced in March 2006 and was completed in June 2010. We obtained the relevant pre-sale permits with respect to the GFA of 147,752 sq.m. and commenced the pre-sale of the Lido Top View in December 2006. As of December 31, 2013, we had sold the GFA of 130,165 sq.m.

BUSINESS

THIRD PARTY PROJECTS FOR WHICH WE PROVIDE DEVELOPMENT MANAGEMENT SERVICES

Overview

We provide development management services for the third party business parks owned by local governments and enterprises, as well as residential projects owned by local entities and Wuhan Mason. See the subsection headed “– Our Development Management Services for Third Party Business Park and Residential Projects” in this section for further discussion. The following table sets forth an overview of the third party projects for which we provided development management services as of December 31, 2013:

	Actual/ Estimated Commencement Date	Actual/ Estimated Completion Date	Site Area	Total GFA
	<i>(month/year)</i>	<i>(month/year)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
Business park projects owned by local governments and enterprises				
Wuhan National Biotech Innovation Business Park (Phase 1) (武漢國家生物產業創 新基地一期)	Dec 2008	Jan 2017	993,338	1,058,202
Wuhan Hi-Tech Medical Devices Business Park (Phase I) (武漢高科醫療器械園 一期)	Jul 2010	Dec 2014	202,879	413,475
Wuhan Future Technology City (Phase I) (武漢未來科 技城一期)	Oct 2010	Nov 2015	400,900	598,705
China Electronics New Energy (Wuhan) Research Institute (Phase I) (中國電子新 能源(武漢)研究院)	Oct 2012	Oct 2014	18,321	21,002
Subtotal			<u>1,615,438</u>	<u>2,091,384</u>

BUSINESS

	Actual/ Estimated Commencement Date	Actual/ Estimated Completion Date	Site Area	Total GFA
	<i>(month/year)</i>	<i>(month/year)</i>	<i>(sq.m.)</i>	<i>(sq.m.)</i>
Other residential projects				
Lido Liuyuan (麗島柳園)	Nov 2005	Feb 2010	38,907	133,959
Lido Mason (麗島美生)	Jul 2011	Nov 2014	72,172	151,727
Subtotal			111,079	285,686
Total			1,726,517	2,377,070

Business Park Projects Owned by Local Governments and Enterprises

The Wuhan Municipal Government has selected us as the developer and operator for three large-scale business parks with distinctive themes of Strategic Emerging Industries (including, among others, energy-saving and environmental protection, information technology, biotechnology, advanced equipment manufacturing, new energy, new materials and new-energy vehicles). The three projects are all located in the Wuhan East Lake Hi-Tech Development Zone, adjacent to the junction of the Beijing-Zhuhai Highway (京珠高速公路) and Shanghai-Chengdu Highway (滬蓉高速公路), two key transportation routes in China. The Wuhan East Lake Hi-Tech Development Zone is one of the national-level development zones and one of the national independent innovation demonstration zones which benefit from national and local preferential policies. In addition, Wuhan Zhongyuan Electronics Group Company Limited (武漢中原電子集團有限公司) has selected us as the developer and operator of its large-scale business park in the Wuhan Future Technology City. Please refer to the map under “Business – Our Business Parks in Wuhan” for the geographic locations of the business park projects owned by local governments and enterprises as of December 31, 2013.

(1) Wuhan National Biotech Innovation Business Park (Phase I) (武漢國家生物產業創新基地一期) – Project under Development



The Wuhan National Biotech Innovation Business Park is designated as one of the six major large-scale sub-business parks situated in the Biolake, which was ranked jointly by BioInsight and Devott in 2012 as being among the top three biotechnology business parks in China and the top two biotechnology business parks with the best industry-specific features in China. It is designed to provide an integrated, multifunctional platform to biotechnology companies for the research and development of biotechnologies and the business incubation of biotechnology companies. The Wuhan National Biotech Innovation Business Park will comprise a biotechnology laboratory, an animal experimentation center, office buildings for high-technology projects, a building for business incubation and development of biotechnology companies, a biological research and outsourcing service area, a site for the biological energy and biological information industries as well as different sites for research and development, business incubation of new companies, pilot run and business uses relating to biotechnologies.

As of the Latest Practicable Date, the Wuhan National Biotech Innovation Business Park is home to approximately 100 companies, including, among others, Pfizer China Research and Development Center* (輝瑞(中國)研究開發有限公司), WuXi PharmaTech Inc.* (藥明康德集團), BGI (華大基因), Wuhan Humanwell Healthcare (Group) Co., Ltd.* (武漢人福高科技產業股份有限公司), Shanghai Newsummit Biopharma Group Co., Ltd.* (上海新生源醫藥研究有限公司), Pharnorcia (Beijing) Ltd.* (華諾森(北京)生物醫藥技術有限公司), HUYA Bioscience International, LLC* (滬亞生物國際), Waterstone Pharmaceuticals (Wuhan), Ltd.* (中美華世通生物醫藥科技有限公司), Wuhan Institute of Biotechnology* (武漢生物技術研究院), HD Biosciences Co., Ltd.* (輝源生物科技有限公司), Sinopharm Medicine Holding Hubei Co., Ltd.* (國藥控股湖北有限公司), China National Seed Group Co., Ltd.* (中國種子集團有限公司), Hubei Food and Drug Administration* (湖北省食品藥品監督管理局), Hubei Provincial Institute Co., Ltd. of Pharmaceutical Industry* (湖北省醫藥工業研究院有限公司), Wuhan Port Drug Inspection Center* (武漢口岸藥品檢驗所), Hubei Provincial Center for Disease Control and Prevention* (湖北省疾病預防控制中心), Wuhan Sanying Biotechnology, and Hubei Import and Export Inspection Center* (湖北出入境檢驗檢疫局).

We have been engaged by the Wuhan Municipal Government for the development and management of the Wuhan National Biotech Innovation Business Park (Phase I), one of the priority development projects in Wuhan. The Wuhan National Biotech Innovation Business Park (Phase I) is designed to occupy a planned site area of approximately 993,338 sq.m. with a total planned GFA of approximately 1,058,202 sq.m. We entered into an agency agreement with Wuhan Optics Valley Biotechnology Industrial Base Construction Investment Company Limited* (武漢光谷生物產業基地建設投資有限公司) (property owner of the business park) in December 2008. The pre-negotiated fee is approximately 1.5% of the total investment amount of the project. The owner pays us the service fee on a monthly basis. The remaining balance is settled within seven business days after a final inspection and settlement report is completed.

The construction of the Wuhan National Biotech Innovation Business Park (Phase I), which is designed to comprise six buildings for research and development, as well as general office use, with infrastructure and supporting facilities (serving functions of technical support, public service, business establishment, information and resource sharing, investment and financing, and talent recruitment), commenced in December 2008 and is expected to be completed by January 2017.

**(2) *Wuhan Hi-Tech Medical Devices Business Park (Phase I)* (武漢高科醫療器械園一期)
– Project under Development**



The Wuhan Hi-Tech Medical Devices Business Park is designated as one of the six major large-scale sub-business parks situated in the Biolake. It is designed to provide an integrated, multifunctional platform to biotechnology companies for the research and development of biopharmaceutical devices and relevant manufacture technologies. The Wuhan Hi-Tech Medical Devices Business Park will comprise office buildings for research and development, office buildings for business incubation of companies relating to medical device manufacturing, research and development centers, device manufacture plants, general service buildings, industrial exhibition halls and serviced apartments.

As of the Latest Practicable Date, the Wuhan Hi-Tech Medical Devices Business Park is home to approximately 40 companies, including, among others, the Belgium Wallonia Enterprise Service Center (比利時瓦隆州企業服務中心), SCW Medicath Ltd.* (深圳市益心達醫學新技術有限公司), Wuhan Landing Medical Hi-Tech Co. Ltd.* (武漢蘭丁醫學高科技有限

公司), Hubei Osteolink Biomaterial Co., Ltd.* (湖北聯結生物材料有限公司), Wuhan Zoncare Electronics Co., Ltd.* (武漢中旗電子有限責任公司), Wuhan Xinhua Zhongxin Bio Engineering Equipment Co., Ltd.* (武漢新華中欣生物工程設備有限公司), Wuhan Modern Sunshine Technology Development Co., Ltd.* (武漢時代陽光科技發展有限公司), Wuhan Coupling Medicine Technology Co., Ltd.* (武漢耦合醫學科技有限責任公司), Wuhan Cre-Science Scientific Instrument Co., Ltd.* (武漢科信科學儀器有限公司), and Wuhan Gigaa Optronics Technology Co., Ltd.* (武漢博激世紀科技有限公司).

We have been engaged for the development and management of the Wuhan Hi-Tech Medical Devices Business Park (Phase I). The Wuhan Hi-Tech Medical Devices Business Park (Phase I) is designed to occupy a site area of approximately 202,879 sq.m. and a total GFA of approximately 413,475 sq.m. We first entered into an agreement with Wuhan Hi-Tech Holding Group Co., Ltd. (property owner of the business park) and subsequently with Wuhan Hi-Tech Medical Devices Park Co., Ltd. (successor holding the business park). Our pre-negotiated fee is approximately 1.5% of the total investment amount of the project. The owner pays us the fee every quarter. The remaining balance is settled within one month after a final inspection and settlement report is completed.

The construction of the Wuhan Hi-Tech Medical Devices Business Park (Phase I), which comprises eight buildings (including four buildings for research and development, two dormitory buildings, one apartment building and one operation support center), commenced in July 2010 and is expected to be completed by December 2014.

(3) *Wuhan Future Technology City (Phase I)* (武漢未來科技城一期) – *Project under Development*



The Wuhan Future Technology City is located in the East Lake Hi-Tech Development Zone. It is designed to provide an integrated, multifunctional platform to state-owned enterprises directly controlled by the PRC Government, the world's top 500 enterprises, well-known Chinese high-technology companies, scientific research institutes and educational institutions for the research and development of technologies in Strategic Emerging Industries of new energy, high-end equipment manufacturing (including optoelectronic devices), energy

conservation and environmental protection, new materials, and next-generation information technology. The Wuhan Future Technology City will consist of a central technological service center surrounded by nine business parks with different characteristics and an ecological recreation area. The nine business parks are focused in different areas of research and development, respectively, including, amongst others, optoelectronics research, mobile communication, software development and service outsourcing, aerospace technology and equipment, military and civilian technology, ocean technology, information technology, new energy technology, energy conservation, and environmental protection.

As of the Latest Practicable Date, the Wuhan Future Technology City is home to (i) approximately four development projects (including, among others, the Talent and Enterprise Development Services Center* (人材暨企業服務中心), the Wuhan Xinsi Technology Research and Development Center* (新思科技武漢研發中心), the Huawei Technologies Wuhan Base* (華為武漢基地), and the carbon capture experiment base of U.S.-China Clean Energy Research Center* (中美清潔能源聯合研究中心試驗基地)), (ii) approximately seven scientific research institutes (including, among others, the Wuhan New Energy Research Institute* (武漢新能源研究院), the Wuhan Optical Research Institute* (武漢光電工業技術研究院), the Wuhan Artificial Intelligence Equipment Research Institute* (武漢智能裝備工業技術研究院), the Wuhan Navigation and Location Services Research Institute* (武漢導航與位置服務工業技術研究院), China Electronics New Energy (Wuhan) Research Institute* (中國電子新能源(武漢)研究院), the Kaidi National Key Biomass Energy Laboratory* (凱迪生物質能國家重點實驗室) and Wuhan Geological Resources and Environmental Engineering Research Institute* (武漢地質資源環境工業技術研究院)), and (iii) approximately 100 state-owned enterprises and multinational corporations (including, among others, China Telecommunications Corporation* (中國電信集團公司), China Mobile Communication Co., Ltd.* (中國移動通信有限公司), China United Network Communications Group Co., Ltd.* (中國聯合通信集團有限公司), Huawei Technologies Co., Ltd.* (華為技術有限公司), China Electronics Corporation* (中國電子信息產業集團有限公司) and Synopsys Inc.* (新思科技股份有限公司)).

We have been engaged by the Wuhan Municipal Government for the development and management of the Wuhan Future Technology City (Phase I), one of the priority development projects in Wuhan. The Wuhan Future Technology City (Phase I) is designed to occupy a site area of approximately 400,900 sq.m. and a total GFA of approximately 598,705 sq.m. We entered into an agreement with Wuhan Future City Investment and Construction Co., Ltd. (property owner of the park) in October 2010. Our pre-negotiated fee is approximately 1.5% of the total investment amount of the project. The owner pays us the fee on a monthly basis. The remaining balance is settled within seven business days after a final inspection and settlement report is completed.

The construction of the Wuhan Future Technology City (Phase I), which comprises an exhibition center as well as different sites for research and development, incubation of high-technology companies, residential properties, cultural industry and business supporting, commenced in October 2010 and is expected to be completed by November 2015.

(4) *The China Electronics New Energy (Wuhan) Research Institute (中國電子新能源(武漢)研究院) – Project under Development*

Wuhan Zhongyuan Electronics Group Company Limited (武漢中原電子集團有限公司) has selected us as the developer and operator of its large-scale business park, the China Electronics New Energy (Wuhan) Research Institute (中國電子新能源(武漢)研究院) in the Wuhan Future Technology City. The business park is designed to occupy a site area of approximately 18,321 sq.m. and a total GFA of approximately 21,002 sq.m.

We have been engaged for the development and management of the China Electronics New Energy (Wuhan) Research Institute (Phase I) in respect of a total planned GFA of approximately 21,002 sq.m. We entered into an agreement with Wuhan Zhongyuan Electronics Group Company Limited (武漢中原電子集團有限公司) (property owner of the park) in October 2012. Our pre-negotiated fee is approximately 2% of the total investment amount of the project. The owner paid us RMB100,000 within seven business days after signing the agreement and will pay us, on a cumulative basis, up to 50% of the total contracted fee by the completion of the project construction. It will pay us further up to 95% of the total contracted fee by the completion of final acceptance and delivery of the project. The owner will retain the remaining 5% of the total contracted fee as a quality assurance deposit until the end of the warranty period.

The construction of the China Electronics New Energy (Wuhan) Research Institute (Phase I), which comprises one office building, five research and development buildings, and supporting facilities (including, among others, a sewage treatment station), commenced in October 2012 and is expected to be completed by October 2014.

Other Residential Projects

(1) *Lido Liuyuan (麗島柳園) – Completed Project*

We provided development management services for Lido Liuyuan, a residential project owned by local entities. The residential project was in two phases and designed to occupy a total site area of approximately 38,907 sq.m. and a total GFA of approximately 133,959 sq.m.

We entered into an agreement with Hongshan Villagers' Committee (洪山村村民委員會) (property owner of the residential project) in May 2005. Our pre-negotiated fee is approximately 7% of the total investment amount of the project. Up to 80% of the total investment amount was paid, on a cumulative basis, within one week after the completion of the project construction, and the remaining balance was paid within three months after the delivery of the project. Wuhan Lido Property Management has been engaged to provide property operation and management services for the project.

According to the agreement, the construction of Lido Liuyuan, which comprises residential buildings and supporting facilities, commenced in November 2005 and was completed in February 2010.

(2) Lido Mason (Phase I) (麗島美生一期) – Completed Project

We provided development management services for the Lido Mason (Phase I) owned by Wuhan Mason. The residential project was designed to occupy a site area of approximately 36,105 sq.m. and a total GFA of approximately 71,203 sq.m.

Wuhan Mason has agreed to pay us the total contracted fee of RMB6.5 million at a rate of RMB500 per sq.m. by the completion of the project construction. In addition, we also conduct promotion and marketing activities to sell properties in the project and Wuhan Mason has agreed to pay us a fee at 3% of the total investment amount of the project for our sales services.

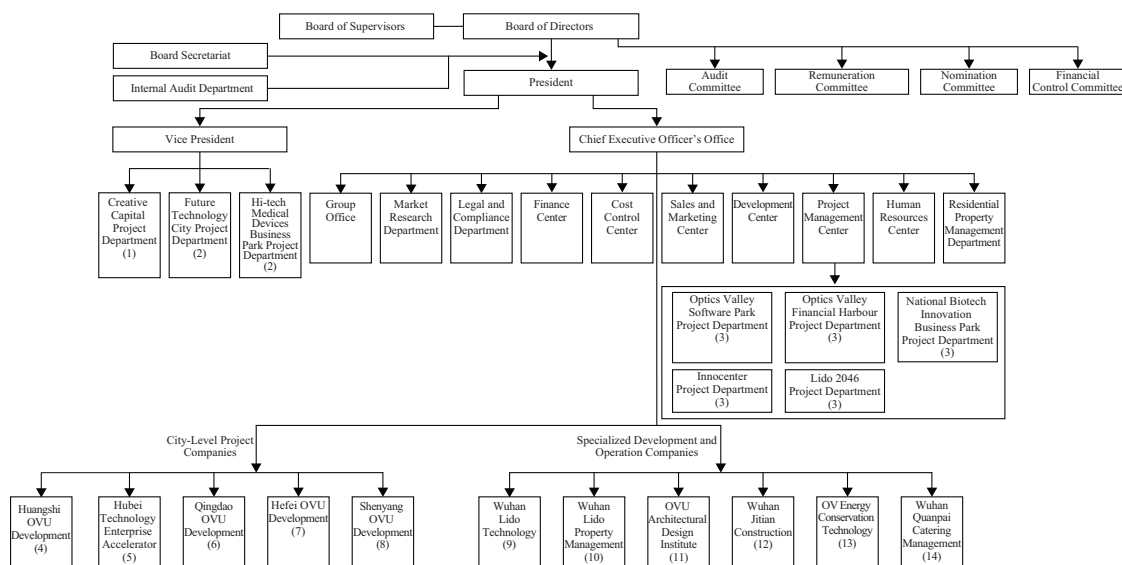
(3) Lido Mason (Phase II) (麗島美生二期) – Project under Development

We have provided development management services for the Lido Mason (Phase II) owned by Wuhan Mason. The residential project is designed to occupy a site area of approximately 36,067 sq.m. and a total GFA of approximately 80,524 sq.m. See the subsection headed “– Our Property Development Projects – Our Residential Projects in Wuhan” in this section for further details on relevant development schedule and the subsection headed “Financial Information – Results of Operations” in this prospectus for further discussion on our turnover from development management services for the project.

PROPERTY DEVELOPMENT

Integrated Management Structure

The following chart sets forth our management and reporting structure:



Notes:

- (1) The Creative Capital Project Department, a project-based sub-department under direct supervision of our vice president, has been established to manage the development and operation of the Creative Capital.
- (2) The Future Technology City Project Department and the Medical Devices Business Park Project Department, two project-based sub-departments under direct supervision of our deputy chief executive officer, have been established to manage the development management services for the Wuhan Future Technology City (Phase I) and the Wuhan Hi-Tech Medical Devices Business Park (Phase I).
- (3) These are five project-based sub-departments established under direct supervision of the project management center to manage the development and operation of the Optics Valley Software Park, the Optics Valley Financial Harbour, the Wuhan National Biotech Innovation Business Park (Phase I), the Wuhan Innocenter, and the Lido 2046, respectively.
- (4) Hubei Technology Enterprise Accelerator, a city-level project company in Ezhou, manages the development and operation of the Ezhou OVU Science and Technology City.
- (5) Huangshi OVU Development, a city-level project company in Huangshi, manages the development and operation of the Huangshi OVU Science and Technology City and the Lido Top View.
- (6) Qingdao OVU Development, a city-level project company in Qingdao, manages the development and operation of the Qingdao Optics Valley Software Park, the Qingdao Innocenter, and the Qingdao Marine & Science Park.
- (7) Hefei OVU Development, a city-level project company in Hefei, will manage the development and operation of the Hefei Financial Harbour.
- (8) Shenyang OVU Development, a city-level project company in Shenyang, manages the development and operation of the Shenyang Financial Harbour.
- (9) Wuhan Lido Technology provides construction services for decorating and improving building external parts and interior fitting-out areas in our business parks and property developments owned by third parties, manufactures and installs construction components, and provides fitting-out services to our customers.
- (10) Wuhan Lido Property Management and its subsidiaries provide property operation and management services in our business parks and property developments owned by third parties, including restaurants, canteens, security, property sanitation, infrastructure management, maintenance of common facilities, gardening and landscaping.
- (11) OVU Architectural Design Institute facilitates project conceptual planning and design process, prepares core concepts and master planning for our business parks, and develops product innovation plans.
- (12) Wuhan Jitian Construction undertakes a significant majority of construction work of our projects.
- (13) OV Energy Conservation Technology and its subsidiary, OV Energy Conservation Engineering, provide our customers with energy supply services provided by district power systems, lighting services, engineering technical services and other services improving efficiency of energy use in our business parks.
- (14) Wuhan Quanpai Catering Management provides hotel management and catering services.

We have adopted a three-tier management system comprising (i) the Board of Directors, (ii) senior management at our headquarters, and (iii) senior management at our city-level project companies.

Our Headquarters in Wuhan

We have established ten functional centers and departments in Wuhan Optics Valley Union which is our headquarters in Wuhan. Our President's office (總裁辦公會) oversees daily operations of the ten centers and departments which are mainly responsible for managing all aspects of our property development and operation in Wuhan (including business park and residential projects).

For our own business park projects, and the third party projects for which we provide development management services in Wuhan, we have established five project-based sub-departments under direct supervision of the project management center to manage the development and operation of the Optics Valley Software Park, the Optics Valley Financial Harbour, the Wuhan National Biotech Innovation Business Park (Phase I), the Wuhan Innocenter, and the Lido 2046, as well as three project-based sub-departments under direct supervision of our deputy chief executive officer to manage the development and operation of the Creative Capital, the Wuhan Future Technology City (Phase I) and the Wuhan Hi-Tech Medical Devices Business Park (Phase I).

Our Specialized Development and Service Companies

We have also established seven specialized development and service companies which provide our headquarters and project companies with specialized services in relation to property development and operation. See the chart above for the description of main functions of major specialized development and service companies.

Our City-level Project Companies outside of Wuhan

For our projects outside of Wuhan, we have established five city-level project companies which manage and operate property developments in Qingdao, Shenyang, Huangshi, Ezhou and Hefei, respectively. Our headquarters and our city-level project companies work closely on projects outside of Wuhan. After we establish a city-level project company, our headquarters provide personnel to assist such project company to establish functional departments and the development process in the target city. When the property development is on track, our headquarters support such project company in the development process of the project, including construction, procurement and quality control. The local project company generally oversees day-to-day operations of the development, including the management of the project and the project company's financial and administrative matters.

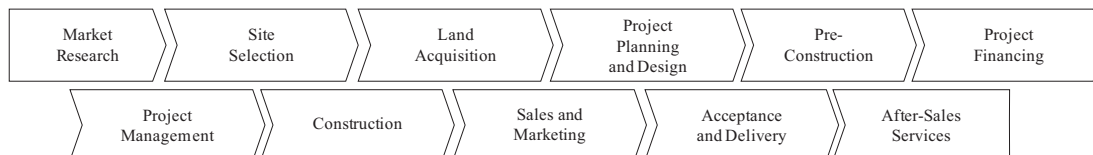
Our management system ensures a direct reporting line between our city-level project companies and specialized development and service companies, on the one hand, and our senior management and Board of Directors, on the other hand, which enhances overall internal control of our Group. With such system in place, we have improved our work efficiency and strengthened our management of property developments outside of Wuhan.

Business Park Development Process

We are primarily engaged in the development and operation of large-scale, multi-theme business parks in China targeting multinational corporations and small- to mid-sized fast growing companies. Although each project development is customized for specific conditions

of the location and designed in accordance with the requirements of relevant local authorities, industry standards and individual customers, a standard process typically consists of the core stages as illustrated in the chart below. Our standardized development process enables us to improve our operational efficiency, optimize use of our capacities and resources, enhance our bargaining power with suppliers and construction contractors, and facilitate sharing of resources and expertise in design, construction, sales and marketing across various projects within our business.

The following chart sets forth our business park development process:



Market Research

Our market research department conducts research with a focus on three key areas: macro-economic government incentive policies (such as the Catalog for the Guidance of Industrial Structure Adjustment) and local economic and industrial development plans in our target cities. We further proactively conduct industrial analyses on three major areas: (i) restructuring and upgrading of traditional industries (such as transition from traditional retail sales industry to electronic commerce industry, as well as upgrading of automotive part manufacture industry and construction material manufacture industry), (ii) Strategic Emerging Industries, and (iii) innovative industries (including, among others, electronic commerce, cloud computing, the Internet and information security). Based on the research results, we identify and evaluate a range of cities and sites in the PRC for potential business park development opportunities, taking into consideration a number of factors, including but not limited to:

- size, population, economic incentive policies, development plan, economic growth potential and other competitive advantages of the city or region concerned;
- local regulatory environments and policies;
- resources required for local industrial developments;
- anticipated supply and demand for business parks in such city or region;
- availability of future land supply and land prices for new business parks;
- local industry structure and business environment;
- availability of suitable enterprises and talent reserve; and
- overall competitive landscape of business park development and our competitors' activities.

Site Selection

Our market research department, development center and financial management department are primarily involved in the city and site selection process. We collect relevant information regarding the potential development sites for target industries to evaluate estimated risk and return of the investment. We generally focus on the selection of sizeable land sites in our target cities only when our criteria are met in four areas: (i) competitive advantages and economic growths of our target cities, (ii) trends of local industrial development, (iii) resources required for such development, and (iv) availability of land reserve for new business parks.

As a next step, we draw up an initial project development blueprint and conduct a preliminary feasibility study. If we are satisfied with the result of the feasibility study, we continue with our due diligence investigations and site visits to understand in-depth whether the site has development potential and is suitable for, in terms of area and conditions, for large-scale, integrated business parks. In some of our target cities, we also actively communicate with local governmental authorities to better understand their incentive policies and development plans for the site and target industries. Some local governments also provide us with incentives and invite us to develop business parks focusing on certain emerging, fast-growing industries in their economic development zones.

Our market research department, development center and financial management department then prepare a detailed project design and investment return analysis. Based on the feasibility study and the analysis, our management determines whether or not to enter such city and select the relevant site. After their approval, we further assess and evaluate growth potential of the target city, the development site and optimal positioning of the business park to be developed in such site. We then establish and commence a business park project.

Land Acquisition

Project Framework, Cooperation or Investment Agreements

We have entered into cooperation or investment agreements with local governments in Qingdao, Huangshi, Ezhou, Hefei and Shenyang, in which terms of land acquisition such as size and location of land site, acquisition plan in phases and development plan in phases are specified. Local governments provide us with incentives in relation to various aspects of the relevant projects, such as transfer of land use rights, pre-sales, infrastructure fee waivers and demolition of existing construction. Our Board authorizes us to acquire the relevant land site subject to a purchase price ceiling. We then establish a standardized development process for the relevant project.

Direct Acquisition and Other Acquisitions

Our development center collaborates with our project companies to acquire land for development through direct acquisition from the PRC Government by way of public tender, auction or listing-for-sale for land use rights in accordance with the provisions on grant of land

use right through public tender, auction and listing-for-sale procedures (《招標拍賣掛牌出讓國有土地使用權規定》), promulgated on May 9, 2002 and becoming effective since July 1, 2002 and the provisions for grant of state-owned construction land use right through public tender, auction and listing-for-sale procedures (《招標拍賣掛牌出讓國有建設用地使用權規定》) promulgated on September 28, 2007 and becoming effective since November 1, 2007. During the Track Record Period and up to December 31, 2013, we obtained most of our land through the listing-for-sale process in accordance with the requirements under PRC laws and regulations. See the subsection headed “Regulations – Laws and Regulations Relating to Real Estate Development – Development of a Real Estate Project” in this prospectus for further details of applicable PRC laws and regulations.

Our development center and project companies may also obtain land in the PRC through (i) acquisition of equity interests of companies that hold relevant land use rights or (ii) establishing joint ventures with other property developers for land acquisition. During the Track Record Period and up to December 31, 2013, we obtained land use rights in respect of (1) the Romatic Town through the acquisition of the equity interest in the holding company, Wuhan Xuefu, from its other shareholders, (2) the Optics Valley Software Park (Phase VI) through the acquisition of the equity interests in the holding company, the Optics Valley Software Park, from an Independent Third Party, (3) the Wuhan Innocenter through the acquisition of the equity interest in the holding company, Wuhan Minghong, and (4) the Lido Mason through acquisition of the equity interest in the holding company, Wuhan Mason.

We expect to maintain sufficient land reserves to meet our growth and development requirements for the next three to five years. As of December 31, 2013, we had approximately 1,059,967 sq.m. of the total GFA under development and approximately 5,379,162 sq.m. of the total GFA planned for future development.

Land Acquisition in relation to the Hefei Financial Harbour Project

(1) Summary of the Hefei Project Contracts

Under the project investment agreement that we entered into with the Hefei local government on January 10, 2013 in relation to the Hefei Financial Harbour project, we agreed to use our best efforts to attract companies to establish their businesses in the business park, and in the event that the aggregate amount of taxes derived from the companies resident in the business park is less than RMB250.0 million for a certain time period after the construction commencement date of the project, we are required to pay such shortfall to the relevant tax authorities. After we won the bidding for land use rights in respect of the Hefei Financial Harbour in August 2013, we entered into the state-owned land use rights grant contract (the “Hefei Land Grant Contract”, and together with the Hefei Project Investment Agreement (defined below), the “Hefei Project Contracts”) with Hefei Municipal Land Resources Bureau on September 2, 2013 which included land grant standard provisions, a minimum tax guarantee clause and other relevant requirements. The Hefei local government is the responsible authority which implements the relevant minimum tax guarantee clause and monitors our performance of obligations under the Hefei Land Grant Contract. Furthermore, we entered into a memorandum of understanding (together with the project investment agreement, the “Hefei Project Investment Agreement”) with the Hefei local government on November 4, 2013 to

define and clarify the scope of taxes and relevant procedures in relation to the minimum tax guarantee. As advised by our PRC legal advisors, Jingtian & Gongcheng, (i) the memorandum of understanding is legally binding and enforceable under applicable PRC laws and regulations; (ii) if there is any inconsistency between terms of the project investment agreement and those of the memorandum of understanding, the latter supersedes the former; (iii) the clauses in the memorandum of understanding relating to the minimum tax guarantee apply when the Hefei local government implements the relevant clauses and monitors our performance of obligations under the Hefei Project Contracts; and (iv) with respect to the terms of the project investment agreement which have not been amended in the Hefei Land Grant Contract and the memorandum of understanding, such terms remain legally valid and binding under PRC laws.

Pursuant to the terms of the Hefei Project Investment Agreement, the parties both agreed that, for purposes of determining our performance and obligations relating to the RMB250.0 million taxes, (i) the amount of taxes shall be the aggregate cumulative tax payables from the companies resident in the business park that accumulate from the construction commencement date of the project until the end of the eighth year thereafter (by way of example, if construction of the project commences in 2014, the aggregate cumulative tax payables should accumulate from the construction commencement date until the end of 2021), (ii) the companies resident in the business park shall consist of (A) the third-party entities which are attracted to establish their businesses in the Hefei Financial Harbour and have established their operations there, (B) the wholly-owned, controlled and jointly-controlled entities of our Group which have established their operations in the business park, and (C) the entities which are attracted and intend to establish their businesses in the business park and have maintained their registered addresses there, but have operated temporarily outside of the business park due to various business reasons, (iii) taxes used for calculation of the aggregate cumulative tax payables shall be agreed between the parties before the fifth year after the construction commencement date of the project and include, among others, PRC enterprise income tax, business tax and surcharges, VAT, stamp duty, deed tax, property tax, LAT and withholding personal income taxes of the companies resident in the business park, (iv) after the construction commencement date of the project, the Hefei local government shall calculate the annual taxes paid by the companies resident in the business park each year and notify us of the result in writing by the end of February in the next year, (v) the Hefei local government shall calculate the aggregate cumulative tax payables in the ninth year after the construction commencement date of the project and notify us in writing of any shortfall, and the parties will agree on the payment arrangement (such as in installments) and schedule that will not interrupt our ongoing business, and (vi) in the event that we fail to pay any shortfall within a prescribed time limit, we should pay a penalty at a rate of 0.1% of the shortfall per day.

Under the terms of the Hefei Land Grant Contract, the relevant PRC authorities also require us to secure at least two large financial back-office services companies or their branch offices, at least ten medium or small-sized financial back-office services companies or their branch offices and at least 40 financial outsourcing companies, software development companies, E-commerce companies, business services companies and other agency companies relating to industrial development to establish their businesses in the Hefei Financial Harbour

project (the “Customer Mix Requirement”). According to the Hefei Land Grant Contract, there is no specific time limitation as to when the Customer Mix Requirement must be met. In the event that we fail to meet the Customer Mix Requirement in the Hefei project, we will be required to pay a penalty at the rate of RMB1.5 million per mu (畝) and as the site area of the Hefei project is approximately 171.65 mu, the total penalty that may be imposed on us will be approximately RMB257.5 million. In addition, under the terms of the Hefei Land Grant Contract, without any time limitation, the relevant PRC authorities require that the completed developments in the Hefei project should comply with the first-grade green building (綠色建築) requirement (the “Green Building Requirement”) in respect of the conservation of energy, water and construction materials, indoor and outdoor environment quality, and development operation. In the event that we fail to meet the Green Building Requirement in the Hefei project, we will be required to pay a penalty at the rate of RMB1.5 million per mu (畝) and the total penalty that may be imposed on us will be approximately RMB257.5 million.

With respect to the Customer Mix Requirement, our Directors are of the view that we are able to mitigate the potential default risk due to the following reasons: First, pursuant to the terms of the project investment agreement dated January 10, 2013, the Hefei local government is obliged to provide the Group with incentives in relation to various aspects of the development of the Hefei project, including but not limited to using its best efforts to assist us to meet the Customer Mix Requirement.

Moreover, based on our project experience, we were able to procure approximately 74 companies resident in the Optics Valley Financial Harbour (Phases I and II) by the end of 2012 and approximately 129 companies resident in these two completed projects by the end of 2013. Our Directors believe that the customer composition of our two completed projects would have easily satisfied the lower threshold of the Customer Mix Requirement in the Hefei project. In addition, we had invited customers of large corporations, banks and financial institutions in our existing business parks to conduct on-site visits to the Hefei project. Some of these customers intend to establish their businesses in Hefei and have expressed their strong interests to purchase properties in our Hefei project.

With respect to the Green Building Requirement, our Directors are of the view that we will be able to meet this requirement based on our accumulated industry knowledge, development capabilities and operational expertise in business park development. Our Group will have no difficulty in undertaking project planning, design and development of the Hefei project in accordance with the Green Building Requirement as the design and development process will be strictly controlled and managed by our Group.

Based on the above, our Directors are confident that our Group will be able to successfully develop the Hefei project and that the potential default risk is to be very remote in terms of such requirements.

Furthermore, our ultimate controlling shareholder, Mr. Huang Liping, has undertaken to indemnify us against any penalties, claims or losses as a result of our inability to meet the Customer Mix Requirement or the Green Building Requirement as stipulated in the Hefei Land Grant Contract.

(2) Reasons for the Hefei Financial Harbour Project

We have entered into the Hefei Project Contracts as part of our strategic plan to expand our business in Hefei where we believe we will benefit from customer demand for business parks there due to the significant potentials for economic growth and urban development as well as the growth and business innovation of SMEs there. In addition, we plan to develop the Hefei Financial Harbour by focusing on the industries of financial back-office services and information technology, which are among the industries promoted by the Hefei local government. A number of large state-owned banks and financial institutions have recently established their presence in the Hefei Binhu New District. According to Devott, Hefei is also one of the top ten cities in China whose outsourcing industry will experience the most rapid growth. Furthermore, the Hefei local government has formulated the strict policy of land management and, when granting land parcels in relation to large-scale developments for industrial and commercial uses, it generally imposes the requirements for project development schedules and financial performance of companies resident in these large-scale developments.

(3) Financial Analyses in relation to the Minimum Tax Guarantee

In accordance with the general practice of property developers in the PRC, our management has conducted the following work to assess feasibility of the project at the planning stage and considered implications of the minimum tax guarantee clause:

- ***Internal calculations and estimations.*** Our internal calculations and estimations of the key variables (such as land premiums to be paid, present value of total land costs, deferred payment of deemed land cost portion (explained below) and estimated construction costs) in relation to the underlying land parcel are based on reasonable assumptions. We have also compared these calculations and estimations with the fair market value of the land parcel in its existing state as of the relevant dates which the independent property valuer, Savills Valuation, had provided, during the land acquisition process (including before we entered into the project investment agreement with the Hefei local government in January 2013, when we participated in the public tender, auction and listing-for-sale process in August 2013 and subsequently before we entered into the Hefei Land Grant Contract).
- ***Further financial analyses.*** Based on the historical construction costs of our completed projects (particularly the financial harbour type of business park projects, such as the Optics Valley Financial Harbour (Phases I)), we estimated the average construction costs per sq.m. to be incurred for the development of the project. Moreover, based on the historical purchase prices and turnover of comparable properties in business parks in the Hefei Binhu New District in the past three years, we estimated the ASP of GFA expected to be sold in the Hefei Financial Harbour. We further estimated the turnover from sales of planned saleable properties in this project based on reasonable assumptions and compared it to the fair market value of the project as if completed as of the relevant date. Considering the minimum tax guarantee as deemed land cost of the project, we further estimated the gross profit margin of the project and found it within the range of gross profit margin for sales of properties in our completed projects during the Track Record Period.

Based on recent land transactions in the Hefei Binhu New District where the Hefei project is located, Savills has confirmed that the Hefei local government had imposed minimum tax guarantee or similar requirements on other property developers in relation to the granting of land parcels in that district. In order to ensure the successful development of the Hefei Binhu New District, the Hefei local government selects property developers with requisite qualifications, a broad customer base and adequate development experience and requires them to attract companies to establish their businesses there. Savills also conducted further surveys and investigations on recent land transactions in respect of major new high-technology or economic development zones in our other target cities and did not find such minimum tax guarantee or similar requirements on property developers. As a result, Savills is of the view that the minimum tax guarantee requirement imposed on us in Hefei is not an industry norm in the PRC commercial business park market. Based on the research results provided by Savills, we believe that the minimum tax guarantee of RMB250 million under the Hefei Project Contracts is lower than the similar requirements imposed by the Hefei local government on other property developers in relation to the recent land transactions in the Hefei Binhu New District.

Based on the above, our ongoing discussions with relevant Hefei government officials, the historical results of operations of our completed projects and the research results from Savills on the recent land transactions of comparable properties in the Hefei Binhu New District, as well as on the basis of the accounting treatment of the minimum tax guarantee as deemed land cost, our Directors are confident that the Hefei Financial Harbour project will be reasonably profitable as compared to our completed projects during the Track Record Period.

(4) Accounting Treatment of the Minimum Tax Guarantee

The land bidding process of public tender, auction and listing-for-sale (“招拍掛”) for land use rights in respect of the Hefei Financial Harbour project was conducted in August 2013. After winning the bidding, we entered into the Hefei Land Grant Contract with the Hefei Municipal Land Resources Bureau on September 2, 2013 and the land parcel was delivered to us on October 2, 2013. Accordingly, the consideration, including the tax guarantee amount, was included as a commitment in our balance sheet information as of September 30, 2013. See the subsection headed “Financial Information – Capital Expenditures and Commitments – Contractual Commitments” in this prospectus for further discussion.

We had duly considered implications of the minimum tax guarantee clause when assessing the feasibility of the Hefei project at the planning stage. Our Directors, based on their best estimates under reasonable assumptions and ongoing discussions with relevant Hefei government officials, have considered that it is probable that such clause would result in an outflow of economic benefits of RMB250 million in the eighth year after the construction commencement date of the project. In accordance with the relevant requirements under IAS37, we have accrued for the possible obligation of RMB250 million as part of the project costs when the underlying land parcel was delivered to us on October 2, 2013 in accordance with the Hefei Land Grant Contract. On the other hand, the total costs for the Hefei Financial Harbour project (including land cost, construction costs and other direct attributable costs) will be

recorded under the “property under development” account. Upon project completion, the total costs will be transferred to the “completed properties held for sale” account. Thereafter, the costs will be charged to the profit or loss account when the property is sold and the related revenue is recognized. Such accounting treatment is consistent with our accounting policies on property development and revenue recognition. Our reporting accountants, KPMG, would consider our accounting treatment thereon when auditing our financial statements.

(5) Measures to Minimize Our Potential Liabilities and Exposure

Our management has implemented a series of measures to minimize our potential liabilities and exposure in relation to the Hefei Project Contracts. We have identified leading banks, financial institutions and enterprises operating in the industries promoted by the Hefei local government, which have consistently demonstrated records of solid financial performance, as our potential customers. We have proactively tracked and analyzed these potential customers with regard to their needs for business spaces and operating environments in business parks. We plan to offer competitive terms to attract these enterprises to establish their head offices and business operations in the Hefei Financial Harbour project.

In addition, we invite our customers of large corporations, banks and financial institutions in our existing business parks, with which we have established long-term strategic relationship, to visit the Hefei project on-site. Some of these customers intend to establish their businesses in Hefei and to enter into customization agreements with us. Furthermore, when we enter into relevant agreements with the customers, we will request to include a tax target provision and provide the customers with certain incentives for meeting the relevant tax targets within prescribed time limits. We will give the customers certain discounts to their property purchase prices in proportion to the percentages of the respective tax targets they meet within prescribed time limits and provide them with business operation services and special amenities in the business park.

Furthermore, we plan to strengthen our internal control measures on cash flow management and further establish a financial control committee that comprises Mr. Huang Liping, Mr. Wang Yuancheng and Ms. Huang Min. Members of the committee should have considerable experience in financial management and business strategies. They will hold regular meetings each year to assess the sufficiency of internal funds to meet the relevant obligations, obtain the standby banking facilities where necessary, discuss further our potential risks and exposure level, evaluate sufficiency of the existing measures in place to minimize such risks, and formulate new business strategies and follow-up measures where appropriate. After the Listing, we plan to disclose in our annual report each year the progress update of implementation of our internal control measures in relation to the minimum tax guarantee under the Hefei Project Contracts.

Project Planning and Design

Our development center and OVU Architectural Design Institute prepare project conceptual planning and design, and formulate the core concepts and master planning for the business park even before we acquire relevant land. Once the master design concept of a project is established, we work closely with leading domestic and international architecture and design firms to transform the concept into a more detailed design drawing. We select such firms for each project through a competitive bidding process. We normally take into account their proposed design concepts, professional reputations for innovation and quality, fee proposal, and service quality.

Once a project starts, we undertake project planning and prepare the general design of a business park in accordance with the general characteristics, industrial standards and construction requirements of the companies in relevant industries. With respect to customized properties, we further work closely with and guide our customers to improve the project design and customized features of business parks from the general design of the business park in accordance with individual customers' business needs and preferred design architectural style. At the end of such process, we finalize the design drawing with our customers and our development center then submits it to relevant governmental authorities for approval. Once approved, the design drawing becomes the basis of the project. With respect to ready-built properties, customers are not involved in the project design phase in relation to business park development.

Before our sales and marketing center enters into customization agreement with customers, it actively engages our development center, OVU Architectural Design Institute and other departments in several meetings to ensure that demands and preferences of our customers can be reflected and addressed in project design and implemented in construction phase. After we decide on the optimal project design plan and practical solutions to implement such plan, we enter into customization agreements with customers. Our customers typically pay initial payments at certain percentages of the purchase prices at signing of the customization agreements. With respect to ready-built properties, we do not enter into any customization agreements with customers. With respect to both types of properties, our sales and marketing center enters into formal purchase agreements with our customers, once we obtain requisite permits for pre-sale or sale of properties later.

Pre-Construction

Before we commence construction, we must first obtain grant of the development rights to the land and necessary permits and certificates. Before we commence construction of a business park development, we must obtain the construction land planning permit (建設用地規劃許可證), the construction work planning permit (建設工程規劃許可證) and the construction works commencement permit (建築工程施工許可證) (which will only be issued after the land use rights certificate (國有土地使用權證), the construction land planning permit and the construction work planning permit are obtained). See the subsection headed "Regulations – Laws and Regulations Relating to Real Estate Development – Development of a Real Estate Project" in this prospectus for further details of these certificates and permits.

During the Track Record Period, save as disclosed in this prospectus, we did not experience any significant delays in obtaining the aforesaid certificates and permits.

Project Financing

Our policy is to finance our business park developments through internal funds to the extent practicable to reduce the level of external funding required. We typically use internally generated funding (including progress payments for customized developments and pre-sale proceeds), capital contributions from investors, and external capital from financial institutions (including bank borrowings) to finance our developments.

We are subject to many of the PRC government restrictions on property developers. According to the guidelines issued by the CBRC in August 30, 2004, no bank loan may be granted to projects for which property developers have not obtained the relevant land use rights certificates, construction land planning permits, construction work planning permits and construction works commencement permit. On May 25, 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (國務院關於調整固定資產投資項目資本金比例的通知). The notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments are 20%, and the minimum capital requirement for other real estate development projects is 30%.

As of January 31, 2014, the Latest Indebtedness Date, we had total bank borrowings of RMB2,990.8 million.

Project Management

Our Project Management Center

Our project management center has established a centralized management model, formulates relevant policies and standards, as well as inspects, supervises and evaluates the implementations of policies and standards by project-based sub-departments in Wuhan and project companies outside of Wuhan. It consists of the engineering management department, the engineering technology department, the design management department, and the construction supporting department.

The engineering management department reviews milestone plans prepared by project-based sub-departments and supervises and evaluates construction progress in relation to business park developments. It also organizes, monitors and supervises the regular weekly and monthly project inspection on quality and safety of our developments. The engineering management department also ensures that each construction phase is completed according to the milestone plan and the construction quality meets relevant standards and requirements.

The engineering technology department formulates engineering and technical standards, provides technical guidance on daily operations of our developments, approves major project technical solutions and subsequent changes, as well as conducts research in new materials and technologies.

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The design management department collects feedback from our customers, various functional centers as well as construction contractors, organizes and coordinates regarding changes to project design, and provides input to our development center to optimize design drawings. It also organizes construction contractors to implement design changes.

Coordinating with project-based sub-departments in Wuhan, the construction supporting department applies to relevant governmental authorities for requisite approvals and permits for our development projects. During our development process, it coordinates our work regarding and provides support for the connection and installation of power supply systems, natural gas, water supply, voice communications, the Internet and cable television.

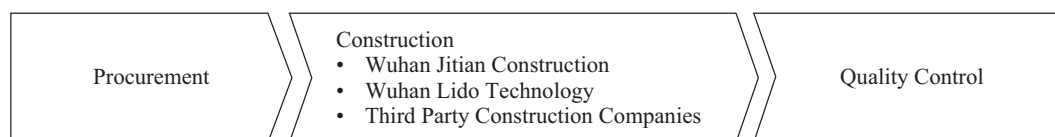
Our Cost Control Center

Our cost control center prepares a target cost plan at the beginning of each project and determines the entire project cost and itemized cost breakdown. Through monthly cost audits, the center also examines implementation of construction agreements and monitors the cost of our projects.

Based on the audit results, the center determines monthly progress payments for the construction work and prepares a cost schedule. It also organizes other functional centers and departments to negotiate with construction contractors to settle outstanding balances upon completion of a project. In addition, the center examines final payments and coordinates regarding the completion of quality warranties procedures.

Construction

The following diagram illustrates the typical construction process for our projects:



Our Own Construction

Our specialized development and service company, Wuhan Jitian Construction, undertakes a portion of construction work of our projects. Wuhan Lido Technology has strong capacities in external and interior decoration work and undertakes such work for external parts of buildings and interior decoration and fitting-out for building public areas within our business parks.

Appointment of Contractors

(1) Appointment Procedures in General

We outsource a significant majority of the construction work to third-party construction contractors. For the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, the amounts paid to third-party construction contractors accounted for approximately 94.2%, 74.2%, 72.2% and 69.9% of our total cost of sales for the same periods, respectively. During the Track Record Period, we engaged more than 200 contractors, each of which has been working with us for a period ranging from one to twenty-four months.

Our cost control center prepares tendering documents and organizes tendering meetings. The center selects construction contractors through a competitive bidding process and normally invites at least three of them for bidding. Our cost control center evaluates bids from construction contractors and determines the winning bid. We have established a set of selection procedure for our construction contractors to ensure that they meet our quality and workmanship standards. We consider a contractor's track record, past performance, reputation for reliability, quality, safety, references, proposed delivery schedule and cost estimate in our selection process. We seek to maintain our construction costs at a reasonable level without compromising our quality.

In addition, under relevant PRC laws and regulations, construction contractors must have obtained construction qualification certificates for certain types of construction work before they carry out such types of construction work. We also check and confirm classes of qualifications with respect to each contractor as part of our due diligence process. Afterwards, our cost control center organizes negotiation with construction contractors on tendered construction work. Our contractors are not allowed to subcontract or assign their agreements with us to any third party without our consent.

(2) Summary of Contractual Terms

The contracts we enter into with construction contractors typically contain warranties with respect to construction quality in accordance with relevant requirements and project progress schedules. In the event of any delay in construction or unsatisfactory quality of workmanship, we may require construction companies to bear the costs of rectifying any construction defects and pay penalties or provide us with other remedies.

We make payments to construction contractors in accordance with agreed progress milestones under agreements. In a given project, we typically make a non-refundable initial payment not more than 20% of the contract price after entering into an agreement. We make the monthly progress payment to contractors, generally 65% of the construction work completed in the previous month, or according to an agreed milestone schedule, up to a cumulative 85% of the total contract price. After a local governmental authority completes a final inspection and issues a certificate of completion as well as our acceptance of the project after our final audit, we pay an additional 10%, bringing the cumulative payments to 95% of the final contract price. We retain the remaining amount of the total contract price as a retention payment until the end of the warranty period in accordance with the PRC laws and regulations.

The total amount of fees paid to our contractors for the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013 was approximately RMB605 million, RMB1,842 million, RMB1,865 million and RMB1,536 million, respectively.

During the Track Record Period, we were not subject to any penalty, material claim, or direct loss resulting from unsatisfactory construction work performed by Wuhan Jitian Construction or third-party contractors or from construction delays.

Quality Control

(1) Quality Control Procedures and Measures

Quality is our top priority and we have placed a great emphasis on quality control to ensure that we deliver top quality developments to our customers in compliance with relevant rules and regulations. Our various functional centers have established standard quality control procedures. We have implemented standard technical guidelines to ensure that the project development in each phase complies with relevant laws, regulations and other compulsory standards from PRC governmental authorities and industry associations.

We closely monitor all construction processes. The inspection teams of our project management center conduct regular weekly and monthly inspections as well as random ad-hoc inspections on each project to ensure that our construction quality and safety control comply with our technical guidelines, all relevant laws and regulations as well as industry standards.

Our strict quality control measures ensure we and our contractors comply with relevant rules and regulations, including environmental, labor, social and safety regulations, and thereby minimize our risks and liabilities. During the Track Record Period, we were not involved in any dispute with any construction contractors, nor were there any case of material personal injury or death involving our group companies or construction contractors that had a material and adverse effect on our business.

(2) Engagement of Construction Supervision Companies

We engage third party construction supervision companies to monitor certain aspects of our project construction. We select certified construction supervision companies through a competitive bidding process, after we have checked and confirmed their qualifications. These companies conduct quality and safety control checks on all building materials and construction workmanship on site. They also monitor construction progress in accordance with project completion schedules.

For a given project, we pay a construction supervision company based on a negotiated percentage of the total GFA specified in the approved construction drawings or the project investment amount depending on the actual arrangements. We typically make progress payments to the construction supervision company in accordance with the milestone schedule, up to 95% of the total contract price. We settle the remaining balance within one week after a final inspection and settlement report is completed, or in some cases, retain the remaining amount of the total contract price as a retention payment until the end of the warranty period.

Procurement

(1) Procurement Management in General

Our construction companies (such as Wuhan Jitian Construction and third party construction contractors) procure general construction materials and equipment used in our projects in accordance with specifications in the project design plans. The total contract price payable by us in construction contracts includes both contractor fees and costs of raw materials. Construction contractors are required to absorb the fluctuation of raw material prices, labor costs and other similar items so that we are able to control potential risks and our exposure to the volatility in prices of raw materials. In the event that the market prices of raw materials exceed a certain range of the estimated prices as stipulated in the relevant construction contracts, the payment for procured raw materials should be increased by an amount generally equal to the product of quantity of procured raw materials, the price difference and an agreed adjusting number.

To standardize the procurement process and control relevant costs, Wuhan Jitian Construction has developed the raw material procurement policy. Accordingly, raw materials are classified into four categories: (i) the type A raw materials (such as cement, steel and insulation materials) are centrally managed and procured by its procurement department through a competitive bidding process or direct negotiation with suppliers, (ii) the type B raw materials (such as pipe and cable) are procured by its project management department based on relevant agreements with reference to relevant limits of price and quantity, (iii) the type C raw materials (such as sand, gravel and brick) are procured by its project management department with the requirement of specific brands and manufacturers, and (iv) spare parts (such as small hardware and tools) are procured by its project management department. Each month, the project management department prepares procurement plans and coordinates regarding delivery of raw materials. Wuhan Jitian Construction has also established the standard procedures in respect of inspection of and payment for raw materials upon delivery as well as monthly physical count of inventory. In respect of any procurement over RMB10,000, a written agreement that meets relevant legal standards and requirements under PRC laws is required.

In addition, our cost control center manages our centralized procurement of elevators and building exterior tiles. We generally make an initial payment of 5% of the purchase price after signing of a procurement agreement. We then notify the manufacturer to commence production 60 days before the agreed delivery date and make a second payment of 15% of the purchase price. We make a further payment of 60% of the purchase price 30 days before the delivery date. After the raw materials are delivered to us and passed our inspection, the manufacturer gives us a one-year quality warranty covering 5% of the purchase price and we pay the remaining 20% of the purchase price. Our specialized development and service companies, such as Wuhan Lido Technology, manufacture and supply external and interior decoration components (such as windows, doors, interior fixtures and curtain wall components).

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We maintain strict quality control procedures for selection, inspection and testing of construction materials and equipment. Our project management center and project-based sub-departments inspect all equipment and materials to ensure compliance with the contractual specifications before they accept deliveries on site and approve payments. We reject and return to the suppliers any substandard materials or materials that do not comply with our specifications.

For the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, the percentage of cost attributable to our five largest suppliers was 20.3%, 6.2%, 12.5% and 8.8%, respectively, and the percentage of cost attributable to our largest supplier was 6.2%, 1.7%, 3.2% and 2.1%, respectively. To the best knowledge of our Directors, none of our Directors, their associates or any of our shareholders holding more than 5% of our issued capital, had any interests in any of our five largest suppliers during the Track Record Period.

(2) Measures to Mitigate Impacts from Fluctuation of Raw Material Prices

Our management has implemented a series of measures to mitigate impacts from fluctuation of raw material prices. We outsource a significant majority of the construction work to third-party construction contractors that are generally required to absorb the fluctuation of raw material prices, labor costs and other similar items under construction contracts. In addition, our cost control center monitors the cost of our projects, manages monthly progress payments for the construction work and prepares a cost schedule. After completion of a project, our cost control center prepares a summary of development costs and compares actual costs against our project budget. Moreover, our management team actively coordinates with our sales and marketing center, cost control center and finance center at our headquarters level in Wuhan and city-level project companies outside Wuhan with the aim of passing on any significant increase in cost of raw materials to our customers.

Sales and Marketing

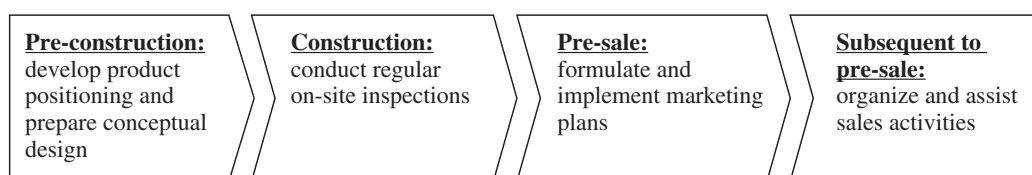
Marketing

Our sales force includes our sales and marketing center at our headquarters level in Wuhan and local sales and marketing personnel based in project companies outside of Wuhan. As of December 31, 2013, our sales and marketing center in our headquarters consists of the enterprise planning department, the business investment departments I, II and III, the sales management department and the customer relations department. We have approximately 70 sales and marketing personnel who have on average two to three years of experience in business park development.

The enterprise planning department is mainly responsible for matters relating to customer orientation, product strategies, publicity and promotion as well as brand building. The business investment departments I and II cover sales and marketing of business parks and residential properties. The business investment department III provides sales support to each project development including business park positioning, merchandising, marketing and promotion. The sales management department is responsible for sales planning, pricing, contract management, training organization and records management.

Because of our customer-oriented business model and our strong focus on meeting customers' individualized demands, our sales and marketing center provides valuable input regarding integration of architecture and functionality, maximization of space efficiency, balance between particular customers' requirements for customized development and the general development schedules of relevant business parks, exterior building decoration for customers' corporate image and business needs, promotion of our company logo, and addition of certain ancillary services. It coordinates with other functional centers and departments throughout our development process.

The following diagram illustrates the key functions of our sales and marketing center during our development process:



Subsequent to our land acquisitions, our sales and marketing center participates in developing the optimal positioning and conceptual design of our projects, which helps to ensure that the designs of our business parks meet preferences and demands of our target customers. During the construction process, our sales and marketing center conducts regular on-site inspections to ensure landscaping, floor plans, fittings and decoration standards are accurately reflected in marketing materials.

Before we launch pre-sales of a project, our sales and marketing center conducts extensive market surveys and detailed analyses of market conditions, collects information on our target customers, and formulates marketing strategies and pricing policies. We prepare a sales implementation plan, a sales milestone plan, an incentive policy and a media publicity plan with respect to each project. We participate in business investment events promoted by local governmental authorities and industry associations for the development of a broad customer base. We also organize prospective purchasers to visit properties and answer their questions.

Throughout the pre-sale and sale periods, our sales and marketing center organizes on-site sales activities, provides comprehensive assistance to our customers and coordinates with relevant centers and departments to address customers' demands. Once we obtain requisite permits for pre-sale or sale of properties, our sales and marketing center enters into formal purchase agreements with customers. After signing of agreements, we make filings, prepare payment collection plans and collect payments. We also solicit feedback on our products and services from customers and prepare modifications or remedial plans if necessary.

Pre-sale

(1) Our Pre-sale Procedures

Consistent with the market practice and in accordance with the PRC laws and regulations, we pre-sell our business parks when conditions for pre-sales have been satisfied prior to the completion of projects or certain project phases. Various PRC laws and regulations governing pre-sale of properties impose conditions to be fulfilled before any pre-sale of our business parks can commence. These conditions include obtaining pre-sale permit and other relevant certificates and permits, land premium being paid in full and other requirements.

We use standard formal purchase agreements for pre-sales as prescribed by local governmental authorities in relevant cities. With respect to customized developments, our customers mainly make progress payments according to the agreed milestone schedules in customization agreements. Our customers who purchase pre-sale business parks generally pay earnest money deposit upon signing of standard formal purchase agreements for pre-sales and further outstanding balances of the purchase prices within six to eight months thereafter. We file all formal purchase agreements for pre-sales with local land bureaus and local real estate administrative authorities within 30 days of entering into such agreements. During the Track Record Period and up to December 31, 2013, we complied with all the relevant pre-sales rules and regulations imposed by the relevant governmental authorities.

(2) Local Governmental Policies on Pre-sale

Some local governments have not provided the policies allowing pre-sales of properties in respect of business park projects. According to the local general practice in Qingdao, no pre-sale permit has been issued in respect of development on land parcels for industrial use. Our business park projects in Qingdao have been subject to such local general practice and may require more upfront development expenditures. As at the Latest Practicable Date, our completed projects, projects under development, projects planned for future development and potential development projects in respect of Qingdao, including the Qingdao Optics Valley Software Park, the Qingdao Marine & Science Park and the Qingdao Innocenter, had a total site area of 1,549,646 sq.m. and a total GFA of 3,470,897 sq.m., accounting for approximately 24.5% and 25.2% of those for all our projects as of that date, respectively.

We completed the Qingdao Optics Valley Software Park (Phase I – 1.1 and 1.5) with a total GFA of 80,664 sq.m. as of December 31, 2013. As the project is located in the center of the West Coast Economic Development Zone, we will provide certain office space in the project for demonstration to potential customers and cooperate with the Qingdao local government to attract them to establish their businesses in our new business park projects in Qingdao. Moreover, we have entered into customization agreements with customers in relation to properties in our project under development, the Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4), and receive progress payments in cash from them according to the agreed milestone schedules. There are no applicable PRC and local rules and regulations specifically regulating such kinds of customization agreements, and our legal advisors, Jingtian & Gongcheng, are of the opinion that according to the PRC Contract Law and the relevant judicial

interpretations and judicial precedents of the Supreme People's Court of the PRC, the customization agreements are legally binding and enforceable against contractual parties. For the three months ended December 31, 2013, the contracted sales of the Qingdao Optics Valley Software Park (Phase I – 1.3 to 1.4 and 1.5) were RMB219.7 million, which was attributable to the contracted saleable GFA of 34,964 sq.m., or approximately 26.1% of the saleable GFA of the project. See the subsection headed “Summary – Recent Developments” in this prospectus for further discussion. As many of our customers are generally high quality corporate entities with proven records of solid financial performance, they typically do not use mortgage loans to finance their property purchases and we generally request cash payments from them under relevant agreements. Based on the historical results of operations, the management's experience, our business strategies and our expansion plan, our Directors are of view that the local general practice in Qingdao did not have any material operational and financial impact on our business during the Track Record Period.

Furthermore, our management is in the process of implementing a series of measures to minimize the effects of the local governmental policy in Qingdao on our cash flow generated from property development. We will continue to enter into customization agreements with customers to sell properties in our business park projects in Qingdao and receive progress payments in cash from them in an early stage of the development process. Moreover, we will proactively track and analyze leading enterprises operating in the industries promoted by the Qingdao local government, which have consistently demonstrated records of solid financial performance, with regard to their relevant needs and offer them with competitive terms to attract them to establish their businesses in our business parks in Qingdao. We expect that these enterprises can easily meet our payment arrangements and schedules with respect to customized properties in Qingdao. Based on the above, our Directors are of the view that the local governmental policy in Qingdao will not have a material operational and financial impact on our business going forward.

Our PRC legal advisors, Jingtian & Gongcheng, have advised us that the local general practice in Qingdao, which does not allow issuing of pre-sale permits in respect of developments on land parcels for industrial use, is not applicable nationwide in the PRC. When we enter into project framework, cooperation or investment agreements with local governments in our other target cities, we generally require the explicit conditions that local governmental policies allow us to receive payments in respect of customized development and to conduct pre-sales of properties for business park development projects. See the subsection headed “Risk Factors – Risks Relating to Our Businesses – We require substantial capital resources to acquire land and develop our projects and are subject to market demand and policy changes” in this prospectus for further discussion.

Payment Arrangement

(1) General Arrangements

Before we enter into a formal purchase agreement, we typically require a customer to pay a non-refundable initial payment of approximately RMB100,000 to RMB500,000, which will be forfeited if the customer defaults. Upon signing of the purchase agreement, the customer is required to pay not less than 50% of the purchase price with the remaining balance of purchase prices to be paid within twelve months.

Some of our customers elect to pay the remaining balances in cash. Our customers can also pay us by mortgage loan drawdown in accordance with the prevailing bank mortgage practices in the PRC. If the customers choose to fund their purchases with mortgage loans from banks, it is their responsibility to apply for and obtain relevant mortgage approvals, although we will assist to provide requisite information to the banks as part of our sales efforts. In this case, they are required to pay a non-refundable down payment of not less than 50% of the purchase price upon signing of the purchase agreement. The remainder of the purchase price is normally to be paid by the mortgagee bank within one to three months, depending on the approval process of relevant mortgagee bank. Any adjustment to the purchase prices due to differences between the GFA sold and the measured area of the sold property is made before delivery of such property to the customers. The property delivery date is postponed upon any delay in payment of the purchase price. Under the relevant PRC laws and regulations, our customers may obtain mortgage loans up to a maximum of 50% of the purchase prices with repayment periods of up to 10 years. In addition, in the event that the mortgagee bank is not able to pay the outstanding balance of the purchase price in full, these customers must pay to us the portions not to be paid by the mortgagee bank within five working days upon receipt of our payment notice.

(2) Control Measures for Customers' Breaches

As of the Latest Practicable Date, we had the total payments of RMB559.5 million from our customers under the relevant customization and formal purchase agreements in effect, and the aggregate contract prices of these agreements were RMB1,212.5 million.

We have effectively reduced the potential risks relating to contract termination by our customers through stipulation of the responsibilities and obligations of the customers in the relevant agreements. Pursuant to the terms of these agreements, the customers are required to make initial payments and progress payments. In the event that our customers breach these agreements and decide not to proceed with completion of the property sales transactions, we are entitled to forfeit the initial payments and request their compensation for our actual losses. In addition, progress payments are generally made before commencement of the relevant construction work and sufficient to cover construction costs, costs of raw materials and labor, and other expenses. If the customers are unable to make progress payments on time, they are liable for fines calculated based on the number of days during which such payments remain unpaid after the agreed payment date.

Moreover, we have also managed the risks associated with contract termination by reselling the relevant properties upon contract breaches. Our customers do not have titles to the relevant properties until after the final acceptance and delivery procedures are completed and they have made all the required payments. Before completion of the relevant projects, we have the right to elect to terminate the agreements and sell the relevant properties to new customers when the delays in payment exceed certain number of days. In the case that the customers who have paid a portion of the purchase prices with the remaining balances to be settled through mortgage loans breach the relevant agreements, we are entitled to terminate these agreements, resell the properties and claim for penalty. In addition, because we have developed properties

of our projects in a more mature and advanced stage with well-developed infrastructure and supporting facilities, there have been significant demands for the properties of our business parks in our target cities. We believe that the likelihood for us to sustain any damage in reselling the properties with respect to which customers have defaulted in payments is insignificant.

Furthermore, we have implemented a series of measures to mitigate any negative impact on our business due to contract termination. Before we enter into relevant agreements with customers, our Group's legal and compliance department, development center, project management center and finance center at our headquarters in Wuhan must review and approve all the terms.

As our customers are generally high quality corporate entities with established credit history, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material event of termination of sales contracts, nor did we experience any significant loss in reselling the properties of our projects. Based on the historical information and our management's experience, our Directors are of the view that breaches of relevant agreements by customers were insignificant and will not have any material operational and financial impact on our business.

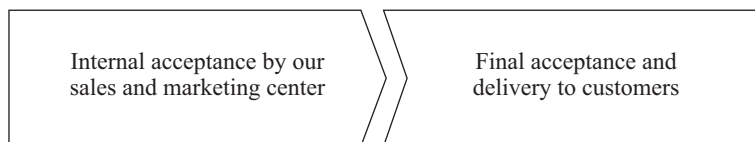
(3) Our Guarantees to Mortgage Banks for Pre-sales

We have entered into framework agreements with certain banks for guarantees of mortgage loans provided to customers of our pre-sold properties. Under the guarantees, we are required to guarantee timely repayments of principal and interest of the loans by our customers. As a guarantor, we are jointly responsible for mortgage payments. Such guarantees are released upon the earlier of (i) relevant property ownership certificates being delivered to the customer, and (ii) final settlement of mortgage loan between mortgagee banks and the customer. In line with market practice, we do not conduct independent credit checks on our customers but just rely on the credit checks conducted by the mortgagee banks.

As of December 31, 2010, 2011 and 2012 and September 30, 2013, our outstanding guarantees on mortgage loans by our customers of our pre-sold properties amounted to RMB207.6 million, RMB236.3 million, RMB453.4 million and RMB277.9 million, respectively. During the Track Record Period, we did not encounter mortgage loan defaults by our customers with respect to which mortgagee banks require us to honor our guarantee obligations. See the subsection headed "Risk Factors – Risks Relating to Our Businesses – We provide guarantees for mortgages taken out by our customers and if a significant number of these guarantees are called upon, our business, financial condition and results of operations could be materially and adversely affected" in this prospectus for further details.

Acceptance and Delivery

The following diagram illustrates the two-step procedure for our final acceptance and delivery:



Internal Acceptance by Our Sales and Marketing Center

Upon completion of a project, our project management center conducts inspections to make sure the development meets specifications under the approved project design plan and is in accordance with industrial standards and construction requirements. The center organizes and coordinates with other functional centers and departments to carry out our procedures for internal acceptance of the development. Our sales and marketing center accepts the development after it confirms that the business park is in satisfactory conditions.

Final Acceptance and Delivery to Customers

We aim to deliver high-quality developments and satisfactory purchasing experiences to our customers. After the internal acceptance of the development, our sales and marketing center arranges for our customers to inspect the development. When our customers need to make any modification of outlooks and internal functions of the customized development for their business demands, our sales and marketing center coordinates with our functional centers and departments to make rectifications and changes accordingly and conduct further inspection prior to delivery to our customers. Afterwards, we notify our customers and arrange for a final delivery. When we deliver the customized development to our customers, we also deliver them building quality guarantee certificates.

After-sales Services

After the final delivery to our customers, we assist our customers to obtain the property ownership certificates and provide all requisite information to local authorities for registration. In addition, our sales and marketing center is responsible for collecting and analyzing customer data to identify the latest market trends in customer preferences. It also conducts customer satisfaction surveys to help improve our product positioning, project design, marketing strategies, and quality of our business park operation services.

Relationship with Local Governments

We have developed long-standing relationships with local governments as we develop and operate large-scale, theme-focused business parks in our target cities.

Relationship in relation to Business Park Development

Before we enter our target cities, we conduct in-depth analyses on local government policies as well as local industrial and urban development plans, taking into account other considerations, so as to identify our target cities with suitable land sites where we are able to leverage our competitive strengths and develop our major types of business parks. In some of our target cities, we actively communicate with local governments to better understand their incentive policies and promoted industries. Oftentimes local governmental officials make initial evaluations as to whether our business model, development capabilities, operational expertise and management team meet their criteria before they enter into relevant agreements with us. In addition, some other local governments proactively provide us with certain incentives and invite us to develop business parks in their cities focusing on their promoted industries because of our reputation, track record and operational expertise in the PRC business park development sector. In some of our target cities (Qingdao, Huangshi, Ezhou, Hefei and Shenyang), we have entered into project framework, cooperation or investment agreements with local governments and received incentives and benefits from them in relation to various aspects of the development of our projects there.

Our PRC legal advisors, Jingtian & Gongcheng, have advised us that we and local governments have entered into the project framework, cooperation or investment agreements with the mutual intents to define and clarify the contractual rights and obligations under the development plan of relevant business park projects in line with local development plans, and accordingly the terms of these agreements are legally binding and enforceable under the applicable PRC laws and regulations. In addition, under the terms of these agreements and the relevant PRC laws and regulations, we are required to meet relevant requirements and complete requisite procedures (including, but not limited to, making timely public tender, completing public auction procedure to obtain the land use rights, entering into formal land grant contracts with competent land authorities, and paying requisite land premiums in full in a timely manner under the terms of land grant contracts) in relation to land acquisition and construction before the relevant authorities grant relevant qualifications and issue land use rights certificates and construction permits to us. Our PRC legal advisors, Jingtian & Gongcheng, have further advised us that under the terms of these agreements, we are entitled to request the local governments to facilitate the relevant land grant procedures, assist us in project development and provide us with specified incentives when we meet relevant requirements and complete requisite procedures.

During the development of our business park projects, we work closely with local governments to ensure that our business parks are fully supported by them and meet requirements from local enterprises in the industries promoted by them. Our business parks have played a significant role in assisting local governments in our target cities where we have operations to achieve their policy initiatives to upgrade local industry structures, promote the development and business innovation of SMEs and start-up companies, enhance and improve city functions, and transform the locations of these business parks and their surrounding areas into new city centers.

After completion of our business park projects, we cooperate with local governments to attract leading enterprises, SMEs and start-up companies in the industries promoted by the local government to establish their businesses in our business parks. We also provide certain office space for the local governments, where necessary, to conduct relevant marketing events and promotion activities.

In addition, as part of our strategic plan, we provide, on a selective basis, project planning and development management services primarily to local governments and leading enterprises for landmark or other large-scale business parks owned by them, such as the Wuhan National Biotech Innovation Business Park (Phase 1), the Wuhan Hi-Tech Medical Devices Business Park (Phase I) and the Wuhan Future Technology City. Our management team also meets regularly with relevant local governmental officials to discuss industrial development planning, policy initiatives, project development progress as well as promotion strategies to attract enterprises to establish their businesses in our business parks. We have also assisted local governments in some of our target cities on industrial development and related policy matters.

Benefits to Our Businesses

Because our business parks are in line with local development plans and have contributed, or are expected to contribute, significantly to the upgrading of local industrial structures and the growth of local economies, relevant local governments often provide us with incentives and benefits in relation to various aspects of the development of our projects there.

- ***Government grant.*** Local governments generally grant us waivers of infrastructure fees and administrative fees, which helps us to reduce development costs. They also provide us subsidies based on the taxes derived from companies resident in our business parks and these subsidies have become additional income for our businesses. Furthermore, local governments provide grants and subsidies to some companies for the purchase or leasing of properties and the establishment of their businesses in our business parks, taking into account whether our business parks focus on the key priority in local governmental policy as well as the industry ranking and operation scale of these companies and estimated taxes to be derived from them. This has strengthened the competitive edges of our business parks and helped attract more leading enterprises operating in the industries promoted by local governments to establish their businesses in our business parks.
- ***Fiscal subsidies.*** In accordance with the national government policy, the companies in Strategic Emerging Industries in our business parks are given fiscal subsidies. The local governments have discretion to provide fiscal subsidies to these companies resident in our business parks based on the tax proceeds derived from these companies. The local governments also have discretion to provide fiscal subsidies to the management personnel and senior technical professionals of these companies resident in our business parks based on the tax proceeds derived from these personnel in respect of their personal income.

- ***Business opportunities.*** After completion of our business park projects, relevant local governments have assisted us in our efforts to attract potential customers to establish businesses in our business parks. Furthermore, through the development management services we provide to local governments and leading enterprises for landmark or other large-scale business parks owned by them, we have enhanced our brand recognition in the business park development sector and gained access to information on the enterprises in their business parks, which may be attractive potential customers for our existing or future business parks.
- ***Preferential measures for land acquisition and development.*** In Qingdao, Huangshi, Ezhou, Hefei and Shenyang, we have entered into project framework, cooperation or investment agreements with local governments and they have provided us with incentives in relation to various aspects of the development of our projects there, such as promoting our projects as priority development projects, reduced time for obtaining construction approvals and permits, and demolition of existing construction, which give us competitive advantages in terms of development and locations of sizeable land sites we have acquired in our target cities.

In addition, we have established a long-standing strategic relationship with Hubei Science & Technology Investment which became our substantial shareholder five year ago. As a state-owned entity, Hubei Science & Technology has played an important role in facilitating our communication and cultivating strong relationships with relevant governmental authorities. It has also helped us establish beneficial relationships with some of our strategic partners and premium customers.

Replication of Our Business Model

The replication of our business model in our target cities depends on a series of factors, including, among others, the levels of local economic development, local governmental policies and support, the development phases of local industries, market demand for our business parks, types of business parks to be developed and their development cycles, property markets trends and regulatory practices. In particular, our Directors have considered the following factors, among others, with respect to our expansion plan:

- ***Market demand for our business parks.*** Based on the historical results of operations of our projects as well as local governmental policies and support in our target cities, our Directors are of the view that there is and will continue to be significant market demands for business parks in our target cities.
- ***Our sustainable growth.*** We believe that we will continue to maintain sustainable growth primarily due to strong governmental support, trend of industry clustering in relation to business park development, rising selling and rental prices of office space in core urban areas of our target cities, and growth of the PRC outsourcing industry.
- ***Profitability.*** The commercial business park markets in Qingdao, Shenyang, Hefei, Huangshi and Ezhou are in an early stage of growth with a relatively low level of

competition. Based on our accumulated industry knowledge, business park development capabilities and operational expertise, as well as local governmental policies and support, we have identified and developed the types of business parks for which there are significant demands in our target cities. Customers in Qingdao are willing to pay relatively high prices for properties in our business park which are developed in a mature and advanced development stage. In Ezhou, we have developed the technology city type of business park which has a relatively short period of development cycle spanning from land acquisition to generation of turnover in the business park.

- ***Risk profile.*** In addition to the above factors, the levels of local economic development, the development phases of local industries, property markets trends regulatory practices and other uncertainties could affect our ability to replicate our business models in our target cities. See the subsection headed “Risk Factors – Risks Relating to Our Businesses – Our profitability and operating results may be affected by the effectiveness of our business model and our ability to replicate such business model for our expansion in China” in this prospectus for further discussion.

Further to the above and after due inquiry, our Directors are of the view that we have been able to and expects to continue to replicate our business model without any material change in its profitability or risk profile in our other cities outside Wuhan. We continuously monitor the operating and financial performance of our projects and endeavor to further enhance our standardized development procedures and products so that we will be able to replicate our business model in new developments in our target cities according to our expansion plan.

Customized Development

Development Process

Customized development is a unique aspect of our business park development. Through our marketing campaigns, we meet with prospective customers to understand their construction requirements and business demands in respect of customized developments. After we enter into customization agreements with them, our development center, OVU Architectural Design Institute, sales and marketing center, and other departments work together to ensure that demands and preferences of our customers can be reflected and addressed in the project design. Before we finalize the design drawings with our customers, we ensure that our customers’ specifications and actual conditions of the developments are in compliance with the general characteristics and project design of the business parks where such developments are located. The development cycle of a customized property generally depends on size, type and height of the relevant property and conditions of the PRC and local property markets. The average development period for customized properties of low rise buildings is generally eight months to one year whereas the average development period for customized properties of high rise buildings is generally two to three years.

Some customers designate special onsite teams to monitor construction progress in each phase of their customized developments. We meet with such special teams regularly to monitor the construction progress, construction quality, implementation of the project design and potential issues affecting construction progress.

Key Terms of Customization Agreements

Customization agreements that we have entered into with our customers generally contain the following terms:

- ***Purchase price:*** The purchase price equals the GFA times the ASP;
- ***GFA:*** The purchase price is adjusted accordingly if there is any difference between the actual measured GFA after completion of the development and the estimated GFA before signing of the agreement;
- ***Initial payment:***
 - With respect to customized developments in Wuhan, customers make initial payments of approximately 20% of the purchase prices within five business days after signing of customization agreements; and
 - With respect to customized developments in Qingdao, customers make initial payments in certain amounts at signing of customization agreements;
- ***Progress payments:*** Our customers make progress payments according to milestone schedules in the agreements.
 - With respect to customized developments in Wuhan, customers pay approximately 20% of the purchase prices after completion of the building foundation work, pay another 20% of the purchase prices after completion of the construction work, and enter into the formal purchase agreements with us and pay the remaining balance of the purchase prices within five business days after pre-sale permits are issued; and
 - With respect to customized developments in Qingdao, customers pay approximately 80% of the purchase prices within ten business days after the customization agreements become effective, and pay the remaining balance of the purchase prices within seven business days before acceptance and delivery of the properties;
- ***Delivery of property:*** The properties must be delivered to customers by agreed deadlines; customers are responsible for all charges and expenses; and we generally provide customers relevant documents for transfer of property ownership within 360 days after the full payment of purchase prices; and

- ***Breach:*** We are liable for penalty as a result of failure to deliver the property to customers, and customers are liable for penalty as a result of failure to make the full payment of purchase prices. If we breach and terminate an agreement, we are liable to pay to the customer certain penalties and refund the customer all the other relevant payments. If the customer breaches and terminates the agreement, its initial payment shall be forfeited. Before completion of the relevant properties, if the customer's delay in payment exceeds certain number of days, we have the right to elect to terminate the agreements.

Our customers do not have titles to the relevant properties until after the final acceptance and delivery procedures are completed and they have made all the required payments and obtained the relevant ownership certificates. In the case that we elect to terminate the agreements after the customers' delay in payment exceeds certain number of days, we have the right to sell the relevant properties to new customers.

Certain construction drawings approved by customers, construction specifications and requirements, and acceptance standards are also stipulated in the customization agreements. Our sales and marketing center enters into formal purchase agreements with customers once we obtain requisite permits for pre-sale or sale of properties.

Comparison to Ready-built Properties

As of December 31, 2013, we had 11 completed business park projects and five business park projects under development. Save for the Optics Valley Software Park (Phases II and V) and the Optics Valley Financial Harbour (Phases I and II), the properties in other business park projects generally consist of ready-built properties. Ready-built properties generally have common features and meet certain industrial standards and construction quality requirements for customers in certain industries. Customized properties in business parks are equipped with well-developed infrastructure and industry-specific supporting facilities meeting the particular requirements for customers' business operations. We enter into relevant customization agreements with customers in respect of customized properties.

The summary below sets forth the main differences between ready-built properties and customized properties:

- ***Customers' participation.*** With respect to customized properties in our business parks, customers are involved throughout the entire development process (from project design to completion of construction). With respect to ready-built properties, we design and develop these properties in a business park in accordance with the general characteristics, industrial standards and construction requirements of the companies in relevant industries.
- ***Payment arrangement.*** With respect to customized properties, we generally enter into relevant customization agreements with customers at the beginning of the development process and the customers mainly make progress payments according

to the agreed milestone schedules in these agreements. With respect to ready-built properties, we generally enter into standard formal purchase agreements with customers as prescribed by local governmental authorities in relevant cities, once we obtain requisite permits for pre-sale or sale of relevant properties.

Customized properties in our business parks generally consist of above-ground buildings, in respect of which we have property ownership certificates, and underground car parking spaces, in respect of which before July 1, 2013, we only had entitlements to use according to the local general practice in Wuhan. See the subsection headed “Financial Information – Results of Operations – Description of Certain Income Statement Items – Turnover – Property Development – Car Parking Spaces” in this prospectus for further discussion. During the Track Record Period, when we entered into customization agreements with customers, the ASP of each part of customized properties was clearly stipulated. Once we obtained requisite permits for pre-sale or sale of properties, we further entered into formal purchase agreements with customers, pursuant to the terms of which the ASP of customized properties was recalculated only based on the saleable GFA of above-ground buildings but excluding the non-saleable GFA of underground car parking spaces.

Our PRC legal advisors, Jingtian & Gongcheng, are of the opinion that because there are no applicable PRC and local rules and regulations specifically regulating the payment terms of customization agreements, and in accordance with the PRC Contract Law, contractual parties of customization agreements have right to negotiate and determine the payment arrangements (including, among others, initial payments, progress payments and payment schedules) by themselves, the payment terms of customization agreements do not violate the current PRC laws and regulations governing sales of properties.

Residential Property Development Process

We have developed three residential projects in Wuhan and one residential project in Huangshi generally in proximity to and complement our respective business park developments in these cities so as to develop our large-scale developments with a fully-functional living environment (產城一體). The standardized development process of residential projects is substantially similar to that of business park projects and the core stages typically include site selection, land acquisition, project planning and design, pre-construction, project management, construction (including, among others, procurement and quality control), sales and marketing, acceptance and delivery and after-sales services. The development cycle of a residential property generally depends on size, type and height of the relevant property and conditions of the PRC and local property markets, and the average period of the development process of residential properties is generally one to two years. With respect to the market research on potential residential projects, unlike business park projects, we generally focus on those projects which are in proximity to and complement our business parks so as to form large-scale developments and further to be developed into new city centers in line with local urban development plans. We pre-sell residential properties and enter into relevant agreements with customers, consistent with the market practice and in accordance with the PRC laws and regulations. See the subsection headed “– Property Development – Business Park Development Process” in this section for detailed discussion and illustration.

Information Technology System

With rapid growth of our development projects outside of Wuhan, we commenced implementation of an integrated office automation system (the “OA System”) in early 2012. We have established a data center and completed the deployment of the OA System for our headquarters in Wuhan, our project companies in Qingdao, Shenyang, Huangshi and Ezhou, and our specialized development and service companies (such as Wuhan Lido Technology and Wuhan Lido Property Management). We have designated personnel to operate, maintain and support the data center and the OA System.

Through implementation of the OA System, our headquarters are able to control and manage the development processes outside of Wuhan and collaborate with the project companies. We can also standardize our examination and approval procedures and improve our work efficiency. In addition, we can monitor the cost status and monthly progress result of each project and the comprehensive score of relevant project companies.

The OA system integrates our financials, cost control and marketing systems and provides security of our business information. We have fully implemented financial management modules for our general ledger, financial statements, fixed assets and cash management. The OA System has also enabled us to reduce our system hardware and maintenance expenses for project companies outside of Wuhan.

BUSINESS OPERATION SERVICES

Our strong capacities and significant experience in delivering a wide range of business operation services have enabled us to provide our customers with the benefits that are much broader in scope than what typical property developers and professional property service providers can offer. These services are also essential to the operation of business parks. With our services, our customers have saved their time and efforts and reduced their costs in business operations so that they are able to stay focused on running their businesses. Our business operation services which have enhanced the value and attractiveness of our business parks as well as customer loyalty include the following:

Property Management

Wuhan Lido Property Management provides property management services, formulates management procedures and prepares property maintenance and renovation plans. Its customers include Chinese blue-chip enterprises such as China Mobile (中國移動). Wuhan Lido Property Management conducts its operations in strict compliance with the standards of ISO9001:2008 quality management system, ISO28001 occupational health and safety management system and ISO14001:2004 environmental management system and obtained certifications for our systems.

BUSINESS

Wuhan Lido Property Management typically enters into property management agreements with customers in our business parks and third party property developments. The agreements set forth scope and quality requirements of our services as well as payment arrangements of management fees, which are generally determined with reference to prevailing market prices. The amount of fees payable by each customer depends on the GFA of their properties under management. Depending on the types of agreements, our property management companies issue monthly or quarterly invoices and the management fees are generally settled on a monthly or quarterly basis.

Centralized Energy Supply Systems and Services

OV Energy Conservation Technology provides our customers with centralized heating, cooling and hot water supply services as well as other services including engineering and designing of energy supply systems and energy conservation solutions. We have completed the construction of three energy supply stations with a total designed energy supply coverage area of 850,000 sq.m., which provide electricity for the Optics Valley Software Park (Phase V) and the Optics Valley Financial Harbour. We are currently constructing an additional energy supply station for the Optics Valley Financial Harbour. We plan to construct additional energy supply stations for our other business park projects (such as the Energy Conservation Technology Park).

Human Resources and Training Services

We organize large-scale job fairs jointly with our customers every spring and autumn to meet their particular recruitment needs. We also provide our customers with recruitment services through third party service companies and training services through cooperation with well-known professional training companies.

Group Catering

Wuhan Quanpai Catering Management provides our customers with a wide variety of group meals and business meals for their employees.

Property Agency

Wuhan Real Property Agency assists our customers holding investment properties to lease out these properties. It also assists SMEs to locate suitable spaces in our business parks for leasing. When we provide leasing services to these customers, our sales and marketing center also proactively approach their management teams so as to develop them as potential customers for our new business parks.

Advertising Agency

Wuhan Qianbao Media provides our customers with advertisement planning and design, sales promotion, and media agency services.

Services for Employees of Our Customers

We provide orientation trainings and living assistance programs to employees of our customers, and assist them to complete household registrations and obtain individual residence permits. We also organize special events such as business fairs, call center training, job fairs, match-making events, wedding ceremonies and sports games.

Government Liaison and Professional Consultation Services

We generally assist our customers to obtain their business registrations and tax registrations. We also assist science and technology companies in our business parks to make patent applications as well as applications of technology innovation funds and provide our customers with assistance on legal and accounting matters.

We work with third party financial and investment service companies to provide our customers with the services including microfinance, corporate banking, property valuation, telecommunications and business translation. These third party service companies also provide our customers with quality control services and certification services regarding product quality and safety of production processes.

OUR DEVELOPMENT MANAGEMENT SERVICES FOR THIRD PARTY BUSINESS PARK AND RESIDENTIAL PROJECTS

As part of our strategic plan, we provide development management services for business parks owned by local governments and private enterprises. Our services primarily cover the business park development process. We generally select projects on the condition that such projects do not over-commit our manpower and other resources to such an extent that the progress and quality of our own projects are adversely affected, and will not become competitive against our business parks. Through our development management services for business parks owned by third parties, without any significant capital expenditure on our parts, we have gained significant expertise and strengthened our capabilities in development and operation of business parks of large scale or with themes of industries with respect to which we do not have prior experience and expertise. Furthermore, we have enhanced our brand recognition and brand value in the business park development sector. We have developed long-standing relationships with local governments and enterprises and established a broader customer base. In addition, we also provide development management services for residential projects owned by local entities and Wuhan Mason (we own a 50% equity interest in the company). We have received recurring financial returns from these projects, including service fee, consultation fees, payment for decoration work and curtain wall engineering, and property management fees.

Underlying Legal Relationship

Agent Acting on behalf of the Owner

We as agent enter into an agreement with an owner for each project. We control all aspects of the project within scope of our delegated authorities under the agreement and the owner's directions. We organize and implement construction work throughout all phases of the project including: selecting the design plan and control investment based on cost-benefit analysis and feasibility study, setting up construction cost management system and procedures, preparing and submitting project capital planning for the owner's approval, establishing various procurement management procedures, reviewing construction progress payments, inspecting construction equipment and materials, and requesting the contractor to rectify any non-compliance with respect to design requirements and national quality standard. We also file plans to relevant governmental authorities for approval, conduct final inspection and acceptance of property, deliver completed property, and enforce the relevant warranty period.

Our services are generally offered for a fixed and pre-negotiated fee. Under certain agreements, we also earn bonus payments if the construction is completed ahead of schedule or the actual cost is less than the estimated budget. We generally pay the owners 5% of the total contract prices as performance bonds before signing the agreements.

Owner-Agent-Contractor Tripartite Relationship

We outsource construction work in different phases to third party construction contractors and procure materials, equipment and systems from third party suppliers. Generally three parties are involved with respect to such outsourcing and procurement activities, namely, owner of the project, our Company as agent and either a construction contractor or a supplier. To ensure that each construction work is delivered on time in accordance with relevant requirements and standards and all procurements are in high quality at reasonable costs, we usually invite contractors to participate in a tender process.

After the contractor or supplier wins the bid for the tendered work, we organize the three parties to enter into a tripartite agreement. The contractor shall carry out construction work meeting specified standards and provide warranties for different parts of the construction work. The owner has the ownership in the project and shall bear all legal consequences while we as agent may enforce specific performance of the contractor or supplier in accordance with the agreement. The owner is also legally obligated to make payments to the contractor or supplier. The tripartite agreement typically consists of a fixed price part and an adjustable cost part. The fixed price part generally includes fees and expenses which can be determined at the time of signing the agreement. Other costs of materials such as steel, cable and painting materials can be adjusted later from a tentative price schedule according to fluctuations of market prices.

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The owner generally pays, on a monthly basis, each contractor 70% of the progress payment for the corresponding construction work completed in the previous month. After the construction work is inspected and accepted by the owner and us upon completion, the contractor will be paid an addition amount within a month to ensure that it receives up to 85% of the total contract price on a cumulative basis. After the owner completes the audit and confirms the final price, it makes payments up to 95% of the total contract price on a cumulative basis. Final inspection and acceptance of each project is generally carried out in stages pursuant to approved construction drawings and completed within 30 days. The remaining 5% of the total contract price is generally retained until the end of the warranty period as a quality assurance deposit to cover any potential expenses incurred as a result of any construction defects. The contractor is liable for contract breach when it fails to complete the construction work by a pre-determined deadline or if the owner does not accept the construction work upon completion.

OUR CONSTRUCTION CONTRACT BUSINESS

Wuhan Lido Technology and its subsidiaries, our specialized development and service companies, have strong capacities in decorating and improving building external parts and interior areas. They provide construction services to customers in our business parks and property developments owned by third parties. In addition, they manufacture and install construction components, and provide fitting-out services to our customers. Such services have generated recurring income for our business.

OUR PROPERTY LEASING BUSINESS

Overview

We currently hold certain investment properties in Wuhan which generate recurring lease income for us and consist of: (i) a portion of two apartment buildings and a shop unit in the Optics Valley Software Park (Phases III-IV), (ii) an apartment building in the Optics Valley Financial Harbour (Phase I), (iii) a shop unit (unit 202) in the Romantic Town, (iv) clubhouse and supporting facilities in the Lido Garden (麗島花園), (v) office properties (levels one to three) in the North Harbour Business Park (北港工業園), and (vi) shopping malls and sports facilities in the Lido Top View. We plan to increase our holdings of supporting facilities (such as canteens, apartments and hotels) in our business parks as investment properties which provide supporting services to our customers and generate recurring income for us. In addition, we intend to increase our holdings of office properties in our business parks which are suitable for general business uses.

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The table below sets forth a summary of our investment properties as of December 31, 2013.

Project	Portion of Phases III and VI of Optics Valley Software Park	Portion of Phase I of Optics Valley Financial Harbour	Unit 202, Romantic Town	Levels 1 to 3, North Harbour Business Park	Levels 2 to 3, North Harbour Business Park	Portion of Lido Garden	Portion of Lido Top View
Type of the Properties	Dormitory and Retail	Dormitory and Retail	Retail	Office	Office	Clubhouse and Retail	Retail
Total GFA (<i>sq.m.</i>)	19,437	4,561	392	2,298	1,661	6,922	15,462
Leasable GFA (<i>sq.m.</i>)	19,437	4,561	392	2,298	1,661	6,922	15,462
Leased GFA (<i>sq.m.</i>)	19,437	2,163	392	2,298	603	5,000	7,941
Occupancy Rate	100.0%	47.4%	100.0%	100.0%	36.3%	72.2%	51.4%
Rental Income during the Track Record Period and up to December 31, 2013 (RMB'000)	8,718	855	1,255	2,589	1,987	2,313	13,919
Range of Lease Terms	From 2005 to 2015	From 2011 to 2015	From 2011 to 2021	From 2013 to 2018	From 2012 to 2013	From 2010 to 2015	From 2007 to 2019
Market Value (<i>RMB million</i>)	61.9	26.9	3.5	13.2	9.9	35.3	147.5
Attributable Market Value (<i>RMB million</i>)	61.9	26.9	1.785	13.2	9.9	35.3	147.5
Property Number Adopted in the Property Valuation Report	31	32	33	34	35	36	37

Lease Terms

Lease terms for office spaces in our business parks generally range from two to five years, depending on various factors such as terms of leases, demand for specific properties and operating history and reputations of particular tenants. Our leases are generally for terms of 24 to 36 months with an average monthly rent from approximately RMB10.0 to RMB43.0 per sq.m. Rents are typically determined based on prevailing market rates and other factors such as terms of leases and tenants' profiles. We typically require security deposits of approximately three to six months' rent. In addition, we also lease residential properties in proximity to our business parks to employees of our customers with terms of approximately 24 months and an average monthly rent from approximately RMB8.8 to RMB60.0 per sq.m.

Our tenants generally enter into fixed term lease agreements with us. Under certain leases, they are offered a right of first refusal to renew the lease or to purchase the property on the same terms as we can obtain from a third party. The lease agreements do not generally give tenants the right to terminate their tenancies prior to expiration of the lease terms.

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Tenancy Management

Tenants are normally responsible for payment of utilities in the leased office spaces and building management fees, while we are responsible for payments of utilities in public area. Tenants are generally also responsible for repair costs and payment of all other expenses related to interior of leased office spaces, while we are generally responsible for repairing common area and main structure. Tenants are generally not permitted to assign or sublet leased office spaces without our prior consent.

If our tenants default in rent payment or breach certain conditions in the lease agreement or overstay beyond the lease term, we are entitled to impose on them a default penalty which is typically equivalent to 5% of the total lease amount under the agreement. In addition to the default penalty, we are entitled to rely on other contractual remedies available to us to recover all losses as a result of such breach or default exceeding the default penalty.

BUILDING OWNERSHIP CERTIFICATES IN RESPECT OF CERTAIN INVESTMENT PROPERTIES

As at the Latest Practicable Date, we were in the process of obtaining building ownership certificates in respect of the two apartment buildings in the Optics Valley Software Park (Phases I-IV) that we held for recurring rental income. We have obtained the land use rights certificates, the construction land planning permits, the construction project planning permits, the construction works commencement permits and the record for acceptance examination upon project completion (竣工驗收備案證明) in respect of these two apartment buildings. As we did not intend to sell the two apartment buildings but have held them as investment properties, and none of our tenants requested us to obtain the relevant building ownership certificates, we did not apply for these certificates in a timely manner after completion of the construction of the two apartment buildings.

The table below sets forth the attributable revenue of these properties during the Track Record Period:

Properties	Project	Attributable revenue during the Track Record Period
		<i>(RMB'000)</i>
Two apartment buildings	Optics Valley Software Park (Phases I – IV)	2010: 2,164 2011: 2,375 2012: 2,303 First three quarters of 2013: 1,898

Our PRC legal advisors, Jingtian & Gongcheng, have advised us that as we have obtained the land use right certificates, the relevant construction certificates and permits, and the record for acceptance examination upon project completion in respect of these properties, there is no material legal impediment for us to obtain the relevant building ownership certificates. We expect to obtain the relevant building ownership certificates around the third quarter of 2014.

Our PRC legal advisors, Jingtian & Gongcheng, have also advised us that (i) as there are no applicable rules under the “Administrative Measures for Leasing of Commercial Properties” (《商品房租賃管理辦法》) specifically requiring that property owners must have obtained building ownership certificates before leasing out relevant properties, we should not be subject to any administrative punishment due to our leasing out these two buildings before we obtain the relevant building ownership certificates; (ii) as there are no applicable rules under the “Measures for Housing Registration” (《房屋登記辦法》) imposing any administrative punishment against any failure by property owners to timely obtain building ownership certificate, we should not be subject to any administrative punishment due to our failure to obtain the relevant building ownership certificates in a timely manner after completion of the construction of these two buildings; and (iii) our leasing out these two buildings before we obtain the relevant building ownership certificates should not affect the validity and enforceability of relevant lease agreements.

Our PRC legal advisors, Jingtian & Gongcheng, have further advised us that under the PRC laws and regulations, we are unable to transfer or pledge as security any properties in these two buildings before we obtain the relevant building ownership certificates. As we have no intention to transfer or pledge as security any properties in these two buildings, our Directors are of the view that such failure would not have any material impact on our business.

Moreover, taking into account the fact that we have not yet obtained only the relevant building ownership certificates in respect of these two buildings and based on the above legal opinion from our PRC legal advisors that there is no material legal impediment for us to obtain these certificates, Savills Valuation is of the view that we will obtain the legal titles to these two buildings in due course. Accordingly, Savills Valuation has included these two buildings in the property valuation report set out as Appendix IV to this prospectus and assigned them with commercial value according to the definition of market value.

Based on the legal opinions from our PRC legal advisors, the property valuation of these two buildings by Savills Valuation and our management’s experience, our Directors do not expect that we or our tenants will be required to relocate to other locations or lack of the relevant building ownership certificate would have any material effect on leasing of these two buildings, as we have substantially completed requisite procedures in accordance with the relevant PRC and local rules and regulations and expect to obtain the relevant building ownership certificates around the third quarter of 2014. Furthermore, our Directors are of the view that the relevant potential risks are significantly low and the title deficiencies with respect to these two buildings are, individually or collectively, not crucial nor material to our business.

OUR CUSTOMERS

Establishment of Long-term Relationships with Our Customers

We have developed a sizeable, diversified and loyal customer base through our business park development and operation over the years. Our customers consist of the largest or leading global corporations, Chinese blue-chip enterprises and small, fast-growing companies, with many of which we have established long-term strategic relationships.

We have been developing large-scale, industry theme-focused business parks to cater to the trend of industry clustering. We proactively track and analyze leading enterprises in our target industries with regard to their needs for locations, business spaces and operating environments, and offer competitive terms to attract selected enterprises to establish their businesses in our business parks. The presence of these leading enterprises may further attract other companies in the same or similar industries as well as their suppliers and service providers along the relevant industry value-chains to relocate to our business parks.

In addition, although our sales of properties to customers during the Track Record Period were generally one-off in nature, we have established long-term strategic relationships with a significant number of our customers in the following ways. We have endeavored to assist SMEs and start-up companies since they first established their presence in our business parks. With the continued growth and expansion of their businesses, we further assist these companies to address their demands for larger office spaces and other business needs. For example, Wuhan CYCS Hi-Tech Co. Ltd* (武漢中科創新園高科技術有限公司) acquired office space for research and development in the Optics Valley Financial Harbour (Phase I) when it established its presence in our business park. With the continued growth and expansion of its business, it further acquired more office space in the Wuhan Innocenter. Furthermore, through our development management services for the landmark and other large-scale business parks owned by local governments and leading enterprises, we have gained access to the enterprises and companies in their business parks, which may be attractive potential customers for our existing or future business parks. We expect that, subject to their business needs, our customers in our existing business parks and the enterprises in the third-party business parks for which we provide our development management services would likely become our customers for the business parks focusing on the relevant industries which we develop in new markets. We also invite our customers of large corporations, banks and financial institutions in our existing business parks to conduct on-site visits to our new projects. Some of these customers intend to establish their businesses in our other target cities and have expressed their strong interests to purchase customized properties in our new projects. Also, we believe that, in line with the trend of “industry clustering,” the enterprises and companies in our existing business parks would also likely refer our developments to their upstream suppliers and service providers and downstream customers along the relevant industry value-chains and help attract other companies in the same or similar industries to relocate to our new business parks.

Based on our best understanding of customers and after due inquiry, we have adopted an approach to treat different subsidiaries within a group or individuals who are family members with direct and immediate relationships as repeat customers. We estimated that during the Track Record Period, we had at least seven repeat customers of leading enterprises, banks and financial institutions (such as Taikang Life Insurance Co. Ltd.* (泰康人壽保險股份有限公司) and Guohua Life Insurance Co., Ltd.* (國華人壽保險股份有限公司)), high-technology companies (such as Wuhan CYCS Hi-Tech Co. Ltd.* (武漢中科創新園高科技術有限公司)) and individuals.

In addition, we hold and lease out certain investment properties which provide supporting services in our business parks to companies for recurring income. In addition, we assist certain customers to lease out vacant office spaces in our business parks to companies.

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Summary Information on Our Largest Customers

During the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, the percentage of turnover attributable to our five largest customers from the sales of properties in our projects was 49.1%, 37.0%, 33.7% and 48.4%, respectively, and the percentage of turnover attributable to our largest customer from the sales of properties in our projects was 35.9%, 14.9%, 9.7% and 19.2%, respectively. To the best knowledge of our Directors, none of our Directors, their associates or any of our shareholders holding more than 5% of our issued capital, had any interests in any of our five largest customers during the Track Record Period.

The following table sets forth further a summary of our five largest customers during the Track Record Period:

Customer	Year ended December 31,			Nine months ended
	2010	2011	2012	September 30,
				2013
Largest customer				
<i>% of total turnover from property development</i>	35.9%	14.9%	9.7%	19.2%
<i>Year(s) of relationship</i>	2	2	2	3
<i>Type of projects sold</i>	Software Park	Financial Harbour	Software Park	Financial Harbour
<i>Background</i>	Financial mid-and back-office service company	Financial back-office service company	Financial back-office service company	Financial back-office service company ⁽¹⁾
Second largest customer				
<i>% of total turnover from property development</i>	6.5%	8.7%	7.9%	11.2%
<i>Year(s) of relationship</i>	1	2	2	2
<i>Type of projects sold</i>	Financial Harbour	Financial Harbour	Software Park	Financial Harbour
<i>Background</i>	Financial service outsourcing company	Financial back-office service company ⁽¹⁾	Headquarter and back-office service center	E-commerce and internet services company

Note:

(1) Denotes the same business entity.

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Customer	Year ended December 31,			Nine months ended September 30,
	2010	2011	2012	2013
Third largest customer				
<i>% of total turnover from property development</i>	3.1%	7.9%	6.9%	6.1%
<i>Year(s) of relationship</i>	1	1	2	2
<i>Type of projects sold</i>	Financial Harbour	Software Park	Financial Harbour	Financial Harbour
<i>Background</i>	Software outsourcing service company	Service company in creative industry	Financial back-office	Financial institution
Fourth largest customer				
<i>% of total turnover from property development</i>	2.2%	3.3%	5.2%	6.0%
<i>Year(s) of relationship</i>	1	2	3	2
<i>Type of projects sold</i>	Financial Harbour	Financial Harbour	Financial Harbour	Financial Harbour
<i>Background</i>	Energy conservation and environmental protection service company	Financial back-office service company	Financial back-office service company	Software development company
Fifth largest customer				
<i>% of total turnover from property development</i>	1.4%	2.1%	3.9%	5.9%
<i>Year(s) of relationship</i>	2	2	–	2
<i>Type of projects sold/ service provided</i>	Customer of construction service	Software Park	Software Park	Financial Harbour
<i>Background</i>	Construction service company	Information technology service company	N/A	Internet recruiting and human resource services company

AWARDS AND RECOGNITIONS

Over the past years, we have received widespread recognition from the PRC and local governmental authorities and industry associations. The table below sets out some of the awards we have received in respect of our group companies and development projects:

<u>Award/recognition</u>	<u>Recipient/project</u>	<u>Date</u>	<u>Awarding authority</u>
<i>Corporate Level Awards</i>			
“Enterprises of Wuhan City with Emphasis in and Adherence to Contract Terms” (武漢市守合同重信用企業)	Wuhan Optics Valley Union	Feb 2010	Association for the Promotion of Emphasis in and Adherence to Contract Terms of Wuhan City (武漢市合同信用促進會)
“2009 Top 20 Real Estate Development Enterprises of Wuhan City” (2009年度武漢房地產開發二十強企業)	Wuhan Optics Valley Union	Jul 2010	Real Estate Development Corporate Association of Wuhan City (武漢房地產開發企業協會)
“Most Creditable Companies in Hubei Province” (湖北省守合同重信用企業)	Wuhan Optics Valley Union	Nov 2010	People’s Government of Hubei Province (湖北省人民政府)
“2010 Top 10 Excellent Management and Service Companies in China Property Industry” (2010年度中國物業行業十大管理服務雙優企業)	Wuhan Lido Property Management	Jan 2011	China Enterprise Confederation Property Management (中國物業管理企業聯合會)
“2009-2010 Corporate Integrity Enterprise” (2009-2010年度誠信企業)	Wuhan Optics Valley Union	Mar 2011	Real Estate Development Corporate Integrity Review Group of Wuhan City (武漢房地產開發行業誠信企業評審組)
“Top 20 Real Estate Development Enterprises in terms of Overall Strength in Wuhan City” (2010年度武漢房地產開發行業綜合實力二十強企業)	Wuhan Optics Valley Union	Jun 2011	Corporate Real Estate Development Association of Wuhan City (武漢房地產開發企業協會)

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Award/recognition	Recipient/project	Date	Awarding authority
“2010 Gold Prize for the Wuhan Construction Engineering (Decorative) Huanghe Award” (2010年度武漢市建築工程(裝飾)黃鶴獎金獎)	Wuhan Lido Technology	Sep 2011	The Building Decoration Association of Wuhan City (武漢建築裝飾協會)
“2010 Huanghe Award for Quality Engineering in Building Decoration of Wuhan City” (2010年度武漢市建築裝飾優質(黃鶴獎)工程獎)	Wuhan Lido Technology	Sep 2011	The Building Decoration Association of Wuhan City (武漢建築裝飾協會)
“2010 Top 10 Enterprise on Building Decoration of Hubei Province” (2010年度湖北省建築裝修裝飾企業十強)	Wuhan Lido Technology	Nov 2011	The Government of Hubei Province (湖北省政府)
“Triple-A Credit Ratings Certificate” (信用等級證書AAA)	Wuhan Optics Valley Union	Dec 2011	Wuhan Enterprise Credit Management Service Center (武漢企業信用管理服務中心)
“China’s Best Employer Award 2011 and 2012” (武漢年度最佳僱主 (2011)武漢年度最佳僱主 (2012))	Wuhan Optics Valley Union	Jan 2012 and Jan 2013	Zhilian Recruitment, or Zhaopin.com (智聯招聘), Corporate Governance and Branding Promotion Research and Development Center of the Beijing University (北京大學企業社會責任與僱主品牌傳播研究中心)
“2011 Positive Contribution Enterprises of the East Lake High-Tech Development Zone” (2011年度東湖高新區積極貢獻企業)	Wuhan Optics Valley Union	Apr 2012	Administration Committee Wuhan East Lake High-Tech Development Zone (武漢東湖新技術開發區管理委員會)
“The Leading Enterprise in China’s Industrial Property Industry Award (中國房地產產業地產標杆企業)”	Wuhan Optics Valley Union	Aug 2013	China Real Estate Business News (中國房地產報)

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Award/recognition	Recipient/project	Date	Awarding authority
“2013 Top Ten Valuable Industrial Real Estate Brands in China (2013 中國產業地產品牌價值TOP10)”	Wuhan Optics Valley Union	Sep 2013	Top Ten China Real Estate Research Group (中國房地產10強研究組) comprising the Enterprise Research Institute of the Development Research Center of the State Council (國務院發展研究中心企業研究所), Tsinghua University Real Estate Research Institute (清華大學房地產研究所) and China Index Academy(中國指數研究院).
<i>Project Level Awards</i>			
China’s Base City for Outsourcing Services (中國服務外包基地城市)	Optics Valley Software Park	Dec 2006	MOFCOM
“China’s Model Park for Service Outsourcing Base City” (中國服務外包基地城市示範區)	Optics Valley Software Park	Apr 2007	Wuhan Municipal Government (武漢市人民政府)
“2008 Superior Quality Construction Project Award of Hubei Province (Chutian Cup)” (2008年度湖北省建築優質工程(楚天杯))	Optics Valley Software Park (Phase I)	Jul 2008	Department of Housing and Urban-Rural Development Hubei Province (湖北省住房和城鄉建設廳)
“2008-2009 China HOPSCA New Landmark” (2008-2009 中國城市綜合體新地標)	Optics Valley Software Park	Nov 2008	China Real Estate Industry Association (中國房地產業協會), China Real Estate Index System (中國房地產指數系統), Industry and Market Professional Research Association (產業與市場研究專業委員會) and China Index Research Institute (中國指數研究院)

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Award/recognition	Recipient/project	Date	Awarding authority
“2010 Hubei Province Model Constructions with New Technology” (2010年度湖北省建築新技術應用示範工程)	Optics Valley Software Park (Phase II)	May 2011	Housing and Urban-Rural Development Bureau of Hubei Province (湖北省住房和城鄉建設廳)
“2011 Superior Quality Construction Project Award of Hubei Province (Chutian Cup)” (2011年度湖北省建築優質工程(楚天杯))	Optics Valley Software Park (Phase II)	May 2011	Construction Quality and Safety Association of Hubei Province (湖北省建設工程質量安全協會)
“2011 Best Business Park in China’s Creative Industries Award” (中國創意產業最佳園區獎)	Creative Capital	Nov 2011	China Original Design Annual Award Review Committee (中國創意產業年度大獎評選委員會)
“2011 and 2012 Guangsha Award (Non-residential property)” (2011-2012年度“廣廈獎”(非住宅類))	Optics Valley Software Park	Nov 2012	China Real Estate Industry Association (中國房地產業協會) and Housing and Urban Ministry of Housing Industrialization Promotion Center (住房和城鄉建設部住宅產業化促進中心)

COMPETITION

The PRC commercial business market started to emerge in China in the late 1990s to 2000, when the PRC Government adopted a policy of promoting economic development zones as part of its strategic efforts to stimulate domestic growth and upgrade China’s industrial structure. Compared to the PRC real estate market in general and the PRC residential market, the competition in the PRC commercial business park market is relatively low because of its short history of development and the geographic coverage of market limiting to approximately 20 first- and second-tier cities. Barriers to entry for the PRC commercial business park market are high. See the subsection headed “Industry Overview – The PRC Commercial Business Park Market – Competitive Landscape” in this prospectus for detailed discussion.

In the PRC commercial business park market, we mainly compete against other large-scale commercial business park developers and operators. Key competitive factors include, among others: (i) in-depth industry knowledge, development know-how and operational expertise, (ii) capabilities to develop ready-built business spaces with standardized facilities as well as customized properties with industry-specific supporting facilities meeting particular demands of customers, (iii) quality and price of business parks, (iv) relationships with leading enterprises in relevant industries and local governments, and (v) ability to provide a wide range of high-quality business operation services and further expand scope and levels of such services to meet customers' requirements. Their resources in these markets may pose challenges to us as we further expand our business to these new cities, in particular, Beijing, Shanghai, Xi'an, Chongqing and Tianjin.

According to the Savills Report, we ranked second in China as of December 31, 2013 among all commercial business park developers and operators in terms of the total GFA of completed projects, projects under development and projects planned for future development. We have particular competitive advantages in Wuhan, Qingdao and Ezhou as we have developed a portfolio of multi-theme business parks and we are a market leader in the business park development sector in these cities. We proactively conduct extensive market research and strategically select our target cities with significant customer demands for business parks, the relatively low entry barriers and risk profile, and available land sites where we can leverage our competitive strengths and develop our major types of business parks. Based on our accumulated industry knowledge, development capabilities and operational expertise in the development and operation of large-scale, industry theme-focused business parks in Wuhan, we replicate our business model in business park development in our other target cities. Because our business parks are in line with local development plans and have contributed, or are expected to contribute, significantly to the upgrading of local industrial structures and the growth of local economies, local governments often provide us with incentives in relation to various aspects of the development of our projects in the relevant cities and help us attract leading local enterprises and other companies in our target industries to establish their presence in our business parks.

However, certain of our competitors, particularly state-owned commercial business park developers and operators, are well capitalized and have greater financial, marketing and other resources than we have. See the subsection headed "Risk Factors – Risks Relating to Our Businesses – Our business and prospects could be adversely affected by competition" in this prospectus for further discussion of the competition we face as to our businesses of property development, business operation services and development management services. Many of our competitors have also entered business park markets in first and second-tier cities in China and developed projects for research and development of science and technologies, software development, information technology and business process outsourcing activities, in line with governmental industrial development policy.

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we were the registrant of 162 registered trademarks in the PRC under various categories including real estate businesses (real estate leasing, real estate agency and real estate management), construction, architecture, engineering, furniture and non-metal construction. We were the transferee, and have been transferred, one registered trademark in the PRC. We were also the owner of the domain names “ovuni.com.cn” and “ovuni.com” as of the Latest Practicable Date. In addition, we were the registrant of six registered patents and have applied for registration of eight patents in the PRC as of the Latest Practicable Date.

As of the Latest Practicable Date, we were the registrant of two registered trademarks and have applied for registration of one trademark with the Trade Marks Registry of the Intellectual Property Department in Hong Kong. For further details relating to our intellectual property, please refer to the subsection headed “Statutory and General Information – B. Further Information about Our Business – 2. Intellectual property rights of our Group” in Appendix VII to this prospectus.

INSURANCE

Project developers in the PRC are not required under national or local laws and regulations to maintain insurance coverage in respect of their project development operations. We generally do not maintain insurance coverage for our projects under development other than group accident insurance against personal injury for construction employees of Wuhan Jitian Construction. We do not require third-party construction contractors we engage to maintain insurance coverage for business parks under development. The third-party construction contractors are responsible for quality and safety control during course of the construction and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations.

We believe that the insurance coverage of our Group is generally in line with industry and market practices for property developers and the market. However, there are risks for which we do not have sufficient or any insurance coverage for losses, damages and liabilities that may arise in our business operations. See the subsection headed “Risk Factors – Risks Relating to Our Businesses – Our limited insurance may not cover claims arising from construction-related personal injuries or other damages and losses to our business” in this prospectus for further discussion.

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EMPLOYEES

As of December 31, 2013, we had 3,695 full-time employees. We enter into employment contracts with our employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. Remuneration of our employees includes basic wages, allowance, bonuses and other employee benefits. The following table provides a breakdown of our employees by responsibilities as of December 31, 2013:

	Number of employees	% of total
Management	56	1.5%
Sales and marketing	86	2.3%
Development, engineering and construction	457	12.4%
Procurement and cost control	106	2.9%
Accounting and finance	54	1.5%
Research and development	76	2.1%
Project management and operations	112	3.0%
Human resources	184	5.0%
Business operation services	2,564	69.4%
Total	3,695	100.0%

We have implemented the measures of employee performance and promotion and the system of employee compensation and benefits. The remuneration package of our employees includes salary and bonuses. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our determinations on salary raises, bonuses and promotion.

Furthermore, our Directors confirmed that there were no material employees' claims arising from construction-related injuries during the Track Record Period.

LABOR, HEALTH AND SAFETY MATTERS

In respect of social responsibilities, in particular, labor, health and safety insurance, pursuant to the regulations of the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 and its implementation regulations, the Labor Law of the People's Republic of China 《中華人民共和國勞動法》 and the Opinions on Several Questions concerning the Implementation of the Labor Law of the People's Republic of China 《關於貫徹執行〈中華人民共和國勞動法〉若干問題的意見》, an enterprise is required to execute an employment contract with each employee according to relevant laws and regulations and shall not rescind the employment contract without cause. Employees are entitled to have rest and

annual leave according to the laws and provisions stipulated in the employment contract. An enterprise is required to have health and safety policies and provide health and safety trainings to its staff. It is also required to provide its staff with a safe and hygienic working environment as well as any protective equipment if necessary. Pursuant to the regulations of the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees 《國務院關於建立城鎮職工基本醫療保險制度的決定》, the Decision of the State Council on Establishing a Uniform Basic Endowment Insurance System for Enterprise Employees 《國務院管理建立統一的企業職工基本養老保險制度的決定》, the Provisional Insurance Measures for Maternity of Enterprise Employees 《企業職工生育保險試行辦法》, the Regulations on the Management of Housing Provident Fund 《住房公積金管理條例》, the Regulations on Unemployment Insurance 《失業保險條例》 and the Regulations on Industrial Injury Insurance 《工傷保險條例》, an enterprise is required to purchase housing provident funds, basic medical insurance, pension insurance, maternity insurance, unemployment insurance, and personal injury insurance for its staff and pay the relevant insurance premiums according to law. During the Track Record Period and up to the Latest Practicable Date, we had made full contributions to employee social welfare schemes as required by the PRC social security regulations for housing provident funds, social insurance, pension insurance, medical insurance, unemployment insurance, maternity insurance and job-related injury insurance for our employees. We believe that our policies with respect to insurance are in line with the practice of the property development industry in the PRC.

During the Track Record Period, there was no material violation of currently applicable PRC labor, health and safety regulations, nor were there any material employee safety issues involving us. We intend to fully comply with the new PRC labor contract laws and do not expect such compliance to affect our business operations in any material respect.

Under the Construction Law of the People's Republic of China 《中華人民共和國建築法》, construction contractors assume responsibility for the safety of construction sites. For our developments, the main contractor takes overall responsibility for the site, and the subcontractors are required to comply with the protective measures adopted by the main contractor. Under the Environmental and Hygienic Standards of Construction Work Site 《建築施工現場環境與衛生標準》, a contractor is required to adopt effective occupational injuries control measures, to provide workers with necessary protective devices, and to offer regular physical examinations and trainings to workers who are exposed to the risk of occupational injuries. To our knowledge, there has been no material non-compliance with the health and safety laws and regulations by our main contractors or subcontractors during the course of their business dealings with us.

ENVIRONMENTAL MATTERS

We are subject to PRC environmental and safety laws and regulations promulgated by both the central and local governments. The laws and regulations governing the environmental requirements for real estate developments in the PRC include the Environmental Protection Law 《中華人民共和國環境保護法》, the Prevention and Control of Noise Pollution Law 《中華人民共和國環境噪聲污染防治法》, the Environmental Impact Assessment Law 《中華人民

共和國環境影響評價法》and the Administrative Regulations on Environmental Protection for Development Projects 《建設項目環境保護管理條例》. As required by PRC laws and regulations, each project developed by a property developer is required to undergo an environmental impact assessment, and property developers must submit environmental impact assessment reports to the relevant governmental authorities for approval before commencement of construction. When there is a material change in respect of construction site, scale or nature of a given project, a new environmental impact assessment report must be submitted for approval. During the course of construction, property developers must take measures to prevent air pollution, noise emission and waste discharge. In addition, as we outsource our construction work to third party contractors, pursuant to terms of the construction contracts, contractors and subcontractors are required to comply with the environmental impact assessment and conditions of the subsequent approvals from relevant governmental authorities. For the years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, we incurred approximately RMB223,700, RMB262,000, RMB330,500 and RMB452,591, respectively, for compliance with applicable environmental laws and regulations, which was primarily related to environment impact assessment for construction of our properties, environmental inspection and purchase or maintenance of environmental protection equipment. Due to the nature of our business, our total expenditures for maintaining compliance with environmental laws are not material and we do not expect to experience any significant fluctuation in our environment compliance costs in the near future.

In addition, in accordance with PRC environmental laws and regulations, if a construction project includes environmental facilities (including projects, devices, monitors and other facilities that were constructed or equipped in order to prevent pollution and protect the environment), such facilities will have to pass an inspection by the environmental authorities and an approval must be obtained before the environmental facilities can commence operations. If a construction project does not include any environmental facilities, no such approval is required.

All of our completed projects and projects under development have received the requisite environmental approvals. Upon completion of each property project, the relevant governmental authorities inspect the property site to ensure that we have complied with the applicable environmental and safety standards. Inspections of each completed property project carried out by the relevant governmental authorities to date have not revealed any environmental liability which would have a material adverse effect on our business operations or financial condition. During the Track Record Period, we did not experience any incident of material environmental pollution incident and there was no penalty imposed on us for any violation of environmental laws and regulations.

REGULATORY MATTERS

Save as disclosed in this prospectus, our Company and all of our subsidiaries have obtained and currently maintain all necessary permits and licenses required for their business activities being conducted, and during the Track Record Period and up to the Latest Practicable Date, we have been in compliance in all material respects with relevant PRC regulations and requirements relating to the PRC property sector, including those which mandate the possession of valid business licenses and the relevant qualification certificates, such as real estate developer qualification certificates.

BUSINESS

Idle Land

The construction commencement of certain projects that were owned and developed by our Group and joint venture was delayed for more than one year from the respective construction commencement dates as prescribed in relevant land grant contracts. The table below sets out the details of our potential non-compliance instances of idle land during the Track Record Period and up to the Latest Practicable Date:

Projects involved/ Total GFA (sq.m.)	Attributable revenue of the projects during the Track Record Period (RMB'000)	Delayed period	Responsible governmental authorities	Confirmations from the relevant authorities	Reasons for delays	Current status of the projects
Optics Valley Financial Harbour (Phase I)/ Total GFA: 275,913	2010: 172,964 2011: 480,011 2012: 409,640 First three quarters of 2013: nil	November 15, 2006 – June 25, 2009 (being the commencement date of construction)	Wuhan Municipal Land Bureau East Lake High Technology Development Zone Branch* (武漢市 國土局東湖新技術 開發區分局)	We have not been subject to any penalties due to breach of PRC laws or regulations in relation to real property administration.	Change of the project master planning and resubmission of the project design drawing by original land owner as requested by relevant governmental authorities	Construction work fully completed
Romantic Town/ Total GFA: 158,876	2010: nil 2011: 434,241 2012: 51,401 First three quarters of 2013: 3,857	May 18, 2003 – July 11, 2008 (being the commencement date of construction)	Wuhan Municipal Land Bureau East Lake High Technology Development Zone Branch	We have not been subject to any penalties due to breach of PRC laws or regulations in relation to real property administration.	Failure of land resettlement on time by original land users	Construction work fully completed
Wuhan Inncenter (Phase I)/ Total GFA: 61,327	First three quarters of 2013: 77,499	December 31, 2007 – December 27, 2011 (being the commencement date of construction)	Wuhan Jiangxia Economic Development Zone Administration Office Canglongdao Branch* (武漢市 江夏經濟開發區藏 龍島辦事處)	We have not breached any laws or agreements as a result of our property development.	Multiple changes of the project master planning as requested by relevant governmental authorities	Construction work fully completed
Lido Mason (Phase I)/ Total GFA: 71,203	2010: nil 2011: nil 2012: nil First three quarters of 2013: 345,802	May 2010 – July 21, 2011 (being the commencement date of construction)	Wuhan Municipal Land Bureau East Lake High Technology Development Zone Branch	We have not been subject to any penalties due to any breach of PRC laws or regulations in relation to real property administration.	Failure of land resettlement on time by original land users	Construction work fully completed
Lido 2046/ Total GFA: 126,629	Nil	November 8, 2010 – August 30, 2012 (being the commencement date of construction)	Wuhan Municipal Land Bureau	We have not breached any laws or agreements as a result of our property development.	Change of the project master planning due to change of local development plan	Under construction

To the best knowledge of our Directors, none of the above delays were due to our lack of working capital to finance the projects involved at relevant time.

As advised by our PRC legal advisors, Jingtian & Gongcheng, under the PRC laws, unless the delay is caused by force majeure, acts of government or their departments concerned, or early preparations necessary for commencement of development as provided in the Measures on Disposing Idle Land (《閑置土地處置辦法》), in the event that we fail to commence construction for more than one year from the commencement date prescribed in the land grant contract, the relevant PRC land administrative department may serve an idle land confirmation letter on us and impose an idle land fee of up to 20% of the land grant premium; and in the event that we fail to commence construction for more than two years from the relevant prescribed commencement date, the relevant authorities may reclaim the land without compensation. Furthermore, our ultimate controlling shareholder, Mr. Huang Liping, has undertaken to indemnify us against all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines as a result of these delays.

With respect to the idle land instances of these five projects, Wuhan Municipal Land Resources and Planning Bureau (武漢市國土資源和規劃局) as the competent authority made a report dated December 23, 2013 to Hubei Provincial Land Resources Department (湖北省國土資源廳), the higher authority at the provincial level at MLR, that none of the construction of these five projects has breached the PRC laws and regulations. Based on the report from Wuhan Municipal Land Resources and Planning Bureau, Hubei Provincial Land Resources Department issued a confirmation letter on December 27, 2013, confirming that it agreed with the findings of Wuhan Municipal Land Resources and Planning Bureau, that none of the construction of these five projects has breached the PRC laws and regulations, and that as the construction of these five projects has commenced, there is no risk that the Group would be subject to any penalties imposed by the relevant authorities due to the idle land instances. As of the Latest Practicable Date, we had not been subject to any penalty or idle land fee imposed by the relevant authorities for our failure to commence construction of our projects on a timely basis in accordance with the relevant land grant contracts. Given that the relevant authorities are fully aware of the above delays and based on the confirmations we have obtained from these competent authorities as disclosed above and the current status of the projects involved, our PRC legal advisors, Jingtian & Gongcheng, are of the view that there is no risk that the relevant authorities would impose any penalties against our Group.

Furthermore, we were advised by our PRC legal advisors, Jingtian & Gongcheng, that as of the Latest Practicable Date, save as disclosed in this prospectus, we had no non-compliance instances of idle land in relation to our property developments, and under applicable PRC rules and regulations, no administrative penalty would be imposed on us due to any delay in the construction commencement of our projects. Based on the latest project development schedule and the advice from our PRC legal advisors, our Directors expect that the construction commencement of our projects will comply with relevant PRC laws and regulations.

We have adopted the enhanced internal control measures in our expanded development operations in our target cities to prevent the re-occurrence of similar non-compliance instances in the future. Our management controls the development process of each project through the OA System and oversees the implementation of internal control measures with reference to our guidelines. Our different functional centers regularly hold meetings to assess and evaluate the operation of each project and ensure that each project is completed on time according to the timeline provided in the OA system. The responsible staff are reminded to handle uncompleted scheduled tasks of each project through the OA system and communicate with relevant governmental authorities to complete requisite procedure on time. The responsible experts are also assigned to regularly inspect all projects in our target cities. If any internal control incident is identified, our management evaluates the incident and takes appropriate rectification measures promptly.

Acquisition of Equity Interests in Target Companies

As part of our growth and development plan, we acquire equity interests in certain companies to expand our business from time to time. In order to strengthen our control environments, we have adopted the following measures in respect of acquisition of equity interests in target companies:

- We have set up an investment management committee (the “Committee”) to oversee each proposed acquisition of equity interests in target companies. The Committee will comprise of six to eight members from our Group’s legal and compliance department, finance center, market research department and cost control center. A task group will be formed once a target company has been identified. The task group will set out the specific due diligence procedures and regulatory requirements necessary for the proposed acquisition. The task group may include personnel outside of the Committee and from other departments when necessary.
- We have prepared a checklist setting out the due diligence procedures and regulatory requirements for all acquisitions. The due diligence procedures cover legal, financial and business aspects and include, inter alia, (i) reviewing public records of the target company, such as its filings with the Companies Registry in Hong Kong, the industry and commerce authorities in the PRC and relevant stock exchange where applicable; (ii) conducting background check on the seller(s) and the target company; (iii) reviewing the financial statements and management accounts of the target company and its subsidiaries; (iv) conducting independent valuation on its assets where appropriate; and (v) reviewing legal documents and corporate documents such as minutes book of the target company and its subsidiaries. The Committee will review this checklist and update it regularly to be in line with applicable laws and regulations.

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- The Committee will closely monitor the whole process of each acquisition and ensure all necessary due diligence procedures and regulatory requirements are duly complied with. The Committee will consult and seek advice from external professional parties, such as legal advisors, accountants and financial advisors, when necessary, and will report its findings and make recommendation to the Board.
- We have provided and will continue to provide customized training sessions to our Directors, senior management and staff members of our group companies as and when appropriate, which will cover relevant PRC laws and regulations relating to the property industry, the Hong Kong Listing Rules, our internal control policies and procedures and general risk management skills, to raise their awareness of the importance of internal legal compliance and to strengthen their risk management skills.

LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, none of us or any of our subsidiaries have been involved in any litigation or arbitration of material importance that, individually or in the aggregate, would have a material adverse effect on our business, financial condition and results of operations, and to the best knowledge of our Directors, there is no pending or threatened litigation, arbitration or claim of material importance against us or any of our subsidiaries.