

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in our Shares.

There are risks associated with any investment. Some of the particular risks in investing in our Shares are set forth in the section entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our Shares.

OVERVIEW

We are a leading property developer and property related service provider in China. We are the only property company in China with members of our Group being ranked among the 2009 China Top 100 Real Estate Developers (2009中國房地產百強企業), the 2009 China Top 100 Real Estate Agencies (2009中國房地產策劃代理百強企業), and the 2008 China Top 100 Property Management Companies (2008中國物業服務百強企業) by the China Real Estate Top 10 Research Team⁽¹⁾. We first commenced our property development business in Shenzhen in 1996. Leveraging on our broad experience and capabilities, we have successfully expanded into and currently focus our real estate activities in four of the fastest-growing economic regions in China, namely the Chengdu-Chongqing Economic Zone, the Pearl River Delta region, the Yangtze River Delta region and the Beijing-Tianjin metropolitan region.

Our target customers are affluent middle- to upper-class individuals and families and high-growth small- to medium-sized enterprises. We envisage that the demand for properties designed for these customers will increase as such customers' household income and purchasing power continue to rise. To cater to the diverse needs of our target customers, we develop a portfolio of property development projects with a focus on the following types of properties:

- *Urban Complexes*

These urban complexes are mostly located in the peripheral areas of existing central business districts in major cities or in the emerging new business districts under city development plans of local governments. These complexes integrate various types of properties, such as offices, apartments, retail shops and/or boutique hotels, into one property development project. For example, our urban complex Chengdu Hailun Plaza (成都喜年廣場), which has received several awards, will be the tallest building and a local landmark in Chengdu when completed in November 2009 as currently expected, and we believe our Meinian International Plaza (美年國際廣場) is one of the largest urban complexes currently under development in Chengdu.

(1) The China Real Estate Top 10 Research Team has conducted research on the Top 100 Real Estate Enterprises in the PRC since 2004. Its research has been quoted by various Hong Kong and PRC-listed companies in their prospectuses and annual reports. Data used by the China Real Estate Top 10 Research Team includes data derived from surveys completed by the individual real estate companies, publicly available information of the individual real estate companies, statistical data from institutions such as China Real Estate Index System (中國房地產指數系統), Real Estate Searching Academy (搜房研究院) and China Villas Index System (中國別墅指數系統) and from relevant government ministries and bureaus. The research conducted considers factors such as the size, profitability, debt payment ability, growth potential, operating efficiency and social responsibility of researched companies and has established minimum thresholds in which companies must meet before being considered, such as the minimum of RMB300 million in annual revenue or 100,000 in annual square meters sold for property developers for three consecutive years, property management companies that have received first class qualification from the relevant government authorities or property agency services companies that have sold more than 100,000 annual square meters for three consecutive years as to their primary property agency services. The China Real Estate Top 10 Research Team conducts analysis on 500 property developers, 500 property management companies and 200 property agency services companies annually, and has awarded 100 awards to property developers, 50 awards to property management companies and 50 awards to property agency services companies in connection with its annual ranking.

- *Boutique Upscale Residences*

These boutique upscale residences are located in urban and suburban areas with natural scenic surroundings or cultural landmarks. They are linked by roads or expressways to the centers of major metropolitan areas. These boutique upscale residences include high- and low-rise apartment buildings, townhouses and individual houses and cater to the residential and investment needs of our high-end consumers. We typically develop our boutique upscale residential projects in several phases so that we can manage our capital resources more efficiently and increase the average selling price as the project becomes more developed and attractive to our customers. Examples of such boutique upscale residential projects include Grand Valley (大溪谷), a large scale residential complex that is adjacent to a planned ecological and sports park in Pujiang County of Chengdu, and Chengdu Mont Conquerant (成都君山), a large scale residential community located in a famous tourist attraction in Xinjin County of Chengdu.

As of the Latest Practicable Date, our portfolio of land bank consisted of 57.7% of boutique upscale residences, 29.5% of urban complexes and 12.8% of other properties in terms of GFA. We plan to continue to focus our property development activities on developing a portfolio of products that caters to our target customers across four of China's most economically prosperous regions. We plan to achieve this objective by continuing to selectively acquire low-cost land in the four regions. We conduct comprehensive and in-depth market research and analysis as to the land that we intend to acquire and the surrounding areas. We consider the geographic as well as marketing factors when evaluating a target parcel, including development potentials, size and suitability of the land for developments that can fit into our existing portfolio, convenience and availability of infrastructure support, purchasing power of our potential customers in relevant areas, development costs and the estimated return on investment. We budget for the cost of land acquisition as well as the overall development costs, which are subject to strict internal procedures and are closely monitored and adjusted throughout the construction process. All relevant departments of our Group, including our chief executive officer and our board of directors, will review and approve the proposed acquisition. We usually acquire land using our own capital within a pre-set budget and arrange project loans with banks in China at a later stage to support the subsequent development of the property.

In addition to our property development business, we are also engaged in providing property operation services, property agency services and hotel services to our own properties and properties of third parties. We believe such property related services enable us to strengthen our property development capabilities. For example, our property operation services enhance the value of our developments while our property agency services enable us to maximize our marketing and selling efforts. We plan to continue to enhance such real estate services that we offer and to further enhance the intrinsic synergies between our real estate products and services. We will in particular focus on enhancing our property operation services and hotel services which we believe will serve as relatively stable and growing revenue sources to our Group on the one hand, and will continue to increase the attractiveness and the average selling price of the properties developed by us on the other.

We have received numerous accolades for our property development and services capabilities. Our subsidiary, Fantasia Group (China), won the 2008 Corporate Citizen Award of Golden Brick for Real Estate of China (中國地產金磚獎2008年度中國地產企業公民大獎) presented by the Boao 21st Century Real Estate Forum (博鰲21世紀房地產論壇) and the 21st Century Economy Review (21世紀經濟報導). Our subsidiary, Fantasia Chengdu Development, was awarded the Real Estate Corporate of the Year for the Golden Hibiscus Prize in Chengdu in 2008 (2008金芙蓉杯成都地產年度企業金獎) by Chengdu Real Estate Bureau (成都市房地產管理局) and Sichuan Daily Press Group (四川日報報業集團). Our property development projects have also won numerous awards and recognitions for their design and quality. For example, our project Shenzhen Future Plaza (深圳香年廣場) won the 2008 Real Estate Design Award of Golden Brick for Real Estate of China (中國地產金磚獎2008年度地產設計大獎) presented by the Boao 21st Century Real Estate Forum (博鰲21世紀房地產論壇) and the 21st Century Economy Review (21世紀經濟報導). Chengdu Hailun Plaza (成都喜年廣場), our urban complex project which is under development, was recognized as the Star Property of the Year and the Driving Force of Real Estate Industry in Chengdu in 2008 (2008成都房地產推動力大獎年度明星樓盤) and won the Gingko Prize as the

SUMMARY

Office Building with the Greatest Industrial Momentum in Chengdu in 2008 (銀杏杯2008成都最具行業推動力寫字樓大獎) presented by Chengdu Media Group (成都傳媒集團) and Chengdu Television Station (成都電視臺), respectively. Self Life (趣園), our completed residential project in Shenzhen, was awarded the Golden Bull Prize in 2005 (2005年度金牛獎), one of the most prestigious awards in the real estate industry in Shenzhen, by the Shenzhen Construction Industry Association (深圳市建築業協會).

As of the Latest Practicable Date, we had a total of 29 projects at various stages of development (i.e. completed projects, projects under development and projects held for future development), including 11 projects located in the Chengdu-Chongqing Economic Zone, 14 projects located in the Pearl River Delta region, two projects located in the Yangtze River Delta region and two projects located in the Beijing-Tianjin metropolitan region.

As of the Latest Practicable Date, we had a total land bank of approximately 10,714,794 square meters, which consists of:

- (i) an aggregate planned GFA of approximately 5,125,172 square meters of properties with land use rights obtained (consisting of an aggregate planned GFA of approximately 1,247,504 square meters of properties under development and an aggregate planned GFA of approximately 3,877,668 square meters of properties held for future development for which we have obtained land use rights); and
- (ii) an aggregate planned GFA of approximately 5,589,622 square meters of properties for which we had not obtained the land use rights or property rights (consisting of an aggregate planned GFA of approximately 620,759 square meters of properties held for future development for which properties rights are yet to be acquired and an aggregate planned GFA of approximately 4,968,863 square meters for which we had entered into preliminary framework agreements with the local government authorities and relevant third parties). The preliminary framework agreements are legally binding but, before we are able to obtain the relevant land use right certificates, we are still required by the relevant PRC laws and regulations (i) in respect of our Pixian and Yunnan projects, to successfully complete the public tender, auction or listing-for-sale process, enter into a land grant contract and pay relevant land grant premium; and (ii) in respect of our Beijing Tongzhou project, to enter into and perform our obligations under a formal share transfer agreement and duly complete registration procedures for such transfer of equity ownership with the relevant government authorities.

Of our total land bank, approximately 7,603,675 square meters, or 70.9%, were held in the Chengdu-Chongqing Economic Zone; approximately 1,185,355 square meters, or 11.1%, were held in the Pearl River Delta region; approximately 574,553 square meters, or 5.4%, were held in the Yangtze River Delta region; approximately 354,680 square meters, or 3.3%, were held in the Beijing-Tianjin metropolitan region; and approximately 996,531 square meters, or 9.3%, were held in other regions. We develop most of our properties, including properties that are currently under development, for sale but will hold certain of these developed properties for investment.

SUMMARY

In 2006, 2007, 2008 and for the six months ended June 30, 2009, our revenue was RMB342.3 million, RMB772.1 million, RMB1,174.2 million and RMB1,343.0 million, respectively. Our revenue during the Track Record Period consists of revenue derived from (i) the sales of our developed properties, (ii) the lease of investment properties, (iii) the provision of property agency and related services, (iv) the provision of property operation and related services, (v) the provision of hotel management and related services, and (vi) other operations. The following table sets forth our revenue for each of the components described above and the percentage of total revenue represented for the periods indicated with the fluctuations of the percentage due primarily to the different product mix delivered to customers in respective period:

	Year Ended December 31,						Six Months Ended June 30,	
	2006		2007		2008		2009	
	RMB	%	RMB (in thousands, except percentages)	%	RMB	%	RMB	%
Property development	241,209	70.5	619,168	80.2	1,064,604	90.7	1,287,470	95.9
Non-residential properties ⁽¹⁾ . . .	97,231	28.4	13,643	1.8	517,768	44.1	379,898	28.3
Residential properties	143,978	42.1	605,525	78.4	546,836	46.6	907,572	67.6
Property investment	7,283	2.1	10,649	1.4	11,029	0.9	5,454	0.4
Property agency services	74,899	21.9	97,151	12.6	40,224	3.5	22,396	1.7
Property operation services	14,986	4.4	41,857	5.4	57,875	4.9	26,001	1.9
Hotel services	—	—	—	—	479	0.0	1,673	0.1
Others	3,962	1.1	3,232	0.4	—	—	—	—
Total	342,339	100.0	772,057	100.0	1,174,211	100.0	1,342,994	100.0

Note:

(1) Comprised mainly of commercial and industrial properties and certain car parking spaces.

COMPETITIVE STRENGTHS

We believe that our primary competitive strengths are:

- property development portfolio strategically located across four of China's most economically prosperous regions;
- ability to acquire low-cost land;
- strong replicable business model;
- well-known brand name with strong value-accretion property development and service capabilities; and
- experienced and stable management team with proven track record supported by seasoned professional employees.

BUSINESS STRATEGIES

Our business strategies are:

- continue to expand in fast-growing economic regions in China and selectively acquire low-cost land;
- focus on further elevating the intrinsic synergies of our real estate products and services;
- continue to enhance our property operation service and hotel service capabilities to further increase the attractiveness and value of our properties; and
- continue to enhance our brand equity.

SUMMARY

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following summary historical consolidated statements of comprehensive income data for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2008 and 2009 and the summary historical consolidated statements of financial position as of December 31, 2006, 2007 and 2008 and June 30, 2009 set forth below have been derived from the Accountants' Report issued by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, and included in Appendix I to this prospectus. You should read the summary historical financial information below in conjunction with our consolidated financial statements included in "Appendix I — Accountants' Report," which have been prepared in accordance with HKFRS.

Summary Data from Historical Consolidated Statements of Comprehensive Income

	Year Ended December 31,			Six Months Ended June 30,	
	2006	2007	2008	2008	2009
	(in RMB thousands)				
				(unaudited)	
Revenue	342,339	772,057	1,174,211	334,337	1,342,994
Cost of sales	(187,859)	(549,220)	(704,734)	(235,912)	(786,858)
Gross profit	154,480	222,837	469,477	98,425	556,136
Other income, gains and losses	145,313	2,726	59,034	49,097	7,601
Gain (loss) on fair value changes of investment properties	81,608	86,875	13,807	(23,546)	(10,019)
Recognition of change in fair value of completed properties for sale upon transfer to investment properties	—	2,170	302	289	—
Selling and distribution expenses	(15,206)	(39,616)	(49,837)	(31,202)	(34,561)
Administrative expenses	(71,353)	(94,458)	(162,677)	(78,232)	(89,899)
Finance costs	(8,056)	(12,167)	(69,941)	(49,256)	(15,127)
Impairment loss recognised in respect of goodwill	(22,515)	—	(2,305)	—	—
Share of results of associates	(416)	(1,548)	(3,789)	(1,767)	(1,227)
Profit (loss) before taxation	263,855	166,819	254,071	(36,192)	412,904
Income tax expense	(86,268)	(82,552)	(156,550)	(12,123)	(195,537)
Profit (loss) and total comprehensive income (loss) for the year/period	<u>177,587</u>	<u>84,267</u>	<u>97,521</u>	<u>(48,315)</u>	<u>217,367</u>
Profit (loss) for the year/period attributable to:					
Owners of the Company	91,094	68,797	84,259	(30,910)	235,650
Minority interests	86,493	15,470	13,262	(17,405)	(18,283)
	<u>177,587</u>	<u>84,267</u>	<u>97,521</u>	<u>(48,315)</u>	<u>217,367</u>

SUMMARY

Summary Data from Historical Consolidated Statements of Financial Position

	As of December 31,			As of June 30, 2009
	2006	2007	2008	
	(in RMB thousands)			
Total Assets				
Non-current assets	441,354	590,859	639,163	762,873
Current assets	1,586,213	3,618,193	4,318,159	5,646,757
Total assets	<u>2,027,567</u>	<u>4,209,052</u>	<u>4,957,322</u>	<u>6,409,630</u>
Equity and Liabilities				
Current liabilities	1,157,855	1,970,321	3,098,224	3,192,470
Non-current liabilities	249,631	836,928	412,741	1,537,436
Total liabilities	<u>1,407,486</u>	<u>2,807,249</u>	<u>3,510,965</u>	<u>4,729,906</u>
Total equity	<u>620,081</u>	<u>1,401,803</u>	<u>1,446,357</u>	<u>1,679,724</u>
Total liabilities and equity	<u>2,027,567</u>	<u>4,209,052</u>	<u>4,957,322</u>	<u>6,409,630</u>

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2009

All statistics in this table are based on the assumptions that the Over-allotment Option is not exercised and no options are granted under the Share Option Scheme.

Forecast

Profit attributable to owners of the Company before revaluation of investment properties	not less than RMB323 million
Less: Revaluation loss on investment properties (net of deferred tax effect)	RMB3 million
Profit attributable to owners of the Company	not less than RMB320 million

Note:
The bases and assumptions on which the above profit forecast has been prepared are set out in Appendix III to this prospectus.

The forecast is presented on a basis consistent in all material respects with the accounting policies currently adopted by us as set out in the Accountants' Report dated November 12, 2009 (the text of which is set forth in "Appendix I — Accountants' Report" to this prospectus). For discussion as to the bases and assumptions used in the forecast of changes in fair value of investment properties, see "Financial Information — Profit Forecast for the Year Ending December 31, 2009."

Completed properties and properties under development expected to be completed in 2009

There are five completed projects (namely, Flower Harbor (花港家園), Shenzhen Future Plaza (深圳香年廣場), Chengdu Love Forever (成都花郡), Phase 1.1 of Fantasia Town (花樣城) and Phase 1.1 of Grand Valley (大溪谷)) and one project under development (namely, Phase 1.2 of Grand Valley (大溪谷)) which are expected to contribute to the revenue for the year ending December 31, 2009. The construction of Phase 1.2 of Grand Valley (大溪谷) commenced in September 2008 and is expected to be completed in November 2009. Phase 1.2 of Grand Valley (大溪谷) is expected to be comprised of 54 three- to four-storey buildings. It occupies a site area of approximately 61,609 square meters with a planned GFA of approximately 61,800 square meters. The Group has obtained the land use rights certificate, the required construction works commencement permit and the pre-sale permit for Phase 1.2 of Grand Valley (大溪谷). The last block was topped out in May 2009 and the interior decoration was completed in August 2009. The Directors confirm that the construction progress of Phase 1.2 of Grand Valley (大溪谷) is in accordance with the construction schedule and the project is expected to be completed and delivered to the purchasers within schedule.

SUMMARY

Sensitivity Analysis

Sensitivity analysis on targeted average selling price

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to the targeted average selling price for properties sold from September 1, 2009 to December 31, 2009.

% change in targeted selling prices per sq.m.	-15%	-10%	-5%	+5%	+10%
Impact on the profit attributable to owners of our Company targeted for the year 2009 (in RMB thousands)	(15,828)	(10,011)	(4,750)	4,116	8,232

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 rise by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB328,232,000, i.e. 2.6% higher than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 rise by 5% the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB324,116,000, i.e. 1.3% higher than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB315,250,000, i.e. 1.5% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB309,989,000, i.e. 3.1% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted average selling prices for projects sold from September 1, 2009 to December 31, 2009 decline by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB304,172,000, i.e. 4.9% lower than our targeted 2009 profit attributable to owners of our Company.

Sensitivity analysis on targeted GFA sold and delivered

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to the targeted GFA sold and delivered from September 1, 2009 to December 31, 2009.

% change in targeted GFA sold and delivered	-15%	-10%	-5%
Impact on the profit attributable to owners of our Company targeted for the year 2009 (in RMB thousands)	(3,890)	(2,593)	(1,297)

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB318,703,000, i.e. 0.4% lower than our targeted 2009 profit attributable to owners of our Company.

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB317,407,000, i.e. 0.8% lower than our targeted 2009 profit attributable to owners of our Company.

SUMMARY

If the targeted GFA sold and delivered for projects sold from September 1, 2009 to December 31, 2009 decline by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will be RMB316,110,000, i.e. 1.2% lower than our targeted 2009 profit attributable to owners of our Company.

Sensitivity analysis on fair value changes of investment properties

The following table illustrates the sensitivity of the profit attributable to owners of our Company for the year ending December 31, 2009 to levels of revaluation increase/decrease on investment properties as at June 30, 2009:

Changes in percentage on investment properties as at June 30, 2009	-15%	-10%	-5%	5%	10%	15%
Impact on the profit attributable to owners of our Company targeted for the year 2009 (in RMB thousands)	(33,338)	(22,225)	(11,113)	11,113	22,225	33,338

If the fair value of investment properties as at June 30, 2009 rises or declines by 5%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB331,113,000 or RMB308,887,000, respectively, i.e. 3.5% higher or lower, respectively, than our targeted 2009 profit attributable to owners of our Company.

If the fair value of investment properties as at June 30, 2009 rises or declines by 10%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB342,225,000 or RMB297,775,000, respectively, i.e. 6.9% higher or lower, respectively, than our targeted 2009 profit attributable to owners of our Company.

If the fair value of investment properties as at June 30, 2009 rises or declines by 15%, the profit attributable to owners of our Company for the year ending December 31, 2009 will not be less than RMB353,338,000 or RMB286,662,000, respectively, i.e. 10.4% higher or lower, respectively, than our targeted 2009 profit attributable to owners of our Company.

The above illustrations are intended to be for reference only and any variation could exceed the ranges given. The above sensitivity analyses are not meant to be exhaustive. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the targeted average selling price, GFA to be sold and delivered, and fair value changes of investment properties for the year ending December 31, 2009, the average selling price, GFA to be sold and delivered, and fair value changes of investment properties as at the relevant time may differ materially from our estimate and are dependent on market conditions and other factors which are beyond our control.

SUMMARY

OFFER STATISTICS

All statistics in this table are based on the assumptions that the Over-allotment Option is not exercised and no options are granted under the Share Option Scheme.

	Based on an Offer Price of HK\$1.75 per Share	Based on an Offer Price of HK\$2.20 per Share
Market capitalization ⁽¹⁾	HK\$8,505 million	HK\$10,692 million
Prospective price/earnings multiple		
(a) Pro forma fully diluted basis ⁽²⁾	23.4 times	29.4 times
(b) Weighted average basis ⁽³⁾	18.2 times	22.8 times
Pro forma adjusted net tangible assets attributable to owners of the Company per Share ⁽⁴⁾	HK\$0.72	HK\$0.83

Notes:

- (1) The calculation of market capitalization is based on 4,860,000,000 Shares expected to be in issue and outstanding following the Global Offering but takes no account of the Over-allotment Option or the options which may be granted under the Share Option Scheme.
- (2) The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the forecast earnings per Share for the year ending December 31, 2009 on a pro forma fully diluted basis at the respective indicative Offer Prices of HK\$1.75 per Share and HK\$2.20 per Share assuming a total of 4,860,000,000 Shares were in issue during the entire year.
- (3) The calculation of the prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share for the year ending December 31, 2009 on a weighted average basis at the respective indicative Offer Prices of HK\$1.75 per Share and HK\$2.20 per Share assuming a total of 3,768,164,383 Shares were in issue during the entire year.
- (4) The pro forma adjusted net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in the section entitled “Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets” of this prospectus and on the basis of 4,860,000,000 Shares in issue at the respective indicative Offer Prices of HK\$1.75 per Share and HK\$2.20 per Share.

DIVIDEND AND DIVIDEND POLICY

Subject to the Companies Law, through a general meeting we may declare dividends in any currency but no dividend shall be declared in excess of the amount recommended by the Board. The Board may also from time to time, without a general meeting, pay such interim dividends as appear to the Board to be justified by the profits of our Company. Our Articles of Association provide that dividends may be declared and paid out of our profit, realized or unrealized, or from any reserve set aside from profits which the Board determines is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

Our Company has not distributed any dividends since its incorporation on October 17, 2007. Certain subsidiaries of our Company paid dividends of approximately RMB1.0 million in each of the years ended December 31, 2007 and 2008. The sources of funding for payment of such dividends are our operating cash flow.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$2,210 million (assuming an Offer Price of HK\$1.98 per Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds from the Global Offering as follows:

- approximately 55%, or approximately HK\$1,215 million, to acquire additional land reserves, including the property rights that we intend to acquire for Shenzhen Meinian Plaza (深圳美年廣場) for approximately RMB300 million. See “Our Business — Our

SUMMARY

Property Development Projects — Pearl River Delta Region — Shenzhen — Shenzhen Meinian Plaza (深圳美年廣場).” We may also use the net proceeds from the Global Offering to acquire land sites for our potential new property development projects or other property development opportunities we may identify in the future. See “Our Business — Our Property Development Projects — Potential New Property Development Projects”;

- approximately 35%, or approximately HK\$774 million, to finance the development of our existing projects, with approximately HK\$182 million for phase 1.1 to phase 1.3 of Meinian International Plaza (美年國際廣場), approximately HK\$182 million for additional phases of Grand Valley (大溪谷), approximately HK\$91 million for Huizhou Endless Blue (惠州碧雲天), approximately HK\$91 million for Dongguan Mont Conquerant (東莞君山), approximately HK\$91 million for Chengdu Mont Conquerant (成都君山) and approximately HK\$137 million for Chengdu Future Plaza (成都香年廣場); and
- approximately 10%, or approximately HK\$221 million, for general working capital purposes.

In the event that the Offer Price is fixed at the highest point of the indicative Offer Price range, the net proceeds from the Global Offering to us will be approximately HK\$2,468 million (assuming an Offer Price of HK\$2.20 per Share and the Over-allotment option is not exercised). In the event that Offer Price is fixed at the lowest point of the indicative Offer Price range, the net proceeds from the Global Offering to us will be approximately HK\$1,941 million (assuming an Offer Price of HK\$1.75 per Share and the Over-allotment option is not exercised). We will adjust the allocation of the net proceeds for the above mentioned purposes on a *pro rata* basis.

In the event that the Over-allotment Option is exercised in full, we estimate that we will receive additional net proceeds ranging from approximately HK\$244 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$307 million (assuming an Offer Price of HK\$2.20 per Share). We intend to apply the additional net proceeds in the same manner and in the same proportions as described above.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits and/or money market instruments under the name of our Company or our wholly owned subsidiaries.

We estimate the net proceeds of the Global Offering to the Selling Shareholders ranging from approximately HK\$412 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$519 million (assuming an Offer Price of HK\$2.20 per Share), after deducting the underwriting fees and commissions and estimated expenses payable by the Selling Shareholders in relation to the Global Offering and assuming the Over-allotment Option is not exercised. In the event that the Over-allotment Option is exercised in full, the Selling Shareholders will receive additional net proceeds ranging from approximately HK\$62 million (assuming an Offer Price of HK\$1.75 per Share) to HK\$78 million (assuming an Offer Price of HK\$2.20 per Share). We will not receive any of the net proceeds of the Global Offering from the sale of the Shares by the Selling Shareholders.

We will issue an announcement if there is any material change in the above proposed use of proceeds.

In order to successfully repatriate the proceeds we receive from the Global Offering to China, we are subject to various rules and regulations and control measures imposed on foreign invested property developers in China and are required to complete requisite filings and registrations with relevant authorities. In particular, we must, in accordance with the Circular on Further Strengthening and Regulating the Approval and Supervision of Real Estate Industry with Direct Foreign Investment (關於進一步加強、規範外商直接投資房地產業審批和監管的通知) and the Circular on Distribution of List of the First Group of Foreign-Invested Real Estate Projects Filed with the Ministry of Commerce

(關於下發第一批通過商務部備案的外商投資房地產項目名單的通知), complete filings with and receive approval from MOFCOM or, where relevant, local branches of MOFCOM. In addition, in accordance with a circular promulgated by the SAFE in August 2008 with respect to the administration of conversion of foreign exchange capital contribution of foreign invested enterprise into Renminbi (關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), unless otherwise permitted by PRC laws or regulations, Renminbi capital converted from foreign exchange capital contribution cannot be used for domestic equity investment or acquisition. We will comply with all relevant laws and regulations in relation to the remittance. See “Risk Factors — Risks Relating to Our Industry — PRC government policies, regulations and measures intended to curtail the overheating of the property market may adversely affect our business”, “Risk Factors — Risks Relating to Our Industry — The PRC government has imposed restrictions on the ability of PRC property developers to receive offshore funds which may delay or prevent us from deploying the funds raised in this offering to our business in China and therefore materially and adversely affect our liquidity and our ability to fund and expand our business” and “Summary of PRC Laws Relating to the Property Sector — I. Legal Supervision Relating to Property Sector in the PRC — B. Foreign-invested Property Enterprises” in Appendix VII to this prospectus for further details.

RISK FACTORS

There are certain risks relating to an investment in our Shares. These can be categorized into (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering. A detailed discussion of the risk factors is set forth in the section entitled “Risk Factors.”

Risks Relating to Our Business

- We rely heavily on the strong performance of the property market in China, particularly in the Chengdu-Chongqing Economic Zone, the Pearl River Delta region, the Yangtze River Delta region and the Beijing-Tianjin metropolitan region
- We require substantial capital resources to fund our land acquisition and property development
- We may be adversely affected by the slowdown of China’s economy caused by the recent global financial and economic crisis
- Our business may be adversely affected by changes in interest rates
- We may not always be able to obtain land sites that are suitable for property development within our budget
- We may not be able to obtain land use rights certificates with respect to certain parcels of land or property rights with respect to certain project in which we have acquired an interest
- We face uncertainties when obtaining land sites through the acquisition of project companies
- We have entered into several preliminary framework agreements for potential new property development projects which are subject to significant risks and uncertainties
- Our results of operations may be materially and adversely affected if we fail to obtain, or there are material delays in obtaining, requisite governmental approvals for our property developments
- We face intense competition with respect to our property development, property operation services, property agency services and hotel services businesses
- The terms on which mortgages are available, if at all, may affect our sales
- Changes in laws and regulations in relation to pre-sales of properties may adversely affect our business, financial condition and results of operations

SUMMARY

- We cannot assure you that services performed by independent contractors will always meet our quality standards and timing requirement or will be available within our budget
- If we are not properly insulated from the rising cost of labor, construction materials or building equipment, our results of operations may be adversely affected
- We may be subject to legal and business risks if we fail to obtain, renew or keep necessary qualification certificates for our property development, property operation services, hotel services and property investment businesses
- We may not be able to complete our property development projects on time or at all
- We may not be successful in expanding our business into new geographical regions or cities
- We may expand our business into new segments of the real estate industry which may not be successful
- Our profitability may fluctuate due to fair value gains or losses on our investment properties because certain portion of our net profits were and are expected to be attributable to fair value gains or losses on our investment properties, which are likely to fluctuate from time to time
- The illiquid nature and the lack of alternative uses of investment properties could limit our ability to respond to adverse changes in the performance of our properties
- If we fail to obtain or keep licenses and permits applicable to our property agency business or obtain necessary approvals to expand our property agency business, we may incur significant financial penalties and other government sanctions
- Property owners may terminate our engagement as the provider of property management services
- Any failure to protect our brand and trademarks could have a negative impact on our business
- If the value of our brand or image diminishes, our business and results of operations may be materially and adversely affected
- Our indebtedness could have an adverse effect on our financial condition, diminish our ability to raise additional capital to fund our operations and limit our ability to explore business opportunities
- We guarantee mortgage loans provided to our purchasers and may be liable to the mortgagee banks if our purchasers default on their mortgage loans
- Our results of operations may fluctuate from period to period
- Disputes with joint venture or our project development partners may materially and adversely affect our business
- We may be required to forfeit land to the PRC government for failure to comply with the terms of the land grant contracts
- We are required to deliver individual property ownership certificates in a timely manner and the failure to do so may result in damages
- The relevant PRC tax authorities may challenge the basis on which we have been paying our LAT obligations and our results of operations and cash flows may be materially and adversely affected
- We are subject to multiple regulations of the PRC governmental authorities and any non-compliance or perceived non-compliance with these regulations may have a material and adverse effect on our business, financial condition and results of operations

SUMMARY

- Our success depends on the continuing services of our senior management team and other key personnel
- We face competition for qualified employees in the real estate industry which may make it difficult for us to retain and recruit enough employees for the expansion of our business
- We may suffer losses arising from uninsured risks
- The total GFA of some of our property developments exceeds the original authorized area and the excess GFA is subject to governmental approval and payment of additional land premium
- The ancillary facilities in residential projects developed by us may not always be available to residents in the projects
- The interests of our Controlling Shareholders may not align with those of our other shareholders
- We may be involved in legal and other proceedings arising out of our operations from time to time and may incur substantial losses and face significant liabilities as a result
- We are subject to potential environmental liability that could result in substantial costs
- The valuation attached to our property interests contains assumptions that may or may not materialize
- We may be deemed a PRC resident enterprise under the EIT Law and be subject to PRC taxation on our worldwide income
- Dividends payable by us to our foreign investors and gains on the sale of our Shares may become subject to withholding taxes under PRC tax laws
- We rely principally on dividends paid by our subsidiaries to fund any cash and financing requirements we may have; any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business and such dividends may be subject to PRC taxation
- Dividends paid in the past should not be treated as indicative of our future dividend payments or policy

Risks Relating to Our Industry

- PRC government policies, regulations and measures intended to curtail the overheating of the property market may adversely affect our business
- The PRC government has imposed restrictions on the ability of PRC property developers to receive offshore funds which may delay or prevent us from deploying the funds raised in this offering to our business in China and therefore materially and adversely affect our liquidity and our ability to fund and expand our business
- We are heavily dependent on the performance of the property market in China, which is at a relatively early stage of development
- Increase in resettlement costs and the inability to reach resettlement agreements associated with certain property developments may materially and adversely affect our business, financial condition and results of operations

Risks Relating to the PRC

- Changes in PRC economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition, results of operations and prospects

SUMMARY

- Uncertainties with respect to the PRC legal system could have a material adverse effect on us
- Fluctuation in the exchange rates of the Renminbi may have a material adverse effect on your investment
- Governmental control over currency conversion may affect the value of your investment and limit our ability to utilize our cash effectively
- Failure to comply with PRC regulations in respect of the registration of our PRC citizen employees' share options and restricted share units may subject such employees or us to fines and legal or administrative sanctions
- You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in China based on foreign laws against us, our directors and our senior management
- The national and regional economies may be adversely affected by a recurrence of SARS or an outbreak of other epidemics, natural disasters or severe weather conditions, thereby affecting our business prospects

Risks Relating to the Global Offering

- There has been no prior public market for our Shares and the liquidity and market price of the Shares may be volatile
- The trading price of our Shares may be volatile, which could result in substantial losses to you
- The sale or availability for sale of substantial amounts of our Shares could adversely affect the market price of our Shares
- You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future
- We cannot guarantee the accuracy of facts, forecasts and other statistics derived from official government publications with respect to the PRC and any provinces, cities or regions thereof or with respect to the economy and the property industry of the PRC and any provinces, cities or regions thereof contained in this prospectus
- You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering