SUMMARY

OVERVIEW

We believe we are a leading commercial property developer in China specializing in the development and operation of high-quality, large-scale, multi-functional commercial complexes. Our existing property projects are generally located in prime positions close to the city center of fast-growing, emerging cities in Fujian Province, Jiangsu Province, Shandong Province, Henan Province and Anhui Province. We intend to expand our commercial property development operations predominantly to other second or third-tier cities in China with high growth potential. In 2006, 2007 and 2008, we were recognized as a top brand, among commercial and tourism related real estate brands, by China Real Estate Top 10 Research Group, based on a combination of factors, including our market position, brand recognition and customer satisfaction. We were named as one of the top 100 real estate enterprises in China in 2006, 2007, 2008 and 2009, by the same organization based on a range of factors such as total assets, total revenue, net profit and GFA completed and under development.

We believe we have a distinctive business model that sets us apart from most other property developers in China. We sell all residential properties and a portion of our commercial properties to generate cash flow for our business operations and retain ownership of a significant portion of our commercial properties for long-term investment to generate recurring rental income and realize potential capital appreciation, while most other real estate developers in China have focused on strata sale of properties they develop. We believe this business model allows us to diversify our revenue sources and reduce our reliance on a particular sector of the real estate market. We focus primarily on fast-growing, emerging cities in China, which enables us to acquire land at relatively low cost and avoid the high levels of competition prevalent in first-tier cities. During the Track Record Period, we designated all of our residential properties and approximately half of our commercial properties for sale and retained the remaining half of our commercial properties for investment purposes. Our policy going forward will generally continue to follow our current practice with respect to properties for sale and properties to be retained for investment, although we expect to retain a greater portion of our properties for investment in the future. This policy, however, is subject to our assessment from time to time of our overall financial condition, results of operations and cash flow requirements. We will also take into account the operation and management of the relevant commercial project, the attractiveness of the property to the market and overall market conditions when we decide whether to keep a particular commercial project and how much of our portfolio to keep as investment properties.

As of June 30, 2009, we had a total of 17 property development projects at various stages of development in 14 cities in China as follows:

- *Completed properties.* We had completed four projects, of which three are located in Fujian Province and one is located in Henan Province, with a total GFA of 660,302 square meters, of which we currently hold a total GFA of 238,760 square meters available for lease.

- *Properties under development.* We had seven projects under development with a total GFA of 3,316,611 square meters, of which three are located in Jiangsu Province, two are located in Shandong Province, one is located in Henan Province and one is located in Anhui Province. We had completed construction of an aggregate of 538,675 square meters of GFA in various projects under development, with respect to which we are currently applying for the certificates of completion.

- *Properties held for future development.* We had six projects held for future development with a total GFA of 3,900,720 square meters, of which three are located in Jiangsu Province, two are located in Shandong Province and one is located in Henan Province.

We hold a 100% equity interest in all the above projects except for Wuxi Powerlong City Plaza, in which we hold an 80% interest. Of the 7,217,331 square meters of GFA under development and held for future development as of June 30, 2009, an estimated total GFA of approximately 3,861,621 square meters related to residential properties, and an estimated total GFA of 3,355,710 square meters related to commercial properties.

We focus on the development and operation of large-scale commercial complexes and therefore, the acquisition of land at competitive prices and in the right locations is critical to our overall development strategy. As of June 30, 2009, we had properties under development with a total site area of 1,525,474 square meters in Suzhou City and Wuxi City in Jiangsu Province, Qingdao City and Tai'an City in Shandong Province, Luoyang City in Henan Province as well as Bengbu City in Anhui Province. As of the same date, we also had properties held for future development with a total site area of 1,786,885 square meters in Suqian City, Yancheng City and Changzhou City in Jiangsu Province, Qingdao City and Yantai City in Shandong Province as well as Xinxiang City in Henan Province. We continually search for development sites that meet our selection criteria and plan to maintain our land reserves at levels sufficient to support our operations for three years on a rolling basis. We typically finance our land acquisition costs with cash generated internally from our operations and bank borrowings. However, as we grow larger and gain more access to capital markets, we may also finance our land acquisition costs with other debt or equity instruments.

We believe our products are competitive in the PRC real estate market. Our property development projects typically comprise large-scale commercial complexes and residential properties in 2nd or 3rd tier cities. Our property developments are among the largest integrated commercial projects in the cities where they are located and typically have a total GFA ranging between 200,000 to 500,000 square meters each. Our "Powerlong City Plazas" are integrated commercial-residential complexes and typically include the following categories of properties:

- large-scale commercial premises that contain supermarkets, department stores, retail shops, cinemas, food courts and other recreational facilities; and

- quality residential properties with low- and/or high-rise apartment buildings, residential suites and villas.

Depending on the location of our projects and market demand, our future commercial complex projects may also include the following categories of properties:

- high-quality hotels managed by internationally recognized hotel management companies; and

- large-scale indoor amusement parks.

We are currently developing three high-quality hotels as part of our project developments in Suzhou City, Qingdao City and Tai'an City and have engaged a subsidiary of Starwood Hotels Resorts Worldwide Inc. to manage these hotels.

The total GFA of properties we delivered during the Track Record Period was 75,039 square meters in 2006, 129,947 square meters in 2007, 287,274 square meters in 2008 and 179,805 square meters in the six months ended June 30, 2009. For 2006, 2007 and 2008 and the six months ended June 30, 2009, our revenue was Rmb 402.8 million, Rmb 1,025.8 million, Rmb 1,583.8 million and Rmb 1,294.3 million, respectively, and our profit attributable to our equity holders was Rmb 117.4 million, Rmb 603.3 million, Rmb 932.7 million and Rmb 330.1 million, respectively. Our revenues fluctuated during the Track Record Period largely because our total GFA delivered varied from period to period as we did not recognize revenue until we completed and delivered our properties. We typically develop our properties in phases, but a large-scale development project may take up to two years to complete. Our results of operations are limited by the number of properties that we can develop or complete during any particular period as a result of the substantial capital requirements for land acquisition and project construction, limited land supplies and lengthy development periods. For example, our ability to obtain land reserves and raise capital to finance our property development is affected by factors such as the prevailing macro-economic conditions and PRC regulatory environment. If we experience an economic downturn similar to the recent global financial crisis or if the PRC government tightens its regulatory policies in relation to the property development industry, our property development activities may be adversely impacted, which may also have a flow-on effect on our cash flow and results of operations. In addition, as most of our property projects typically take a number of months to reach pre-sale status from the commencement of construction, we do not receive cash flows from pre-sales until a few months after construction begins with respect to a property.

We maintain a certain level of indebtedness to finance our property development operations. As of December 31, 2006, 2007 and 2008 and June 30, 2009, our aggregate outstanding bank borrowings was Rmb 129.0 million, Rmb 760.3 million, Rmb 1,111.0 million and Rmb 988.2 million, respectively. In addition to our total indebtedness described above, we had outstanding guarantees in respect of our customers' mortgage loans amounting to approximately Rmb 280.3 million, Rmb 912.4 million, Rmb 1,029.3 million and Rmb 1,229.8 million, respectively, as of December 31, 2006, 2007 and 2008 and June 30, 2009. In addition, we also issued debt securities during the Track Record Period to raise additional financing. For more information, see the section entitled "History, Reorganization and Corporate Structure — Convertible Bonds and Secured Notes" in this document. We had total outstanding Secured Bonds and Secured Notes of Rmb 415.0 million as of June 30, 2009. The interest payable on the Secured Bonds and Secured Notes expected to be accrued up to the Latest Practicable Date is approximately Rmb 43.7 million. During the Track Record Period, our net cash inflow from operating activities was Rmb 490.9 million, Rmb 1,047.4 million, Rmb 131.3 million and Rmb 335.0 million, respectively. As of June 30, 2009, our cash and cash equivalents was Rmb 272.2 million. Our ability to finance our indebtedness and maintain a healthy level of cash inflow may be affected by various factors, including those discussed under the section entitled "Risk Factors" in this document.

We incurred a substantial amount of interest expenses in relation to our bank borrowings, Convertible Bonds and Secured Notes, as well as Secured Bonds and Secured Notes during the Track Record Period and we capitalized a large portion of these interest expenses. In particular, we incurred a total interest expense of Rmb 329.6 million in relation to our Convertible Bonds and Secured Notes, Secured Bonds and Secured Notes during the Track Record Period, of which Rmb 294.6 million had been capitalized. These capitalized interest expenses were recorded as part the development costs of the properties held for development in Suqian, Yantai, Xinxiang, Yancheng, Licang and Changzhou which we acquired using the proceeds from the issuance of the Convertible Bonds and Secured Notes. These capitalized interest expenses had no impact on our financial position during the Track Record Period as they were not capitalized under properties which we delivered or expect to deliver in 2009. Going forward, we expect to recognize such capitalized interest expenses as cost of sales progressively according to our project completion and delivery schedule. We do not expect these capitalized interest expenses to have any material adverse impact on our gross profit margin or financial position.

We typically arrange for various banks to provide mortgage facilities to purchasers of our properties who require mortgage loans and are required to provide guarantees to these banks up to the time of delivery of properties in respect of mortgages offered to our customers. We had outstanding guarantees in respect of our customers' mortgage loans amounting to approximately Rmb 280.3 million, Rmb 912.4 million, Rmb 1,029.3 million and Rmb 1,229.8 million as of December 31, 2006, 2007 and 2008 and June 30, 2009, respectively. However, we did not encounter any mortgage loan default by customers with respect to which we were required by mortgagee banks to honor our guarantee obligations. We intend to retain an increasing portion of our commercial properties for recurring rental income and/or for capital appreciation and to sell our residential properties for cash flow. As a result, our cash flow from operations may decrease if we hold a greater portion of our developed properties for investment or if we sell fewer properties. During 2006, 2007 and 2008 and the six months ended June 30, 2009, our revenue from sales of properties amounted to Rmb 399.3 million, Rmb 982.7 million, Rmb 1,511.8 million and Rmb 1,255.6 million, respectively, representing approximately 99.1%, 95.8%, 95.5% and 97.0%, respectively, of our total revenue. As of June 30, 2009, we had pre-sold a total GFA of 407,028 square meters in respect of our properties under development. We started to lease out our investment properties in December 2006. As of December 31, 2006, 2007 and 2008 and June 30, 2009, we had leased out a total GFA of 6,436 square meters, 95,585 square meters, 104,875 square meters and 113,348 square meters, respectively. During 2006, 2007 and 2008 and the six months ended June 30, 2009, our rental income amounted to Rmb 0.2 million, Rmb 32.2 million, Rmb 53.3 million and Rmb 28.4 million, respectively, representing approximately 0.1%, 3.1%, 3.4% and 2.2%, respectively, of our total revenue.

Our investment properties are subject to revaluation as of each balance sheet date and therefore, gains or losses arising from changes in the fair value of our investment properties are accounted for as gains or losses upon revaluation in our consolidated statement of comprehensive income, which may have a substantial effect on our results. Our completed investment properties had a fair value of Rmb 144.0 million, Rmb 1,073.0 million, Rmb 2,173.0 million and Rmb 2,168.9 million as of December 31, 2006, 2007 and 2008 and June 30, 2009, respectively, generating a fair value gain of Rmb 121.1 million, Rmb 533.0 million, Rmb 856.0

million and Rmb 2.4 million for 2006, 2007 and 2008 and the six months ended June 30, 2009, respectively, the after tax impact of which represented approximately 66.0%, 65.9%, 68.5% and 0.5% of our profit for the year in 2006, 2007 and 2008 and the six months ended June 30, 2009, respectively. Our independent property valuer used the investment method to value our completed investment properties because such method reflected the value of the property during the lease period of the property. The completed investment properties we held as of June 30, 2009 were located in Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza and Bengbu Powerlong City Plaza. Of our top 10 tenants in terms of space occupied in our investment properties as of June 30, 2009, two were companies controlled by our Controlling Shareholders. In 2007 and 2008 and the six months ended June 30, 2009, our rental income attributable to tenants controlled by our Controlling Shareholders was approximately Rmb 15.1 million, Rmb 16.9 million and Rmb 2.1 million, respectively, which represented 46.9%, 31.7% and 7.6%, respectively, of our total rental income in the same periods. We expect our rental income attributable to tenants controlled by our Controlling Shareholders to be approximately Rmb 13.5 million in 2009, representing 16.4% of our expected total rental income in 2009.

OUR COMPETITIVE STRENGTHS

We believe that we possess the following principal strengths enabling us to compete in the property markets in China:

- Distinctive "Powerlong" business model
- Sizable land reserves acquired at relatively low cost
- Well-recognized brand name and established reputation
- Long-term strategic partnerships with domestic and international brands
- Experienced and stable management team equipped with an integrated project development and management system

You can find more detailed discussions of these competitive strengths in the section entitled "Business — Our Competitive Strengths" in this document.

OUR BUSINESS STRATEGIES

Our principal business strategies are:

- Continue to leverage upon our successful "Powerlong" business model in fast-growing cities across China
- Continue to design products that meet future city development plans and build up our land reserves in a prudent manner
- Continue to develop and strengthen long-term strategic relationships with domestic and international brands
- Continue to enhance our brand name recognition
- Continue to optimize tenant mix and increase recurring rental income

- Standardize our project development and management model to achieve sustainable growth and operational expansion

You can find more detailed discussions of our principal strategies in the section entitled "Business — Our Business Strategies" in this document.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables summarize our consolidated financial information during the Track Record Period. The summary of consolidated balance sheets data as of December 31, 2006, 2007 and 2008 and June 30, 2009 and the summary of consolidated statement of comprehensive income data and the summary of consolidated cash flow statements data for the three year ended December 31, 2006, 2007 and 2008 and each of the six months ended June 30, 2008 and 2009 included in the following tables are derived from, and should be read in conjunction with, our consolidated financial information included in the Accountants' Report contained in Appendix I to this document.

SUMMARY

Summary Consolidated Statement of Comprehensive Income Data

	Year ended December 31,			Six months ended June 30,	
	2006	2007	2008	2008	2009
				(unaudited)	
	(Rmb in millions, except per share data)				
Revenue	402.8	1,025.8	1,583.8	675.1	1,294.3
Cost of sales	(196.4)	(412.9)	(869.1)	(408.4)	(609.3)
Gross profit	206.4	612.9	714.7	266.7	685.0
Fair value gains on investment properties	121.1	533.0	856.0	12.0	2.4
Selling and marketing costs	(21.8)	(57.9)	(60.9)	(22.1)	(26.3)
Administrative expenses	(53.0)	(50.8)	(140.9)	(67.2)	(75.9)
Other gain and losses (net)	—	(5.7)	(37.8)	(9.4)	0.5
Operating profit	252.7	1,031.5	1,331.1	180.0	585.7
Fair value losses on embedded financial derivatives	—	—	(14.8)	(14.8)	—
Finance costs	—	(3.4)	(33.7)	(31.3)	(2.7)
Profit before taxation	252.7	1,028.1	1,282.6	133.8	583.0
Income tax	(129.7)	(421.4)	(345.3)	(79.4)	(254.4)
Profit for the year/period	123.0	606.7	937.3	54.4	328.6
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year/period	123.0	606.7	937.3	54.4	328.6
Attributable to:					
Owners of the Company	117.4	603.3	932.7	55.7	330.1
Minority interests	5.6	3.4	4.6	(1.2)	(1.5)
	123.0	606.7	937.3	54.4	328.6
Basic and diluted earnings per Share for profit attributable to our shareholders during the year (expressed in Rmb per share)	Not applicable	Not applicable	0.31	0.02	0.11
Dividend	—	32.9	—	—	—

Summary Consolidated Balance Sheets Data

	As of December 31,			As of June 30,
	2006	2007	2008	2009
	(Rmb in millions)			
Total Assets				
Non-current assets	1,333.4	2,909.6	3,694.9	3,735.7
Current assets	2,058.7	3,363.9	4,876.1	5,368.7
Total assets	3,392.1	6,273.5	8,571.0	9,104.4
Equity and Liabilities				
Non-current liabilities	139.0	881.4	915.0	671.8
Current liabilities	2,508.8	4,306.8	5,612.6	6,060.5
Total liabilities	2,647.8	5,188.2	6,527.5	6,732.3
Total equity	744.3	1,085.3	2,043.5	2,372.0
Total Equity and Liabilities	3,392.1	6,273.5	8,571.0	9,104.4

Summary Consolidated Cash Flow Statements Data

	Year ended December 31,			Six months ended June 30,	
	2006	2007	2008	2008	2009
				(unaudited)	
	(Rmb in millions)				
Net cash inflow/(outflow) from operating activities	490.9	1,047.4	131.3	(99.1)	335.0
Net cash outflow from investing activities	(1,084.2)	(1,833.9)	(1,850.2)	(1,066.9)	(448.9)
Net cash inflow from financing activities	608.1	1,907.4	772.7	352.1	177.3
Effect of foreign exchange rate changes	—	(6.9)	(11.0)	(9.4)	3.6
Cash and cash equivalents at end of the year/period	48.5	1,162.6	205.3	339.2	272.2

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2009

	Year Ending December 31, 2009
	(Rmb in millions)
Forecast consolidated profit attributable to our equity holders before revaluation of investment properties	1,220.6
Revaluation increase on investment properties (net of deferred tax effect)	1,817.9
Forecast consolidated profit attributable to our equity holders after revaluation of investment properties	3,038.5

We have prepared our forecast consolidated profit attributable to equity holders of our Company for the year ending December 31, 2009 based on our audited consolidated results for the six months ended June 30, 2009 and unaudited consolidated results from our management accounts for the two months ended August 31, 2009 and our forecast of the consolidated results for the four months ending December 31, 2009. Our profit forecast has been presented on a basis consistent in all material respects with the accounting policies normally adopted by us as summarized in the Accountants' Report contained in Appendix I to this prospectus. We have made the following principal assumptions in the preparation of our profit forecast:

- There will be no material changes in existing political, legal, fiscal, market or economic conditions in Hong Kong, the PRC or any other countries or territories in which we currently operate or which are otherwise material to our income.

- There will be no changes in policies, legislation, regulations, or practices in Hong Kong, the PRC or any other countries or territories in which we operate or have arrangements or agreements (including, but not limited to, those in relation to land acquisition, property development and taxation of sales income derived therefrom), which may adversely affect our business or operations. Further, with respect to the real estate industry in particular, the PRC government will not impose material changes, or impose additional austerity measures, to dampen the sales of properties and prices of properties. Land use rights certificates, construction land planning permits, pre-sale permits, construction works planning permits and construction permits related to properties under development will be granted to us before the commencement of sale of each related project.

- There will be no material changes in the bases or rates of taxation or the policies with respect to imposition of such taxation, in the countries or territories in which we operate.

- There will be no material changes in interest rates from those currently prevailing as at the date of this prospectus.

- Our operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents.

- Our operations and financial performance will not be materially and adversely impacted by any of the risk factors set forth in the section entitled "Risk Factors" in this prospectus.

- Major contracts for the sales and leases of properties and letter of intent for leases entered will not be cancelled. Our properties are developed in accordance with management's plans and are not substantial variations of construction costs from budgeted amount. There are no substantial changes in development schedule due to relocation and PRC government approvals and completion of works by our contractors.

- We can continue to use current approved or applicable tax collection methods during the forecast period.

- Specific assumptions in respect of investment property valuation:

  (i) the current financial, economic and political conditions which prevail in the PRC and in the neighboring cities/provinces and which are material to the rental income generated by the investment properties are expected to remain unchanged;

  (ii) the conditions under which the investment properties are being operated and which are material to the revenue and costs of the properties will be unchanged;

  (iii) property-specific factors such as the building facilities provision, building specification, ventilation system, ancillary supporting retail services, quality of property management and tenant's profile will remain unchanged; and

  (iv) the leases of any lease-expired units of the properties will be renewed on normal commercial terms. Such specific assumptions are consistent with the approach undertaken by Savills, an independent valuer, in the Property Valuation Report contained in Appendix IV to this prospectus.

Properties Completed in 2008 and Properties Under Development Expected to be Completed in 2009

The table below sets forth the total contracted sales we achieved as of August 31, 2009, total GFA to be delivered by the end of 2009 for each project and average selling price information.

	Total contracted sales as of August 31, 2009(1)	GFA delivered/ expected to be delivered by the end of 2009(2)	Average selling price per square meter in respect of properties pre-sold in 2008	Average selling price per square meter in respect of properties pre-sold in the eight months ended August 31, 2009	Actual/expected completion date(3)
	(Rmb in thousands)	(sq.m.)	(Rmb/ per sq.m.)	(Rmb/ per sq.m.)	
Properties under development as of August 31, 2009					
Luoyang Powerlong City Plaza					
Residential	244,191	90,326	2,643	2,604	Oct 09
Commercial	366,321	67,732	4,053	5,007	Sep 09
Wuxi Yuqi Powerlong Riverside Garden					
Residential	198,994	61,833	3,342	2,955	Sep 09
Commercial	111,053	17,419	6,370	6,566	Sep 09
Qingdao Powerlong City Plaza					
Residential	45,852	9,722	4,597	4,696	Sep 09
Commercial	311,564	24,466	9,298	11,738	Sep 09
Tai'an Powerlong City Plaza					
Residential	173,061	39,207	4,390	3,710	Sep 09
Commercial	86,669	13,397	6,230	6,218	Oct 09
Bengbu Powerlong City Plaza					
Residential	2,951	1,378	4,151	2,907	Jan 09
Commercial	118,205	13,239	8,942	8,884	Jan/Oct 09
Completed properties as of August 31, 2009					
Zhengzhou Powerlong City Plaza					
Commercial	76,189	5,773	13,839	10,185	Dec 08
Taicang Powerlong City Plaza					
Commercial	18,000	5,138	3,727	3,543	Feb 08
Wuxi Powerlong City Plaza					
Commercial	5,150	221	17,703	12,415	Oct 08
Total					
Residential	665,049	202,466	3,833	3,512	
Commercial	1,093,151	147,385	8,133	9,488	

Notes:

(1) Represents only the total contracted sales of properties delivered or expected to be delivered by the end of 2009.

(2) Represents only contracted sales up to August 31, 2009.

(3) Represents only the completion date with respect to the GFA to be completed in 2009.

As of the Latest Practicable Date, the construction progress with respect to the GFA to be completed in 2009 was as follows:

- *Luoyang Powerlong City Plaza.* We had completed all construction and decoration work and we are currently preparing to undertake the completion acceptance inspections. We expect to deliver all completed properties by the end of October 2009.

- *Wuxi Yuqi Powerlong Riverside Garden.* We had completed the structural construction of all buildings and had started to deliver properties to customers in sections A and B as of the end of August 2009. We had completed approximately 95% of all installation work and 80% of all exterior construction work in sections C and D. According to our construction schedule, we plan to complete the project and deliver all completed properties by the end of September 2009.

- *Qingdao Powerlong City Plaza.* We had completed the construction of all buildings in the northern and western sectors of the residential portion of the project and had delivered the properties to customers. For the commercial portion of the project, section A had opened for business. This includes both properties which we have sold and leased out. We had completed the interior decoration and equipment installation work in sections B, E and F. According to our construction schedule, we plan to complete these sections and deliver all completed properties by the end of September 2009.

- *Tai'an Powerlong City Plaza.* We had completed the construction and decoration work of all buildings in Phase I and had delivered the completed properties to customers. We had completed approximately 70% of the interior fine decoration work of all the buildings in Phase II. According to our construction schedule, with the exception of the Tai'an Hotel, we expect to complete Phase II and deliver all completed properties by the end of October 2009.

- *Bengbu Powerlong City Plaza.* We had completed the construction of all buildings in Phase I and had delivered the completed properties to customers. We had sealed the roofs of all buildings, completed all construction work in relation to the roofs, including tiling and insulation, as well as approximately 80% of the exterior wall construction work, all decoration work and approximately 80% of the interior plastering work in section A of Phase II. According to our construction schedule, we expect to complete and deliver all completed properties in section A by the end of October 2009. Section A is a standalone building in Phase II.

Marketing Strategies for Properties to be Completed and Delivered in 2009

Based on our past sales and marketing track record, we believe that the period from September to the end of the year is traditionally peak sales season for our properties. Accordingly, we have increased our media exposure and advertisement campaigns during this period, especially to coincide these campaigns with public holidays in the PRC, such as National Day and Mid-Autumn Festival, to increase public awareness of our products and encourage sales. We believe this will also help us to secure sales of large shops with attractive locations within our commercial properties during the period when they first open for business. We have implemented the following sales strategies in order to meet our sales target in 2009:

- Promote the sale of large shops with attractive locations within our commercial properties during the period when they are first open for business to secure anchor tenants and attract smaller retail customers.

- As our property projects are located in second and third-tier emerging cities, we have increased our promotional activities in surrounding cities and towns to attract potential buyers.

- Focus our promotional efforts on customers with strong purchasing powers based on our past sales experience by conducting face-to-face customer visits and organizing customer social events. We notice that such personal sales approach has been effective and has helped to reduce our advertising costs.

- Continue to implement measures and providing incentives to encourage existing customers to introduce new customers to our properties.

- Enhance our brand recognition by continuing to conduct advertisement in newspapers, pamphlets, on buses and at bus stops, through mobile text messages and direct mailing, as well as organizing road shows to promote our properties.

- Organize groups of potential customers and members from various media outlets for on-site visits to our first commercial complex, Fuzhou Powerlong City Plaza, which has been in operation for two years, to showcase our commercial properties to them, and to enhance customer confidence and promote sales.

In the past eight months since the beginning of 2009, we had exceeded contracted sales of Rmb 200.0 million per month in three of these months. Our contracted sales based on sales and purchase agreements entered into amounted to Rmb 221.2 million in August 2009, of which Rmb 164.7 million is expected to be recognized as revenue in 2009 as the properties are delivered.

According to our historical sales statistics, we achieved contracted sales of Rmb 1,191.7 million in the five-month period between September 2007 and January 2008. More recently, we achieved contracted sales of Rmb 930.5 million in the five-month period between September 2008 and January 2009.

For the four projects which are expected to have material contribution to our sales in 2009, we have also undertaken certain specific measures to stimulate customer interest and promote sales as set forth below.

Qingdao Powerlong City Plaza

- We expect to leverage on the significant amount of media exposure which Qingdao Powerlong City Plaza is expected to receive before its opening by highlighting the indoor amusement park, the department store and other retails shops surrounding them to potential customers.

- We plan to organize promotional events during the public holiday period and invite potential customers to our amusement park for site visits to strengthen their impression of our properties.

- In January 2009, we launched a customer referral program that was designed to provide incentives to our existing customers and encourage them to introduce new customers to our properties. Since its launch, this program has been well received and a sizeable proportion of our contracted sales can be attributable to such referrals.

- We have established good working relationships with branch companies of E-House, one of the largest real estate agency and consulting firms in the PRC and a listed company on the New York Stock Exchange, to help enhance the sales and marketing of our properties. According to the performance targets we have agreed with E-House, E-House is expected to achieve approximately Rmb 1,000.0 million in sales for the period from November 2008 to November 2009, As of August 31, 2009, it had already achieved Rmb 616.4 million in sales.

- The indoor amusement park in Qingdao Powerlong City Plaza is expected to be one of the largest indoor amusement parks in the PRC once it is open for business at the end of September 2009. We expect it to be a major attraction in Qingdao City and draw a large number of visitors to Qingdao City, which in turn will help to promote our properties as a whole and encourage sales.

- We have started advertising campaigns in some of the most highly circulated newspapers in Qingdao City, including Qingdao Morning Paper and Qingdao Evening Paper to effectively increase customer awareness and media exposure of our properties.

Zhengzhou Powerlong City Plaza

- We intend to coincide the opening of the commercial properties with the PRC National Day celebrations to increase media exposure and generate interest.

- We launched a series of promotional activities for the housing exhibition in September 2009, which we believe have already helped us to attract potential home buyers.

- The completion of a major road connecting the city center to Zhengzhou Powerlong City Plaza in October 2009 is expected to improve the accessibility of our project, which will help to increase the customer awareness of our project.

Bengbu Powerlong City Plaza

- Since January 2009, we have used several media channels, including newspaper advertisements and television commercials, to market our property and increase customer awareness. In the months leading up to the opening of our commercial properties at the end of 2009, we have increased such promotional activities and have also supplemented these activities with on-site marketing events. We actively invite our target customers to these marketing events and use the opportunity to showcase our properties to them.

- We have also widened the geographical scope of our marketing activities into the suburban areas surrounding Bengbu City, particularly Fengyuan and Huaiyuan districts, where there are a high concentration of mining companies. We understand that executives of these mining companies generally have a relatively strong purchasing power and we have therefore started to target these executives as potential customers. In that regard, we have liaised with the local mining industry association and financial institutions as well as adopted a personalized marketing strategy to reach out to these executives. Under this marketing strategy, we conduct face-to-face visits with our target customers and invite them to small group receptions which we use to market our properties. As a result of this marketing strategy, we have concluded a sizeable number of sales with these target customers.

- We have also implemented a phased sales strategy where we promote certain lower-priced properties to generate broad-based interest in our project and create sales momentum. We have begun to selectively sell our higher-priced properties as demand for our properties increases. We have noticed that this phased sales strategy has improved the sales progress of the entire project.

Luoyang Powerlong City Plaza

- We plan to take advantage of the opening of the wholesale market at the end of September 2009 to promote the sales of the ground floor of the wholesale market and the remaining residential properties.

- From our primary research, we understand that the purchasing power of the population in the areas surrounding Luoyang City is relatively high. Accordingly, we have set up marketing booths in seven different locations around Luoyang City to promote our properties and we have attracted a large number of customers from these areas using this approach.

- Our contracted sales in 2009 have been relatively stable. In the eight months ended August 31, 2009, our accumulated contracted sales for the period amounted to approximately Rmb 161.6 million and our average monthly contracted sales was approximately Rmb 20.2 million. During the same period, we received expressions of interest from potential customers in relation to the purchase of our properties. We intend to follow up closely with these customers to facilitate sales.

- We understand that the local government intends to construct a new bus station near Luoyang Powerlong City Plaza. In addition, a recently completed high-speed railway station in the vicinity is expected to become operational in 2010. We believe that these new infrastructures will help to increase the commercial value of our project, which in turn will enhance customer flow and promote sales.

Investment Properties

The investment properties were valued as of June 30, 2009 by Savills.

Savills has adopted the investment approach to assess the market value of investment properties. Pursuant to the investment approach, the market value of a property is assessed by adding the estimated value of (i) the term interest of the property subject to contractual tenancies; and (ii) the reversionary interest of the property. The estimated value of the term interest is derived by capitalizing a property's contractual rental income for the relevant period as of the valuation date. The estimated value of the reversionary interest is derived by capitalizing the property's estimated market rental for the rest of its unexpired land use terms after the end of the terms of the relevant leases.

Savills has also employed the direct comparison method as a cross check to the market value as derived from the investment approach. Under the direct comparison approach, reference is made to recent comparable sale transactions with adjustments made for size, location, time amenities and other relevant factors when comparing such sales against the investment properties.

As confirmed by Savills, the valuation methods it adopted are consistent with that adopted in valuing our investment properties in the Track Record Period.

We arrived at the estimated fair value gain on investment properties based on the market values of such investment properties as of June 30, 2009; and made reference to the anticipated property-specific market trends of each of such investment properties carried out by Savills. The anticipated property-specific market trends are in line with the average of the range of performance expectations indicated in JLL's analysis of commercial property market trends.

A large portion of the forecast valuation gains on investment properties for the year ending December 31, 2009 are attributable to the revaluation of the investment properties currently under development. Only a small portion of the forecast valuation gains is attributable to our existing investment properties, namely, Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza and Phase I of Bengbu Powerlong City Plaza.

In calculating our forecast profit, we have taken into account fair value gains of Rmb 2,421.4 million (before deferred tax on the gain) for the period from July 1, 2009 to December 31, 2009. HKFRS requires changes in fair values of investment properties to be accounted for in the consolidated statement of comprehensive income. Our total forecast fair value gains consist of two components: (i) forecast fair value gains of Rmb 57.7 million in relation to our existing completed investment properties; and (ii) forecast fair value gains of Rmb 2,363.7 million in relation to our investment properties currently under development that are expected to be completed in 2009.

Fair value gains on existing completed investment properties

The table below sets forth the fair value gains of our existing investment properties.

	GFA retained for investment	Actual book value as of June 30, 2009	Forecast fair value as of December 31, 2009	Pre-tax fair value gains for the six months ending December 31, 2009
	(sq.m.)	(Rmb in millions)		
Fuzhou Powerlong City Plaza	94,835	974.0	990.0	16.0
Zhengzhou Powerlong City Plaza	88,359	1,071.5	1,108.6	37.1
Bengbu Powerlong City Plaza Phase I	21,828	123.4	128.0	4.6
Total	**205,022**	**2,168.9**	**2,226.6**	**57.7**

Almost all of our investment properties are commercial properties. Due to the nature of commercial properties, movement in the selling price, which is often the most important factor in the valuation of residential properties, is not as significant in determining the valuation of our investment properties. With regard to Fuzhou Powerlong City Plaza and Zhengzhou Powerlong City Plaza, we believe the increase in their valuation is primarily due to the following factors:

- location in an emerging commercial district with growth potential. As the surrounding areas become more established with improved public infrastructure and transportation networks, Zhengzhou Powerlong City Plaza will become more accessible with increased customer flow to the district;

- increased purchasing power of local consumers. We expect the purchasing power of local consumers to increase as a result of recent strong economic growth in these cities; and

- as Fuzhou Powerlong City Plaza and Zhengzhou Powerlong City Plaza become more mature with enhanced brand recognition and corporate image, we believe we will be able to retain reputable anchor tenants and strengthen our bargaining position in respect of rental income.

Fair value gains on investment properties under development expected to be completed in 2009

The properties that are being constructed for investment purposes are classified as investment properties under development. If the fair values cannot be readily and reliably determined, they will be measured at cost until the fair values can be determined or construction is completed. We have concluded that the fair value of our investment properties under development cannot be determined at a reasonably accurate level prior to their completion. Therefore, our investment properties under development will continue to be measured at cost until the construction is completed. Completed investment properties are carried at fair value with the differences between their fair value and the book value being recognized in the consolidated statement of comprehensive income. All our investment properties under development are to be operated as shopping malls, except for Luoyang Powerlong City Plaza, which is planned to be developed into a wholesale market and Wuxi Yuqi Powerlong Riverside Garden, which is planned to be developed into retail shops within a residential community.

The following table sets forth the fair value gains of investment properties under development expected to be completed by December 31, 2009.

	GFA of investment properties to be completed by December 31, 2009	Valuations by Savills as of June 30, 2009		Actual book value as of June 30, 2009	Forecast book value as of December 31, 2009	Forecast fair value as of December 31, 2009	Pre-tax fair value gains for the six months ending December 31, 2009
		Value of investment properties	Value per sq.m.				
	(sq.m.)	(Rmb in millions)	(Rmb/sq.m.)	(Rmb in millions)			
Bengbu Powerlong City Plaza Section A of Phase II	85,027	663.6	7,805	172.1	233.4	665.0	431.6
Luoyang Powerlong City Plaza	63,200	265.0	4,193	124.0	133.5	266.0	132.5
Qingdao Powerlong City Plaza	127,106	1,783.0	14,028	247.7	367.9	1,790.0	1,422.1
Tai'an Powerlong City Plaza	56,331	480.0	8,521	111.4	145.2	481.0	335.8
Wuxi Yuqi Powerlong Riverside Garden.	8,087	60.4	7,469	16.8	19.4	61.1	41.7
Total.	**339,751**	**3,252.0**	**9,572**	**672.0**	**899.4**	**3,263.1**	**2,363.7**

The pre-tax fair value gains of Qingdao Powerlong City Plaza are expected to be Rmb 1,422.1 million for the six months ending December 31, 2009, which are relatively larger than the pre-tax fair value gains of our other investment properties currently under development. Qingdao is the largest city in Shandong Province in terms of GDP, therefore we believe consumers in Qingdao are likely to have a stronger purchasing power. Furthermore, the area in which Qingdao Powerlong City Plaza is located is expected to be developed by the local government into a new commercial district in the near future.

The following table sets forth, with respect to our completed investment properties and investment properties under development (i) the date on which we acquired the land and the relevant land use rights; (ii) construction commencement date; and (iii) estimated or actual construction completion date.

Investment properties	Date of acquisition of land	Land use rights certificate obtained	Construction commencement date	Earliest construction completion date(1)
Fuzhou Powerlong City Plaza	Sep 2003	Sep 2004	Nov 2004	Nov 2006
Zhengzhou Powerlong City Plaza	Mar 2005	Apr 2006	Jul 2006	Dec 2008
Bengbu Powerlong City Plaza	Dec 2005	Jun 2006	Sep 2006	Dec 2008/ Oct 2009(2)
Luoyang Powerlong City Plaza	Feb 2006	Aug 2006	Nov 2006	Sep 2009
Qingdao Powerlong City Plaza	Jul 2006	Sep 2006	Apr 2007	Sep 2009
Tai'an Powerlong City Plaza	Jul 2006	Jul 2006	Nov 2006	Oct 2009
Wuxi Yuqi Powerlong Riverside Garden	Dec 2006	May 2007	Oct 2007	Sep 2009

Notes:

(1) Represents only the expected completion date with respect to the GFA completed/to be completed before December 31, 2009.

(2) Represents the actual construction completion date for Phase I and the estimated earliest construction completion date for section A of Phase II, respectively.

The construction of our investment properties typically involves the following steps: (i) preliminary planning and design work which takes between three to four months; (ii) building foundation work which takes between three to four months; (iii) main structural construction work which takes between four to five months; and (iv) interior decoration and installation of equipment and facilities which takes approximately four months. Once all construction and decoration work have been completed, it normally takes a month for the properties to pass the completion acceptance inspections.

We adjusted our construction schedule last year due to the general global economic conditions. Our Directors confirm that the current construction progress of the above projects are in accordance with our latest project development plans and we expect to complete the construction on time, absent any unforeseeable adverse event. With the exception of a portion of Bengbu Powerlong City Plaza and a portion of Qingdao Powerlong City Plaza, we expect all remaining construction and decoration work of each of the investment properties currently under development to be completed in 2009.

Our Directors have consulted Savills in making a forecast of the likely valuations of the investment properties as of December 31, 2009. Savills has estimated the market rents that would be achievable in each of the properties as of June 30, 2009, assuming the properties had been completed and in operation. For the purposes of deriving forecasted values on such properties, our Directors have made an estimation on the change of the market rents over the course of 2009. In arriving at these percentage growth estimates, our Directors have made reference to the market research report prepared by JLL and the forecast rental changes provided by Savills for each city in which the properties are located. JLL is a reputable and leading property and corporate facility management services provider in the world with 225 years of industry experience in property market research consulting. JLL is independent of us and is named as an expert in "Statutory and General Information — 9. Qualifications of Experts" in Appendix VIII to the prospectus.

Due to the volatile PRC property market in previous years, our Directors have then made a conservative estimation and have assumed in the forecast valuation that the change in market rents till the end of 2009 will be at 0%. The range of market rents and weighted average for each of the properties and the adopted growth rates are shown in the table below. Our Directors have also confirmed that the aforesaid assumptions adopted in the valuation are consistent with our planned business strategy on property leasing.

The range of market rents and weighted average for each of the properties and the estimated growth rates adopted in the forecast valuation are shown in the table below.

Investment properties	Valuation by Savills as of June 30, 2009	Actual book value as of June 30, 2009	Range of monthly market rents adopted by Savills as of June 30, 2009[(1)]	Average monthly market rents weighted by area as of June 30, 2009	Forecast growth in rents for the second half of 2009 prepared by Savills	Estimated growth in rents for the second half of 2009 adopted in the forecast valuation	Forecast average monthly market rents weighted by area as of December 31, 2009	Forecast valuation by Savills as of December 31, 2009
	(Rmb in millions)	(Rmb in millions)	(Rmb/sq.m. per month)	(Rmb/sq.m. per month)			(Rmb/sq.m. per month)	(Rmb in millions)
Fuzhou Powerlong City Plaza.	974.0	974.0	74–230	117	0.08%	0%	117	990.0
Zhengzhou Powerlong City Plaza.	1,071.5	1,071.5	56–140	98	3.66%	0%	98	1,108.6
Bengbu Powerlong City Plaza.	787.0	295.5	33–97	56	6.96%	0%	56	793.0
Luoyang Powerlong City Plaza.	265.0	124.0	31	31	3.17%	0%	31	266.0
Qingdao Powerlong City Plaza.	1,783.0	247.7	49–162	104	2.37%	0%	104	1,790.0
Tai'an Powerlong City Plaza.	480.0	111.4	42–80	63	0.77%	0%	63	481.0
Wuxi Yuqi Powerlong Riverside Garden	60.4	16.8	55	55	0.80%	0%	55	61.1
Total.	5,420.9	2,840.9						5,489.7

Note:

(1) The range of monthly market rents of each city is derived from the unit rate of retail rental information from the respective city.

As of June 30, 2009, the tenanted portions comprised of 90,840 square meters, 43,531 square meters, 50,524 square meters and 78,404 square meters of GFA for Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza, Bengbu Powerlong City Plaza and Qingdao Powerlong City Plaza, respectively. The remaining vacant portions with a total GFA of approximately 281,473 square meters were attributable to Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza, Bengbu Powerlong City Plaza, Luoyang Powerlong City Plaza, Qingdao Powerlong City Plaza, Tai'an Powerlong City Plaza and Wuxi Yuqi Powerlong Riverside Garden.

Our total forecast rental income from July 1 to December 31, 2009 is expected to be approximately Rmb 53.7 million, which comprises primarily the forecast rental income of our commercial properties leased out of approximately Rmb 41.7 million and, to a lesser extent, the forecast rental income of our commercial properties expected to be leased out after the properties are completed of approximately Rmb 12.0 million. The rental income of our already tenanted commercial properties was calculated on a straight-line basis over the lease term, taking into account the actual agreed monthly rental under the lease agreements, whereas the rental income of our yet to be tenanted commercial properties was calculated on a straight-line basis over the lease term, taking into account prevailing market rental rates in the cities in which our commercial properties are located. As of June 30, 2009, the total GFA of our tenanted commercial properties in Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza, Bengbu Powerlong City Plaza and Qingdao Powerlong City Plaza was 90,840 square meters, 43,531 square meters, 50,524 square meters and 78,404 square meters, respectively. The forecast rental income of Rmb 19.9 million, Rmb 5.1 million, Rmb 1.3 million and Rmb 15.4 million from July 1 to December 31, 2009, respectively. As of the same date, the remaining vacant portions with a total GFA of approximately 281,473 square meters were attributable to Fuzhou Powerlong City Plaza, Zhengzhou Powerlong City Plaza, Bengbu Powerlong City Plaza, Luoyang Powerlong City Plaza, Qingdao Powerlong City Plaza, Tai'an Powerlong City Plaza and Wuxi Yuqi Powerlong Riverside Garden, with a total forecast rental income from July 1 to December 31, 2009 expected to be approximately Rmb 12.0 million.

The table below summarizes the sensitivity of the forecast consolidated profit attributable to equity holders of our Company based on changes in the market rent assumption.

Changes in market rent	20% below base case	10% below base case	Base case market rent assumption	10% above base case	20% above base case
Impact on forecast consolidated profit attributable to equity holders of the Company (Rmb in millions)	(760.4)[1]	(379.7)[1]	—	384.0[1]	763.1[1]

Note:

(1) Market yield of 8% has been applied.

Occupancy of our investment properties

The table below summarizes the following information: (i) the total GFA expected to be held for investment in 2009 in our completed commercial property and commercial properties under development; (ii) the GFA subject to signed leases; (iii) the GFA subject to letters of intent as of June 30, 2009 in each of the commercial complexes; and (iv) the percentage of the total area they represent.

	Total GFA held for investment(1)	GFA of tenanted portion	Occupancy rate(2)	GFA of vacant portion: GFA with letters of intent(4)	GFA of vacant portion: GFA without letters of intent	GFA of vacant portion: Total GFA of vacant portion(3)	Proportion of total GFA subject to lease agreements or letters of intent
	(sq.m.)	(sq.m.)	(%)	(sq.m.)	(sq.m.)	(sq.m.)	(%)
Completed							
Fuzhou Powerlong City Plaza	94,835	90,840	95.8%	—	3,995	3,995	95.8%
Zhengzhou Powerlong City Plaza	88,359	43,531	49.3%	30,885	13,943	44,828	84.2%
Sub-total (completed properties)	183,194	134,371	73.3%	30,885	17,938	48,823	90.2%
Under development							
Bengbu Powerlong City Plaza	106,855	50,524	47.3%	36,326	20,005	56,331	81.3%
Luoyang Powerlong City Plaza	63,200	—	—	50,000	13,200	63,200	79.1%
Qingdao Powerlong City Plaza	127,106	78,404	61.7%	5,573	43,128	48,701	66.1%
Tai'an Powerlong City Plaza	56,331	—	—	9,334	46,997	56,331	16.6%
Wuxi Yuqi Powerlong Riverside Garden	8,087	—	—	—	8,087	8,087	—
Sub-total (properties under development)	361,579	128,928	35.7%	101,233	131,417	232,650	63.7%
Total	**544,773**	**263,299**	**48.3%**	**132,118**	**149,355**	**281,473**	**72.6%**

Notes:

(1) Excludes GFA of car parking spaces.

(2) Calculated as GFA of tenanted portion divided by total GFA held for investment.

(3) Represents the sum of GFA with letters of intent and GFA without letters of intent.

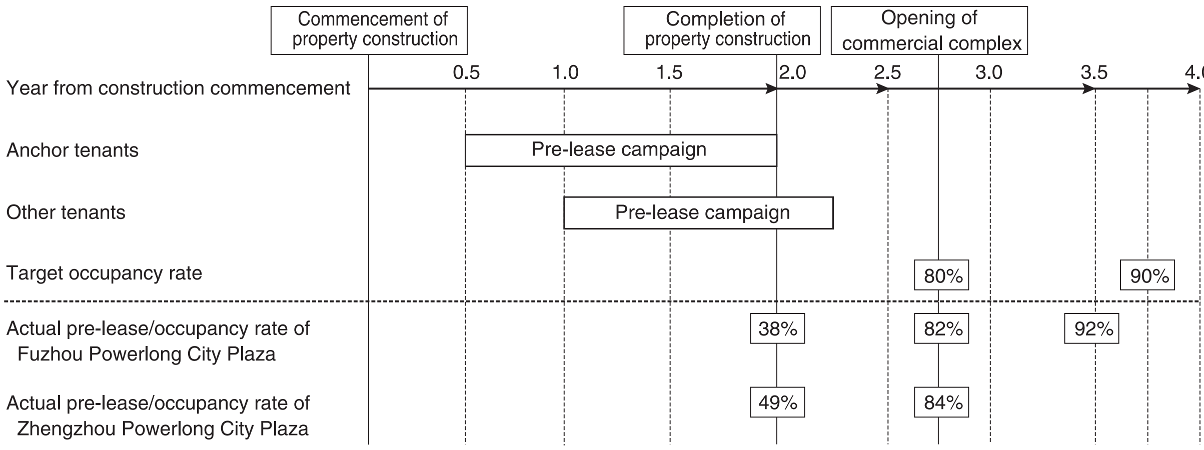
(4) Letters of intent are not legally binding and include letters of expressions of interest by our potential tenants.

The occupancy rate (including letters of intent) of Fuzhou Powerlong City Plaza stood at approximately 95.8% as of June 30, 2009. The occupancy rate (including letters of intent) of Zhengzhou Powerlong City Plaza stood at approximately 84.2% as of June 30, 2009. The weighted average occupancy rate based on both GFA subject to signed lease agreements and GFA subject to letters of intent of both completed properties and properties under development stood at approximately 72.6% as of June 30, 2009.

We typically complete the development of our commercial complexes within two years of commencing construction and open the commercial properties for business six months after the completion of construction. Depending on the size of the project and the progress of our pre-lease campaigns, we may open the commercial complexes in stages. In relation to our targeted anchor tenants (tenants whose lease terms are typically above five years), we typically begin lease negotiations with them within six months of commencement of construction of a commercial complex. We primarily target large supermarket chains and well-known domestic and international chain stores at this stage of our pre-lease campaign, including major retailers, cinemas and large restaurants. In relation to other potential retail tenants (tenants whose lease terms are typically less than five years), we typically begin lease negotiations with them between 12 and 18 months after the commencement of construction of a commercial complex.

Our overall target occupancy rates for our commercial properties are typically as follows: (i) shortly before completion of construction — secure anchor tenants to improve the profile of the properties; (ii) at the time of opening of a commercial complex — achieve an occupancy rate of at least 80%; and (iii) one year after the opening of a commercial complex — achieve an occupancy rate of over 90%.

Our pre-lease strategy with respect to different classes of tenants and the target occupancy rate at various stages of development of our investment properties are illustrated below.



The progress of securing potential tenants varies for our commercial properties depending on the size, location and tenant mix of the commercial properties, as well as the negotiation process with our prospective tenants. Typically, we expect the occupancy rate of our commercial complexes to reach 80% or above at the time of opening of each phase of the commercial complexes. In line with market practice in the PRC and our past experience, we normally secure most of the commercial tenants, representing up to 80% of the occupancy rate, for our commercial complexes at the time of full opening or partial opening of a commercial complex. We focus primarily on securing anchor tenants at the early stages of a commercial complex development and we focus on securing other retail tenants around the time of opening of the commercial complex.

In relation to Fuzhou Powerlong City Plaza, we secured anchor tenants, such as Carrefour and Gome, one year after the commencement of construction. At the time of completion of construction, we had secured tenants for 38% of the total GFA to be leased. As we intensified our efforts to secure other retail tenants after the completion of construction, the occupancy rate of Fuzhou Powerlong City Plaza reached 82% at the time of its opening and 92% nine months after opening.

In relation to Zhengzhou Powerlong City Plaza, we secured anchor tenants, such as ITAT and Champion Rink, one and half year after the commencement of construction. At the time of completion of construction, we had entered into lease agreements in relation to 49% of the total

GFA to be leased. Zhengzhou Powerlong City Plaza is expected to be open for business in the fourth quarter of 2009. Based on the letters of intent we have entered into with potential tenants, we expect the occupancy rate of Zhengzhou Powerlong City Plaza to reach approximately 84% at the time of opening.

As of the Latest Practicable Date, we had largely secured anchor tenants, such as Carrefour for Wuxi Powerlong City Plaza, Ruijing Commercial and Tesco (Shanghai Kangcheng) for Bengbu Powerlong City Plaza, and KFC and Qingdao Outlets for Qingdao Powerlong City Plaza. We expect to secure most of our target anchor tenants prior to the completion of construction of these projects. As of June 30, 2009, we had secured tenants for approximately 63.7% of the total GFA to be leased out in our investment properties under development. By the time the commercial properties are open for business, we expect the occupancy rate to be at least 80% and after one year of opening, we expect the occupancy rate to reach over 90%. In this regard, we believe that our pre-lease campaigns are effective in securing tenants and achieving our target occupancy rate within our planned timetable. In addition, we believe that as a result of our successful development of Fuzhou Powerlong City Plaza, we have further enhanced our customer relationship management system and established a competitive platform from which we may attract and secure reputable and well-known tenants for our commercial complexes that are currently under development. We also believe that as we expand our operations and complete the development of more commercial complexes, we will gain economies of scale and our pre-lease campaigns will become increasingly effective.

We have currently signed lease agreements and letters of intent with a number of anchor tenants with respect to our investment properties under development. For example, Qingdao Lotte has purchased a total GFA of 33,427 square meters in Qingdao Powerlong City Plaza for its supermarket operations and we have secured Carrefour as our anchor tenant in Wuxi Powerlong City Plaza.

Our planned strategies for enhancing our ability to secure tenants are as follows:

- *Establish and strengthen relationships with our anchor tenants.* We intend to establish and strengthen relationships with our anchor tenants across all our commercial complexes by understanding the business needs of our anchor tenants and seeking their feedback and suggestions in the early stages of our project development in order to meet their objectives.

- *Build a comprehensive database of existing and potential tenants.* We intend to build a comprehensive database of existing and potential tenants by managing and analyzing existing information on these tenants. We believe such a database will help us to seek out new tenants in different industries and different regions in China and further consolidate our tenant base.

- *Further enhance our pre-lease campaign and recruit more qualified and specialized staff.* We intend to further enhance our pre-lease campaign by strengthening the co-operation between our headquarters and our regional project companies. Our headquarters primarily focus on the management of our brand name and maintenance of relationships with our anchor tenants, whereas our project companies typically focus on the development and maintenance of relationships with smaller regional tenants. We also intend to recruit more qualified and specialized staff to increase the scale and effectiveness of our pre-sale campaigns.

DIVIDENDS POLICY

Pursuant to the Cayman Companies Law and our Memorandum and Articles of Association, through a general meeting, we may declare dividends in any currency but no dividend may be declared in excess of the amount recommended by our Board. Our Memorandum and Articles of Association provide that dividends may be declared and paid out of our profit. Dividends may also be declared and paid out of our share premium account or any other fund or account which can be authorized for this purpose in accordance with the Cayman Companies Law.

Dividend payments also depend upon the availability of dividends received from our subsidiary companies in China. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. PRC laws also require foreign-invested enterprises, such as our subsidiaries or joint venture companies in China, to set aside a part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiary companies may also be restricted if they incur debts or losses or may be restricted by any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiary companies may enter into in the future.

Our future dividend policy is that approximately 20% of our profits available for distribution will be recommended for distribution for each financial year. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial position, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our shareholders. There is no assurance that dividends of any amount will be declared or distributed in any year. For further details, please refer to the section entitled "Financial Information — Dividends and Distributable Reserves" in this document. However, the determination to pay dividends will be made at the discretion of our Board and will be based upon our earnings, cash flow, financial position, capital requirements, statutory fund reserve requirement and other conditions that our Directors may deem relevant and will be subject to approval of our shareholders.

RISK FACTORS

There are risks and uncertainties relating to our business, the PRC property development industry, China in general. We have described major risks and uncertainties under the section entitled "Risk Factors" in this document. The following is a summary of these risks and uncertainties:

Risks Relating to Our Businesses

- We are dependent on the performance of the real estate market in China, particularly in the cities and regions in which we develop our property projects and manage the properties we have developed

- The appraisal value of our properties may be different from the actual realizable value and is subject to change

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

- The recent global economic slowdown, crisis in the global financial markets and volatility of the property prices have negatively impacted, and may continue to negatively impact, our business and our ability to obtain necessary financing for our operations

- We maintain a certain level of indebtedness and a deterioration of our cash flow position could adversely affect our ability to service our indebtedness and to continue our operations

- We may not have adequate capital resources to fund our land acquisitions and existing and future property developments

- Our results of operations for each of the three years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2009 included unrealized revaluation increases on investment properties

- We may not be able to continue to attract and maintain key tenants for our commercial complexes

- A default by an anchor tenant could result in a significant loss of rental income, a reduction in asset value and increased bad debts

- Our profitability and results of operations are affected by changes in interest rates

- Our net current liabilities position as of June 30, 2009 may further deteriorate

- Our profit level and margin are affected by our turnover mix and we may not be able to sustain our existing level of profit

- We may not always be able to obtain land reserves that are suitable for our model of project development

- We guarantee mortgage loans of our customers and may become liable to mortgagee banks if customers default on their mortgage loans

- Our profitability and results of operations are impacted by the success of our business model

- We cannot assure you that we will be able to successfully expand our business into other cities in China

- We have limited insurance to cover our potential losses and claims

- We may not be able to complete or deliver our development projects on time or at all

- Our Controlling Shareholders have substantial control over our company and their interests may not be aligned with the interests of our other shareholders

- We may be affected by the performance of third party contractors and prices of construction materials

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

- We may not be able to obtain land use rights certificates with respect to certain parcels of land in which we have acquired an interest

- We may bear demolition and resettlement costs associated with our property developments and such costs may increase

- We may be deemed a PRC resident enterprise under the new PRC Corporate Income Tax Law and be subject to PRC taxation on our worldwide income

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

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

- Several of our subsidiaries may not continue to enjoy tax benefits

- A deterioration in our brand image could adversely affect our business

- We have relatively less experience in the high-quality hotel development business, which may adversely affect our results in that segment

- Our success depends on the continued services of our senior management team and other key personnel

- Property owners may terminate our engagement as the provider of property management services which could materially adversely affect our business, results of operations and financial position

- We may be involved in disputes, legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result

- The total GFA of some of our property developments may have exceeded the original authorized area and the excess GFA is subject to governmental approval and payment of additional land premium

Risks Relating to the Property Development Industry in China

- Our operations are subject to extensive governmental regulations, and in particular, we are susceptible to changes in policies related to the real estate industry in China
- The PRC government may adopt further measures to slow down growth in the property sector
- Changes of PRC laws and regulations with respect to pre-sale may adversely affect our cash flow position and business performance
- The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations
- We may not be able to obtain qualification certificates
- The terms on which mortgage loans are available, if at all, may affect our sales
- Intensified competition may adversely affect our business and our financial position
- Failure to comply with our environmental and social responsibilities may adversely affect our operations and profitability

Risks Relating to China

- Changes in PRC political and economic policies and conditions could adversely affect our business and prospects
- Changes in foreign exchange and foreign investment regulations in China may adversely affect our ability to invest in China and the ability of our subsidiaries to pay dividends and service debts in foreign currencies
- PRC laws and regulations involve many uncertainties and the current legal environment in China could have a negative impact on our business and/or limit the legal protections available to you
- The national and regional economies in China and our prospects may be adversely affected by a recurrence of SARS or an outbreak of other epidemics, such as influenza A (H1N1) and avian flu (H5N1)
- We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC property development industry contained in this document
- It may be difficult to effect service of process upon us or our Directors or executive officers who reside in mainland China or to enforce against them in mainland China any judgments obtained from non-PRC courts