SUMMARY

OVERVIEW

We are one of the leading Fujian-based property developers and we consistently appear in the "Top 100 China Real Estate Enterprises" (中國房地產百強企業)[(1)]. In particular, we were among the top three property developers in Xiamen in terms of GFA contractually sold per annum during the three years ended December 31, 2008 and the six months ended June 30, 2009, according to the Xiamen Real Estate Association (廈門市房地產業協會)[(2)]. We focus on high-quality residential, retail and commercial developments. To diversify our portfolio, we also develop commercial properties, including office buildings, shopping malls and hotels, and retain or intend to retain some of them as long-term investments. We also engage in property-related businesses such as property management for both residential and commercial properties. We have a track record of successfully bringing real estate projects in Xiamen and Shanghai to market. For example, according to the Xiamen Real Estate Association, we were among the top three and five property developers in Xiamen in terms of GFA contractually sold and contracted sales, respectively, in each of 2006, 2007 and 2008. In the six months ended June 30, 2009, according to the Xiamen Real Estate Association, we had the highest aggregate GFA contractually sold and contracted sales among all property developers in Xiamen. We believe that this track record, together with the recognition of our "Yuzhou" brand, positions us well to solidify our leading position in Xiamen and expand into other cities in Fujian Province as well as other regions in China.

We believe that our success is attributable to our commitment to high-quality design and development, and our attention to detail. For example, our Yuzhou Overseas City project received the "2004-2005 Outstanding Project Award in Xiamen" (2004-2005年度廈門地產風雲榜優秀樓盤) from Xiamen Real Estate Association and Xiamen Daily (廈門日報社), an Independent Third Party newspaper. Our Oriental Venice project received many awards including The International Awards for Liveable Communities (全球最適宜人類居住城市（社區）國際大獎)[(3)] in 2005. China Construction Bank awarded the "Outstanding Complex Award" (總行級"優質樓盤放心房") to our Yuzhou Harbour City project in 2005. Our Jinqiao International project received the "2009 Central Shanghai Most Valuable Investment Complex" (2009上海中環最具投資價值樓盤) award from NetEase.com Real Estate (網易房產頻道), an Independent Third Party website. In 2006, we received the "China Real Estate Industry Strategic Expansion Gold Award" (中國房地產企業發展戰略拓展金獎) from the Enterprise Research Institute of the Development Research Center of the State Council

(1) The "Top 100 China Real Estate Enterprises" (中國房地產百強企業) is published by the China Real Estate Top 10 Research Team, a research team jointly established by the Enterprise Research Institute of the Development Research Center of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所) and the China Index Academy (中國指數研究院), which are Independent Third Parties. The China Real Estate Top 10 Research Team has conducted research on the top 100 real estate enterprises in the PRC since 2004. It is an Independent Third Party. Our Group was named one of the "Top 100 China Real Estate Enterprises" in each of the years from 2006 to 2009.

(2) Xiamen Real Estate Association is an organization registered with the Xiamen Municipal Bureau of Civil Affairs (廈門市民政局) under the sponsorship of Xiamen Municipal Bureau of Construction and Administration (廈門市建設與管理局). The organization's members include business enterprises, institutions and relevant government agencies in Xiamen that are engaged in real property development and operation, property construction and maintenance, property management and property title management. It is an Independent Third Party.

(3) The International Awards For Liveable Communities ("The LIVCOM Awards") is a competition activity that is focused on the issues relating to the management of urban and community living environment, ecological construction, resources utilization and sustainable development. The LIVCOM Awards is authorized by United Nations Environment Programme and sponsored by IFPRA, an international non-profit organization with more than 700 members in over 60 countries. More than 20 local and national organizations in PRC are formal members of IFPRA. IFPRA is an Independent Third Party.

(國務院發展研究中心企業研究所)[4], the Institute of Real Estate Studies of Tsinghua University (清華大學房地產研究所)[5] and China Index Academy (中國指數研究院)[6]. Our "Yuzhou" brand was also recognized as a "Famous Brand" (著名商標) by the Fujian provincial government and the Xiamen city government[7].

We commenced our property development business in 1994 and have 18 projects at various stages of development located in Xiamen, Shanghai, Fuzhou and Hefei. As of August 31, 2009, we had completed eight projects with a total site area of approximately 191,958 sq.m. and an aggregate GFA of approximately 924,316 sq.m. As of August 31, 2009, we had ten projects under development with a total site area of approximately 1,734,116 sq.m. and an aggregate GFA of approximately 3,143,127 sq.m. We have obtained land use rights certificates for the land for each of these ten projects.

In 2006, 2007, 2008 and the six months ended June 30, 2009, we delivered a total GFA of approximately 16,127 sq.m., 143,439 sq.m., 193,030 sq.m. and 137,013 sq.m., respectively, generating revenue from property development of approximately RMB86.9 million, RMB1,050.1 million, RMB1,716.5 million and RMB1,285.3 million, respectively. Our revenue generated from property development during the three years ended December 31, 2008 and the six months ended June 30, 2009 was generated primarily from sales of residential properties and, to a lesser extent, from sales of retail properties and car park spaces. Revenue generated from sales of residential properties accounted for approximately 43.4%, 75.0%, 94.1% and 99.9% of our revenue generated from property development in 2006, 2007, 2008 and the six months ended June 30, 2009, respectively. Revenue generated from sales of residential properties accounted for a smaller portion of revenue generated from property development in 2006 because we did not complete and deliver any new projects or project phases and sold relatively more retail properties and car park spaces in existing projects or project phases in 2006. In 2006, 2007, 2008 and the six months ended June 30, 2009, our profit for the period was approximately RMB11.9 million, RMB377.5 million, RMB369.1 million and RMB974.4 million, respectively.

We intend to continue to focus on property developments in Fujian while pursuing a strategy of prudent growth by expanding into other PRC property markets that may present higher-growth potential, such as Shanghai and Hefei. We intend to continue to focus primarily on the development of residential properties while diversifying our property mix by increasing our commercial property development in the future.

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(4) The Enterprise Research Institute of the Development Research Center of the State Council is mainly engaged in conducting studies on the theories and policies regarding the systems, organizations, development, competition and expansion of enterprises, the issues arising from or in connection with the restructuring of enterprises and the improvement of ownership structures and productivity, and the issues and policies with respect to the development, incentives, monitoring, mergers, acquisitions and bankruptcy of enterprises. It also provides services for government agencies and enterprises based on the results of its research on various theories, policies and practices. It is an Independent Third Party.

(5) The Institute of Real Estate Studies of Tsinghua University conducts research on issues affecting the development process, real estate finance and investment, real estate asset management, urban and real estate economics and property valuation. Faculties associated with the Institute are drawn from the School of Civil Engineering, School of Economic Management and School of Architecture at Tsinghua University. Its research topics include real estate development, valuation, investment and financing, property management, urban land utilization and management. It is an Independent Third Party.

(6) China Index Academy is a research institution organized by multiple experts and academic entities including China Real Estate Index System, Soufun Research Academy, China Villa Index System and China Real Estate Top 10 Research Team to provide all-around services relating to the commercial economy in the PRC. The Academy conducts studies and provides research and advisory services on various topics relating to the real estate market and market participants. It is an Independent Third Party.

(7) We were issued the "Famous Brand" certificates by the Fujian provincial government in 2007 and the Xiamen city government in 2003, respectively. The certificate from the Fujian provincial government will expire in 2010. The certificate from the Xiamen City government was renewed in 2009 and will expire in 2012.

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe we have the following principal competitive strengths:

- One of the leading Fujian-based property developers, with a strong focus in Xiamen
- High-quality projects and innovative products
- Diversified property portfolio
- Well-recognized brand, effective marketing and comprehensive after-sales services
- Effective quality control and cost management
- Experienced and stable management team

Please see "Business — Our Competitive Strengths" for more details.

OUR STRATEGIES

Our strategies to achieve our goals include the following:

- Strengthen our position as one of the leading Fujian-based property developers and leverage our expertise to expand into the southeastern region of China
- Continue to capitalize on and enhance our "Yuzhou" brand name and customer loyalty by developing high-quality and innovative projects
- Continue to pursue property diversification and increase our proportion of investment properties
- Continue to expand our land bank in a disciplined manner
- Adopt international industry best practices and maintain an efficient organizational structure

Please see "Business — Our Strategies" for more details.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our combined financial information for the periods and as of the dates indicated. This summary is derived from, and should be read in conjunction with, our audited combined financial information included in the Accountants' Report in Appendix I to this document.

Selected combined income statements data:

	For the year ended December 31,						For the six months period ended June 30,			
	2006		2007		2008		2008		2009	
	(RMB'000, except percentages)						(Unaudited)			
Revenue	92,570	100.0%	1,083,729	100.0%	1,759,803	100%	1,612,805	100%	1,308,261	100%
Cost of sales	(50,465)	(54.5)	(828,563)	(76.5)	(1,010,236)	(57.4)	(940,009)	(58.3)	(675,720)	(51.6)
Gross profit	42,105	45.5	255,166	23.5	749,567	42.6	672,796	41.7	632,541	48.4
Other income and gains	10,398	11.2	329,699	30.4	6,499	0.4	1,945	0.1	2,514	0.2
Selling and marketing expenses	(7,401)	(8.0)	(41,382)	(3.8)	(42,398)	(2.4)	(27,006)	(1.7)	(24,630)	(1.9)
Administrative expenses	(27,632)	(29.9)	(52,699)	(4.9)	(61,396)	(3.5)	(36,830)	(2.2)	(27,936)	(2.1)
Other expenses	(1,593)	(1.7)	(2,480)	(0.2)	(24,357)	(1.4)	(4,512)	(0.3)	(2,344)	(0.2)
Fair value gains on investment properties	840	0.9	73,396	6.8	108,088	6.1	47,910	3.0	932,094	71.2
Finance costs	—	—	(1,299)	(0.1)	(12,854)	(0.7)	(7,750)	(0.5)	(514)	(0.0)
Profit before tax	16,717	18.0	560,401	51.7	723,149	41.1	646,553	40.1	1,511,725	115.6
Tax	(4,783)	(5.1)	(182,886)	(16.9)	(354,053)	(20.1)	(313,731)	(19.5)	(537,332)	(41.1)
Profit for the year/period	11,934	12.9%	377,515	34.8%	369,096	21.0%	332,822	20.6%	974,393	74.5%
Attributable to:										
Our equity holders	8,160	8.8	376,898	34.7	292,178	16.6	273,670	16.9	977,053	74.7
Minority interests	3,774	4.1	617	0.1	76,918	4.4	59,152	3.7	(2,660)	(0.2)
	11,934	12.9%	377,515	34.8%	369,096	21.0%	332,822	20.6%	974,393	74.5%
Earnings per share attributable to our equity holders	N/A		N/A		N/A		N/A		N/A	

Selected combined statements of financial position data:

	As of December 31,			As of June 30,
	2006	2007	2008	2009
	(RMB'000)			
Non-current assets	442,963	1,988,674	2,232,621	3,198,272
Current assets	3,860,184	5,363,086	5,040,844	5,251,340
Current liabilities	3,359,971	5,331,842	4,678,395	5,302,363
Net current assets/(liabilities)	500,213	31,244	362,449	(51,023)
Total assets less current liabilities	943,176	2,019,918	2,595,070	3,147,249
Non-current liabilities	635,210	1,241,103	1,581,830	1,166,768
Net assets	307,966	778,815	1,013,240	1,980,481
Total equity	307,966	778,815	1,013,240	1,980,481

Selected combined cash flow data:

	For the year ended December 31,			For the six months ended June 30,	
	2006	2007	2008	2008	2009
			(RMB'000)	(Unaudited)	
Net cash inflow/(outflow) from operating activities	(308,096)	(924,040)	(106,833)	(23,083)	1,111,993
Net cash outflow from investing activities	(390,615)	(676,008)	(142,966)	(84,217)	(74,416)
Net cash inflow/(outflow) from financing activities	772,831	1,534,915	304,893	139,538	(770,125)

For the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2009, we recorded fair value gains on our completed investment properties, net of deferred tax effect, amounting to approximately RMB0.6 million, RMB55.0 million, RMB81.1 million and RMB699.1 million, respectively, in our combined income statements. In accordance with Hong Kong Accounting Standard ("HKAS") 40 "Investment Property" issued by the Hong Kong Institute of Certified Public Accountants, completed investment properties may be accounted for by using either the fair value model or the cost model. We have chosen to state completed investment properties at their fair values because we are of the view that periodic fair value adjustments in accordance with prevailing market conditions provide a more up-to-date picture of the value of our completed investment properties. Our use of the fair value model to account for completed investment properties at their fair values is consistent with our accounting policy as set out in the Accountants' Report in Appendix I to this document and complies with the requirements of HKAS 40 "Investment Property". However, prospective investors should be aware that upward adjustments in fair value which reflect, among other things, unrealized capital gains in the value of our completed investment properties at the relevant reporting dates, are not profit generated from day-to-day rental or other income from our completed investment properties, are largely dependent on the conditions prevailing in the property markets and do not generate cash inflow to our Group for dividend distribution to our Shareholders unless such completed investment properties are disposed of and the capital gains are realized. Moreover, prospective investors should be aware that property values are subject to market fluctuations and we cannot assure you that our Group will be able to continue to record favorable fair value adjustments on completed investment properties in similar amounts, or at all, in the future. Should there be any downward fair value adjustments on our completed investment properties in the future, our business, results of operations and financial condition may be materially and adversely affected.

PROFIT FORECAST FOR THE YEAR ENDING DECEMBER 31, 2009

Profit Forecast for the Year Ending December 31, 2009

The Directors believe that, on the basis and assumptions set out in "Profit Forecast" in Appendix III to this document and in the absence of unforeseen circumstances, our forecast combined profit attributable to shareholders of our Company for the year ending December 31, 2009 is unlikely to be less than RMB1,072.4 million (HK$1,217.4 million). The profit forecast has been prepared by the Directors based on (i) the audited combined results of our Group for the six months ended June 30, 2009, (ii) the unaudited combined results of our Group for the two months ended August 31, 2009 and (iii) our forecast of the combined results of our Group for the remaining four months ending December 31, 2009 on the basis that the current Group structure had been in existence throughout the whole financial year ending December 31, 2009.

Substantially all of our forecast revenue for the four months ending December 31, 2009 is expected to be attributable to sales of properties in Phase II of Yuzhou Jinqiao International. The construction of Phase II of Yuzhou Jinqiao International was completed in May 2009 and we began delivering properties in such project phase in the second half of 2009. All properties in such project phase delivered or to be delivered during the four months ending December 31, 2009 were delivered or are expected to be delivered pursuant to sale agreements executed on or prior to June 30, 2009.

Forecast	**RMB (in millions)**
Combined profit attributable to our equity holders (before fair value gains on investment properties (net of deferred tax effect))	373.3
Fair value gains on investment properties	932.1
Provision for deferred tax liabilities	233.0
Fair value gains on investment properties (net of deferred tax effect)	699.1
Combined profit attributable to our equity holders after fair value gains on investment properties, net of deferred tax effect	1,072.4

Bases and Assumptions on Forecast Fair Value Gains on Investment Properties

The forecast profit after forecast fair value gains on our investment properties (net of deferred tax effect) of RMB699.1 million is RMB1,072.4 million. Such fair value gains on our investment properties have been estimated on the basis of projected valuations at December 31, 2009 estimated by the Directors according to a basis of valuation which is, as far as practicable, consistent with the basis of valuation which has been adopted by our Property Valuer in valuing our properties for the purposes of our audited combined financial information for the six-month period ended June 30, 2009 and the Property Valuation in Appendix V to this document. The investment properties were valued by our Property Valuer as of August 31, 2009.

In valuing our investment properties, the Directors have used the investment method by capitalizing the current rent passing derived from the existing tenancies with due provisions for reversionary income potential, or where appropriate, the direct comparison method by making reference to comparable sales evidence as available in the relevant market.

Accordingly, we have forecast the fair value of our investment properties as of December 31, 2009 to be RMB2,035.3 million. We expect that the fair value of our investment properties as of December 31, 2009, and in turn any fair value gains on investment properties, will continue to be dependent on market conditions and other factors that are beyond our control, and are based on the valuation performed by an independent professional property valuer, involving the use of assumptions that are, by their nature, subjective and uncertain.

Material assumptions we have adopted include:

- 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 our Group operates.

- There will be no material changes in interest rates or foreign currency exchange rates from those currently prevailing as of the date of this document.
- 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.

Such specific assumptions are consistent with the approach undertaken by our Property Valuer as described in Appendix V to this document.

Changes in the fair value of our investment properties are dependent on market conditions and factors that are beyond our control at the relevant time. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the fair value of our investment properties as of December 31, 2009, and our Property Valuer is of the view that the assumptions upon which the forecast is based are reasonable, the fair value of our investment properties and/or any fair value gains or losses on investment properties as of the relevant time may differ materially from (and may be materially higher or lower than) our estimate. The bases and assumptions on which our profit forecast has been arrived at are set out in the Profit Forecast in Appendix III to this document.

Fair Value Gains on Investment Properties by Projects

The forecast profit of RMB1,072.4 million for the year ending December 31, 2009 includes the forecast fair value gains on our investment properties. The forecast fair value gains on our investment properties, net of deferred tax effect, for the year ending December 31, 2009 is RMB699.1 million. No cash inflow will be generated from any such fair value gains.

	For the six months ended June 30, 2009	**For the year ending December 31, 2009**
	(RMB'000)	
The Mall at Phase I of Yuzhou World Trade Center	109,500	109,500
The Mall at Phase II of Yuzhou World Trade Center	441,047	441,047
Phase II of Yuzhou Jinqiao International	41,016	41,016
Yuzhou Golden Seacoast	107,508	107,508
Change in fair value recognized during the year/period	699,071	699,071

Sensitivity Analysis

The following table illustrates the sensitivity of the forecast combined profit attributable to equity holders of our Company to levels of revaluation increase/(decrease) on investment properties (net of deferred tax effect) for the year ending December 31, 2009:

Changes in valuation of investment properties compared to the estimated revaluation increase/ (decrease) on investment properties of RMB2,035.3 million	5%	10%	15%	(5)%	(10)%	(15)%
Impact on the forecast combined profit attributable to equity holders of our Company (RMB'000)	76,324	152,647	228,971	(76,324)	(152,647)	(228,971)

If the estimated fair value of our investment properties rises/declines by 5%, the forecast profit attributable to our equity holders for the year ending December 31, 2009 will be not less than RMB1,148.7 million/RMB996.1 million, respectively, i.e. 7.1% higher/lower, respectively, than the targeted forecast profit.

If the estimated fair value of our investment properties rises/declines by 10%, the forecast profit attributable to our equity holders for the year ending December 31, 2009 will be not less than RMB1,225.1 million/RMB919.8 million, respectively, i.e. 14.2% higher/lower, respectively, than the targeted forecast profit.

If the estimated fair value of our investment properties rises/declines by 15%, the forecast profit attributable to our equity holders for the year ending December 31, 2009 will be not less than RMB1,301.4 million/RMB843.4 million, respectively, i.e. 21.4% higher/lower, respectively, than the targeted forecast profit.

The above sensitivity illustrations are intended for reference only, and any variation could be different from and could exceed or fall short of the ranges given. The above sensitivity illustration is not intended to be exhaustive and is limited to the impact of changes in the level of revaluation of investment properties. The profit forecast is subject to further and additional uncertainties generally. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the fair value gains on our investment properties for the year ending December 31, 2009, the actual fair value gains or losses on our investment properties for that year may differ materially from our estimate and is dependent on market conditions and other factors that are beyond our control.

RISK FACTORS

There are certain risks and considerations relating to our business, property development in the PRC and business operations in the PRC. These risk factors are set out in the section headed "Risk Factors" in this document and are summarized as follows.

Risks Relating to Our Business

- Our business is susceptible to fluctuations in the property market in China, particularly that of Xiamen, which may adversely affect our revenues and results of operations.
- Our business depends on the availability of an adequate supply of sites and our ability to successfully tender for land and obtain land use rights and other necessary PRC Government approvals for our future developments and the payment terms for land use rights with respect to land we acquire in the future will be subject to more restrictive regulation recently promulgated by the PRC Government.
- We may not have adequate resources to fund land acquisitions or property developments or to service our financing obligations.
- Our business is sensitive to the current global economic crisis. A severe or prolonged downturn in the global economy could materially and adversely affect our business and results of operations.
- Our results of operations include fair value gains on investment properties, which are unrealized.
- We provide guarantees over mortgage loans given by banks to purchasers of our properties which may materially and adversely affect our results of operations and financial condition if we are required to honor the guarantees.
- Changes to laws and regulations with respect to pre-sale may materially and adversely affect our business, cash flow position and financial condition.
- We are exposed to pre-sale related contractual and legal risks.
- We had net cash outflows from operating activities in 2006, 2007 and 2008, had net current liabilities as of June 30 and August 31, 2009, maintain a substantial level of indebtedness and have substantial committed future capital expenditures, all of which may materially and adversely affect our liquidity and results of operations.
- Because we derive our revenues principally from the sale of property, our results of operations may vary significantly from period to period.
- We may not be successful in leveraging our past experience in residential property development in expanding into our new hotel and investment property businesses.
- We may not be able to leverage our previous experience in property development in expanding into other cities.

- Our results of operations may be affected by the performance and reputation of, and any adverse developments relating to, the hotel management partner that manages our hotel.
- Our objectives may conflict from time to time with the objectives of our hotel management partner, which may materially and adversely impact the operations and profitability of our hotel.
- We are subject to legal and business risks if our project companies fail to obtain or renew their qualification certificates.
- We may become involved, from time to time, in legal and other proceedings arising out of our operations and may face significant liabilities as a result.
- Our ability to sell our properties is partly affected by our customers' ability to procure bank mortgages.
- We are subject to certain restrictive covenants and certain risks normally associated with debt financing which may limit or otherwise adversely affect our operations.
- Any unauthorized use of our brand or trademark may adversely affect our business.
- Our success depends on the continuing services of our senior management team and other key personnel.
- We rely on independent contractors to provide property development products and services.
- Our business, financial condition and results of operations may be materially and adversely affected if we fail to obtain, or are considered by relevant governmental authorities to have failed to obtain, or experience material delays in obtaining, PRC Government approvals or certificates for our property developments.
- We may not be able to complete our development projects on time or at all.
- Property owners may terminate our engagement as the provider of property management services.
- We may suffer losses arising from uninsured risks.
- 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.
- 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 PRC Real Estate Industry

- The PRC Government may adopt further measures to curtail the overheating of the property sector.

- The PRC Government has recently implemented restrictions on the ability of PRC property developers to obtain offshore financing.
- The property market in the PRC is at an early stage of development and is volatile.
- The relevant PRC tax authorities may enforce the payment of LAT and may challenge the basis on which we calculate our LAT obligations.
- We face intense competition from other real estate developers.
- We may be liable to our customers for damages if we do not deliver individual property ownership certificates in a timely manner.
- The illiquidity of investment properties and the lack of alternative uses of investment properties could limit our ability to respond to adverse changes in the performance of our properties.
- We may be required to bear resettlement costs associated with our property developments.
- We may be required to forfeit land to the PRC Government if we fail to comply with the terms of our land grant contracts.
- Potential liability for environmental problems could result in substantial costs.

Risks Relating to Business Operations in the PRC

- PRC economic, political and social conditions as well as government policies could affect our business.
- Restrictions on currency exchange may limit our ability to utilize our revenue effectively.
- We are subject to risks presented by fluctuations in foreign currencies.
- Interpretation of PRC laws and regulations involves uncertainty.
- The discontinuation of any preferential tax treatment currently available to us and the increase in the PRC enterprise income tax could decrease our net income and materially and adversely affect our financial condition and results of operations.
- We may be deemed a PRC resident enterprise under the EIT Law and be subject to the PRC taxation on our worldwide income.
- PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may adversely affect our business operations.
- The national and regional economies in China may be adversely affected by an outbreak of epidemics such as swine or avian flu and Severe Acute Respiratory Syndrome, thereby affecting our prospects.