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OVERVIEW

We are engaged in the property development, property investment and property management businesses in China. In Chongqing, the largest and most populous municipality in China, we were the market leader in terms of both contract sales and GFA sold of residential properties in 2006, 2007 and 2008, according to the China Index Academy¹. Leveraging our premium brand and management capabilities, we expanded into Chengdu in 2005 and Xi'an in the second half of 2007, two of the most populous and affluent cities in western China, and into Beijing in late 2005 and Shanghai in the second half of 2007. In Chengdu and Beijing, we have quickly established ourselves as a leading player in the residential property market. In Chengdu, we were ranked third in 2007 and 2008 in terms of annual contract sales of residential properties, according to the China Index Academy. In Beijing, we were ranked second in 2008 in terms of annual contract sales of residential properties, according to the China Index Academy. In 2009, we entered the Wuxi, Shenyang and Changzhou markets and we plan to continue to expand our national footprint in other selected high growth areas throughout China, including the Pan Bohai Rim and the Yangtze River Delta. Our aim is to become one of the most respected and trustworthy national market leaders in the property industry in China.

We have a wide product spectrum and a broad customer base. Our residential property development projects cover a wide range of middle-to-high end products, including high-rise apartment buildings, low-rise garden apartments (花園洋房), townhouses and luxury stand-alone houses, offering residences for the mass market, the middle class and the upper class. We have also built various middle to large scale shopping malls and other commercial properties.

We have adopted a threefold “multiple products, selected regional focus” strategy under which we initially focus on supplying a wide range of property products in the cities where we already operate. Secondly, we will selectively penetrate into other regions that are expected to have a large population inflow and in particular, locations where higher income and well-educated people prefer to reside. Finally, we aim to become a market leader in every regional market where we have a business presence. Under this strategy, we have, in the past ten years, taken a disciplined and systematic approach to accumulate experience and expertise on a wide variety of property development and property investment projects, and on building a professional management team, a decentralized corporate structure and an information technology platform that can support rapid regional expansion.

As of August 31, 2009, we had completed 15 residential and commercial projects, as well as certain phases of four residential and commercial projects, with a total GFA of approximately 5,054,792 sq.m. (including car parks). As of August 31, 2009, we had retained four shopping malls in Chongqing with a total GFA of approximately 331,843 sq.m. (including car parks), which are currently being held for investment.

1 Based on a report dated September 9, 2009. We commissioned the report by China Index Academy and paid a total of RMB150,000 for its services. China Index Academy derived this information based on data from the Housing Administration, Real Estate Exchange Centres of Chongqing, Chengdu, Xi'an, Beijing and Shanghai, and annual reports and corporate returns of listed real estate companies. According to its website, China Index Academy is a Chinese property research institution, which was integrated in 2004 with a number of China research resources, including China Real Estate Index System, Soufun Research Institute, China Villa Index System and China Real Estate Top 10 Research Team. China Index Academy is independent of our Group, its connected persons and the Joint Sponsors.

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As of August 31, 2009, we had 35 projects under development or held for future development (including land for which we have obtained land-use rights and land for which we have not obtained land-use rights but have obtained the State-owned Land Use Right Grant Contract or the Confirmation Letter on Tender for the Granting of State-owned Land Use Right), of which ten are in Chongqing, six in Chengdu, seven in Beijing, five in Xi'an, two in Shanghai, one in Wuxi, two in Shenyang and two in Changzhou. These projects have a total planned GFA of approximately 19,086,710 sq.m., with approximately 8,807,520 sq.m. in Chongqing, approximately 3,208,989 sq.m. in Chengdu, approximately 1,710,601 sq.m. in Beijing, approximately 1,930,210 sq.m. in Xi'an, approximately 689,476 sq.m. in Shanghai, approximately 270,657 sq.m. in Wuxi, approximately 1,705,826 sq.m. in Shenyang and approximately 763,430 sq.m. in Changzhou. We also have one primary land development project with a site area of approximately 374,736 sq.m. in Beijing. For further information regarding the GFA breakdown of our portfolio of projects under various stages of development, please refer to the section of the document headed “Business — Our Business — Overview of Our Projects.”

Our strong market position has resulted in high brand and product recognition among regulators (such as those mentioned below), customers and suppliers. Over the past ten years, we have received a multitude of recognition and awards, including the following:

- For the years (2003, 2005 and 2006) that we have been surveyed, we were consistently ranked number one in the “National Residential Customers’ Satisfaction Survey” (全國住宅用戶滿意度調查), a survey conducted by the China Association for Quality (中國質量協會). For instance, in 2006, we scored 92.3 points, out of a total of 100 points, in user satisfaction and 89.5 points in customer loyalty, the highest among more than 20 property companies surveyed;
- In 2009, our King Land project in Chengdu was awarded the Gold Prize of the “Zhan Tianyou Prize for Excellent Residential Project Areas 2009” by the China Civil Engineering Society (2009中國土木工程詹天佑獎優秀住宅小區金獎);
- In 2008, our “Longhu” (龍湖) brand name was accredited by the State Administration for Industry and Commerce as a “Well-known Trademark in China” (中國馳名商標);
- In 2007, we were recognized as one of the “Top 10 Brand Names of the Year in the PRC Real Estate Industry” (中國房地產行業年度10佳品牌) at the “First Chinese Brand Name Festival” conducted by Brand China Industry Alliance (品牌中國產業聯盟);
- In 2007, our Crystal Town project in Chongqing was granted the “China Construction Project Luban Prize” (中國建築工程魯班獎), a prize given in recognition of the highest quality of construction work, by the Ministry of Construction and the Architecture Association of China (中國建築業協會);

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- In 2007, we were recognized as one of the “Top 500 in 2006 China Enterprise Informatization” (2006年度中國企業信息化500強) by the China Electronic Commerce Association of the National Informatization Evaluation Center (國家信息化測評中心) (one of the only two real estate companies in China winning such recognition); and
- In 2004, our Chunsen Land project in Chongqing won the “Next LA Citation Award” by the American Institute of Architects, Los Angeles in connection with its design.

In 2006, 2007, 2008 and the nine months ended September 30, 2009, we entered into sales contracts for our property development projects (including those undertone by our joint ventures) with an aggregate contract value of RMB3.5 billion, RMB9.5 billion, RMB10.2 billion and RMB13.2 billion, respectively. We believe our geographic expansion, together with the organic growth of our business in cities in which we have already established a presence, have contributed to our strong growth in contract sales and reduced the geographic concentration of our business. In 2006, we generated approximately 73.6% of our contract sales in Chongqing with the remainder generated in Chengdu. In 2007, approximately 38.9% of our contract sales were generated in Chongqing, with the remaining 29.1% and 32.0% generated in Chengdu and Beijing, respectively. In 2008, approximately 39.4% of our contract sales were generated in Beijing, with the remaining 33.4%, 21.8%, 3.3% and 2.1% generated in Chongqing, Chengdu, Shanghai and Xi'an, respectively. For the nine months ended September 30, 2009, approximately 33.6% of our contract sales were generated in Chongqing, with the remaining 32.1%, 19.7%, 8.8% and 5.8% generated in Beijing, Chengdu, Shanghai and Xi'an, respectively.

Prior to the [●], our Company is owned as to 58.59% by Charm Talent and 39.06% by Precious Full, with the remaining 2.35% owned by 550 employees via Fit All. Charm Talent is beneficially owned by the Wu Family Trust, a discretionary trust set up by Madam Wu, one of the co-founders of our Group. Precious Full is beneficially owned by the Cai Family Trust, a discretionary trust set up by Mr. Cai, the other co-founder of our Group. Fit All holds the 2.35% interest in our Company subject to the terms of the Fit All Trust, a fixed trust set up for the benefit of the said 550 employees. Furthermore, six of our senior management personnel are entitled to subscribe for Shares under the Pre-[●] Option Scheme in an aggregate amount of up to approximately 0.75% of our enlarged share capital immediately after the [●] assuming the Pre-[●] Options are exercised in full and the [●] is not exercised.

OUR STRENGTHS

We believe that our success and future prospects are supported by a combination of the following competitive strengths.

We are a market leader in Chongqing, Chengdu and Beijing and have expanded our national footprint to other major cities in China.

We are the market leader in Chongqing, in terms of both contract sales and GFA sold during 2006, 2007 and 2008, according to the China Index Academy. Since we entered into Chengdu in 2005, we have leveraged our premium brand and management capabilities to become a leading player in the Chengdu residential property market, having been ranked third in terms of annual contract sales of residential properties in 2007 and 2008, according to the China Index Academy.

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In Beijing, our first two projects, Beijing Rose and Ginkgo Villa and Beijing Chianti, received an overwhelming market response upon their launch in September 2007, with 95% and 100% of the offered units, respectively, sold on the first day of pre-sales at premium pricing. These projects generated a total of approximately RMB3.0 billion of contract sales in the first four months of sales. Riding on this successful debut, we have become a leading player in the residential property market in Beijing, having been ranked second in terms of annual contract sales in 2008, according to the China Index Academy.

In addition, under our “multiple products, selected regional focus” strategy, we have continued to expand our national footprint in China. In the second half of 2007, we entered the Xi’an and Shanghai markets. In 2009, we expanded into Wuxi, Shenyang and Changzhou and we plan to continue to expand into other selected high growth areas throughout China, including the Pan Bohai Rim and the Yangtze River Delta.

Our strong market position has resulted in high brand and product recognition among regulators, customers and suppliers and has enabled us to continue to attract and retain talent to join our workforce. Nationally in China, we ranked ninth among the “Top 10 Real Estate Enterprises by Scale in 2009” (2009 中國房地產百強企業 “規模性Top 10”), according to a survey conducted by China Real Estate Association, Enterprise Institute of Development Research Center of the State Council, Real Estate Institute of Tsinghua University and China Index Academy.

We offer a wide spectrum of high-quality property products, which gives us a broad customer base and diversifies risks.

We have substantial experience in developing a wide range of properties including high-rise apartment buildings, low-rise garden apartments (花園洋房), townhouses and luxury stand-alone houses, offering residences for the mass market, the middle class and the upper class. Apart from residential properties, we also have expertise in developing and operating shopping malls.

We have maintained high quality standards across different product lines and have earned strong market recognition. Some of our projects that have won numerous awards nationally and locally include the Crystal Town project for the mass market and the Fragrant Forest and the Blue Lake County projects for the luxury segment. Our main shopping center, the North Paradise Walk Mall, is regarded as a landmark mall in the Guanyinqiao (觀音橋) shopping area, one of the most popular shopping areas in Chongqing.

We believe our broad portfolio of high-quality products allows us to capture a wide range of customers in different age groups and income brackets. It also increases our chance of securing upgrade demand from our existing customers since we can offer them choices in higher-end property when they want to improve their living conditions. Our diversified product range also puts us in a better position to mitigate regulatory as well as market risks in the PRC.

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Our property management services are highly regarded in China’s real estate industry.

We believe our highly acclaimed property management division has helped to differentiate our brand name. Good property management promotes customer satisfaction and preserves the investment value of our properties. On December 13, 2005, Chongqing Xinlonghu was accredited as a Grade I Quality Property Management Enterprise (一級資質物業管理企業) as assessed by the Ministry of Construction.

We have received numerous awards in recognition of our property management services. We were consistently ranked number one in the three years (2003, 2005 and 2006) that we were included in the “National Residential Customers’ Satisfaction Survey” (全國住宅用戶滿意度調查) conducted by the China Association for Quality (中國質量協會). In January 2007, Chongqing Xinlonghu was awarded with the title of “Property Owners’ Most Satisfactory Enterprise of the Year in China Property Management Carnival Golden Chart (2006年中國物業管理嘉年華金榜之年度業主最滿意企業)”. In March 2008, we were recognized as one of the “Top 10 Brand Names of Property Management Industry in China” (中國物業行業十大品牌) by People’s Daily and China High-Tech Industrialization Association. In November 2008, we were recognized as one of the “Top 10 Excellent Property Management Enterprises with High Quality of Services of the Year.” (2008中國優秀物業服務企業服務質量Top 10) by China Real Estate Top 10 Research Group (中國房地產Top 10研究組).

We have a premium brand as evidenced by our loyal customer base and superior pricing power.

Our superior product quality and outstanding property management have enabled us to develop a quality brand image as evidenced by our loyal customer base and our strong pricing power.

According to a survey conducted by FG Consulting Co., Ltd. (北京賽惟諮詢有限公司)¹, our products and services achieved a customer satisfaction rate of 81% in 2008. That same survey found that approximately 78% of our purchasers in 2008 recommend our properties to others. Furthermore, even in light of challenging economic conditions in 2008, our products were recommended on average to 7.58 people by each of our purchasers, a 34.1% increase from 2007. We believe that customer loyalty played an important role in driving our sales during the global economic crisis in 2008 and in our efforts to expand outside of Chongqing.

The success of our “Longhu” (龍湖) brand is also evidenced by our ability to command premium pricing for our property projects. For example, although Beijing Rose and Ginkgo Villa, our townhouse project, was priced at a higher average unit price than most luxury stand-alone villas (which generally command higher prices than townhouses) in the same district, the project still generated overwhelming market demand, with 95% of the offered units sold on the first day of pre-sales.

2 Based on a report dated November 30, 2008. We commissioned the report by FG Consulting Co., Ltd. and paid a total of RMB510,130 for its services. FG Consulting Co., Ltd. derived this information based on data from a sample survey of 1,385 families, representative of Longfor’s 27,367 homeowners. The survey was conducted from September to November 2008 by computer-assisted telephone interviews and personal in-home interviews. FG Consulting Co., Ltd. is a marketing research institution headquartered in Beijing, which was established in 2007 by a team of former Gallup (China) staff with extensive experience in the real estate industry. FG Consulting Co., Ltd. is independent of our Group, its connected persons and the Joint Sponsors.

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We have a decentralized decision-making organizational structure supported by a robust information technology system which facilitates our rapid expansion into other cities.

Since 1999, we have systematically invested in information technology to make our processes and product know-how easy to use and convenient to share. For example, our enterprise portal (the “OA system”) enables us to assess the back-end IT platform via the internet or wireless cell phones anytime, anywhere as long as connectivity can be established. Our OA system comprises expandable modules which include office automation, knowledge management, cost management, project planning, human resources, and customer relationship management. In addition, we are also in the process of implementing business intelligence systems. Employees can, among other things, access the latest sales information, approve contracts, make payment instructions, share work experience, check the cost status and progress of each project, read company policies and regulations and handle administrative procedures such as filing expenses claims on a real-time basis.

Our use of information technology allows us to maintain a high degree of intra-group transparency, which greatly enhances our internal control environment, and we attempt to institutionalize our best practices. This enables us to delegate more decision-making authority to our local subsidiaries while still monitoring the overall consistency of our operations. Our decentralized decision-making structure also allows us to remain responsive and sensitive to local market conditions despite the increasing size of our operations. We believe this is critical given the localized nature of the property business and the distinctive subcultures in different regions of China.

Our decentralized structure also enables our management team to make quick decisions at the local level, which has contributed to a high asset turnover rate for our residential development projects. For instance, for our first project in Chengdu, it took only four months from the day we first acquired the site to the day we commenced construction, six months to start pre-selling properties and less than 12 months to generate positive net operating cash flow. For our Beijing Chianti project, it took less than 11 months from the day we first acquired the site to generate positive net operating cash flow. For further information, please refer to the section of the document headed “Business — Project Development — Roles of Our Headquarters and Regional Companies.”

Our proprietary bank of product designs enables us to expand quickly while maintaining the quality and versatility of our product offerings.

Over the years, we have developed a proprietary bank of product designs encompassing various structural layouts, such as the quasi-detached villa and the courtyard-townhouse, and property styles, such as the Toscana and contemporary Chinese styles. These product designs are stored on our OA system and can be quickly fine-tuned and applied to suit the tastes of customers in a broad range of markets. This enables us to maximize flexibility and efficiency when expanding into new regions without compromising quality.

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For example, our vertical split-level garden apartments (一種豎向錯疊式花園洋房住宅) combine practicality with an innovative design. The design was awarded a patent in the PRC and features low density and high construction quality in a compact layout. We are then able to relatively quickly and easily tailor the structural design to suit local tastes. As another example, we incorporated contemporary Chinese architectural designs into our Wisdom Town project, British architectural designs into our Peace Hill County project and Mediterranean architectural designs into our Shanghai Rose and Ginkgo Villa project. We believe all of these projects have been well-received in the marketplace and illustrate the quality and versatility of our proprietary bank of product designs.

We have a comprehensive human resources strategy and we focus on developing a professional and entrepreneurial management team to support our rapid business growth.

We have adopted a comprehensive human resources strategy that aims at recruiting, developing and retaining a sufficiently large and qualified workforce to support our long-term growth.

Since 2004, we have systematically recruited employees from top universities throughout China under our graduate trainee program. For instance, in 2007, we recruited, through this program, five candidates with doctorate degrees and 46 candidates with masters’ degrees. We also retain international as well as national recruitment agents on a long-term basis to search for senior executives. Apart from technical skills, we emphasize leadership quality and an entrepreneurial mindset for our middle to top-level management, and have developed a corporate culture and training programs that helps nurture such qualities. For further information, please refer to the section of this document headed “Directors, Senior Management and Employees.”

We adopt a staff remuneration policy that offers excellent compensation in return for a high standard of work and high productivity. Our remuneration structure generally consists of a competitive base salary, a year-end discretionary bonus and long-term share and option schemes. We currently have in place two pre-[●] Share Award Schemes and a pre-[●] Option Scheme.

OUR STRATEGY

Our strategic goal is to become one of the most respected and trustworthy national market leaders in the PRC property industry.

Given China’s rapid economic growth, urbanization trends, high savings rates, increasing availability of financing options and industry consolidation, we believe the PRC property sector has excellent long term prospects. With the localized nature of the property business and the distinctive subcultures in different regions of China, we believe future winners in the property industry will need to have a decentralized decision-making business model, a scalable corporate structure, an ability to recruit and retain a large pool of talent and multiple ways of acquiring land. Furthermore, given the vast land area of China and the project-based nature of the real estate business, we believe future national market leaders must be able to supply a wide range of products over multiple regions across China.

In order to achieve our goal, we have adopted a “multiple products, selected regional focus” strategy under which we have focused initially on cultivating the capability to develop multiple types of properties in cities where we already operate and then expand selectively into other PRC regions that are expected to have a large population inflow and in particular, locations where higher income and well-educated people

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prefer to reside. We will then aim to become a local market leader in every regional market we enter into by establishing a business presence in a wide range of market segments. We believe once we have a sizable market share in the targeted regional markets, we can maximize our bargaining power with suppliers and customers, attract more talented employees and be more effective in dealing with local government authorities.

We believe our strategy will be effective in exploiting the long-term growth of the PRC property market. We will continue to execute this strategy based on the following priorities.

Consolidate and accelerate our region-by-region growth strategy.

We will continue to expand into other high growth areas in the PRC. For example, we intend to capitalize on our initial success in Beijing and increase our investments in the capital city of China with a view to further strengthen our position there in the near future. We also plan to continue to consolidate our leading position in western China by maintaining our market leadership in Chongqing, increasing our market share in Chengdu and reinforcing our presence in Xi'an. In addition, we intend to gradually increase the number of projects in and around the Yangtze River Delta, which includes our expansion into the Wuxi and Changzhou markets, and expand our Shanghai management team to support such growth. We also plan to seek to establish or expand our presence in key cities in the Pan Bohai Rim, such as Shenyang, Tianjin, Qingdao, Yantai and Dalian, by leveraging our human resources in Beijing. Finally, we will explore business opportunities in the Pearl River Delta area and seek possibilities for sourcing appropriate projects in this area.

Shorten our property development cycle to address the latest regulatory restrictions.

Since the property market is heavily regulated in the PRC, we believe it is important to align our business with trends in government policies.

Prevailing government policies discourage the hoarding of excess land by, among other means, the local governments repossessioning idle and vacant land and enhancing administration on LAT. Therefore, we believe the way to maximize investment return in residential property projects is to emphasize asset turnover by shortening the development cycle, while seeking to maintain a reasonable profit margin. A shorter development cycle can also improve our operating cash flow which could help us in mitigating any adverse effect of market volatility. As such, we have been reorganizing our regional subsidiaries by introducing the concept of the project management office (“PMO”) to boost our operational efficiency when we are running multiple projects concurrently.

Gradually expand our investment property portfolio into selected regions.

Building on our success in developing and operating investment properties in Chongqing, we plan to expand our investment property portfolio into selected regional markets. We will selectively retain investment properties that are located in prime locations and that are likely to appreciate in value to create an investment property portfolio to help mitigate against any possible downturn in the PRC real estate industry. Furthermore, we believe that holding investment properties will allow us to share in the fruits of urbanization and economic growth in the PRC, while avoiding the regulatory risks associated with the hoarding of land in the residential sector.

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Further strengthen our well-recognized brand name by providing better value to our customers through innovative design.

We will continue to reinforce our premium brand image by providing better value to our customers. Apart from continuing to provide high-quality products, superior property management and beautiful landscaping, we will, among other things, focus on maximizing the use of space to increase customer value through creative architectural planning and innovative product design. For example, we have introduced the “sky townhouse” (天空聯排) in the Sunshine Riverside project in Chongqing and the “quasi-detached house” (類獨棟) in our Beijing Chianti project. These products provide our customers with a more comfortable living environment and better use of space compared to traditional architectural designs with a similar plot ratio and should enable us to price our products at a premium.

Continue to align the interest of our management with those of our Shareholders and cultivate leadership and entrepreneurship qualities among our senior management team.

We will further increase employee ownership in our Group to an appropriate level as we believe this will align our employees’ interests with those of our Shareholders. For further information, please refer to the section of this document headed “Directors, Senior Management and Employees.”

We believe that apart from possessing professional skills, a senior management team possessing leadership and entrepreneurial qualities is another key for us to remain competitive in the long term and forms the basis on which we can formulate our management succession plan. We will continue to emphasize such qualities in our recruitment policy and offer internal as well as external training to equip our staff with entrepreneurial leadership skills.

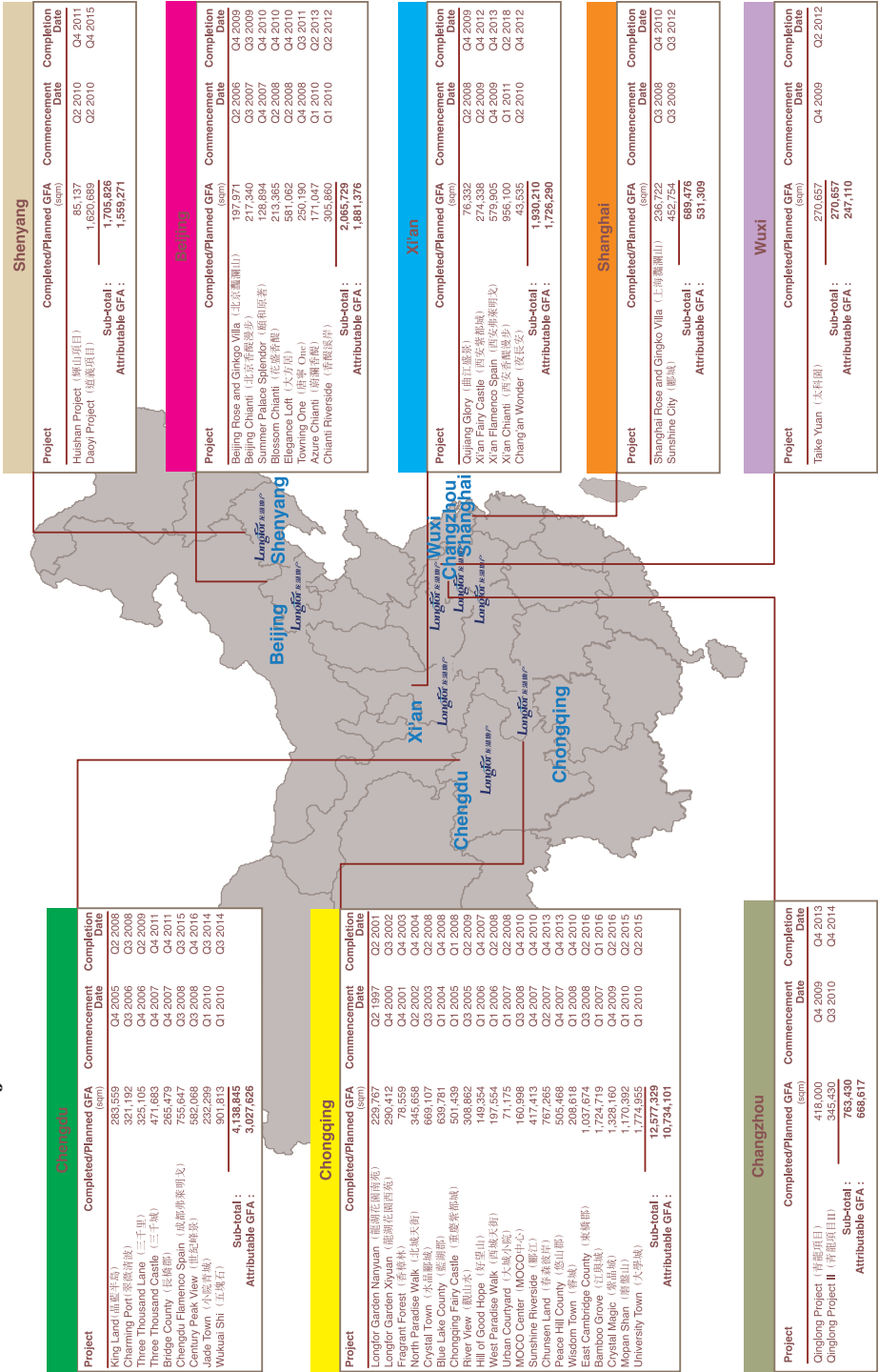
OUR BUSINESS

Overview of Our Projects

Our current portfolio of property developments consists of 50 projects under various stages of development in Chongqing, Chengdu, Beijing, Shanghai, Xi’an, Wuxi, Shenyang and Changzhou, which includes residential, retail, office and other types of developments. The following map shows the geographical locations and key details of each of our property development projects as of August 31, 2009.

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Geographical Locations of Our Projects (1) (2) (3)



Notes:

- (1) The planned GFA of each of the above projects and the attributable GFA which is attributable to us, based on our effective interests in the relevant project. Our interests in the relevant projects as of August 31, 2009.
- (2) The attributable GFA represents the portion of the total GFA which is attributable to us, based on our effective interests in the relevant project. Our interests in the relevant projects are set out in Property Valuation in Appendix IV.
- (3) Includes total planned GFA of (i) 85,137 sq.m. at Huishan in Shenyang for a planned residential project for which we won an auction for the underlying land in September 2009, (ii) 1,170,392 sq.m. at Mopan Shan in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iii) 1,774,955 sq.m. at University Town in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iv) 910,813 sq.m. at Wukui Shi in Chengdu for a planned residential project for which we won an auction for the underlying land in September 2009, (v) 1,620,689 sq.m. at Daoyi in Shenyang for a planned residential project for which we won an auction for the underlying land in October 2009, (vi) 418,000 sq.m. at Qinglong in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009, and (vii) 345,430 sq.m. at Qinglong II in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009.

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We classify our property developments into three categories:

- completed projects;
- projects under development; and
- projects for future development.

As some of our projects comprise multiple-phase developments on a rolling basis, a single project may include different phases at various stages of completion, under development or for future development. A project or certain phase of a project is considered completed when we have received the Completed Construction Works Certified Report from the relevant government construction authorities. A project or certain phase of a project is considered to be under development immediately following the issuance of the required construction works commencement permits and before completion of the project or the relevant phase of the project. A project or certain phase of a project is considered to be future development when we have received the relevant land use rights certificates, have signed the relevant land use rights contract but have not yet obtained land use rights certificates, or have signed the confirmation letter on bidding for granting land use right, but have not yet signed the relevant land use right contracts. As regards properties for which confirmation letters on bidding for granting land use right have been signed with the relevant government authority, according to the Rules on Bidding, Auctioning and Listing of State-owned Land Use Rights, which took effect on November 1, 2007, the confirmation letter on bidding for granting land use right has legal effect on the successful bidders as well as the auctioneers. If the auctioneers change the bidding result, or if the successful bidders give up on the target land, they shall assume legal responsibility. The winning bidders shall sign the State-owned Land Granting Contract with the auctioneers as prescribed in the confirmation letter on bidding for granting land use right. The Group does not need to fulfill any legal obligation nor pay any fees to land authorities before signing the State-owned Land Granting Contract upon receipt of the confirmation letter on bidding for granting land use right. On such basis, we have classified the relevant properties as properties for future development. For further details, please refer to the sections headed “Appendix IV — Property Valuation” and “Appendix I — Accountants’ Report” in this document.

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We set out below the GFA breakdown of our portfolio of projects under various stages of development by planned use as of August 31, 2009:

	Completed	Under Development	Future Development		
			Land Use Right Certificate Obtained	Land Use Right Certificate Not Yet Obtained	Total GFA ⁽¹⁾
	Total ⁽¹⁾	Total GFA ⁽¹⁾	(A)	(B)	(A+B)
	(sq.m)	(sq.m)	(sq.m)	(sq.m)	(sq.m)
Residential.	3,555,451	3,219,581	4,318,066	5,243,466	9,561,533
Retail	466,441	234,041	367,702	1,209,956	1,577,658
SOHO ⁽²⁾	151,585	60,080	31,678	619,697	651,375
Office.	53,973	45,473	20,280	121,937	142,217
Commercial	—	—	31,404	—	31,404
Carpark.	543,128	419,230	541,836	1,101,666	1,643,502
Others	284,214	526,404	565,095	409,118	974,213
Total⁽³⁾	<u>5,054,792</u>	<u>4,504,809</u>	<u>5,876,061</u>	<u>8,705,840</u>	<u>14,581,901</u>
Attributable GFA. . .	<u>4,468,524</u>	<u>3,413,073</u>	<u>4,453,550</u>	<u>8,047,424</u>	<u>12,500,974</u>

Notes:

- (1) Includes saleable GFA and non-saleable GFA such as amenities.
- (2) GFA for residential, retail, SOHO, office, commercial and carpark consists of saleable GFA. Others includes amenities which are non-saleable.
- (3) Includes total planned GFA of (i) 85,137 sq.m. at Huishan in Shenyang for a planned residential project for which we won an auction for the underlying land in September 2009, (ii) 1,170,392 sq.m. at Mopan Shan in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iii) 1,774,955 sq.m. at University Town in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iv) 910,813 sq.m. at Wukuai Shi in Chengdu for a planned residential project for which we won an auction for the underlying land in September 2009, (v) 1,620,689 sq.m. at Daoyi in Shenyang for a planned residential project for which we won an auction for the underlying land in October 2009, (vi) 418,000 sq.m. at Qinglong in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009, and (vii) 345,430 sq.m. at Qinglong II in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009.

We have obtained all the relevant long-term title certificates for the land of our completed properties and properties under development. As of August 31, 2009, we had not yet obtained land use rights certificates to approximately 8,705,840 sq.m. of GFA of our projects held for future developments, representing approximately 59.7% in terms of aggregate planned GFA of this category of projects.

As for projects that have entered into the relevant state-owned land granting contracts but which have not been issued with State-owned Land Certificates, Commerce & Finance is of the opinion that there are no material legal impediments to obtaining the relevant state-owned land certificates provided the obligations under the State-owned Land Granting Contracts, including the payment of land premiums, land development costs (if any) and relevant deed tax, are performed by the relevant companies.

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A property is treated as “pre-sold” when the purchase contract has been executed but the property has not yet been delivered to the customer. A property is considered “sold” when the purchase contract with a customer has been executed and the property has been delivered to the customer. Delivery is deemed to take place on the date stated on the property delivery document.

We include in this document the project names which we have used, or intend to use, to market our properties. Some of the names for property developments may be different from the names registered with the relevant authorities, are subject to approval by the relevant authorities and may be subject to change.

Overview of Our Land Bank and Our Completed Projects

We set forth certain information about our land bank, in particular, details regarding projects in our property portfolio as of August 31, 2009, which were under development or were held for future development as well as projects which had been completed as shown in the table below. For further details of our land bank that are not set forth in this table, please refer to the section headed “Business — Our Property Development Projects”. As of August 31, 2009, we had completed development of properties with an aggregate total GFA of approximately 5,054,792 sq.m. We also held the land use rights to land of our properties under development and properties for future development with an aggregate total GFA of approximately 10,380,870 sq.m. Furthermore, we had interests in parcels of land for which we signed the relevant land use rights contract or the confirmation letter on bidding for granting land use rights but have not yet obtained land use rights certificates with an aggregate total GFA of 8,705,840 sq.m. as of August 31, 2009.

BUSINESS

Project ⁽¹⁾	Site Area	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾	Reference to Property Valuation Report	
				GFA Completed ⁽²⁾	GFA Sold ⁽⁴⁾	Saleable GFA Remaining Unsold ⁽⁴⁾	Rentable GFA Held for Investment ⁽⁴⁾	GFA Under Development ⁽³⁾	Saleable/ Rentable GFA ⁽⁵⁾	Of Which Was Pre-sold ⁽⁶⁾	Planned GFA ⁽²⁾	Land Use Rights Not Yet Obtained ⁽⁴⁾				Development Costs Incurred
(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m. in GFA)	(RMB million)	(RMB million)	(RMB million)	(Property number)	
CHONGQING																
龍湖花園南苑 Longfor Garden Nanyuan	163,689	Q2 1997	Q2 2001	229,767	212,278	9,677	—	—	—	—	—	360	—	91.30%	58	1, 11
Residential				195,569	195,569	—	—	—	—	—	—	—	—	—	—	—
Retail				12,510	8,305	4,205	—	—	—	—	—	—	—	—	—	—
Carpark				13,876	8,404	5,472	—	—	—	—	—	—	—	—	—	—
龍湖花園西苑 Longfor Garden Xiyuan	143,248	Q4 2000	Q3 2002	290,412	253,503	15,793	—	—	—	—	—	462	—	91.30%	61	2 12
Residential				215,584	215,584	—	—	—	—	—	—	—	—	—	—	—
Retail				16,517	16,517	—	—	—	—	—	—	—	—	—	—	—
Carpark				37,195	21,402	15,793	—	—	—	—	—	—	—	—	—	—
香樟林 Fragrant Forest	192,310	Q4 2001	Q4 2003	78,559	73,572	—	—	—	—	—	—	337	—	91.30%	8	3
Residential				73,572	73,572	—	—	—	—	—	—	—	—	—	—	—
Retail				—	—	—	—	—	—	—	—	—	—	—	—	—
Carpark				—	—	—	—	—	—	—	—	—	—	—	—	—
北城天街 North Paradise Walk	58,710	Q2 2002	Q4 2004	345,658	177,276	14,497	146,262	—	—	—	—	778	—	91.30%	2,652	4, 13, 14, 70
Residential				133,931	133,931	—	—	—	—	—	—	—	—	—	—	—
Retail				151,568	30,790	—	120,778	—	—	—	—	—	—	—	—	—
SOHO				15,456	8,816	6,640	—	—	—	—	—	—	—	—	—	—
Carpark				37,081	3,739	7,858	25,484	—	—	—	—	—	—	—	—	—
水晶郦城 Crystal Town	233,799	Q3 2003	Q2 2008	609,107	561,117	41,350	44,514	—	—	—	—	1,368	5	91.30%	273	5, 9, 15, 71
Residential				442,367	442,367	—	—	—	—	—	—	—	—	—	—	—
Retail				58,881	40,532	701	17,648	—	—	—	—	—	—	—	—	—
SOHO				27,742	27,742	—	—	—	—	—	—	—	—	—	—	—
Office				23,005	20,932	2,073	—	—	—	—	—	—	—	—	—	—
Carpark				94,986	29,544	38,576	26,866	—	—	—	—	—	—	—	—	—
藍湖郡 Blue Lake County	914,343	Q1 2004	Q4 2008	639,781	603,871	12,494	—	—	—	—	—	2,352	88	91.30%	117	6, 16
Residential				558,094	558,094	—	—	—	—	—	—	—	—	—	—	—
Retail				27,668	19,602	8,066	—	—	—	—	—	—	—	—	—	—
Carpark				30,603	26,175	4,428	—	—	—	—	—	—	—	—	—	—
重慶紫雲城 Chongqing Fairy Castle	199,064	Q1 2005	Q1 2008	501,439	441,069	19,451	29,413	—	—	—	—	1,127	46	91.30%	396	7, 17, 18, 72
Residential				316,727	316,727	—	—	—	—	—	—	—	—	—	—	—
Retail				66,722	37,050	259	29,413	—	—	—	—	—	—	—	—	—
SOHO				57,499	57,499	—	—	—	—	—	—	—	—	—	—	—
Carpark				48,985	29,794	19,192	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾ (RMB million)	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾ (sq.m.)	GFA Sold ⁽⁴⁾ (sq.m.)	Saleable GFA Remaining Unsold ⁽⁴⁾ (sq.m.)	Rentable GFA Held for Investment ⁽⁴⁾ (sq.m.)	GFA Under Development ⁽³⁾ (sq.m.)	Saleable/ Rentable GFA ⁽⁵⁾ (sq.m.)	Of Which Was Pre-sold ⁽⁶⁾ (sq.m.)	Planned GFA ⁽²⁾ (sq.m.)	Land Use Rights Not Yet Obtained ⁽⁴⁾ (sq.m. in GFA)				Development Costs Incurred (RMB million)	Estimated Future Development Costs (RMB million)
觀山水 River View	81,846	Q3 2005	Q2 2009	308,862	291,557	122,238	—	—	—	—	—	707	9	91.30%	37	19	
				267,600	267,600	—	—	—	—	—	—	—	—	—	—	—	—
				5,154	3,305	1,849	—	—	—	—	—	—	—	—	—	—	—
				31,041	20,652	10,389	—	—	—	—	—	—	—	—	—	—	—
好望山 Hill of Good Hope	120,169	Q1 2006	Q4 2007	149,354	137,343	8,481	—	—	—	—	—	381	23	93.48%	20	8, 21	
				125,871	125,871	—	—	—	—	—	—	—	—	—	—	—	—
				759	759	—	—	—	—	—	—	—	—	—	—	—	—
				19,193	10,712	8,481	—	—	—	—	—	—	—	—	—	—	—
西城天街 West Paradise Walk	28,316	Q1 2006	Q2 2008	197,554	81,009	847	111,654	—	—	—	—	582	12	91.30%	1,071	20, 73	
				77,144	—	—	77,144	—	—	—	—	—	—	—	—	—	—
				50,888	50,824	64	—	—	—	—	—	—	—	—	—	—	—
				30,968	30,185	783	—	—	—	—	—	—	—	—	—	—	—
大城小聚 Urban Courtyard	39,201	Q1 2007	Q2 2008	71,175	62,068	5,583	—	—	—	—	—	178	2	91.30%	14	22	
				56,009	56,009	—	—	—	—	—	—	—	—	—	—	—	—
				282	192	90	—	—	—	—	—	—	—	—	—	—	—
				11,359	5,867	5,493	—	—	—	—	—	—	—	—	—	—	—
MOCO中心 MOCO Center	20,500	Q3 2008	Q4 2010	—	—	—	—	160,998	156,610	95,831	—	211	231	91.30%	446	44	
				—	—	—	—	—	51,658	51,658	—	—	—	—	—	—	—
				—	—	—	—	—	29,104	—	—	—	—	—	—	—	—
				—	—	—	—	—	—	—	—	—	—	—	—	—	—
麗江 Sunshine Riverside	111,741	Q4 2007	Q4 2010	60,478	54,371	6,107	—	356,935	334,853	156,232	—	973	489	46.56%	435	27, 37	
				47,926	47,787	140	—	—	265,729	156,232	—	—	—	—	—	—	—
				—	—	—	—	—	15,602	—	—	—	—	—	—	—	—
				12,551	6,584	5,967	—	—	53,522	—	—	—	—	—	—	—	—
春森俊岸 Chunsen Land	160,191	Q2 2007	Q4 2013	—	—	—	—	317,430	310,971	143,527	449,835	956	2,527	91.30%	1,990	33, 53	
				—	—	—	—	—	227,537	143,527	317,416	120,184	—	—	—	—	—
				—	—	—	—	—	33,702	—	29,139	11,033	—	—	—	—	—
				—	—	—	—	—	—	—	32,637	12,357	—	—	—	—	—
SOHO	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
				—	—	—	—	—	—	—	—	—	—	—	—	—	—
				—	—	—	—	—	—	—	—	—	—	—	—	—	—
				—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project ⁽¹⁾	Site Area	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾	GFA Sold ⁽⁴⁾	Saleable GFA Remaining Unsold ⁽⁴⁾	Rentable GFA Held for Investment ⁽⁴⁾	GFA Under Development ⁽³⁾	Saleable/ Rentable GFA ⁽⁵⁾	Of Which Was Pre-sold ⁽⁶⁾	Planned GFA ⁽²⁾	Land Use Rights Not Yet Obtained ⁽⁴⁾				Development Costs Incurred	Estimated Future Development Costs
	(sq.m.)			(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m. in GFA)	(RMB million)		(RMB million)	(Property number)		
悠山郡 Peace Hill County	246,951	Q4 2007	Q4 2013	52,621	38,662	10,877	—	234,614	228,183	145,402	218,233	—	800	1,061	91.30%	746	26, 36, 67
Residential				46,597	38,662	7,935	—	—	199,199	145,402	178,027	—	—	—	—	—	—
Retail				2,942	—	2,942	—	—	2,073	—	11,455	—	—	—	—	—	—
Carpark				—	—	—	—	—	26,911	—	16,361	—	—	—	—	—	—
譽城 Wisdom Town	98,274	Q1 2008	Q4 2010	—	—	—	—	208,618	170,404	134,758	—	—	381	337	95.56%	449	34
Residential				—	—	—	—	—	128,993	125,722	—	—	—	—	—	—	—
Retail				—	—	—	—	—	17,453	9,036	—	—	—	—	—	—	—
SOHO				—	—	—	—	—	8,628	—	—	—	—	—	—	—	—
Carpark				—	—	—	—	—	15,330	—	—	—	—	—	—	—	—
東橋郡 East Cambridge County	615,175	Q3 2008	Q2 2016	—	—	—	—	171,395	130,992	74,415	866,280	370,035	790	3,120	95.56%	1,405	35, 54
Residential				—	—	—	—	—	130,317	74,415	521,328	234,900	—	—	—	—	—
Retail				—	—	—	—	—	675	—	111,792	50,371	—	—	—	—	—
SOHO				—	—	—	—	—	—	—	7,000	3,154	—	—	—	—	—
Carpark				—	—	—	—	—	—	—	83,182	37,480	—	—	—	—	—
江興城 Bamboo Grove	778,648	Q1 2007	Q1 2016	175,043	150,271	16,418	—	249,131	226,591	160,553	1,300,545	—	1,910	3,822	49.57%	1,995	25, 32, 52
Residential				137,029	134,554	2,475	—	—	204,423	160,553	953,760	—	—	—	—	—	—
Retail				—	—	—	—	—	—	—	145,500	—	—	—	—	—	—
SOHO				—	—	—	—	—	—	—	—	—	—	—	—	—	—
Commercial				—	—	—	—	—	—	—	—	—	—	—	—	—	—
Carpark				29,660	15,717	13,943	—	—	22,168	—	163,005	—	—	—	—	—	—
紫晶城 Crystal Magic	199,986	Q4 2009	Q2 2016	—	—	—	—	—	—	—	1,328,160	1,328,160	1,190	5,525	91.30%	4,342	55
Residential				—	—	—	—	—	—	—	486,042	486,042	—	—	—	—	—
Retail				—	—	—	—	—	—	—	347,592	347,592	—	—	—	—	—
SOHO				—	—	—	—	—	—	—	182,258	182,258	—	—	—	—	—
Office				—	—	—	—	—	—	—	35,100	35,100	—	—	—	—	—
Carpark				—	—	—	—	—	—	—	218,161	218,161	—	—	—	—	—
磨盤山 Mopan Shan	224,378	Q1 2010	Q2 2015	—	—	—	—	—	—	—	1,170,392	1,170,392	—	6,141	93.48%	—	83
Residential				—	—	—	—	—	—	—	539,640	539,640	—	—	—	—	—
Retail				—	—	—	—	—	—	—	81,300	81,300	—	—	—	—	—
SOHO				—	—	—	—	—	—	—	318,000	318,000	—	—	—	—	—
Carpark				—	—	—	—	—	—	—	157,000	157,000	—	—	—	—	—

BUSINESS

Project ⁽¹⁾	Site Area	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED				UNDER DEVELOPMENT				FUTURE DEVELOPMENT				Group's Interest in the Project	Attributable Capital Value ⁽¹⁾	Reference to Property Valuation Report
				GFA Completed ⁽²⁾	GFA Sold ⁽⁴⁾	Saleable GFA Remaining Unsold ⁽⁴⁾	Rentable GFA Held for Investment ⁽⁴⁾	GFA Under Development ⁽³⁾	Saleable/ Rentable GFA ⁽⁵⁾	Of Which Was Pre-sold ⁽⁶⁾	Planned GFA ⁽²⁾	Land Use Rights Not Yet Obtained ⁽⁴⁾	Development Costs Incurred	Estimated Future Development Costs				
															(sq.m.)			
CHENGDU																		
大學城 University Town	588,220	Q1 2010	Q2 2015	—	—	—	—	—	—	—	—	1,774,955	1,774,955	—	5,647	95.56%	—	84
Residential				—	—	—	—	—	—	—	—	1,217,775	1,217,775					
Retail				—	—	—	—	—	—	—	—	160,026	160,026					
Carpark				—	—	—	—	—	—	—	—	265,109	265,109					
晶藍半島 King Land	59,476	Q4 2005	Q2 2008	283,559	257,880	10,677	—	—	—	—	—	—	—	802	11	86.17%	43	10, 24
Residential				214,483	214,483	—	—	—	—	—	—	—	—					
Retail				19,193	16,711	2,483	—	—	—	—	—	—	—					
Carpark				34,880	26,686	8,194	—	—	—	—	—	—	—					
翠微清波 Charming Port	87,490	Q3 2006	Q3 2008	321,192	270,428	35,412	—	—	—	—	—	—	—	950	54	86.17%	82	28
Residential				246,772	245,830	942	—	—	—	—	—	—	—					
Retail				7,840	7,649	191	—	—	—	—	—	—	—					
Carpark				51,229	16,949	34,280	—	—	—	—	—	—	—					
三千里 Three Thousand Lane	55,088	Q4 2006	Q2 2009	325,105	292,620	21,827	—	—	—	—	—	—	—	1,126	118	86.17%	65	29
Residential				262,899	262,899	—	—	—	—	—	—	—	—					
Retail				16,664	16,019	644	—	—	—	—	—	—	—					
Carpark				34,884	13,702	21,182	—	—	—	—	—	—	—					
三千城 Three Thousand Castles	75,787	Q4 2007	Q4 2011	—	—	—	—	471,683	455,433	230,143	—	—	—	1,490	846	46.56%	1,058	38
Residential				—	—	—	—	—	287,060	220,244	—	—	—					
Retail				—	—	—	—	—	56,466	3,631	—	—	—					
SOHO				—	—	—	—	—	32,826	6,268	—	—	—					
Carpark				—	—	—	—	—	79,080	—	—	—	—					
底橋郡 Bridge County	469,883	Q4 2007	Q4 2011	—	—	—	—	218,129	209,646	110,961	47,350	—	—	747	876	91.07%	1,515	39, 56
Residential				—	—	—	—	—	209,646	110,961	47,350	—	—					
成都弗萊明戈 Chengdu Flamingo Spain	126,137	Q3 2008	Q3 2015	—	—	—	—	243,853	208,828	54,509	511,794	—	—	822	1,632	91.30%	912	46, 59
Residential				—	—	—	—	—	139,167	54,509	371,822	—	—					
Retail				—	—	—	—	—	1,886	—	8,870	—	—					
Carpark				—	—	—	—	—	67,776	—	15,988	—	—					
世紀峰景 Century Peak View	48,062	Q3 2008	Q4 2016	—	—	—	—	143,489	139,711	561	438,580	—	—	2,241	1,803	9.13%	246	45, 58
Residential				—	—	—	—	—	115,617	561	357,402	—	—					
Retail				—	—	—	—	—	—	—	—	—	—					
Carpark				—	—	—	—	—	24,094	—	59,949	—	—					

BUSINESS

Project ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾	GFA Sold ⁽⁴⁾	Saleable GFA Remaining Unsold ⁽⁴⁾	Rentable GFA Held for Investment ⁽⁴⁾	GFA Under Development ⁽³⁾	Saleable/ Rentable GFA ⁽⁵⁾	Of Which Was Pre-sold ⁽⁶⁾	Planned GFA ⁽²⁾	Land Use Rights Not Yet Obtained ⁽⁴⁾				Development Costs Incurred	Estimated Future Development Costs
小院青城 Jade Town	210,505	Q1 2010	Q3 2014	—	—	—	—	—	—	232,299	—	800	821	85.48%	690	57	
Residential				—	—	—	—	—	—	173,392	—	—	—	—	—	—	
Retail				—	—	—	—	—	—	6,264	—	—	—	—	—	—	
Cupark				—	—	—	—	—	—	—	—	—	—	—	—	—	
五缘石 Wukuai Shi	184,487	Q1 2010	Q3 2014	—	—	—	—	—	—	901,813	901,813	—	4,592	91.30%	—	85	
Residential				—	—	—	—	—	—	350,991	350,991	—	—	—	—	—	
Retail				—	—	—	—	—	—	223,474	223,474	—	—	—	—	—	
SOHO				—	—	—	—	—	—	101,836	101,836	—	—	—	—	—	
Office				—	—	—	—	—	—	74,480	74,480	—	—	—	—	—	
Cupark				—	—	—	—	—	—	151,032	151,032	—	—	—	—	—	
BEIJING																	
北京福潤山 Beijing Rose and Ginkgo Villa	164,637	Q2 2006	Q4 2009	137,788	74,275	593	—	60,183	33,679	31,068	—	—	1,308	294	89.93%	757	30, 40
Residential				74,868	74,275	593	—	—	33,679	31,068	—	—	—	—	—	—	—
北京香麗漫步 Beijing Chianti	168,569	Q3 2007	Q3 2009	217,340	144,208	19,034	—	—	—	—	—	—	841	252	91.27%	100	31
Residential				139,552	137,020	2,532	—	—	—	—	—	—	—	—	—	—	—
Retail				2,597	—	2,597	—	—	—	—	—	—	—	—	—	—	—
Cupark				21,093	7,188	13,904	—	—	—	—	—	—	—	—	—	—	—
頤和原著 Summer Palace Splendor	97,809	Q4 2007	Q4 2010	—	—	—	—	128,894	115,564	14,957	—	—	1,282	769	89.93%	3,225	41
Residential				—	—	—	—	—	94,763	14,957	—	—	—	—	—	—	—
Retail				—	—	—	—	—	20,801	—	—	—	—	—	—	—	—
Cupark				—	—	—	—	—	—	—	—	—	—	—	—	—	—
花盛香麗 Blossom Chianti	99,442	Q2 2008	Q4 2010	—	—	—	—	213,365	154,518	65,691	—	—	916	672	91.30%	1,125	42
Residential				—	—	—	—	—	137,462	65,691	—	—	—	—	—	—	—
Retail				—	—	—	—	—	3,829	—	—	—	—	—	—	—	—
Cupark				—	—	—	—	—	13,227	—	—	—	—	—	—	—	—
大方居 Elegance Loft	168,388	Q2 2008	Q4 2010	—	—	—	—	581,062	538,761	452,042	—	—	1,439	876	91.30%	1,219	43
Residential				—	—	—	—	—	536,089	452,042	—	—	—	—	—	—	—
Retail				—	—	—	—	—	2,672	—	—	—	—	—	—	—	—
Cupark				—	—	—	—	—	—	—	—	—	—	—	—	—	—

BUSINESS

Project ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾ (RMB million)	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾ (sq.m.)	GFA Sold ⁽⁴⁾ (sq.m.)	Saleable GFA Remaining Unsold ⁽⁴⁾ (sq.m.)	Rentable GFA Held for Investment ⁽⁴⁾ (sq.m.)	GFA Under Development ⁽³⁾ (sq.m.)	Saleable/ Rentable GFA ⁽⁵⁾ (sq.m.)	Of Which Was Pre-sold ⁽⁶⁾ (sq.m.)	Planned GFA ⁽²⁾ (sq.m.)	Land Use Rights					
												Not Yet Obtained ⁽⁴⁾ (sq.m. in GFA)				Development Costs Incurred (RMB million)	Estimated Future Development Costs (RMB million)
唐寧one Towing One	41,971	Q4 2008	Q3 2011	—	—	—	—	250,190	210,466	85,880	—	—	2,605	1,160	91.30%	2,783	47
Residential				—	—	—	—	—	134,505	69,026	—	—	—	—	—	—	—
SOHO				—	—	—	—	—	18,626	—	—	—	—	—	—	—	—
Retail				—	—	—	—	—	33,762	16,854	—	—	—	—	—	—	—
Capark				—	—	—	—	—	23,573	—	—	—	—	—	—	—	—
蔚瀾香醍 Azure Chianti	55,435	Q1 2010	Q2 2013	—	—	—	—	—	—	—	171,047	171,047	297	1,042	91.30%	799	60
Residential				—	—	—	—	—	—	—	120,571	120,571	—	—	—	—	—
Retail				—	—	—	—	—	—	—	906	906	—	—	—	—	—
Capark				—	—	—	—	—	—	—	19,280	19,280	—	—	—	—	—
香麗溪畔 Chianti Riverside	187,514	Q1 2010	Q2 2012	—	—	—	—	—	—	—	305,860	—	64	1,529	91.27%	890	66
Residential				—	—	—	—	—	—	—	283,688	—	—	—	—	—	—
Retail				—	—	—	—	—	—	—	1,000	—	—	—	—	—	—
Capark				—	—	—	—	—	—	—	12,557	—	—	—	—	—	—
SHANGHAI																	
上海灘灘山 Shanghai Rose and Ginkgo Villa	144,496	Q3 2008	Q4 2010	—	—	—	—	236,722	149,580	67,919	—	—	1,942	616	45.65%	923	49
Residential				—	—	—	—	—	144,686	67,919	—	—	—	—	—	—	—
Retail				—	—	—	—	—	4,894	—	—	—	—	—	—	—	—
麗城 Sunshine City	178,248	Q3 2009	Q3 2012	—	—	—	—	99,780	64,722	—	352,974	81,216	941	1,499	93.48%	1,472	50, 61
Residential				—	—	—	—	—	54,777	—	211,347	64,043	—	—	—	—	—
SOHO				—	—	—	—	—	—	—	20,631	6,252	—	—	—	—	—
Retail				—	—	—	—	—	9,945	—	23,080	6,994	—	—	—	—	—
Capark				—	—	—	—	—	—	—	12,960	3,927	—	—	—	—	—
XI'AN																	
曲江盛景 Qujiang Glory	34,795	Q2 2008	Q4 2009	—	—	—	—	76,332	58,911	57,289	—	—	310	106	82.17%	435	48
Residential				—	—	—	—	—	58,911	57,289	—	—	—	—	—	—	—
Retail				—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capark				—	—	—	—	—	—	—	—	—	—	—	—	—	—
西安紫郡城 Xi'an Fairy Castle	68,939	Q2 2009	Q4 2012	—	—	—	—	82,006	79,981	45,589	192,332	—	312	772	82.17%	230	51, 65
Residential				—	—	—	—	—	65,363	45,589	172,963	—	—	—	—	—	—
Retail				—	—	—	—	—	1,176	—	1,700	—	—	—	—	—	—
Capark				—	—	—	—	—	13,442	—	10,754	—	—	—	—	—	—

BUSINESS

Project ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾ (RMB million)	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾ (sq.m.)	GFA Sold ⁽⁴⁾ (sq.m.)	Saleable GFA Remaining Unsold ⁽⁴⁾ (sq.m.)	Rentable GFA Held for Investment ⁽⁴⁾ (sq.m.)	GFA Under Development ⁽³⁾ (sq.m.)	Saleable/ Rentable GFA ⁽⁵⁾ (sq.m.)	Of Which Was Pre-sold ⁽⁶⁾ (sq.m.)	Planned GFA ⁽²⁾ (sq.m.)	Land Use Rights Not Yet Obtained ⁽⁴⁾ (sq.m. in GFA)				Development Costs Incurred (RMB million)	Estimated Future Development Costs (RMB million)
西安弗萊明戈 Xi'an Flamenco Spain Residential Retail Carpark	176,049	Q4 2009	Q4 2013	—	—	—	—	—	—	—	579,905	—	229	1,945	91.30%	551	63
				—	—	—	—	—	—	436,300	—	—	—	—	—		
				—	—	—	—	—	—	42,000	—	—	—	—	—		
				—	—	—	—	—	—	69,840	—	—	—	—	—		
西安香麗漫步 Xi'an Chianti Residential Retail Carpark	369,653	Q1 2011	Q2 2018	—	—	—	—	—	—	—	956,100	—	571	2,854	91.30%	1,057	64
				—	—	—	—	—	—	712,400	—	—	—	—	—		
				—	—	—	—	—	—	55,300	—	—	—	—	—		
				—	—	—	—	—	—	102,378	—	—	—	—	—		
夜長安 Chang'an Wonder Commercial Carpark	30,889	Q2 2010	Q4 2012	—	—	—	—	—	—	—	43,535	—	118	279	82.17%	119	62
				—	—	—	—	—	—	31,404	—	—	—	—	—		
				—	—	—	—	—	—	9,131	—	—	—	—	—		
				—	—	—	—	—	—	—	—	—	—	—	—		
WUXI 太湖園 Taike Yuan Residential Retail Carpark	188,496	Q4 2009	Q2 2012	—	—	—	—	—	—	—	270,657	270,657	57	1,537	91.30%	607	68
				—	—	—	—	—	—	202,333	202,333	—	—	—	—		
				—	—	—	—	—	—	3,260	3,260	—	—	—	—		
				—	—	—	—	—	—	5,000	5,000	—	—	—	—		
SHENYANG 輝山項目 Huishan Project Residential Retail Carpark	84,086	Q2 2010	Q4 2011	—	—	—	—	—	—	—	85,137	85,137	—	396	93.48%	—	81
				—	—	—	—	—	—	75,987	75,987	—	—	—	—		
				—	—	—	—	—	—	7,070	7,070	—	—	—	—		
				—	—	—	—	—	—	950	950	—	—	—	—		
道義項目 Daoyi Project Residential Retail Carpark	684,420	Q2 2010	Q4 2015	—	—	—	—	—	—	—	1,620,689	1,620,689	203	5,996	91.30%	—	82
				—	—	—	—	—	—	1,269,000	1,269,000	—	—	—	—		
				—	—	—	—	—	—	247,000	247,000	—	—	—	—		
				—	—	—	—	—	—	104,689	104,689	—	—	—	—		
CHANGZHOU 青龍項目 Qinglong Project Residential Retail Carpark	164,855	Q4 2009	Q4 2013	—	—	—	—	—	—	—	418,000	418,000	—	1,629	91.30%	—	86
				—	—	—	—	—	—	301,000	301,000	—	—	—	—		
				—	—	—	—	—	—	48,000	48,000	—	—	—	—		
				—	—	—	—	—	—	65,000	65,000	—	—	—	—		

BUSINESS

Project ⁽¹⁾	Site Area (sq.m.)	Actual/ Estimated Commence Date	Actual/ Estimated Completion Date	COMPLETED			UNDER DEVELOPMENT			FUTURE DEVELOPMENT			Group's Interest in the Project	Attributable Capital Value ⁽¹⁾ (RMB million)	Reference to Property Valuation Report		
				GFA Completed ⁽²⁾ (sq.m.)	GFA Sold ⁽⁴⁾ (sq.m.)	Saleable GFA Remaining Unsold ⁽⁴⁾ (sq.m.)	Rentable GFA Held for Investment ⁽⁴⁾ (sq.m.)	GFA Under Development ⁽³⁾ (sq.m.)	Saleable/ Rentable GFA ⁽⁵⁾ (sq.m.)	Of Which Was Pre-sold ⁽⁶⁾ (sq.m.)	Planned GFA ⁽²⁾ (sq.m.)	Land Use Rights Not Yet Obtained ⁽⁴⁾ (sq.m. in GFA)				Development Costs Incurred (RMB million)	Estimated Future Development Costs (RMB million)
青龍項目 II Qinglong Project II	143,965	Q3 2010	Q4 2014	—	—	—	—	—	—	—	—	345,430	345,430	—	1,370	85.07%	69
Residential				—	—	—	—	—	—	—	—	261,000	261,000				
Retail				—	—	—	—	—	—	—	—	22,930	22,930				
Carpark				—	—	—	—	—	—	—	—	57,500	57,500				
Total	9,788,328			5,054,792	4,177,380	261,355	331,843	4,504,809	3,978,404	2,127,326	14,581,901	8,705,840	38,255	65,433			
Attributable GFA (sq.m.)	8,439,674			4,468,524	3,686,734	225,720	302,973	3,413,073	3,000,132	1,669,561	12,500,974	8,047,424	30,080	56,084			

Notes:

(1) Include attributable value of amenities.

(2) “GFA Completed” is based on figures provided in surveying reports or Record of Acceptance Examination Upon Project Completion (竣工驗收備案證明) by relevant government departments.

(3) “Total GFA” under development is based on figures provided in the Planning Permit for Construction Works (建設工程規劃許可證).

(4) The following information that appear is based on our internal records and estimates: (a) figures for “GFA Sold” of Completed development, (b) “Saleable GFA Remaining Unsold” of completed development, (c) “Rentable GFA Held for Investment”, (d) “Rentable GFA” under development (e) “Total GFA” for future development and (f) “Land Use Rights Not Yet Obtained”.

(5) “Saleable GFA” under development are derived from the Pre-Sale Permit for Commodity Housing (預售許可證) or where Pre-sale Permit for Commodity Housing is not yet available, our internal records and estimates.

(6) Figures for GFA pre-sold is based on our internal records. A property is pre-sold when a binding sales agreement has been executed.

(7) Includes total planned GFA of (i) 85,137 sq.m. at Huishan in Shenyang for a planned residential project for which we won an auction for the underlying land in September 2009, (ii) 1,170,392 sq.m. at Mopan Shan in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iii) 1,774,955 sq.m. at University Town in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iv) 910,813 sq.m. at Wukuai Shi in Chengdu for a planned residential project for which we won an auction for the underlying land in September 2009, (v) 1,620,689 sq.m. at Daoyi in Shenyang for a planned residential project for which we won an auction for the underlying land in October 2009, (vi) 418,000 sq.m. at Qinglong in Changzhou for a planned residential project for which we acquired the underlying land in October 2009, and (vii) 345,430 sq.m. at Qinglong II in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009.

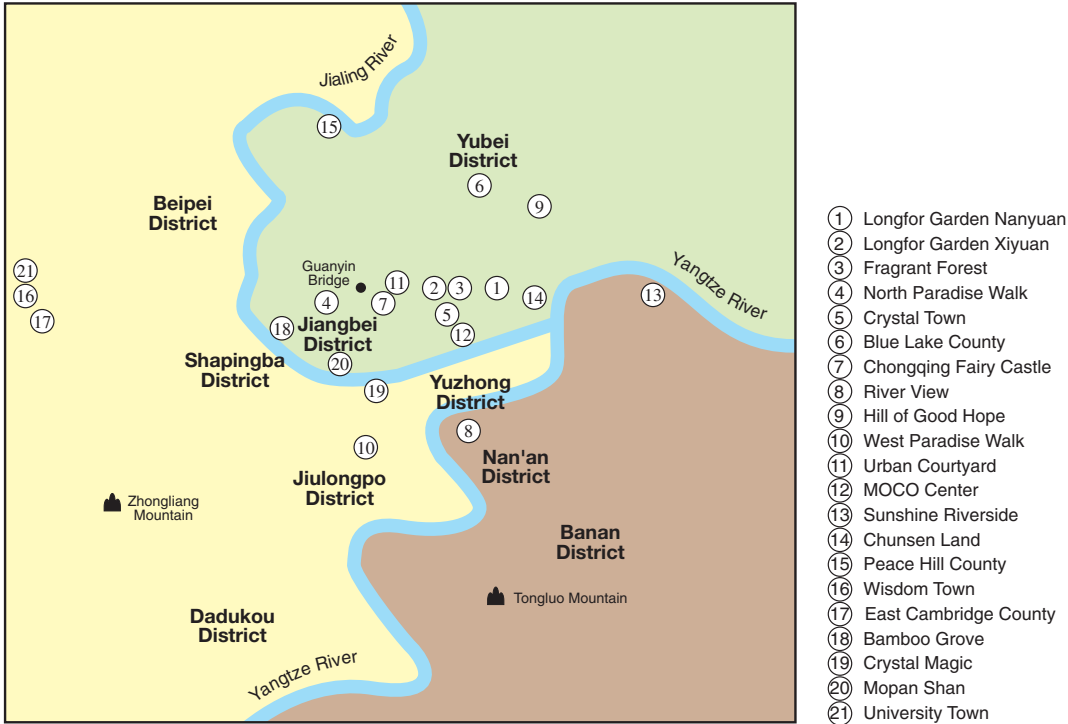
Notes:

- (1) Include attributable value of amenities.
- (2) “GFA Completed” is based on figures provided in surveying reports or Record of Acceptance Examination Upon Project Completion (竣工驗收備案證明) by relevant government departments.
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- (5) “Saleable GFA” under development are derived from the Pre-Sale Permit for Commodity Housing (預售許可證) or where Pre-sale Permit for Commodity Housing is not yet available, our internal records and estimates.
- (6) Figures for GFA pre-sold is based on our internal records. A property is pre-sold when a binding sales agreement has been executed.
- (7) Includes total planned GFA of (i) 85,137 sq.m. at Huishan in Shenyang for a planned residential project for which we won an auction for the underlying land in September 2009, (ii) 1,170,392 sq.m. at Mopan Shan in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iii) 1,774,955 sq.m. at University Town in Chongqing for a planned residential project for which we won an auction for the underlying land in September 2009, (iv) 910,813 sq.m. at Wukui Shi in Chengdu for a planned residential project for which we won an auction for the underlying land in September 2009, (v) 1,620,689 sq.m. at Daoyi in Shenyang for a planned residential project for which we won an auction for the underlying land in October 2009, (vi) 418,000 sq.m. at Qinglong in Changzhou for a planned residential project for which we acquired the underlying land in October 2009, and (vii) 345,430 sq.m. at Qinglong II in Changzhou for a planned residential project for which we won an auction for the underlying land in October 2009.

BUSINESS

OUR PROPERTY DEVELOPMENT PROJECTS

Chongqing



BUSINESS

Longfor Garden Nanyuan (龍湖花園南苑)



Longfor Garden Nanyuan is located in Yubei District, Chongqing (重慶市渝北區), adjacent to the Jiulong Lake. The project is our first premium residential development and was awarded one of the “Top Ten Chongqing City Residential Districts” (第一屆及第二屆重慶市十大最佳住宅小區) in 1998 and 2000, respectively. Longfor Garden Nanyuan was developed by Chongqing Longhu Properties. We entered into the land grant contracts with respect to Longfor Garden Nanyuan in March 1996 and January 1997. We have paid land premium totaling approximately RMB22.3 million for this project. This represented the total land premium for this project.

The entire project occupies a total site area of approximately 163,689 sq.m. and has an aggregate completed GFA of 229,767 sq.m. It comprises townhouses, low-rise and high-rise apartments, retail units and carparks with an aggregate saleable GFA of approximately 221,955 sq.m. The project also provides a number of amenities for the residents, including a clubhouse, a kindergarten, and a school.

As of August 31, 2009, we had sold all the residential units. We still held retail spaces with an aggregate saleable GFA of approximately 4,205 sq.m., and 187 car parking spaces with an aggregate saleable GFA of approximately 5,472 sq.m..

Details of the development as of August 31, 2009 were as follows:

Construction period	Q2 1997 — Q2 2001
Development costs incurred	RMB 360 million
Estimated future development costs	Nil

BUSINESS

Longfor Garden Xiyuan (龍湖花園西苑)



Longfor Garden Xiyuan is another completed residential project located next to Longfor Garden Nanyuan. The project was awarded one of the “Top Ten Chongqing City Residential Districts” (第三屆重慶市十大最佳住宅小區) in 2002. The project was developed by Chongqing Longhu Properties. We entered into the land grant contract with respect to Longfor Garden Xiyuan in December 1998. We have paid land premium totaling approximately RMB49.1 million for this project. This represented the total land premium for this project.

This project occupies a total site area of approximately 143,248 sq.m. and has an aggregate completed GFA of approximately 290,412 sq.m.. It consists of low-rise garden apartments and high-rise apartments, retail units and carparks with an aggregate saleable GFA of approximately 269,296 sq.m..

As of August 31, 2009, we had sold all the residential units and retail spaces. We still held 386 unsold car parking spaces with an aggregate saleable GFA of 15,793 sq.m..

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Details of the development as of August 31, 2009 were as follows:

Construction period	Q4 2000 — Q3 2002
Development costs incurred	RMB 462 million
Estimated future development costs	Nil

Fragrant Forest (香樟林)



Fragrant Forest is a garden-style residential project located on the northern shore of the Jiulong Lake, opposite to the Longhu Garden Nanyuan and Longhu Garden Xiyuan. The development was awarded as one of the “Top Ten Garden Style Residential Districts” (重慶十佳園林小區) in 2007. The project is the first development in Chongqing that adopted the ISO14001 environment quality assurance system. Fragrant Forest was developed by Chongqing Longhu Properties. We entered into the land grant contract with respect to Fragrant Forest in November 2000. We have paid land premium totaling approximately RMB47.2 million for this project. This represented the total land premium for this project.

The entire project occupies a total site area of approximately 192,310 sq.m. and has an aggregate completed GFA of approximately 78,559 sq.m.. It consists of luxury stand-alone houses and townhouses with an aggregate saleable GFA of approximately 73,572 sq.m..

As of August 31, 2009, we had sold all the residential properties in the project.

Details of the development as of August 31, 2009 were as follows:

Construction period	Q4 2001 — Q4 2003
Development costs incurred	RMB 337 million
Estimated future development costs	Nil

BUSINESS

North Paradise Walk (北城天街)

North Paradise Walk is a mixed-use project with residential and retail usage. The development is situated in the Guanyinqiao commercial area of Jiangbei District of Chongqing (重慶市江北區觀音橋片區). The project was developed by Chongqing Longhu Development. We entered into the land grant contract with respect to North Paradise Walk in December 2001. We have paid land premium totaling approximately RMB26.3 million for this project. This represented the total land premium for this project.

The project occupies a total site area of approximately 58,710 sq.m. and has an aggregate completed GFA of approximately 345,658 sq.m.. The project consists of a residential block named Waft Yard (楓香庭), a SOHO block named New Star (北岸星座) and a commercial complex named North Paradise Walk Mall (北城天街商區).

North Paradise Walk Mall (北城天街商區)



North Paradise Walk Mall, which we hold for investment purposes, is a popular shopping centre in Chongqing with retail, restaurant and entertainment facilities. The project has an aggregate completed GFA of approximately 146,262 sq.m. or an aggregate rentable GFA of approximately 120,778 sq.m. and 501 car parking spaces of approximately 25,484 sq.m.. As of August 31, 2009, the total rented GFA was approximately 118,456 sq.m. with an occupancy rate of 98% out of the rentable GFA.

BUSINESS

Details of North Paradise Walk Mall as of August 31, 2009 were as follows:

Construction period	Q2 2002 — Q2 2004
Development costs incurred	RMB 357 million
Estimated future development costs	Nil

Waft Yard (楓香庭)



Waft Yard is the residential portion of the North Paradise Walk.

Waft Yard has an aggregate completed GFA of approximately 154,400 sq.m.. It consists of high-rise apartments, retail spaces and carparks with an aggregate saleable GFA of approximately 153,146 sq.m..

As of August 31, 2009, we had sold all the residential and retail units in this phase, and still have 143 unsold car parking spaces with an aggregate saleable GFA of approximately 4,313 sq.m..

Details of Waft Yard as of August 31, 2009 were as follows:

Construction period	Q2 2002 — Q2 2004
Development costs incurred	RMB 310 million
Estimated future development costs	Nil

New Star (北岸星座)



New Star consists of one SOHO block as well as retail facilities and carparks. The project has an aggregate completed GFA of approximately 37,918 sq.m..

As of August 31, 2009, we had sold all the SOHO units except for an aggregate saleable GFA of 6,640 sq.m. for our own use and still have 33 unsold car parking spaces with an aggregate saleable GFA of approximately 3,545 sq.m..

Details of New Star as of August 31, 2009 were as follows:

Construction period	Q2 2002 — Q1 2004
Development costs incurred	RMB 68 million
Estimated future development costs	Nil

BUSINESS

North Paradise Walk Mall II (北城天街商區 II)

North Paradise Walk Mall II is a retail complex well-connected with transportation facilities and the other shopping malls nearby. It has an aggregate completed GFA of approximately 7,078 sq.m.. As of August 31, 2009, we have sold all of the retail units.

Details of this phase as of August 31, 2009 were as follows:

Construction period	Q4 2003 — Q4 2004
Development costs incurred	RMB 43 million
Estimated future development costs	Nil

Crystal Town (水晶郦城)



Crystal Town is a large-scale project that consists of residential units, retail spaces and SOHO units. The development is located in the High-tech Zone (高新區) of North New Area (北部新區) of Chongqing and is next to a sports park. The project is being developed by Chongqing Longhu Development. We entered into the land grant contracts with respect to Crystal Town in November 2000, December 2002 and January 2005. We have paid land premium totaling approximately RMB115.2 million for this project. This represented the total land premium for this project.

BUSINESS

The project occupies a total site area of approximately 233,799 sq.m. and has an aggregate completed GFA of approximately 669,107 sq.m.. The project was developed in three phases with different varieties of properties.

Phases 1 and 2

Phases 1 and 2 have an aggregate completed GFA of approximately 562,190 sq.m.. These two phases were awarded the “Chongqing Building Award Gold Prize - Residential Category” (重慶廣廈獎金獎 – 住宅類) in 2007 and “the Fifth Top Ten Residential Developments in Chongqing” (重慶市第五屆十佳住宅小區) in 2005.

The two phases consist of high-rise apartments, retail units and carpark with an aggregate saleable GFA of approximately 551,720 sq.m..

As of August 31, 2009, we had sold all the apartments in these two phases and still held retail spaces with an aggregate saleable GFA of 701 sq.m. and 925 car parking spaces with an aggregate saleable GFA of 38,576 sq.m..

Details of the phases as of August 31, 2009 were as follows:

Construction period	Q3 2003 — Q4 2005
Development costs incurred	RMB 1,125 million
Estimated future development costs	Nil

Phase 3

Phase 3 comprises a building named Crystal Star (水晶星座) with SOHO units, an office building named Crystal Cosmo (水晶國際), a retail complex named Crystal Constellation (晶艷館) together with carpark. The retail complex was awarded the “China Construction Project Luban Prize” (2007年度中國建築工程魯班獎(國家優質工程)) in 2007, which is the most reputable building quality award at the national level.

This phase has an aggregate completed GFA of approximately 106,916 sq.m.. The construction of Crystal Star and Crystal Constellation was completed in June 2006 and all the SOHO units of Crystal Star were sold. The construction of Crystal Cosmo was completed in June 2008 and we have sold the office units of an aggregate GFA of 20,932 sq.m.. We intend to retain retail spaces of an aggregate rentable GFA of 17,648 sq.m. and 584 car parking spaces of an aggregate rentable GFA of 26,866 sq.m. in Crystal Constellation for investment purpose and office spaces of an aggregate GFA of 2,073 sq.m. in Crystal Cosmo for the Group’s office uses. As of August 31, 2009, the total rented GFA was 17,648 sq.m. with an occupancy rate of 100% out of the rentable GFA.

Details of Phase 3 of the project as of August 31, 2009 were as follows:

Construction period	Q1 2004 — Q2 2008
Development costs incurred	RMB 243 million
Estimated future development costs	RMB 5 million

BUSINESS

MOCO Center (MOCO中心)

MOCO Center is a residential and commercial development located near the High-tech Zone of North New Area of Chongqing with a sports park nearby. The project is currently being developed by Chongqing Longhu Development. We entered into the land grant contracts with respect to Longhu MOCO Center in November 2000, December 2002 and January 2005. We have paid land premium totaling approximately RMB23.0 million for this project. This represented the total land premium for this project.

The project occupies a total site area of approximately 20,500 sq.m. and has a total GFA of approximately 160,998 sq.m. under development. The project will have a total saleable and rentable GFA comprising two buildings of high-rise apartments with a GFA of approximately 51,658 sq.m., office area of approximately 45,473 sq.m., retail area of approximately 29,104 sq.m., and carparks of approximately 30,375 sq.m..

As of August 31, 2009, this project was under development. All of high-rise apartments and 44,173 sq.m. of offices had been pre-sold.

We expect to complete the project according to the following timetable:

Planned construction period	Q3 2008 — Q4 2010
Development costs incurred	RMB 211 million
Estimated future development costs	RMB 231 million

Blue Lake County (藍湖郡)

Blue Lake County is a large-scale, high-end residential project. It is situated in the North New Area of Chongqing and is well-connected by two main roads - Jinkai Avenue (金開大道) and Jinshan Avenue (金山大道) and is only 20 minutes from the city centre. The project was awarded the “Chongqing Grade AAA Residential Area” 重慶AAA級住宅 in 2007. The project was developed by Chongqing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Blue Lake County in July 2003. We have paid land premium totaling approximately RMB482.9 million which represented the total land premium for this project.

The project occupies a total site area of approximately 914,343 sq.m. and has an aggregate GFA of approximately 639,781 sq.m.. The project was developed in five phases involving a wide variety of properties. A brief description of the various phases is set out below:

Name of the Buildings	Types of Properties
Phase 1 Blue Lake County East (藍湖郡·東岸)	• Luxury stand-alone houses, townhouses, retail space
Phase 2 Blue Lake County West (藍湖郡·西岸)	• Luxury stand-alone houses and townhouses
Phase 3 Chongqing Flamenco Spain (重慶弗萊明戈)	• Low-rise garden apartments and carparks
Phase 4 Blue Lake Garden Villa (藍湖香頌)	• Townhouses and retail space
Phase 5 Blue Lake Apartment (藍湖時光)	• High-rise apartments and carparks

BUSINESS

As part of the project, we provide a full range of facilities and amenities such as a large stadium with indoor and outdoor swimming pools and a wide variety of sports facilities, a garden, a large shopping mall and an international kindergarten.

As of August 31, 2009, we had completed construction of all the five phases of this project.

Phase 1 — Blue Lake County East (藍湖郡•東岸)



This phase has an aggregate completed GFA of approximately 214,254 sq.m.. It comprises luxury stand-alone houses of American-style and retail units with an aggregate saleable GFA of approximately 197,646 sq.m., with amenities for the residents, including a kindergarten and a primary school.

As of August 31, 2009, we had sold all the residential units in this phase, and still held retail spaces with an aggregate saleable GFA of approximately 8,066 sq.m..

Details of Phase 1 of the project as of August 31, 2009 were as follows:

Construction period	Q1 2004 — Q1 2006
Development costs incurred	RMB 826 million
Estimated future development costs	Nil

Phase 2 — Blue Lake County West (藍湖郡•西岸)



The project has an aggregate completed GFA of approximately 200,319 sq.m., consisting of luxury stand-alone houses and townhouses of Mediterranean style with an aggregate saleable GFA of approximately 198,116 sq.m..

As of August 31, 2009, we had sold all the residential units in this phase.

Details of Phase 2 of the project as of August 31, 2009 were as follows:

Construction period	Q2 2005 — Q3 2007
Development costs incurred	RMB 903 million
Estimated future development costs	RMB 22 million

BUSINESS

Phase 3 — Chongqing Flamenco Spain (弗萊明戈)



This phase has an aggregate completed GFA of approximately 105,876 sq.m. and consists of low-rise garden apartments and carparks with an aggregate saleable GFA of approximately 104,610 sq.m.. The buildings in this phase also adopt Mediterranean style architecture and each block of buildings has a unique design.

As of August 31, 2009, we had sold all the apartments and still held 143 car parking spaces with an aggregate saleable GFA of approximately 4,392 sq.m..

Details of Phase 3 of the project as of August 31, 2009 were as follows:

Construction period	Q4 2005 — Q2 2007
Development costs incurred	RMB 240 million
Estimated future development costs	RMB 19 million

Phase 4 — Blue Lake Garden Villa (藍湖香頌)

This phase has an aggregate completed GFA of approximately 69,175 sq.m.. It consists of 218 townhouses in Tuscan style with an aggregate saleable GFA of approximately 56,679 sq.m., car parking spaces of 9,567 sq.m. and retail units with an aggregate saleable GFA of approximately 583 sq.m..



As of August 31, 2009, we had sold all the townhouses, retail units and carparks in this phase.

Details of Phase 4 of the project as of August 31, 2009 were as follows:

Construction period	Q4 2006 — Q3 2008
Development costs incurred	RMB 239 million
Estimated future development costs	RMB 36 million

Phase 5 — Blue Lake Apartments (藍湖時光)

This phase has an aggregate completed GFA of 50,157 sq.m.. It consists of 328 high-rise apartments with an aggregate saleable GFA of 42,727 sq.m. and 122 car parking spaces of 6,437 sq.m..

BUSINESS

We had sold all of the apartments and still held 1 carparks with an aggregate saleable GFA of approximately 36 sq.m. as of August 31, 2009.

Details of Phase 5 of the project as of August 31, 2009 were as follows:-

Construction period	Q1 2007 — Q4 2008
Development costs incurred	RMB 145 million
Estimated future development costs	RMB 11 million

Chongqing Fairy Castle (重慶紫都城)

Chongqing Fairy Castle is a large-scale project with residential, retail and SOHO development. The project is situated in Yubei District (渝北區) of Chongqing. The project was developed by Chongqing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Chongqing Fairy Castle in July 2004. We have paid land premium totaling approximately RMB205.2 million which represented the total land premium for this project.

The project occupies a total site area of approximately 199,064 sq.m.. It has an aggregate completed GFA of approximately 501,439 sq.m.. The project was developed in three phases with different types of properties including high-rise apartments, SOHO units, retail spaces and carparks.

Phases 1 and 2 — Chongqing Fairy Castle — Residential District (重慶紫都城住區)

It has an aggregate completed GFA of 393,800 sq.m.. There are high-rise apartments, retail units and carparks with an aggregate saleable GFA of 383,903 sq.m..



Details of Phases 1 and 2 of the project as of August 31, 2009 were as follows:

Construction period	Q1 2005 — Q1 2008
Development costs incurred	RMB 850 million
Estimated future development costs	RMB 32 million

We completed construction of high-rise apartments with an aggregate saleable GFA of 316,727 sq.m., retail area with an aggregate saleable GFA of 25,587 sq.m. and carparking spaces with an aggregate saleable GFA of 41,590 sq.m. in these two phases in the first quarter of 2008.

As of August 31, 2009, we had sold all the residential apartments and retail units and still held 328 car parking spaces with an aggregate saleable GFA of approximately 13,070 sq.m..

BUSINESS

Phase 3 — Chongqing Fairy Castle — Commercial District (重慶紫都城商區)

This phase comprises a block consisting of 1,101 SOHO units known as Fairy Constellation (紫都星座), a retail street called Fairy Paradise Walk (紫都天街), a shopping mall called Fairy Castle Mall (紫都主力店) and car parks.

This phase has an aggregate completed GFA of 107,639 sq.m. and an aggregate saleable/rentable GFA of 106,029 sq.m..

We completed construction of the retail street and the shopping mall in December 2006 and construction of the small offices and home offices in December 2007. As of August 31, 2009, we sold all the SOHO units with an aggregate saleable GFA of 57,499 sq.m. and still held one retail units with 259 sq.m. as well as 140 car parks with 6,122 sq.m.. We still held the shopping mall with a rentable GFA of 29,413 sq.m. for investment purpose. As of August 31, 2009, the occupancy rate of the shopping mall was 100%. Our tenants include internationally renowned retailers such as Wal-Mart Stores, Inc and B&Q Asia Limited.

Details of Phase 3 of the project as of August 31, 2009 were as follows:

Construction period	Q4 2005 — Q4 2007
Development costs incurred	RMB 277 million
Estimated future development costs	RMB 14 million

River View (觀山水)



River View is a high-end residential project with retail facilities located in the Jingkai District (經開區) of Chongqing. The project was developed by Chongqing Longhu Properties. We entered into the land grant contracts with respect to River View in November 2003 and April 2005. We have paid land premium totaling approximately RMB199.6 million for this project. This represented the total land premium for this project.

BUSINESS

The project occupies a total site area of approximately 81,846 sq.m. and has an aggregate completed GFA of approximately 308,862 sq.m., comprising 267,600 sq.m. of high-rise apartments, 5,154 sq.m. of retail facilities and 31,041 sq.m. of car parks. This high-end residential project has many facilities including commercial outlets, a kindergarten, a combined outdoor tennis and basketball court, three outdoor and one indoor swimming pool, an indoor badminton court and a gymnasium.

The project was developed in four phases. As of August 31, 2009, we had completed all the four phases.

As of August 31, 2009, we had sold all the high-rise apartments, and 1,849 sq.m. of retail units and 267 car parks with an aggregate GFA of 10,389 sq.m. were held for sale.

Details of the project as of August 31, 2009 were as follows:

Construction period	Q3 2005 — Q2 2009
Development costs incurred	RMB 707 million
Estimated future development costs	RMB 9 million

Hill of Good Hope (好望山)



Hill of Good Hope is a residential project located in the new area of the North New Area of Chongqing. The project was developed by Chongqing Juntion. We entered into the land grant contracts with respect to Hill of Good Hope in May and July of 2004. We have paid land premium totaling approximately RMB77.4 million for this project. This represented the total land premium for this project.

The project occupies a total site area of approximately 120,169 sq.m. and has an aggregate completed GFA of approximately 149,354 sq.m.. The project consists of low-rise garden apartments, townhouses with retail facilities and car parks with an aggregate saleable GFA of 145,824 sq.m..

As of August 31, 2009, we had sold all the residential and retail units. We still held 269 car parking spaces with an aggregate saleable GFA of approximately 8,481 sq.m..

Details of the project as of August 31, 2009 were as follows:

Construction period	Q1 2006 — Q4 2007
Development costs incurred	RMB 381 million
Estimated future development costs	RMB 23 million

BUSINESS

West Paradise Walk (西城天街)



West Paradise Walk is a commercial complex with SOHO units, office and retail spaces. The development is situated in a prime location of the Yangjiaping Pedestrian Zone within the Jiulongpo District (九龍坡區楊家坪步行街核心地段), Chongqing. The project was developed by Chongqing Longhu Xijie. We acquired the land by acquiring interest in a company which holds the land.

BUSINESS

The project occupies a total site area of approximately 28,316 sq.m. and has a total completed GFA of 197,554 sq.m.. In addition to retail facilities, it consists of 188 offices with an aggregate saleable GFA of 30,968 sq.m., 980 SOHO units of 50,888 sq.m.. We intend to hold all retail units with an aggregate rentable GFA of 77,144 sq.m. and 744 car parking spaces with an aggregate rentable GFA of 34,510 sq.m. for investment purposes.

As of August 31, 2009, we held one SOHO unit with an aggregate saleable GFA of 64 sq.m. and 4 office units with an aggregate saleable GFA of approximately 783 sq.m..

Details of the project as of August 31, 2009 were as follows:

Construction period	Q1 2006 — Q2 2008
Development costs incurred	RMB 582 million
Estimated future development costs	RMB 12 million

Urban Courtyard (大城小院)



BUSINESS

Urban Courtyard, a modern residential development, is located to the west of Fairy Castle and in the central business area of Yubei District (渝北區), Chongqing. The project was developed by Chongqing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Urban Courtyard in March 2005. We have paid land premium totaling RMB48.20 million which represented the total land premium for this project.

The project occupies a total site area of approximately 39,201 sq.m. and has an aggregate completed GFA of approximately 71,175 sq.m.. It comprises 251 low-rise garden apartments with an aggregate saleable GFA of 42,282 sq.m., and 112 high-rise apartments of 13,727 sq.m., retail area of 282 sq.m. and 326 car parking spaces of 11,359 sq.m..

As of August 31, 2009, we had sold all the apartments, and still held retail units of 90 sq.m. and 163 car parking spaces of 5,493 sq.m..

Details of the project as of August 31, 2009 were as follows:

Construction period	Q1 2007 — Q2 2008
Development costs incurred	RMB 178 million
Estimated future development costs	RMB 2 million

Bamboo Grove (江與城)



Bamboo Grove, an exclusive low-rise residential development with cultural amenities and integrated facilities, is situated in the northern part of the North New Area of Chongqing and is next to Jialing River. The project is being jointly developed by Juntion Development and Hongkong Land Holdings Limited, which is owned as to 49.6% by us and 50% by Hongkong Land Holdings Limited. We acquired the land by public auction and entered into the land grant contracts with respect to Bamboo Grove in July and September of 2006. We have paid land premium totaling approximately RMB960.2 million which represented the total land premium for this project.

BUSINESS

Based on our current plan, the project will occupy a total site area of approximately 778,648 sq.m. and an aggregate GFA of approximately 1,724,719 sq.m..

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1 and Phase 2-A	Q1 2007 — Q2 2009
Phase 2-B	Q3 2007 — Q4 2009
Phase 3-A	Q3 2008 — Q4 2010
Phase 3-B — Phase 8	Q4 2009 — Q1 2016
Development costs incurred	RMB 1,910 million
Estimated future development costs	RMB 3,822 million

Phase 1 and Phase 2-A

There is an aggregate completed GFA of approximately 131,661 sq.m. in Phase 1 and 43,382 sq.m. in Phase 2-A. Phase 1 comprises 652 low-rise garden apartments with an aggregate saleable GFA of 102,727 sq.m. and 652 car parking spaces of 21,910 sq.m.. Phase 2-A comprises 198 low-rise garden apartments with an aggregate saleable GFA of 34,302 sq.m. and 209 car parking spaces of 7,750 sq.m..

As of August 31, 2009, there were still 1,216 sq.m. of low-rise garden apartments and 10,260 sq.m. of car park spaces in phase 1 as well as 1,260 sq.m. of low-rise garden apartments and 3,683 sq.m. of car park spaces in phase 2 remaining unsold.

Phase 2-B

There is an aggregate GFA under development of approximately 161,737 sq.m. in Phase 2-B, which comprises 466 low-rise garden apartments with an aggregate saleable GFA of 78,550 sq.m., 204 high-rise apartments with an aggregate saleable GFA of 34,115 sq.m., duplex villas with an aggregate saleable GFA of 23,686 sq.m. and carparking spaces with an aggregate saleable GFA of 22,168 sq.m..

As of August 31, 2009, we had pre-sold 33,384 sq.m. of high-rise apartments, 73,849 sq.m. of low-rise garden apartments and 11,402 sq.m. of duplex villas.

Phase 3-A

Phase 3-A has an aggregate GFA under development of approximately 87,394 sq.m., which primarily comprises 68,072 sq.m. of townhouses, of which, 41,918 sq.m. had been pre-sold as of August 31, 2009.

Phases 3-B - 8

We have an aggregate GFA held for future development of approximately 1,300,545 sq.m. and these phases comprise high-rise apartments of 824,760 sq.m., townhouses of 93,000 sq.m., stand-alone villas of 36,000 sq.m., retail spaces of 145,500 sq.m., and carparks of 163,005 sq.m..

BUSINESS

Chunsen Land (春森彼岸)

Chunsen Land, a large-scale premium residential and retail project, is located adjacent to Jiangbei District, Chongqing. The project was designed by MRY, America and was awarded the grand prize of “Next LA Citation Award” by the American Institute of Architects. The project is being developed by Chongqing Beilonghu. We entered into the land grant contract with respect to Chunsen Land in August 2004. We have paid land premium totaling approximately RMB147.8 million for this project. This represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 160,191 sq.m. and has an aggregate GFA of 767,265 sq.m..

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1 - A	Q2 2007 — Q4 2009
Phase 1 - B	Q2 2009 — Q4 2010
Phase 1 - C	Q2 2009 — Q2 2011
Phase 2	Q4 2008 — Q2 2011
Phase 3	Q4 2009 — Q4 2012
Phase 4	Q4 2010 — Q2 2013
Phase 5	Q1 2011 — Q4 2013
Development costs incurred	RMB 956 million
Estimated future development costs	RMB 2,527 million

Phase 1 - 2

Phase 1 - A has an aggregate GFA under development of approximately 133,229 sq.m.. Phase 1 - A comprises 627 high-rise apartments with an aggregate saleable GFA of 90,727 sq.m., retail units with an aggregate saleable GFA of 13,602 sq.m., and carparking spaces with an aggregate saleable GFA of 24,485 sq.m..

As of August 31, 2009, we had pre-sold 82,793 sq.m. of high-rise apartments and no retail units or carparking spaces were pre-sold by then.

Phase 1 - B has an aggregate GFA under development of approximately 15,198 sq.m., comprising 85 high-rise apartments with an aggregate saleable GFA of 13,858 sq.m., of which, 13,097 sq.m. were pre-sold as of August 31, 2009.

Phase 1 - C has an aggregate GFA under development of approximately 29,898 sq.m. of 237 high-rise apartments, of which, 10,816 sq.m. were pre-sold as of August 31, 2009.

Phase 2 has an aggregate GFA under development of approximately 139,104 sq.m.. Phase 2 comprises high-rise apartments with an aggregate GFA of 93,054 sq.m., retail units of 20,100 sq.m. and carparking spaces of 25,247 sq.m..

As of August 31, 2009, 36,821 sq.m. of high-rise apartments were pre-sold.

BUSINESS

Phases 3 - 5

Phases 3 - 5 have an aggregate GFA held for future development of approximately 449,835 sq.m.. Phase 3, which comprises 179,991 sq.m. of high-rise apartments, 17,112 sq.m. of retail units and 16,463 sq.m. of carparking spaces, is expected to be completed in the fourth quarter of 2012. Phases 4 will consist of high-rise apartments with a total planned GFA of 137,425 sq.m., retail area of 7,583 sq.m., small offices and home offices of 3,144 sq.m., and car parking spaces of 17,890 sq.m.. Phases 5 will consist of offices of 32,637 sq.m., small offices and home offices of 18,507 sq.m., retail units of 4,444 sq.m., and car parking spaces of 9,322 sq.m..

Wisdom Town (睿城)

We plan to develop the Wisdom Town as a large-scale integrated project with SOHO units, residential and retail units. It is located in the University Town area of Shapingba District (沙坪壩區大學城片區), Chongqing. The project is being developed by Chongqing Longhu Kaian. We acquired the land by public auction and entered into the land grant contract with respect to Wisdom Town in March 2007. We have paid land premium totaling approximately RMB97.7 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 98,274 sq.m. and has an aggregate GFA of approximately 208,618 sq.m..

Details of the project as of August 31, 2009 were as follows:

Planned construction period	
Phase 1	Q1 2008 — Q3 2009
Phase 2	Q1 2008 — Q4 2009
Phase 3	Q1 2008 — Q4 2010
Development costs incurred	RMB 381 million
Estimated future development costs	RMB 337 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 60,560 sq.m.. Phase 1 comprises 18,673 sq.m. duplex villas and 19,840 sq.m. of townhouses.

As of August 31, 2009, we had pre-sold all the duplex villas and 18,909 sq.m. of townhouses.

Phase 2

Phase 2 has an aggregate GFA of 55,971 sq.m. under development, comprising approximately 36,380 sq.m. of low-rise elevator houses and 8,628 sq.m. of small offices and home offices.

As of August 31, 2009, we had pre-sold 34,040 sq.m. of low-rise elevator apartments.

BUSINESS

Phase 3

Phase 3 has an aggregate GFA of 92,087 sq.m. under development, comprising approximately 54,100 sq.m. of apartments, saleable retail spaces of 14,862 sq.m., carparking spaces of 15,330 sq.m. and rentable retail units of 2,591 sq.m..

As of August 31, 2009, we had pre-sold all the apartments and 9,036 sq.m. of retail spaces.

East Cambridge County (東橋郡)

We plan to develop the East Cambridge County as a large-scale low-density project with low-rise garden apartments, townhouses, high-rise apartments and retail units. It is located in the University Town area of Shapingba District (沙坪壩區大學城片區), Chongqing. The project is being developed by Chongqing Longhu Kaian. We acquired the land by public auction and entered into the land grant contract with respect to East Cambridge County in March 2007. The total land premium for this land is approximately RMB602.3 million. As at September 30, 2009, the outstanding land premium was RMB215.0 million.

Based on our current plan, the project will occupy a total site area of approximately 615,175 sq.m. and has an aggregate GFA of approximately 1,037,674 sq.m..

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1	Q3 2008 — Q3 2010
Phase 2	Q2 2009 — Q4 2010
Phase 3	Q3 2009 — Q3 2011
Phase 4	Q4 2010 — Q2 2012
Phase 5	Q4 2010 — Q3 2013
Phase 6	Q4 2009 — Q3 2011
Phase 7	Q4 2011 — Q2 2013
Phase 8	Q3 2012 — Q2 2014
Phase 9	Q2 2014 — Q4 2015
Phase 10	Q3 2014 — Q2 2016
Development costs incurred	RMB 790 million
Estimated future development costs	RMB 3,120 million

Phase 1 - 2

Phase 1 has an aggregate GFA under development of approximately 107,267 sq.m., comprising primarily townhouses of 82,769 sq.m..

Phase 2 has an aggregate GFA under development of approximately 64,127 sq.m., comprising townhouses of 47,548 sq.m. and retail units of 675 sq.m..

As of August 31, 2009, we had pre-sold townhouses of 74,415 sq.m..

BUSINESS

Phase 3 - 10

Phase 3 - 10 have an aggregate planned GFA of 866,280, comprising 253,539 sq.m. of townhouses, 71,732 sq.m. of low-rise elevator apartments, 196,057 sq.m. of high-rise apartments, 60,074 sq.m. of saleable retail units, 7,000 sq.m. of small offices and home offices and 83,182 sq.m. of carparking spaces. In addition, phase 10 includes retail units with a total rentable area of 51,718 sq.m..

As of August 31, 2009, no units in these phases had been pre-sold.

Peace Hill County (悠山郡)



Peace Hill County is planned to be a large-scale residential community. It is located in the economic and technology zone of Lijia Area (禮嘉片區), Chongqing. It is being developed by Chongqing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Peace Hill County in December 2006. We have paid land premium totaling approximately RMB327.8 million, which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 246,951 sq.m. and has an aggregate GFA of approximately 505,468 sq.m..

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1 - A	Q4 2007 — Q2 2009
Phase 1 - B	Q4 2007 — Q1 2010
Phase 2 - A	Q1 2008 — Q4 2009
Phase 2 - B	Q1 2008 — Q4 2010
Phase 3 - A	Q4 2008 — Q4 2010
Phase 3 - B	Q1 2010 — Q4 2011
Phase 3 - C	Q4 2011 — Q4 2013
Development costs incurred	RMB800 million
Estimated future development costs	RMB1,061 million

Phase 1 - A

Phase 1 - A has an aggregate completed GFA of 52,621 sq.m., comprising stand-alone villas of 46,597 sq.m., retail units of 2,942 sq.m..

As of August 31, 2009, 7,935 sq.m. of stand-alone villas and all the retail were held for sale.

Phase 1 - B

Phase 1 - B has an aggregate 18,001 sq.m. of stand-alone villas under development, all of which had been pre-sold as of August 31, 2009.

Phase 2 - A

Phase 2 - A has an aggregate GFA of 54,504 sq.m. under development, comprising low-rise garden apartments of 34,917 sq.m. and car parks of 19,587 sq.m..

As of August 31, 2009, 34,628 sq.m. of low-rise garden apartments had been pre-sold.

Phase 2 - B

Phase 2 - B has an aggregate GFA of 70,218 sq.m. under development, comprising high-rise apartments of 49,114 sq.m., low-rise garden apartment of 17,817 sq.m. and retail units of 2,073 sq.m..

As of August 31, 2009, we had pre-sold high-rise apartments of 38,355 sq.m. and low-rise garden apartments of 15,212 sq.m..

Phase 3 - A

Phase 3 - A has an aggregate GFA of 91,891 sq.m. under development, comprising low-rise garden apartments of 79,350 sq.m. and carparking spaces of 7,324 sq.m..

As of August 31, 2009, we had pre-sold 39,206 sq.m. of low-rise garden apartments.

BUSINESS

Phase 3 - B

Phase 3 - B has an aggregate planned GFA of 105,521 sq.m. for future development, comprising high-rise of apartments 95,353 sq.m. and carparking spaces of 4,177 sq.m..

Phase 3 - C

Phase 3 - C has an aggregate planned GFA 112,712 sq.m. for future development, comprising high-rise apartments of 82,674 sq.m., retail units of 11,455 sq.m. and carparking spaces of 12,184 sq.m..

Sunshine Riverside (麗江)



Sunshine Riverside is a high-end residential project located in the Danzishi area of Nanan District (南岸區彈子石片區), Chongqing. The project is a joint venture which is owned as to 46.6% by us and 49% by ING Real Estate China Opportunity Fund LP. The project is being developed by Chongqing Longhu Yiheng. We acquired the land by public auction and entered into the land grant contract with respect to Sunshine Riverside in February 2007. We have paid land premium totaling approximately RMB419.4 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 111,741 sq.m. and has an aggregate GFA of approximately 417,413 sq.m..

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1 - A	Q4 2007 — Q1 2009
Phase 1 - B	Q4 2007 — Q4 2009
Phase 2 - A	Q1 2008 — Q4 2009
Phase 2 - B	Q1 2008 — Q1 2010
Phase 2 - C	Q3 2008 — Q2 2010
Phase 3	Q3 2008 — Q4 2010
Development costs incurred	RMB973 million
Estimated future development costs	RMB489 million

Phases 1 - A

Phases 1 - A has an aggregate completed GFA of 60,478 sq.m.. Phase 1 - A comprises 332 low-rise garden apartments with a total saleable GFA of 47,926 sq.m. and 362 carpark of 12,551 sq.m..

As of August 31, 2009, one unit of low-rise garden apartment of 140 sq.m. and 5,967 sq.m. carparking area were held for sale.

Phase 1 - B

Phase 1 - B has an aggregate GFA of 65,447 sq.m. under development, comprising 468 high-rise apartments with a total saleable GFA of 52,603 sq.m., retail units with a total rentable GFA of 1,161 sq.m. and carpark with a total saleable GFA of 9,565 sq.m..

As of August 31, 2009, we had pre-sold 50,440 sq.m. of the high-rise apartments of these phases.

Phase 2 - A

Phase 2 - A has an aggregate GFA of 89,399 sq.m. under development, comprising high-rise apartments of 60,167 sq.m. and carparking spaces of 25,046 sq.m..

As of August 31, 2009, 59,822 sq.m. of high-rise apartments were pre-sold.

Phase 2 - B

Phase 2 - B has an aggregate GFA of 19,408 sq.m. under development, comprising retail units of 14,441 sq.m. and carparking spaces of 4,328 sq.m.. As of August 31, 2009, no units in this phase had been pre-sold.

Phase 2 - C

Phase 2 - C has an aggregate GFA of 54,934 sq.m. under development, comprising high-rise bare shell and fitted-out houses of 37,642 sq.m. and 16,722 sq.m., of which, 18,012 sq.m. and 16,593 sq.m. were pre-sold as of August 31, 2009.

BUSINESS

Phase 3

Phase 3 has an aggregate GFA of 127,747 sq.m. under development, comprising bare shell high-rise apartments of 98,595 sq.m. and carparking spaces of 14,583 sq.m..

As of August 31, 2009, we had pre-sold 11,365 sq.m. of bare shell high-rise apartments.

Crystal Magic (紫晶城)

Crystal Magic is a large-scale integrated development situated in Yuzhong District (渝中區), Chongqing. The project will be developed by Chongqing Longhu Properties. We acquired the land by public auction and entered into the land title transfer contract with respect to Crystal Magic in August 2007. The total land premium is approximately RMB3,025.0 million. As at September 30, 2009, the outstanding land premium was RMB1,843.0 million.

Based on our current plan, the project will occupy a total site area of approximately 199,986 sq.m. and a total planned GFA of approximately 1,328,160 sq.m.. The project will consist of high-rise apartments with a planned GFA of approximately 468,984 sq.m., low-rise apartments of 17,058 sq.m., small offices and home offices of approximately 182,258 sq.m., offices of approximately 35,100 sq.m., retail area of approximately 107,533 sq.m. and carparks of approximately 218,161 sq.m.. In addition, the project also comprises a total rentable GFA of 240,060 sq.m..

As of August 31, 2009, this project was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	Q4 2009 — Q2 2016
Development costs incurred	RMB1,190 million
Estimated future development costs	RMB5,525 million

Mopan Shan Project (磨盤山項目)

We won the auction of this parcel of land in September 2009, which is located in Jiangbei District in Chongqing.

Based on our current plan, the project will occupy a total site area of 224,378 sq.m. and will have a total planned GFA for future development of 1,170,392 sq.m., comprising 287,040 sq.m. of high-rise apartments, 252,600 sq.m. of low-rise garden apartments, 81,300 sq.m. of retail units, 318,000 sq.m. of SOHO units and 157,000 sq.m. of car parking area.

BUSINESS

As of the Latest Practicable Date, this project was still at the planning stage and we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2010 — Q4 2011
Phase 2	Q2 2010 — Q1 2012
Phase 3	Q2 2011 — Q1 2013
Phase 4	Q3 2013 — Q2 2015
Development costs incurred	Nil
Estimated future development costs	RMB6,141 million

University Town Project (大學城項目)

We won the auction of this parcel of land in September 2009, which is located in Shapingba District in Chongqing.

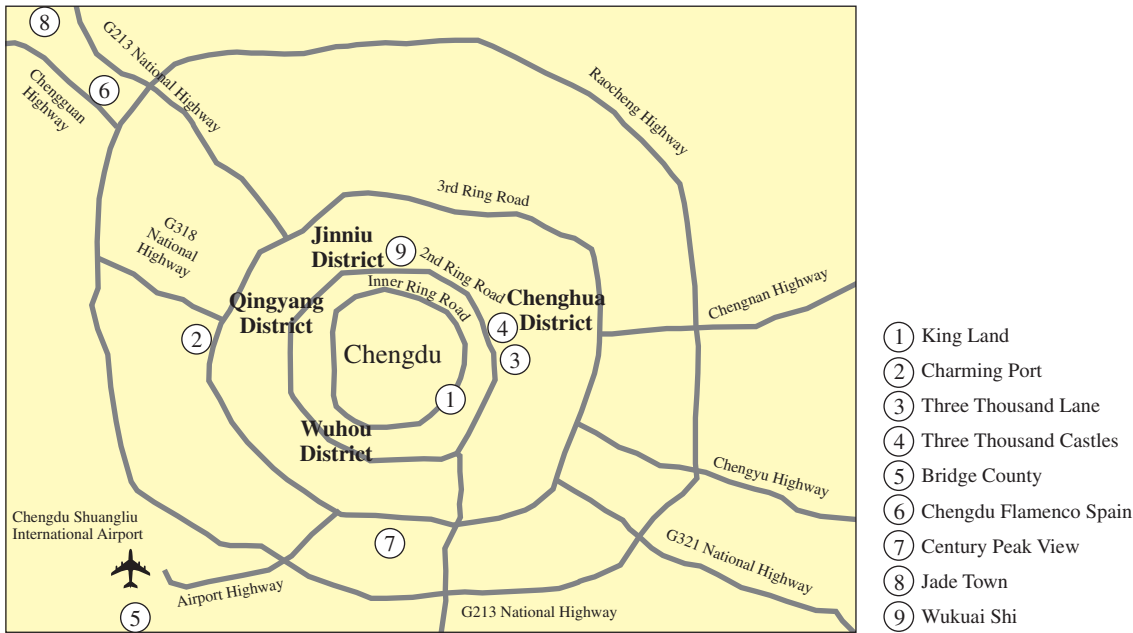
Based on our current plan, the project will occupy a total site area of 588,220 sq.m. and will have a total planned GFA for future development of 1,774,955 sq.m., comprising 350,800 sq.m. of high-rise apartments, 658,900 sq.m. of low-rise garden apartments, 208,075 sq.m. of townhouses, 130,026 sq.m. of retail units and 265,109 sq.m. of car parking area. In addition, this project will also comprise a total rentable area of 30,000 sq.m..

As of the Latest Practicable Date, this project was still at the planning stage and we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2010 — Q4 2011
Phase 2	Q2 2010 — Q1 2012
Phase 3	Q4 2010 — Q4 2012
Phase 4	Q2 2012 — Q1 2014
Phase 5	Q3 2013 — Q2 2015
Development costs incurred	Nil
Estimated future development costs	RMB5,647 million

BUSINESS

Chengdu



King Land (晶藍半島)



BUSINESS

King Land is our first project in Chengdu. This mixed-use project is conveniently located in Jinjiang District of Chengdu at the intersection of First Ring Road and East Avenue. The project was developed by Chengdu Longhu Jinhua. We acquired the land by public auction and entered into the land grant contract with respect to King Land in October 2005. We have paid land premium totaling approximately RMB293.0 million which represented the total land premium for this project.

The project occupies a total site area of approximately 59,476 sq.m. and has a total completed GFA of approximately 283,559 sq.m.. The project comprises high-rise apartments, retail facilities, carparks and amenities, including a clubhouse with tennis courts, an outdoor swimming pool, an indoor swimming pool and a kindergarten.

This project has two phases. As of August 31, 2009, we had completed both phases of the project. We have sold all the residential units, part of the retail area and carparks of the project and still hold 2,483 sq.m. of retail area and 8,194 sq.m. of carparks.

Details of the project as of August 31, 2009 were as follows:

Construction period	
Phase 1	Q4 2005 — Q4 2007
Phase 2	Q1 2006 — Q2 2008
Development costs incurred	RMB802 million
Estimated future development costs	RMB11 million

Phase 1

Phase 1 has an aggregate completed GFA of approximately 102,427 sq.m. and comprises high-rise apartments, retail units and carparks with an aggregate saleable GFA of 96,391 sq.m..

As of August 31, 2009, we had sold all the high-rise apartments and retail units. We still held 33 car parking spaces with an aggregate saleable GFA of 879 sq.m..

Phase 2

Phase 2 has an aggregate completed GFA of approximately 181,132 sq.m.. Phase 2 comprises a kindergarten, 1,044 high-rise apartments with an aggregate saleable GFA of 135,958 sq.m., retail units with an aggregate saleable GFA of 12,738 sq.m., and car parking spaces with an aggregate saleable GFA of 23,470 sq.m..

As of August 31, 2009, we still held retail units with an aggregate saleable GFA of 2,483 sq.m. and 277 carparks with an aggregate saleable GFA of 7,315 sq.m..

BUSINESS

Charming Port (翠微清波)



Charming Port is a residential project situated in Qingyang District, Chengdu. It is adjacent to Qingshui River (清水河) and is connected to Chengwen Expressway (成温高速) and Third Ring Road. The project was developed by Chengdu Longhu Jinhua. We acquired the land by public auction and entered into the land grant contract with respect to Charming Port in December 2005. We have paid land premium totaling approximately RMB352.5 million which represented the total land premium for this project.

The project occupies a total site area of approximately 87,490 sq.m. and has a total completed GFA of approximately 321,192 sq.m.. The project comprises 1,937 high-rise apartments with an aggregate saleable GFA of 246,772 sq.m., retail units with an aggregate saleable GFA of 7,840 sq.m., and 1,367 car parking spaces with an aggregate saleable GFA of 51,229 sq.m..

The project has two phases. As of August 31, 2009, both phases had been completed. As of August 31, 2009, six high-rise apartments with an aggregate saleable GFA of 942 sq.m., retail units of 191 sq.m. and 916 car parking spaces with an aggregate saleable GFA of 34,280 sq.m. were held for sale.

Details of the project as of August 31, 2009 were as follows:

Construction period	
Phase 1	Q3 2006 — Q3 2008
Phase 2	Q3 2006 — Q3 2008
Development costs incurred	RMB950 million

BUSINESS

Estimated future development costs

RMB54 million

Three Thousand Lane (三千里)



Three Thousand Lane is a large scale mixed-use development situated at the intersection of Second Ring Road and Jianshe Road. The project was developed by Chengdu Longhu Jinhua. We acquired the land by public auction and entered into the land grant contract with respect to Three Thousand Lane in September 2006. We have paid land premium totaling approximately RMB509.0 million which represented the total land premium for this project.

The project occupies a total site area of approximately 55,088 sq.m. and has a total completed GFA of approximately 325,105 sq.m.. The project comprises 2,693 high-rise apartments with an aggregate saleable GFA of 262,899 sq.m., retail units with an aggregate saleable GFA of 16,664 sq.m., and 1,091 car parks with an aggregate saleable GFA of 34,884 sq.m.. The project will also have various sports and recreational facilities, including an outdoor and an indoor swimming pools and a squash court.

The project has two phases. As of August 31, 2009, both phases were completed and we have sold all the high-rise apartments. In addition, 644 sq.m. of five retail units and 21,182 sq.m. of 666 car parks were held for sale.

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Construction period	
Phase 1	Q4 2006 — Q1 2009
Phase 2	Q1 2007 — Q2 2009
Development costs incurred	RMB1,126 million
Estimated future development costs	RMB118 million

Three Thousand Castles (三千城)



Three Thousand Castles is a large-scale integrated project with low-rise and high-rise apartments, SOHO units and retail spaces. It is located near Second Ring Road and is adjacent to our Three Thousand Lane project. The project is being developed by Chengdu Longhu Tongjin. We hold 46.6% equity interest in this development and ING Real Estate China Opportunity Fund LP holds 49%. We acquired the land by public auction and entered into the land grant contract with respect to Three Thousand Castles in April 2007. We have paid land premium totaling approximately RMB932.5 million which represented the total land premium for this project.

The project has a total site area of approximately 75,787 sq.m. and an aggregate GFA under development of approximately 471,683 sq.m..

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Planned construction period

Phase 1	Q4 2007 — Q1 2010
Phase 2	Q1 2008 — Q4 2010
Phase 3	Q1 2008 — Q3 2010
Phase 4	Q2 2008 — Q4 2011
Phase 5	Q2 2008 — Q4 2010
Development costs incurred	RMB1,490 million
Estimated future development costs	RMB846 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 24,225 sq.m.. Phase 1 comprises 22,218 sq.m. of low-rise garden apartments and 2,007 sq.m. of retail units.

As of August 31, 2009, we had pre-sold 18,425 sq.m. of the low-rise garden apartments and all of the retail units of this phase.

Phase 2

Phase 2 has an aggregate GFA under development of approximately 233,836 sq.m., with a total saleable GFA of 222,312 sq.m. which comprises 134,661 sq.m. high-rise fitting-out apartments, 6,208 sq.m. of retail units, 32,826 sq.m. of small offices and home offices and 48,617 sq.m. car parking areas.

As of August 31, 2009, we had pre-sold 125,647 sq.m. of the high-rise fitting-out apartments, 6,268 sq.m. of small offices and home offices and no retail units had been pre-sold.

Phase 3

Phase 3 has an aggregate GFA under development of 24,053 sq.m., comprising 22,384 sq.m. of low-rise garden apartments and 1,669 sq.m. of retail units.

As of August 31, 2009, we had pre-sold 15,551 sq.m. of low-rise garden apartments and 1,624 sq.m. of retail units.

Phase 4 - 5

Phase 4 - 5 have an aggregate GFA under development of 189,569 sq.m., comprising fitting-out high-rise apartments of 107,798 sq.m., saleable retail units of 2,419 sq.m. and carparking spaces of 30,463 sq.m.. In addition, in phase 5, retail units with a total rentable GFA of 44,163 sq.m. are also included.

As of August 31, 2009, we had pre-sold 60,621 sq.m. of fitting-out high-rise apartments.

BUSINESS

Bridge County (長橋郡)



Bridge County is an exclusive residential community with luxury stand-alone houses. It is situated in Muma Mountain (牧馬山), Chengdu and is adjacent to Yangliu River and Nian River. The project is being developed by Longhu Jincheng. We acquired the land by acquisition of a company then holding the land.

Based on our current plan, the project will occupy a total site area of approximately 469,883 sq.m. and has an aggregate GFA of approximately 265,479 sq.m.. This development will comprise primarily luxury stand-alone houses.

Details of the project as of August 31, 2009 were as follows:

Planned construction period	
Phase 1	Q4 2007 — Q4 2009
Phase 2	Q3 2008 — Q1 2010
Phase 3	Q4 2008 — Q4 2010
Phase 4	Q2 2009 — Q4 2010
Phase 5	Q1 2010 — Q4 2011
Development costs incurred	RMB747 million
Estimated future development costs	RMB876 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 67,667 sq.m., comprising luxury stand-alone houses with an aggregate saleable GFA of 63,713 sq.m..

As of August 31, 2009, we had pre-sold 51,961 sq.m. of the luxury stand-alone houses in this project.

Phase 2

Phase 2 has an aggregate GFA under development of approximately 50,584 sq.m., primarily comprising luxury stand-alone houses.

As of August 31, 2009, we had pre-sold 20,676 sq.m. of the luxury stand-alone houses in this project.

BUSINESS

Phase 3

Phase 3 has an aggregate GFA under development of approximately 41,414 sq.m., comprising luxury stand-alone houses.

As of August 31, 2009, we had pre-sold 38,323 sq.m. of the luxury stand-alone houses in this project.

Phase 4

Phase 4 has an aggregate GFA under development of approximately 58,464 sq.m., comprising luxury stand-alone houses with an aggregate saleable GFA of 53,935 sq.m..

As of August 31, 2009, we had not commenced the pre-sale.

Phase 5

Phase 5 has an aggregate GFA held for future development of approximately 47,350 sq.m. and will primarily consist of luxury stand-alone houses.

Jade Town (小院青城)

Jade Town is a residential project situated at the top of the Qingchengshan Holiday Resort area. The project is being developed by Sichuan Longhu. We acquired the land by public auction and entered into the land grant contract with respect to Jade Town in September 2007. We have paid land premium totaling approximately RMB766.1 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 210,505 sq.m. and have a total planned GFA of approximately 232,299 sq.m..

As of August 31, 2009, this project was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2010 — Q3 2011
Phase 2	Q1 2011 — Q3 2012
Phase 3	Q1 2012 — Q3 2013
Phase 4	Q2 2013 — Q3 2014
Development costs incurred	RMB800 million
Estimated future development costs	RMB821 million

Phases 1

Phase 1 has an aggregate GFA for future development of approximately 63,444 sq.m., comprising stand-alone villas with a total planned saleable GFA of 14,129 sq.m., duplex villas of 5,875 sq.m., low-rise garden apartments of 21,600 sq.m. and retail units of 6,264 sq.m..

BUSINESS

Phases 2

Phase 2 has an aggregate GFA for future development of approximately 74,344 sq.m., comprising stand-alone villas with a total planned saleable GFA of 14,963 sq.m., 17,135 sq.m. of duplex villas, 24,600 sq.m. of low-rise garden apartments.

Phases 3

Phase 3 has an aggregate GFA for future development of approximately 63,512 sq.m., comprising stand-alone villas with a total planned saleable GFA of 17,853 sq.m., 2,937 sq.m. of duplex villas 27,300 sq.m. of low-rise garden apartments.

Phases 4

Phase 4 has an aggregate GFA for future development of approximately 31,000 sq.m., comprising low-rise garden apartments with a total planned saleable GFA of 27,000 sq.m..

Century Peak View (世紀峰景)

Century Peak View is a premium high-rise residential project situated in the central business district of Chengnan District (城南區), Chengdu, close to the Pride International Exhibition Centre. The project is being developed by Chengdu Jiaxun. This is a joint venture project, conducted via four joint venture entities, with a jointly controlled entity of ING Real Estate China Opportunity Fund LP and Aetos Capital Asia T.E. II, Ltd. and Aetos Capital Asia II, Ltd. We have 9.1% interest in the joint venture project. We intend to acquire 45.556% of the interest of the joint venture shortly after the Listing. We acquired the land by investing in the joint venture entities holding the land.

Based on our current plan, the project has a total site area of approximately 48,062 sq.m. and a total planned GFA of approximately 582,068 sq.m..

As of August 31, 2009, phase 1 of this project was under development and the others were still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q3 2008 — Q4 2011
Phase 2	Q1 2013 — Q2 2015
Phase 3	Q3 2013 — Q4 2016
Development costs incurred	RMB2,241 million
Estimated future development costs	RMB1,803 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 143,489 sq.m.. This phase will comprise high-rise apartments with a total planned GFA of 115,617 sq.m. and 24,094 sq.m. of carpark.

As of August 31, 2009, we had pre-sold 561 sq.m. of high-rise apartments.

BUSINESS

Phases 2

Phases 2 has an aggregate GFA held for future development of approximately 191,039 sq.m., comprising high-rise apartments with a total planned GFA of 153,555 sq.m. and 35,596 sq.m. of car parks.

Phases 3

Phases 3 has an aggregate GFA held for future development of approximately 247,540 sq.m., comprising high-rise apartments with a total planned GFA of 203,847 sq.m. and 24,353 sq.m. of car parks.

Chengdu Flamenco Spain (成都弗莱明戈)



Chengdu Flamenco Spain is a large scale residential project situated in the New High-tech Zone of West Chengdu (城西高新西區). The project is being developed by Chengdu Xixi and Chengdu Xixiang. We acquired the land by public auction and entered into the land grant contract with respect to Chengdu Flamenco Spain in October 2007. We have paid land premium totaling approximately RMB772.0 million which represented the total land premium for this project.

Based on our current plan, the project has a total site area of approximately 126,137 sq.m. and a total planned GFA of approximately 755,647 sq.m..

BUSINESS

As of August 31, 2009, Phase 1 - 2 of this project were under development and the others were still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1 - A	Q3 2008 — Q2 2010
Phase 1 - B	Q3 2008 — Q4 2010
Phase 2	Q4 2008 — Q2 2011
Phase 3	Q3 2009 — Q1 2012
Phase 4	Q1 2011 — Q2 2013
Phase 5	Q2 2013 — Q3 2015
Development costs incurred	RMB822 million
Estimated future development costs	RMB1,632 million

Phase 1 - A

Phase 1 - A has an aggregate GFA under development of approximately 90,551 sq.m., comprising low-rise garden apartments with a total planned GFA of 47,518 sq.m., 943 sq.m. of retail units and 27,801 sq.m. of carparking spaces.

As of August 31, 2009, we had pre-sold all the low-rise garden apartments and no retail units had been pre-sold.

Phase 1 - B

Phase 1 - B has an aggregate GFA under development of approximately 43,127 sq.m., comprising low-rise garden apartments with a total planned GFA of 22,869 sq.m. and 13,380 sq.m. of carparking spaces.

As of August 31, 2009, we had pre-sold 6,992 sq.m. of low-rise garden apartments.

Phase 2

Phase 2 has an aggregate GFA under development of approximately 110,175 sq.m., comprising high-rise apartments of 24,378 sq.m., low-rise garden apartments with a total planned GFA of 44,401 sq.m., 943 sq.m. of retail units and 26,594 sq.m. of carparking spaces.

As of August 31, 2009, we had not commenced the pre-sale.

Phase 3

Phase 3 has an aggregate GFA held for future development of approximately 33,549 sq.m.. Phase 3 will primarily comprise 24,175 sq.m. of bare shell high-rise apartments.

Phase 4

Phase 4 has an aggregate GFA held for future development of approximately 288,611 sq.m.. Phase 4 will primarily comprise 210,326 sq.m. of high-rise apartments, 5,204 sq.m of low-rise garden apartments, 2,198 sq.m. of retail units and 8,554 sq.m. of carparking spaces.

BUSINESS

Phase 5

Phase 5 has an aggregate GFA held for future development of approximately 189,634 sq.m.. Phase 5 will primarily comprise 119,109 sq.m. of high-rise apartments, 13,008 sq.m. of low-rise garden apartments, 6,672 sq.m. of retail units and 7,434 sq.m. of carparking spaces.

Wukuaishi Project (五塊石項目)

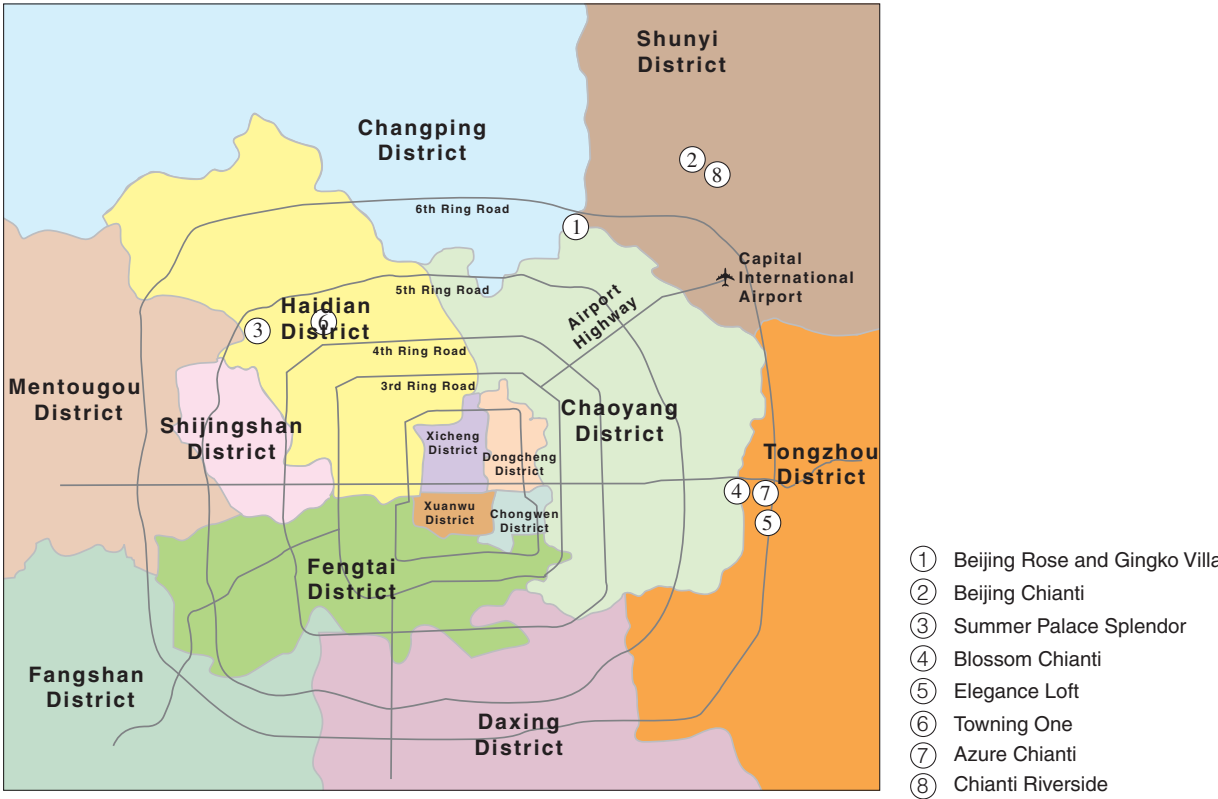
Wukuaishi project will occupy a total site area of 184,487 sq.m. We won the auction of this parcel of land in September 2009, which is located in Jinniu District in Chengdu.

Based on our current plan, the project will have a total planned GFA for future development of 901,813 sq.m., comprising 200,991 sq.m. of high-rise apartments, 150,000 sq.m. of low-rise garden apartments, 135,474 sq.m. of saleable retail units, 101,836 sq.m. of SOHO units, 74,480 sq.m. of offices and 151,032 sq.m. of carparks. In addition, this project will also comprise a total rentable area of 88,000 sq.m..

As of the Latest Practicable Date, this project was still at the planning stage and we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2010 — Q1 2012
Phase 2	Q1 2011 — Q1 2013
Phase 3	Q2 2012 — Q3 2014
Phase 4	Q2 2012 — Q3 2014
Development costs incurred	Nil
Estimated future development costs	RMB 4,592 million

Beijing



BUSINESS

Beijing Rose and Gingko Villa (北京瀟瀾山)



Beijing Rose and Gingko Villa is our first project in Beijing. It is a townhouse project located in Houshayu (後沙峪) with easy access to Jingcheng Expressway (京承高速). The project is being developed by Beijing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Beijing Rose and Gingko Villa in February 2006. We have paid land premium totaling approximately RMB715.0 million which represented the total land premium for this project.

The project occupies a total site area of approximately 164,637 sq.m. and has an aggregate GFA of approximately 197,971 sq.m.. It comprises 430 townhouses in Mediterranean style with an aggregate saleable GFA of 74,868 sq.m. in Phase 1 and 33,679 sq.m. in Phase 2, as well as a clubhouse of international standard and a park.

Phase 1 of the project has been completed while phase 2 is still under development. As of August 31, 2009, 593 sq.m. of the townhouses of phase 1 remained unsold, and we had pre-sold townhouses of phase 2 with an aggregate saleable GFA of approximately 31,068 sq.m..

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Planned construction period	
Phase 1	Q2 2006 — Q1 2009
Phase 2	Q4 2007 — Q4 2009
Development costs incurred	RMB1,308 million
Estimated future development costs	RMB294 million

Beijing Chianti (北京香醍漫步)



Beijing Chianti is a residential project with low-rise apartments and townhouses located in Shunyi District (順義區), Beijing and is adjacent to the 2008 Olympic Aquatic Park and a conservation park. The project is being developed by Beijing Longhu Qinghua. We acquired the land by public auction and entered into the land grant contract with respect to Beijing Chianti in February 2007. We have paid land premium totaling approximately RMB291.8 million which represented the total land premium for this project.

The project occupies a total site area of approximately 168,569 sq.m. and has a total completed GFA of approximately 217,340 sq.m..

Phase 1 comprises 210 luxury stand-alone houses with an aggregate saleable GFA of 41,342 sq.m., low-rise garden apartments of 60,758 sq.m. and carparks of 16,018 sq.m..

Phase 2 comprises low-rise garden apartments with an aggregate saleable GFA of 37,452 sq.m., retail area of 2,597 sq.m. and carparks of 5,074 sq.m..

We have completed all phases of this project. As of August 31, 2009, 426 sq.m. of luxury stand-alone villas, 2,106 sq.m. of low-rise garden apartments, 2,597 sq.m. of retail units and 13,904 sq.m. of carparks were held for sale.

BUSINESS

Details of the project as of August 31, 2009 were as follows:

Construction period	
Phase 1	Q3 2007 — Q2 2009
Phase 2	Q3 2007 — Q3 2009
Development costs incurred	RMB841 million
Estimated future development costs	RMB252 million

Summer Palace Splendor (頤和原著)



Summer Palace Splendor is a luxury stand-alone villa development adjacent to the Summer Palace. The project is being developed by Beijing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Summer Palace Splendor in June 2006. We have paid land premium totaling approximately RMB900.3 million which represented the total land premium for this project.

The project has a total site area of approximately 97,809 sq.m. and a total GFA under development of approximately 128,894 sq.m.. It comprises 91 luxury stand-alone villas with an aggregate saleable GFA of 94,763 sq.m. and 20,801 sq.m. of retail units.

We have commenced construction of this project and as of August 31, 2009, we have pre-sold 14 luxury stand-alone houses with an total aggregate GFA of 14,957 sq.m. and no retail units had been pre-sold.

Details of the project as of August 31, 2009 were as follows:

Planned construction period	Q4 2007 — Q4 2010
Development costs incurred	RMB1,282 million
Estimated future development costs	RMB769 million

BUSINESS

Blossom Chianti (花盛香醍)



Blossom Chianti is a large scale residential community located in Banbidian (半壁店) of Tongzhou District, Beijing, adjacent to the Tongzhou Railway Station. The project is being developed by Beijing Longhu Zhongbai. We acquired the land by public auction and entered into the land grant contract with respect to Blossom Chianti and Elegance Loft in November 2007.

The project has a total site area of approximately 99,442 sq.m. and a total GFA under development of approximately 213,365 sq.m..

We have commenced construction of this project and expect to complete the project based on below timetable:

Planned construction period	
Phase 1	Q2 2008 — Q4 2009
Phase 2	Q2 2008 — Q2 2010
Phase 3	Q2 2008 — Q4 2010
Development costs incurred	RMB916 million
Estimated future development costs	RMB672 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 124,584 sq.m., comprising 48,372 sq.m. of low-rise garden apartments and 17,364 sq.m. of townhouses.

BUSINESS

As of August 31, 2009, we had pre-sold 39,994 sq.m. of low-rise garden apartments and 8,318 sq.m. of townhouses.

Phase 2

Phase 2 has an aggregate GFA under development of approximately 42,147 sq.m., comprising 16,118 sq.m. of low-rise garden apartments and 26,029 sq.m. of townhouses. As of August 31, 2009, 5,737 sq.m. of the low-rise garden apartments had been pre-sold.

Phase 3

Phase 3 has an aggregate GFA under development of approximately 46,634 sq.m., comprising 25,246 sq.m. of low-rise garden apartments, 4,332 sq.m. of townhouses, 3,829 sq.m. of retail units and 13,227 sq.m. of carparking spaces. As of August 31, 2009, 11,641 sq.m. of low-rise garden apartments had been pre-sold.

Elegance Loft (大方居)

Elegance Loft is a residential development project of housing with size and price limits and low-rent housing located in Banbidian (半壁店) of Tongzhou District, Beijing, adjacent to the Tongzhou Railway Station. The project is being developed by Beijing Longhu Zhongbai. We acquired the land by public auction and entered into the land grant contract with respect to Blossom Chianti and Elegance Loft in November 2007. We have paid land premium totaling approximately RMB1,493 million in respect of Blossom Chianti and Elegance Loft which represented the total land premium for the two projects.

The project has a total site area of approximately 168,388 sq.m. and a total GFA under development of approximately 581,062 sq.m., comprising 520,084 sq.m. of housing with size and price limits, 16,005 sq.m. of low-rent housing and 2,672 sq.m. of retail units.

We have commenced development and pre-sale of this project. As of August 31, 2009, 452,042 sq.m. of the housing with size and price limits had been pre-sold and no retail units had been pre-sold. According to the agreement entered among Beijing Construction Commission, Beijing Municipal Bureau of Land and Resource and Beijing Longhu Zhongbai on November 19, 2007, the government promised to purchase the low-rent housing after completion.

Details of the project is as follows:

Planned construction period

Phase 1	Q2 2008 — Q1 2010
Phase 2	Q2 2008 — Q4 2010
Development costs incurred	RMB1,439 million
Estimated future development costs	RMB876 million

BUSINESS

Towning One (唐寧 ONE)

Towning One is a residential and commercial development located in Zhongguancun (中關村), Haidian District (海澱區) of Beijing and is close to Peking University, Tsinghua University and the Beijing University of Aeronautics and Astronautics. The project will be developed by Beijing Longhu Shidai. We acquired the land by public auction and entered into the land grant contract with respect to Towning One in February 2008. We have paid land premium totaling approximately RMB2,060.0 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 41,971 sq.m. and have a total GFA under development of approximately 250,190 sq.m.. The total saleable GFA will be 207,051 and will comprise 128,302 sq.m. of high-rise apartments, 6,203 sq.m. of low-rent housing, 18,626 sq.m. of small offices and home offices, 30,347 sq.m. of retail units, and 23,573 sq.m. of carparking spaces. The total rentable GFA will be 3,415 sq.m. of retail units.

As of August 31, 2009, we had pre-sold 69,026 sq.m. of high-rise apartments and 16,854 sq.m. of retail units. No low-rent housing, small offices and home offices and carparking spaces were pre-sold by then.

We expect to complete the project according to the following timetable:

Planned construction period	Q4 2008 — Q3 2011
Development costs incurred	RMB2,605 million
Estimated future development costs	RMB1,160 million

Azure Chianti (蔚瀾香醍)

Azure Chianti is a residential and commercial development project located in Liyuan Town (梨園鎮), Tongzhou District (通州區) of Beijing and is connected to the Jingtong Highway (京通高速) and the Urban Rail Transit Batong Line (城鐵八通綫). The project will be developed by Beijing Longhu Tianxing. We acquired the land by public auction and entered into the land grant contract with respect to Azure Chianti in April 2008. The total land premium for this land is approximately RMB700.0 million. As at September 30, 2009, the outstanding land premium was RMB10.1 million.

Based on our current plan, the project will occupy a total site area of approximately 55,435 sq.m. and have a total planned GFA for future development of approximately 171,047 sq.m.. The project will have a total saleable GFA of 140,757 sq.m. comprising 41,884 sq.m. of high-rise apartments, 41,914 sq.m. of duplex villas, 36,773 sq.m. of low-rise apartments, 906 sq.m. of retail units and 19,280 sq.m. of carparking spaces.

As of August 31, 2009, this project was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2010 — Q4 2012
Phase 2	Q1 2010 — Q2 2013
Development costs incurred	RMB297 million
Estimated future development costs	RMB1,042 million

BUSINESS

As at the Latest Practicable Date, we have not commenced the construction of Azure Chianti because the demolition and resettlement works on the land had not been completed as scheduled and agreed by the local authorities. Commerce & Finance Law Offices, our PRC legal counsel, has advised that the chance for the relevant PRC land bureau to regard the land as idle and impose land idle fees is relatively small, on the grounds that the relevant PRC land bureau confirmed in August 2009 with Beijing Longhu Tianxing that the delay in commencement of construction was due to delay in completing the demolition and resettlement works. As at the Latest Practicable Date, Beijing Longhu Tianxing is in the process of applying for the State-owned Land Use Rights Certificates in relation to the land. For further information, please refer to “Risk Factors — If we fail to develop land according to the land use right grant terms, our land use right may be subject to repossession by the PRC Government”.

Chianti Riverside (香醍溪岸)

Chianti Riverside is a residential project with high-rise apartments, low-rise garden apartments and stand-alone villas located in Shunyi district (順義區), Beijing and is adjacent to the 2008 Olympic Aquatic Park and a conservation park. Currently, it is being developed by Beijing Longhu Properties. We acquired the land by public auction and entered into the land grant contract with respect to Chianti Riverside in June 2009. We have paid land premium totaling RMB458.1 million which represented the total land premium for the project.

Based on our currently plan, the project will occupy a total site area of approximately 187,514 sq.m. and have a total planned GFA for future development of 305,860 sq.m, with a total site area of approximately 187,514 sq.m.. This project will comprise high-rise apartments of 28,690 sq.m., low-rise garden apartments of 133,659 sq.m., stand-alone villas of 121,339 sq.m., 1,000 sq.m. of retail units and 12,557 sq.m. of carparking spaces.

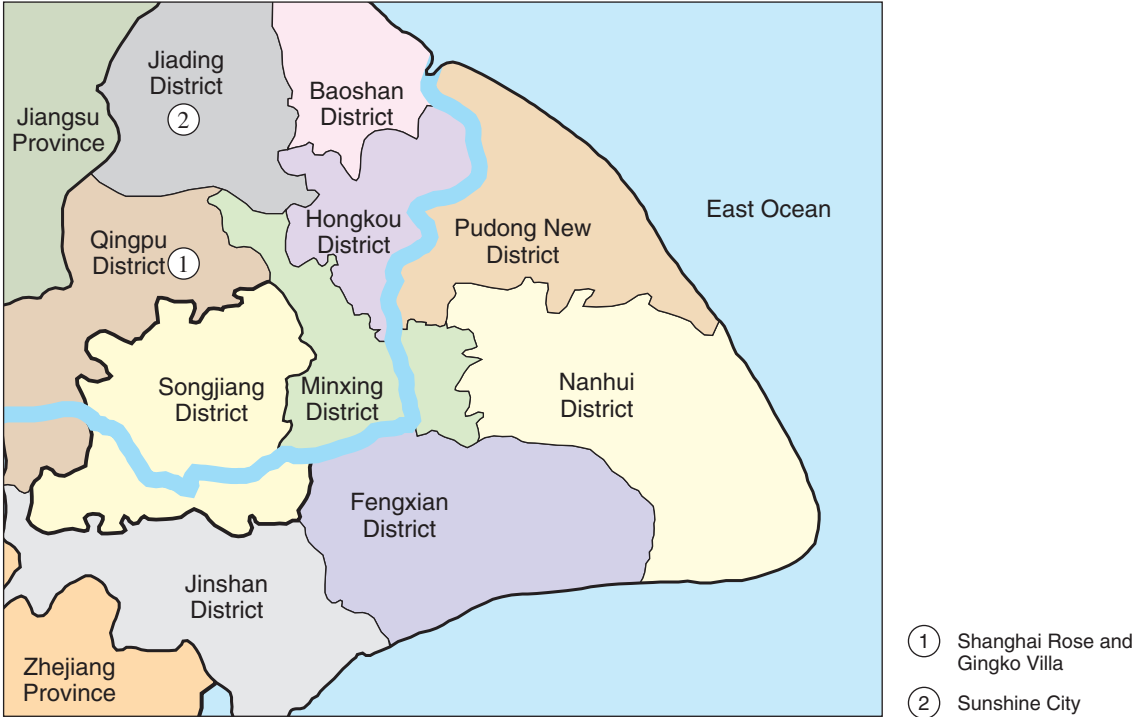
We have not commenced development of this project as of August 31, 2009.

Details of the project as of August 31, 2009 were as follows:

Planned construction period	
Phase 1	Q1 2010 — Q4 2011
Phase 2	Q1 2010 — Q2 2012
Development costs incurred	RMB64 million
Estimated future development costs	RMB1,529 million

BUSINESS

Shanghai



BUSINESS

Shanghai Rose and Ginkgo Villa (上海灘瀾山)



Shanghai Rose and Ginkgo Villa is our first project in Shanghai. It is a residential project located in the Qingpu District (青浦區), Shanghai and is adjacent to the Songtang River. The Project is being developed by Shanghai Hengrui. Chongqing Longhu Properties holds 45.65% equity interest in this development and COF I SRL holds 50%. We acquired the land by public auction and entered into the land grant contract with respect to Shanghai Rose and Ginkgo Villa in January 2008. We have paid land premium totaling approximately RMB1,540.0 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 144,496 sq.m. and have a total planned GFA under development of approximately 236,722 sq.m.. The project will comprise townhouses with a planned GFA of approximately 27,084 sq.m., 117,602 sq.m. of duplex villas and 4,894 sq.m. of retail units.

As of August 31, 2009, we had commenced the development of this project, and 10,538 sq.m. of townhouses and 57,381 sq.m. of duplex villas had been pre-sold.

We expect to complete the project according to the following timetable:

Planned construction period	Q3 2008 — Q4 2010
Development costs incurred	RMB1,942 million
Estimated future development costs	RMB616 million

BUSINESS

Sunshine City (麗城)



Sunshine City is a residential and commercial development located in Jiading New City (嘉定新城), Jiading District (嘉定區) of Shanghai and is connected to Xiwang Road and Maiji Road and is adjacent to a light rail station. The project will be developed by Shanghai Hengchi Real Estate. We acquired the land by public auction and entered into the land grant contract with respect to Sunshine City in July 2008. We have paid land premium totaling approximately RMB670.4 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 178,248 sq.m. and have a total planned GFA of approximately 452,754 sq.m.. The project will comprise high-rise apartments, low-rise garden apartments, townhouses, small offices and home offices, limited-price housing, retail units and car parks.

BUSINESS

As of August 31, 2009, phase 1 of this project was under development and the rest were still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q3 2009 — Q4 2010
Phase 2	Q4 2009 — Q4 2011
Phase 3	Q4 2009 — Q4 2011
Phase 4	Q2 2010 — Q3 2012
Development costs incurred	RMB941 million
Estimated future development costs	RMB1,499 million

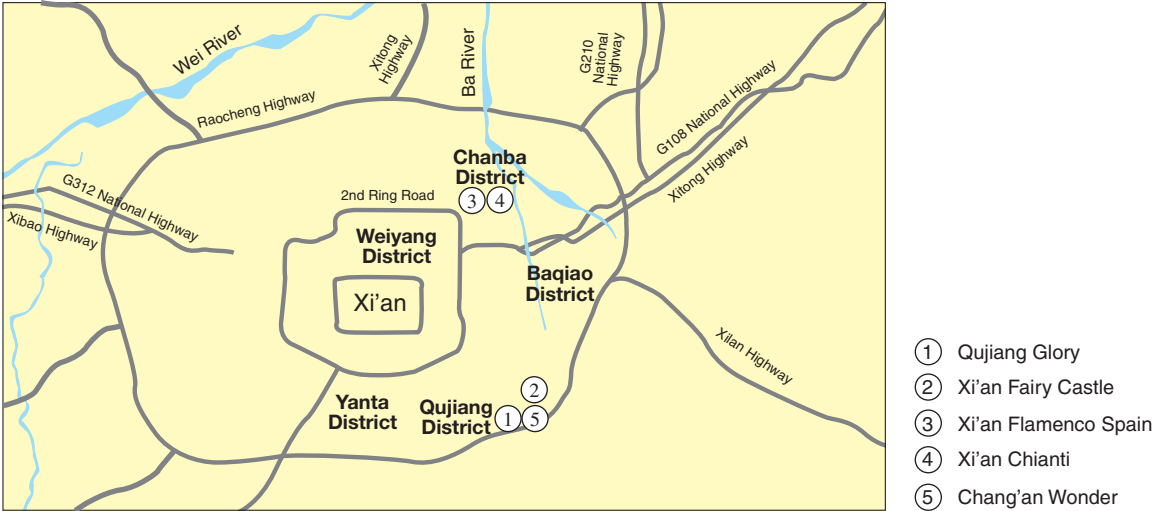
Phase 1

Phase 1 has an aggregate GFA under development of approximately 99,780 sq.m., comprising 54,777 sq.m. of townhouses and retail units with a total rentable GFA of 9,945 sq.m..

Phase 2 - 4

Phase 2 - 4 have an aggregate GFA for future development of approximately 352,974 sq.m., comprising 170,845 sq.m. of high-rise apartments, 26,786 sq.m. of townhouses, 13,716 sq.m. of housing with price limit, 20,631 sq.m. of small offices and home offices and 12,960 sq.m. of carparking spaces. In addition, phase 4 includes retail units with a total rentable area of 23,080 sq.m..

Xi'an



BUSINESS

Qujiang Glory (曲江盛景)



Qujiang Glory is a residential project situated in Qujiang District (曲江區), Xi'an and is adjacent to Big Wild Goose Pagoda (大雁塔). The project is being developed by Xi'an Longhu Jincheng. We acquired the land by public auction and entered into the land grant contract with respect to Qujiang Glory in November 2007. We have paid land premium totaling approximately RMB139.8 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 34,795 sq.m. and have a total planned GFA under development of approximately 76,332 sq.m.. The project will comprise primarily duplex villas with a planned GFA of approximately 58,911 sq.m..

As of August 31, 2009, we had pre-sold 57,289 sq.m. of the duplex villas. We expect to complete the project according to the following timetable:

Planned construction period	Q2 2008 — Q4 2009
Development costs incurred	RMB310 million
Estimated future development costs	RMB106 million

Chang'an Wonder (夜長安)

Chang'an Wonder is a commercial project situated in the city centre of Qujiang, Xi'an. The project is being developed by Xi'an Longhu Jincheng. We acquired the land by public auction and entered into the land grant contract with respect to Chang'an Wonder in October 2007. We have paid land premium totaling approximately RMB117.4 million which represented the total land premium for this project.

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Based on our current plan, the project will occupy a total site area of approximately 30,889 sq.m. and have a total planned GFA of approximately 43,535 sq.m. for investment purposes. The project will comprise retail area of approximately 31,404 sq.m. and carparks of approximately 9,131 sq.m..

As of August 31, 2009, this project was still at the planning stage. According to the letter of confirmation dated September 27, 2009 from Xi'an Municipal Bureau of Land and Resources Qujiang Branch, the area in which the portion of land for Chang'an Wonder is located is currently undergoing planning adjustment, and the construction of Chang'an Wonder is therefore allowed to commence after the above-mentioned planning adjustment is completed. Commerce & Finance Law Offices, the Company's PRC legal counsel, has advised that in the circumstances, there is no risk of any idle land fees being imposed in respect of the land or the land being forfeited.

As at the Latest Practicable Date, we expect to complete the project according to the following timetable:

Planned construction period	Q2 2010 — Q4 2012
Development costs incurred	RMB 118 million
Estimated future development costs	RMB 279 million

Xi'an Fairy Castle (西安紫都城)

Xi'an Fairy Castle is a residential and commercial development located in Qujiang District (曲江區), Xi'an. The project is being developed by Xi'an Longhu Jincheng. We acquired the land by public auction and entered into the land grant contract with respect to Xi'an Fairy Castle in November 2007. We have paid land premium totaling approximately RMB223.7 million which represented the total land premium for this project.

Based on our current plan, the project will occupy a total site area of approximately 68,939 sq.m. and have a total planned GFA of approximately 274,338 sq.m., comprising high-rise apartments, retail units and carparking spaces.

As of August 31, 2009, we had commenced the development for phase 1 and phase 2 was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q2 2009 — Q3 2011
Phase 2	Q1 2010 — Q4 2012
Development costs incurred	RMB312 million
Estimated future development costs	RMB772 million

Phase 1

Phase 1 has an aggregate GFA under development of approximately 82,006 sq.m., comprising high-rise apartments with a total planned saleable GFA of 65,363 sq.m., retail area of 1,176 sq.m. and carparks of 13,442 sq.m..

BUSINESS

As of August 31, 2009, we had pre-sold 45,589 sq.m. of high-rise apartments.

Phase 2

Phase 2 has an aggregate GFA held for future development of approximately 192,332 sq.m.. Phase 2 will comprise high-rise apartments with a total saleable GFA of 172,963 sq.m., 1,700 sq.m. of retail units and 10,754 sq.m. of car parks.

Xi'an Flamenco Spain (西安弗萊明戈)

Xi'an Flamenco Spain is a large scale residential project located in Chanba District (滄霸新區), Xi'an. The project is being developed by Xi'an Longhu Banpo. We acquired the land by acquisition of a company then holding the land.

Based on our current plan, the project will occupy a total site area of approximately 176,049 sq.m. and have a total planned GFA of approximately 579,905 sq.m., comprising primarily high-rise apartments, low-rise garden apartments, retail units and carparking spaces.

As of August 31, 2009, this project was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q4 2009 — Q3 2011
Phase 2	Q3 2010 — Q2 2012
Phase 3	Q2 2011 — Q4 2013
Development costs incurred	RMB229 million
Estimated future development costs	RMB1,945 million

Phase 1

Phase 1 has an aggregate GFA held for future development of approximately 162,433 sq.m.. This phase will comprise low-rise garden apartments with a total saleable GFA of 122,900 sq.m. and car parks of 24,290 sq.m..

Phase 2

Phase 2 has an aggregate GFA held for future development of approximately 135,717 sq.m., comprising 102,700 sq.m. of low-rise garden apartments, 7,000 sq.m. of retail units and 15,408 sq.m. of car parks.

Phase 3

Phase 3 has an aggregate GFA held for future development of approximately 281,755 sq.m., comprising high-rise apartments with a total saleable GFA of 210,700 sq.m., saleable retail units of 3,000 sq.m. and car parks of 30,142 sq.m.. In addition, phase 3 includes retail units with a total rentable area of 32,000 sq.m..

BUSINESS

Xi'an Chianti (西安香醍漫步)

Xi'an Chianti is a large scale residential project located in Chanba District (滄霸新區), Xi'an. The project is being developed by Xi'an Longhu Xingcheng. We acquired the land by acquisition of a company then holding the land.

Based on our current plan, the project will occupy a total site area of approximately 369,653 sq.m. and have a total planned GFA for future development of approximately 956,100 sq.m., comprising high-rise apartments, low-rise garden apartments, retail units and carparks.

As of August 31, 2009, this project was still at the planning stage. We expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q1 2011 — Q4 2012
Phase 2	Q3 2011 — Q4 2013
Phase 3	Q2 2013 — Q3 2016
Phase 4	Q2 2016 — Q2 2018
Development costs incurred	RMB571 million
Estimated future development costs	RMB2,854 million

Phase 1

Phase 1 has an aggregate GFA held for future development of approximately 129,267 sq.m., comprising 75,200 sq.m. of low-rise garden apartments, 12,000 sq.m. of saleable retail units and 14,722 sq.m. of carparks. In addition, phase 1 includes retail units with a total rentable area of 15,000 sq.m..

Phase 2

Phases 2 has an aggregate GFA held for future development of approximately 186,025 sq.m., comprising 124,600 sq.m. of low-rise garden apartments, 18,000 sq.m. of retail units and 25,824 sq.m. of carparks.

Phase 3

Phase 3 has an aggregate GFA held for future development of approximately 268,001 sq.m., comprising 214,000 sq.m. of high-rise apartments and 27,824 sq.m. of carparks.

Phase 4

Phase 4 has an aggregate GFA held for future development of approximately 372,807 sq.m., comprising 298,600 sq.m. of low-rise garden apartments, 10,300 sq.m. of retail units and 34,008 sq.m. of carparks.

BUSINESS

Wuxi

Taike Yuan (太科園)

Taike Yuan is our first project in Wuxi. It is a residential project with high-rise apartments, stand-alone villas and retail units located in Taihu International Scientific and Technology District (太湖國際科技園區). The project is being developed by Wuxi Longhu Properties. We acquired the land by public auction and entered into the land grant contract in respect of Taike Yuan in August 2009. The total land premium for the land is approximately RMB644.0 million. As at September 30, 2009, the outstanding land premium was RMB515.2 million.

Based on our current plan, the project will occupy a total site area of 188,496 sq.m. and have a total planned GFA of approximately 270,657 sq.m.. The project will comprise high-rise apartments of 75,658 sq.m., stand-alone villas of 78,237 sq.m., duplex villas of 48,438 sq.m., retail units of 3,260 sq.m., and carparks of 5,000 sq.m..

Entered into land use rights grant contract in August 2009, we are in the process of obtaining land use right certificate. Currently, we expect to complete the project according to the following timetable:

Planned construction period	Q4 2009 — Q2 2012
Development costs incurred	RMB57 million
Estimated future development costs	RMB1,537 million

Shenyang

Huishan Project (輝山項目)

Huishan Project is our first project in Shenyang. It is a residential project located in the Huishan District (輝山區).

Based on our current plan, the project will occupy a total site area of 84,086 sq.m. and have a total planned GFA of approximately 85,137 sq.m.. The project will comprise stand-alone villas of 67,587 sq.m., high-rise apartments of 8,400 sq.m., retail units of 7,070 sq.m., and carparks of 950 sq.m.

We won the auction of the land on September 9th, 2009 and we are in the process of obtaining the land use right certificate. The total land premium for the land is approximately RMB82.0 million. Currently, we expect to complete the project according to the following timetable:

Planned construction period	Q2 2010 — Q4 2011
Development costs incurred	Nil
Estimated future development costs	RMB 505 million

BUSINESS

Daoyi Project (道義項目)

Daoyi Project is our second project in Shenyang. It is a residential project located in the Daoyi District (道義區). We won the auction of this parcel of land in October 2009 and are in the process of obtaining the land use right certificate. The total land premium for the land is approximately RMB641.4 million.

Based on our current plan, the project will occupy a total site area of 684,420 sq.m. and have a total planned GFA of approximately 1,620,689 sq.m.. The project will comprise high-rise apartments of 508,000 sq.m., low-rise garden apartments of 537,000 sq.m., quasi-stand-alone villas of 224,000 sq.m., retail units of 247,000 sq.m. and carparks of 104,689 sq.m..

Currently, we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q2 2010 — Q4 2011
Phase 2	Q2 2011 — Q4 2012
Phase 3	Q2 2012 — Q2 2014
Phase 4	Q2 2012 — Q4 2013
Phase 5	Q2 2013 — Q4 2014
Phase 6	Q2 2014 — Q4 2015
Development costs incurred	RMB203 million
Estimated future development costs	RMB5,996 million

Changzhou

Qinglong Project (青龍項目)

Qinglong Project is our first residential project in Changzhou. We won the auction of this parcel of land which is located in the Qinglong Living Area (青龍生活區) in Changzhou in October 2009 and are in the process of obtaining the land use right certificate. The total land premium for the land is approximately RMB508.9 million.

Based on our current plan, the project will occupy a total site area of 164,855 sq.m. and have a total planned GFA of approximately 418,000 sq.m.. The project will comprise high-rise apartments of 197,000 sq.m., low-rise garden apartments of 48,000 sq.m., stand-alone villas of 56,000 sq.m., retail units of 48,000 sq.m. and carparks of 65,000 sq.m..

Currently, we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q4 2009 — Q4 2011
Phase 2	Q4 2010 — Q4 2012
Phase 3	Q4 2011 — Q4 2013
Development costs incurred	Nil
Estimated future development costs	RMB1,629 million

BUSINESS

Qinglong Project II (青龍項目 II)

Qinglong Project II is our second residential project in Changzhou. This project will be developed by Changzhou Jia’nan. We acquired this parcel of land which is located in the Qinglong Living Area (青龍生活區) in Changzhou in October 2009. The total land premium for the land is approximately RMB446.7 million.

Based on our current plan, the project will occupy a total site area of 143,965 sq.m. and have a total planned GFA of approximately 345,430 sq.m.. The project will comprise high-rise apartments of 171,000 sq.m., low-rise garden apartments of 41,000 sq.m., stand-alone villas of 49,000 sq.m., retail units of 22,930 sq.m. and car parks of 57,500 sq.m..

Currently, we expect to complete the project according to the following timetable:

Planned construction period	
Phase 1	Q3 2010 — Q4 2012
Phase 2	Q3 2011 — Q4 2013
Phase 3	Q3 2012 — Q4 2014
Development costs incurred	Nil
Estimated future development costs	RMB 1,370 million

PROPERTY INTEREST PROPOSED TO BE ACQUIRED

In September 2009, Beijing Longhu Zhongbai entered into a sale and purchase agreement with an independent third party under which Beijing Longhu Zhongbai agreed to purchase 100% equity interest in Beijing Mengke Properties Co., Ltd. (北京盟科置業有限公司), a company incorporated in the PRC which owns a piece of land of a total site area of approximately 163,164 sq.m. in Houshayu Town, Shunyi District of Beijing. The total consideration for the equity acquisition is RMB460 million. As of the Latest Practicable Date, Beijing Longhu Zhongbai was in the process of applying for registration with the relevant industry and commerce bureau in the PRC as registered owner of Beijing Mengke Properties Co., Ltd. Based on the legal opinion of Commerce and Finance Law Offices, the PRC legal advisers to our Company, there is no material legal impediment for Beijing Longhu Zhongbai to successfully procure the above registration upon fulfilment of all obligations of Beijing Longhu Zhongbai under the sale and purchase agreement. Based on our current plan, the project will have a total planned GFA of approximately 124,247 sq.m..

PRIMARY LAND DEVELOPMENT PROJECTS (土地一級開發項目)

Apart from engaging in our development projects, we also actively participate in primary land development activities. Primary land development refers to the process of investing and developing the target land before the land is granted. The process includes compensating the owner for the acquired land, levelling off the land, developing city infrastructure and turning the land without infrastructure or with incomplete infrastructure or undemolished houses into saleable land which is well equipped with infrastructure and levelled to harmonise with the government’s plan. The subsequent process of further developing the land after completion of primary land development is referred to as secondary land development. As of the Latest Practical Date, we had one primary land development project in Beijing, the Niulanshan (牛欄山) project, which occupies a total site area of approximately 374,736 sq.m.. We will seek to acquire the rights to the secondary land developments through public tender, auction or listing-for-bidding and may consider utilizing

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to pay off any land premium or other relevant expenses relating to such acquisitions. In our Hong'en Si project, Chongqing Longhu entered into a joint land renovation and development agreement with the government in 2006 and paid a deposit of RMB794,000,000. As a result of change in the development plan of the relevant region, Chongqing Longhu entered into an agreement to terminate the joint land renovation and development on December 15, 2008 pursuant to which the government had to pay to Chongqing Longhu compensation of RMB1,100,000,000 which shall include the deposit. As at June 30, 2009, Chongqing Longhu had received an amount of RMB1,000,000,000 of the compensation.

Based on our current plan, we will continue to be involved in similar projects. We believe that apart from the agreed compensation received from the projects, our participation would enhance our professional image in the area. This will, in turn, increase our potential to acquire the rights to the secondary land developments of these sites when the relevant land is put on tender.

LETTERS OF INTENT AND FRAMEWORK AGREEMENT

As of the Latest Practicable Date, we have entered into two letters of intent and a framework agreement with local governments in the PRC in respect of the development of parcels of land with total site areas of approximately 1,333,333 sq.m, 492,000 sq.m. and 182,000 sq.m. in Qingdao, Changzhou and Hangzhou, respectively. Pursuant to such letters of intent and framework agreement, we and the relevant local governments agreed to co-operate in the development of the relevant parcels of land whereby the local governments will attend to the preparatory work for the tender, auction or listing for sale of the lands and we will participate in such tender, auction or listing for sale process and, if we succeed in our bid and acquire the land, develop the land. In spite of such letters of intent and framework agreement, we shall go through the public tender, auction or listing for bidding process, and if we succeed in our bid, enter into a land grant contract and pay the relevant land premium as required by the relevant laws and regulations in order to obtain the title to the land.

THE SICHUAN EARTHQUAKE AND ITS IMPACT ON OUR PROPERTY DEVELOPMENT PROJECTS

The Sichuan Earthquake, which measured 8 on the Richter scale, occurred in the Sichuan province of the PRC on May 12, 2008. The epicentre of the Sichuan Earthquake was Wenchuan county, which is approximately 150 km from Chengdu, the capital of Sichuan province.

Impact on the Group's property development projects in Chengdu

Our property development projects in Chengdu which were under construction as at the time of the Sichuan Earthquake (save for Jade Town (小院青城)) were located near the city centre of Chengdu and were not close to the epicentre of the Sichuan Earthquake, therefore these projects experienced a relatively minor impact from the Sichuan Earthquake. Our directors confirmed that there was no incident of personal injury or death suffered by our construction workers or employees of the Group as a result of the Sichuan Earthquake.

As for physical damage sustained by our Group's properties under construction in Chengdu, upon inspection conducted by our architects and construction units of the construction sites after the earthquake, it was reported that no structural damage or physical demolition occurred as a result of that. There were only

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minor cracks appearing on the walls of certain properties, which were renovated and remedied completely within a period of one month from the Sichuan Earthquake at minimal cost. Our directors confirmed that the minor cracks of some of the properties have caused no material adverse impact on the sale of those properties by the Group.

In anticipation of any aftershocks which could occur following the Sichuan Earthquake and to ensure the safety of all units involved in the Group’s property development projects in Chengdu, we suspended all construction works in Chengdu for approximately two to three weeks, and construction works were resumed after that. Our directors confirmed that the temporary suspension has not affected the construction progress and the completion timetable of the Group’s properties in Chengdu.

Of all our property development projects in Chengdu, our Jade Town project (小院青城) is in closest proximity to the epicentre of the Sichuan Earthquake, being 100-110km away from the epicentre of the Sichuan Earthquake. Fortunately, at the time, the project was still at the planning stage and no construction works could begin as the Permit for Commencement of Construction Works for this project had not been obtained. Accordingly, there was no injury reported in relation to this project and there was no impact on the construction of the Jade Town project as a result of the Sichuan Earthquake.

Impact on the Group’s property development projects in Chongqing

In respect of the Group’s property development projects in Chongqing, our directors confirmed that there was no incident of personal injury or death suffered by our construction workers or employees of the Group as a result of the Sichuan Earthquake.

As for physical damage sustained by our Group’s properties under construction in Chongqing, upon inspection conducted by our architects and construction units of the construction sites after the earthquake, it was reported that no structural damage or physical demolition occurred as a result of that. There were only minor cracks appearing on the walls of certain properties, which have been renovated.

Given the relatively minor impact of the Sichuan Earthquake in Chongqing, we have not suspended the construction works of any of our property development projects there. Among our property development projects in Chongqing, construction of different portions of phase 4 of Blue Lake County (藍湖郡) was completed in the third quarter of 2008; construction of phase 3 of Crystal Town (水晶郛城) was completed in the second quarter of 2008; construction of a portion of phase 1 of Peace Hill County (悠山郡) and a portion of phase 1 of Sunshine Riverside (郛江) were completed in December 2008. The construction works for the above projects were not suspended and they all completed in accordance with their respective construction schedules. The Sichuan Earthquake imposed minor impact in Chongqing.

Impact on the Group’s property development projects in Beijing, Shanghai and Xi’an

Our directors have confirmed that the Sichuan Earthquake had imposed no impact on the property development projects of the Group in Beijing, Shanghai and Xi’an, the only other cities where we operated at the time of the Sichuan Earthquake.

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Professional assessments of the impact of the Sichuan Earthquake

Following the catastrophe, we have commissioned two qualified construction engineering quality assessment institutes, one at the provincial level in Sichuan and one at the Chongqing municipality level and both of which are independent of our Company, our Shareholders and directors, to conduct professional assessments on the impact of the Sichuan Earthquake on our Group’s business and the property projects located in Chengdu and Chongqing, which were still under construction at the time of the earthquake, in part to reassure our customers and prospective purchasers that the impact of the Sichuan Earthquake on the relevant property projects was minimal, more importantly, as a matter of safety measures for the Group’s operations.

Assessments were carried out against Phases 1 and 2 of King Land (晶藍半島一、二期), Phases 1 and 2 of Charming Port (翠微清波), Phases 1 and 2 of Three Thousand Lane (三千里一、二期) in Chengdu, and Phase 3 of Crystal Town (水晶酈城三期), namely Crystal Cosmo (水晶國際), Phases 4 and 5 of Blue Lake County, namely Blue Lake Garden Villa (藍湖香頌) and Blue Lake Apartment (藍湖時光), Phase 1 of Longhu West Paradise Walk (西城天街一期), Urban Courtyard (大城小院), Phases 1 and 2 of Bamboo Grove (江與城一、二期), the second section of Phase 1 of Chunsen Land (春森彼岸一期二標段), Phase 1 of Peace Hill County (悠山郡一期), Phase 1 of Sunshine Riverside (酈江一期) in Chongqing. For the purposes of the assessments, we are given to understand that the assessment institutes have reviewed the structural design plans and carried out inspections at the construction sites of the relevant projects, and that their reports of findings were compiled based on the Gradation Criterion of Earthquake Damage to Construction (the “Gradation Criterion”) promulgated by the Ministry of Construction. In brief, the Gradation Criterion, enforced in July 1990, was formulated to deal with the drawing up of seismic damage statistics and in particular, the Gradation Criterion requires earthquake damage investigation and post-earthquake loss evaluation be conducted on housing constructions following an earthquake, and as well as imposing a set of standards for conducting such investigation and evaluation.

Findings made by the independent professional institutions regarding the impact of the Sichuan Earthquake on our Group’s aforesaid projects in Chengdu and Chongqing may be generally summarised as follows:-

- As regards the relevant projects in Chengdu:

The architecture of buildings erected on the relevant sites were generally in good condition at the time of the inspections. Individual non-load bearing structural components suffered minor damages due to the earthquake. Load bearing structures are in good conditions and continue to be fit for use without repairs.

- As regards the relevant projects in Chongqing:

Most of the projects showed no signs of cracks or damages caused by the earthquake, and the earthquake has not affected the fitness for use of the structural components of the projects. Cracks that were non-structural in nature were found in buildings of a couple of projects, but they do not affect the bearing capacity of the structure. The projects are fit for use after the cracks are filled and treated.

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In light of all of the above, our directors are of the view that the Sichuan Earthquake has not caused any material adverse impact on our projects in Chengdu and Chongqing or the overall operations and financial conditions of the Group. Our directors confirm that as at the Latest Practicable Date, they were not aware that the Company was or would be subject to any potential claims from employees, suppliers or customers of the Company as a result of or in connection with the Sichuan Earthquake.

THE SICHUAN-YUNNAN BORDER EARTHQUAKE AND ITS IMPACT ON OUR PROPERTY DEVELOPMENT PROJECTS

The Sichuan-Yunnan Border Earthquake, which measured 6.1 on the Richter scale, occurred in the Sichuan-Yunnan border region of the PRC on August 30, 2008. The epicenter of the Sichuan-Yunnan Border Earthquake was near the city of Panzhihua in the Sichuan province.

As all of our Group’s property development projects in the PRC are not in close proximity to the epicenter of the Sichuan-Yunnan Border Earthquake, our directors have confirmed that the Sichuan-Yunnan Border Earthquake did not impose any material impact on our Group’s property development projects in the PRC and furthermore, our directors have confirmed that the Sichuan-Yunnan Border Earthquake did not impose any material impact on the business, financial condition, operational performance and prospect of our Group.

PROJECT DEVELOPMENT

Roles of Our Headquarters and Regional Companies

We operate under a decentralized corporate structure. While our regional companies enjoy management autonomy in handling project-level operations, our headquarters, which we believe should remain nimble, are in charge of providing overall strategic direction, promoting best practices among regional companies, maximizing economy of scale in sharing capital and market intelligence, nurturing human resources, designing appraisal and incentive systems and controlling risks. As a result, despite our decentralized structure, we share a common corporate culture, work under the same operating system and policies, and are able to redeploy and rotate our managers freely among our operating companies thereby reducing the possibility of any regional company from becoming overly independent.

In terms of division of labor, our headquarters are responsible for:

- formulating strategy and budgeting;
- building corporate-wide operation and information technology systems;
- deciding on land acquisition and fund-raising;
- setting accounting policies and consolidating financial information;
- setting human resources policies;
- maintaining investor, public and government relations;
- internal control and internal audit; and
- exploring and entering new regional markets.

BUSINESS

Our regional companies are responsible for:

- implementing land acquisition decisions;
- obtaining government permits required for project development;
- architectural design and product research and development;
- cost assessment and procurement;
- engineering and managing projects;
- sales and marketing;
- providing property management services;
- managing customer relations; and
- developing and managing rental properties.

The following outlines the key work flows for our property development business.

Site Selection

To ensure the investment return of a project, a site will be selected only after thorough and stringent analysis involving different checks and balances and where certain investment hurdle-rates, such as project internal rate of return and profit margin, are met.

Site selection is typically conducted via a three-stage process. First, the development department of a regional company is responsible for identifying a potential project, conducting market research and performing primary screening. Second, should a potential project pass the primary screening, the Project Management Office (“PMO”), which consists of the heads of all the functional departments in charge of different stages of development of the project, will be summoned to conduct an in-depth study based on the collective experience of the parties involved and data extracted from our project database. At this stage, the positioning of the project will be decided, a “pre-final” version of the design drawings will be produced and an in-depth model will be built to calculate the returns of the project under different scenarios. Thereafter, a detailed feasibility study together with the advanced-stage drawings and model will be submitted to the finance department of the headquarters for fact-checking before submitting to the investment decision committee of the headquarters, which consists of the Chief Executive Officer, the Chief Financial Officer and the General Managers of various business functions and regional companies, for its final investment decision.

Land Acquisition

According to the “Regulations on the Granting of State-Owned Land Use Rights through Public Tender, Auction and Listing-for-sale” 《招標拍賣掛牌出讓國有土地使用權規定》, which has been effective since July 1, 2002, all land to be developed for commercial purposes, including that for business or residential property development purposes, must be granted through public tender, auction and listing-for-bidding. In the case of public tender, the relevant authorities will assess either solely on tender prices or, alternatively, by reference to a matrix of parameters, including tender prices, credit record of the bidders, quality of the development proposals, in determining whom to grant such rights. On the other hand, where land use rights are granted through auction or listing-for-sale, the highest bidder normally wins.

We may enter into letters of intent or framework agreements with the relevant governmental authorities in respect of land development before the process of the tender, auction and listing for sale of the land.

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Grantees of land use rights may dispose of their land use rights through private sales, subject to the terms and conditions of the original land use right granting contracts and the relevant PRC laws and regulations. To the extent permitted by law, we may acquire land use rights in the secondary market from third parties through negotiated transfers. We may also obtain such rights by acquiring equity interests in companies that hold the relevant land use rights.

In addition, we also proactively participate in primary land development to enhance our position in acquiring quality land plots. During the process of primary land development, we would try and obtain an in-depth understanding of the condition of the land and other related matters, such as its surrounding area, so as to allow us in gaining additional time for optimal investment planning while demonstrating to the local government our development and financial strengths. These provide us with a competitive advantage in acquiring land in the tender process.

Financing

We rely on internally generated funding including capital contribution from investors and proceeds from pre-sale, as well as bank loans and external funding from real estate funds, to finance our costs of construction and payments of land grant premiums.

Our policy is to finance our property development projects through internal resources to the extent practicable so as to reduce the level of external funding required. We use the pre-sale proceeds of a project to fund a portion of our project construction costs for such project or to repay bank loans obtained for such project. Under PRC laws, we may pre-sell properties prior to the completion of construction upon satisfaction of certain requirements, though the pre-sale proceeds are required to be used for developing the same project. There are various PRC laws and regulations governing the pre-sale of properties which impose conditions to be fulfilled before the pre-sale of a particular property can commence. These include obtaining the relevant State-owned Land Use Rights Certificates, Planning Permit for Construction Land, Planning Permit for Construction Works, Permit for Commencement of Construction Works and Pre-sale Permit for Commodity Housing. For further details, please refer to the section headed “Appendix V — Summary of Principal PRC Legal and Regulatory Provisions”.

As far as external funding is concerned, we are clients of the Agricultural Bank of China, China Construction Bank, the Industrial and Commercial Bank of China, China Merchants Bank, Bank of China, Citibank, and DBS Bank Ltd. As of December 31, 2008, Chongqing Longhu Properties was accredited with an AAA+ credit rating by the Agricultural Bank of China and an AAA credit rating by the China Construction Bank. As of June 30, 2009, our outstanding bank and other borrowings amounted to RMB12,498 million. For further information regarding our bank borrowings, please refer to the section headed “Appendix I — Accountants’ Report — 29 Bank and other borrowings”. We have also entered into joint venture arrangements with members of Hongkong Land Holdings Limited, the ING Real Estate Funds and Aetos Capital, LLC under which significant amounts of equity financings were provided in our joint venture projects.

Project Design

To maximize project value, our regional companies have dedicated in-house professional research and development departments responsible for the overall planning and conceptual design. We constantly send our in-house architects and designers overseas to expose them to new innovative designs and ideas in order to keep them abreast of architectural innovation.

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Our architects study the characteristics of each specific site we acquired to lay out the optimal product mix and use of space. Apart from innovative project planning, we have also invested in product innovation. In the past two years, we have successfully designed and launched various types of new products, such as “Spanish-style courtyards” (西班牙大院) and “sky townhouses” (空中聯排). These products enable our residents to enjoy a spacious, quality environment which would otherwise only be offered by lower density projects. These products were well received by our customers and we were able to fetch a premium on product prices.

Apart from internal experts, we also retain reputable international architects and designers to assist us in the architectural and interior design. In addition, we hire renowned international landscape designers for the landscape design of our projects.

Contracting, Procurement, Project Management and Quality Control

We outsource substantially all of our construction works to external contractors. During the Track Record Period, we engaged approximately 80 contractors, all of whom are Independent Third Parties and the duration of our relationships with these contractors range from 2 months to 11 years. Our Group is not engaged in the construction business. Pursuant to the “Law on Tender and Bidding of the PRC” 《中華人民共和國招標投標法》 and the “Tender Law & the Rules on the Tender Scope & Criteria for Construction Projects” 《工程建設項目招標範圍和規模標準規定》, we are required to select contractors by way of a tender process in respect of certain construction projects. We have a tender committee which is comprised of our engineering department and our procurement department whereby our engineering department assesses the work quality of the external contractor and our procurement department prepares the tender document. According to the filing documents or the confirmation letters issued by relevant construction authorities in relation to all the construction works, our PRC legal advisers are of the opinion that the relevant domestic affiliated companies of the Group are in compliance with the applicable relevant PRC tender laws and regulations.

We conduct the following due diligence work on contractors before offering construction contracts to them:

- researching and collecting information about prospective contractors via industry associations, industry information centres, recommendation by internal sources and co-operation between contractors and architects;
- narrowing down the list of candidates by interviewing them in person or via telephone, and by inspecting and assessing their quality, financial status and business reputation;
- selecting contractors based on assessment results before proceeding with the tender process;
- verifying the management, construction and project capability of the contractors by inviting other entities that have previously worked with them to make comments;
- answering queries raised by the contractors in accordance with the tender document;

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- inviting contractors to visit the sites of our projects, hold seminars and clearly explain our Group’s engineering concepts;
- requesting the contractors to issue letters of undertaking in respect of labour capacity, availability and quality;
- selecting a contractor based on various criteria; and
- supervising the progress during construction and control quality by applying high standards of examination during completion.

Our contractors carry out various construction works including foundation digging, general construction, installation of equipment, as well as decoration and engineering work. The contractors are subject to warranties stipulated in the relevant construction contracts in respect of the quality and construction completion schedule. Under our standard construction contract, contractors are required to pay fines in the event of a delay and bear the costs of curing any construction defects.

Payment is made in stages to the contractors by our Group in accordance with the terms and conditions as stipulated in the standard construction contract signed between our Group and the contractors. The percentage of stage payments varies from case to case. In general, the contractors will be paid for approximately 70% to 80% of the work completed on a monthly basis. Upon completion of the project, the contractors will have received approximately 70% to 90% of the total payment. At closing and settlement, we will settle 95% to 98% of the total payment, and retain the remaining 2% to 5% as retention money. We have not had any incidences where the retention amount is less than the amount we have to pay for the defects during the Track Record Period. The total annual amount of fees paid to external contractors during the Track Record Period amount to approximately RMB1,055.9 million, RMB1,881.8 million, RMB2,716.6 million and RMB1,449.4 million, respectively.

In terms of selecting major construction materials, our procurement department is in charge of price negotiation and assisting the relevant regional company in carrying out the purchase. Through special purpose regional companies, we bulk purchase major construction materials for sale to our project companies within the region for cost control purposes. All our construction materials are held for use in connection with the construction of our Group’s projects only. For construction materials that are particularly important to our construction projects, we will seek tenders from various suppliers and will conduct similar quality and pricing assessments.

For each project, the engineering department will set up a project management team with a project manager as the person in charge. Prior to the commencement of the construction works, the project manager will organize the project management team to prepare the “Project Management Guidelines”, “Construction and Supervision Units Screening and Assessment Report”, “Implementation Plan of Access to Water Supply, Electricity and Roads and Land Leveling and Economic Analysis” and “Plan of Project Construction by Phases and Economic Analysis” based on the specific conditions of the project. They will also prepare analysis and reports on the project implementation plan, project staffing, key technical parameters, major difficulties in project construction and risks involved in project construction. These analysis and reports are essential to the overall management and supervision by our headquarters. The construction works of the project will commence only after such analysis and reports have been reviewed and approved by our Group’s headquarters and the general manager of the relevant regional company.

BUSINESS

We place huge emphasis on quality control and management of our projects. The following are some important measures or procedures we adopt for quality control of our projects:

- we implement a “model adaptation”¹ system where the quality control system of any “model project” will be referred to and adapted for the construction of other projects;
- we have in place a research and development department for each regional company which conducts inspection on the projects under construction and provides comments thereon on a monthly basis;
- we retain qualified professional firms as well as the quality supervision units of the relevant local government authorities to oversee and supervise the overall construction of our projects;
- we compile various sets of standardized technical guidelines for construction management of each project (such as the “Rules on Project Construction Management of Chongqing Company 2007”);
- we carry out quality control in accordance with the relevant laws, regulations, and other compulsory standards promulgated by the relevant PRC governmental authorities and other industry associations; and
- we ensure that our contractors comply with the relevant rules and regulations including environmental, labour, social and safety regulations, and thereby minimize the risks and liabilities of our Group by appointing independent construction engineers or our own representatives to supervise the progress of the contractors on site.

During the Track Record Period, we were not involved in any dispute with nor were there any case of material personal injury or death involving our contractors that could have a material and adverse effect on our business.

Sales and Marketing

The sales and marketing department of each of our regional companies is responsible for marketing our property products. In marketing our products, we focus not only on selling our property products to potential customers, but also on reinforcing and maintaining customer satisfaction during the pre- and post-sales period by managing the entire purchase and residence cycles of our customers. We target customers who seek a high living standard. We conduct comprehensive monthly market research, surveys and sales analysis. We market our properties mainly by way of outdoor advertising and print media. We put special focus on the design and the environment of the sales centers and the show flats at the development sites as well as the friendly, helpful and honest attitude of our frontline staff so as to create an impactful and unforgettable “shopping experience” for our potential customers.

1. In the “model adaptation” system, the Group adopts the quality and the standards of a model apartment, model house, or model garden area which serves as a reference model for the specifications and requirements of our Group. We first construct a small testing area and ensure its quality meets the standards and specifications. This small testing area sets the quality objectives of the project which are then adopted by the rest of the property development on a large scale.

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We retain external agents including advertising companies to assist with the marketing of our properties. Our sales and marketing department coordinates with these agents in formulating and executing strategies and plans and the agents assist and coordinate with our sales and marketing department in achieving various sales targets.

The sales process of our property projects generally begins with pre-sales. We generally pre-sell properties prior to completion of construction and use the sales proceeds as cash flow and for financing our project development. There are various PRC laws and regulations governing pre-sale of properties which impose conditions to be fulfilled before the pre-sale of a particular property can commence. These include obtaining the relevant State-owned Land Use Rights Certificates, Planning Permit for Construction Land, Planning Permit for Construction Works, Permit for Commencement of Construction Works and Pre-sale Permit for Commodity Housing. For details of the laws and regulations governing pre-sales, please refer to the section headed “Appendix V — Summary of Principal PRC Legal and Regulatory Provisions”.

Customers Payment Arrangements

Our customers may purchase their property either through one lump sum payment or through mortgage loans. Should our customer choose to make a lump sum payment for the purchase, the customer will be required to fully settle the purchase price shortly after the date of the execution of the contract. Should the customer wish to settle the purchase through mortgage, the customer shall be required to pay at least 20% to 40% of the purchase price as down payment.

We assist our customers with mortgage loans. Customers may seek mortgage facilities through various banks with which we have made arrangements. We generally provide guarantees as security for mortgage loans from the banks to our customers. Such guarantees will only expire when our customers have obtained the Building Ownership Certificate and the mortgage has been registered in favor of the bank. Timing for the issuance of Building Ownership Certificates to individual purchasers varies depending on where the property is situated. Guarantees provided by us would cover the full value of mortgages granted by the banks to our customers for their purchases and any payment or penalty imposed by mortgagee banks for defaults in mortgage payment by the purchasers. Please refer to the section headed “Risk Factors — We guarantee the mortgages provided by financial institutions to our purchasers and, consequently, we are liable to the mortgagees if our purchasers default” in the “Risk Factors” section of this document.

Delivery of Properties

We aim to deliver properties to our customers within the time frame prescribed in the sale and purchase contracts (including the pre-sale contracts). Under the current PRC rules and regulations, we are required to obtain a “Record of Acceptance Examination Upon Project Completion” (竣工驗收備案證明) prior to delivering properties to our customers. As of the Latest Practicable Date, we have complied with such requirement.

The sales and marketing departments of our regional companies are responsible for delivering properties to our customers. There are guidance notes setting out procedures and division of responsibilities among our functional departments to ensure that they work closely together in carrying out instructions and in monitoring the progress of delivery. For example, our engineering department may conduct on-site inspection before delivery and furthermore, we may from time to time arrange for our customers to inspect their purchased property prior to the expected delivery date to ensure the properties meet our prescribed

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standards as well as our customers’ needs. Our property management companies provide comprehensive pre-sale training to our staff responsible for direct liaison with customers for delivery. We always stay in touch with our customers after delivery to obtain their feedback on future improvement of our products and services.

In general, we assist our customers in applying for strata-title Building Ownership Certificates (分戶產權證). Please see the section headed “Risk Factors — We may encounter delay in issuance and delivery of title documents after sale and such delay may in turn give rise to claims from our customers” in this document. As of the Latest Practicable Date, we have not encountered any delay in the issuance and delivery of title documents after sale.

INVESTMENT PROPERTIES

Over the years, we have developed a number of shopping arcades, namely North Paradise Walk Mall, Crystal Constellation of Crystal Town, West Paradise Walk, and Chongqing Fairy Castle Commercial District in Chongqing.

Our operating subsidiaries in each region of the PRC where we have established a business presence will be responsible for conducting market surveys, procuring tenants, and developing and managing commercial properties. Such subsidiaries are currently involved in managing our commercial projects in Longhu North Paradise Walk Mall, Crystal Constellation of Crystal Town, Longhu West Paradise Walk, and Fairy Castle Commercial District.

Our profitability may be subject to fluctuation according to the revaluation of our investment properties. See “Our financial results for each of the three financial years ended December 31, 2006, 2007 and 2008 and for the six months ended June 30, 2009 included the changes in fair value of investment properties and our results may fluctuate due to such changes in the fair value of our investment properties” in the “Risk Factors” section of this document. Depending on the general economic and market conditions, in line with our “multiple product, selected regional focus” strategy, we intend to further expand our business to the development of investment properties.

PROPERTY MANAGEMENT

We place great emphasis on property management as we believe it enhances property value for our customers and improves our brand name. We predominantly provide property management services to our customers through our own property management companies. Our property management teams normally get involved in the early stage of property development and participate throughout the overall design planning stage to minimize future maintenance costs. We charge our customers management fees on a monthly or quarterly basis.

We believe we have a strong property management team. We offer our team members attractive remuneration packages as well as frequent training to update them on the relevant skills and knowledge required in property management. In providing property management services, we embrace a concept of “For you forever” (善待你一生) and we are committed to providing all our property owners with comprehensive and considerate professional property management services. We conduct semi-annual customer surveys on our management performance. We obtained the ISO 9002 certification in recognition of our quality property management in 1998.

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Under PRC law, owners have a right to engage or dismiss a property management company if owners together holding exclusive parts within the managed area representing more than half of the total area of buildings and owners representing more than half of the total number of owners agree. As of the Latest Practicable Date, our property management companies had not been dismissed from the management of any properties.

PROPERTIES FOR SELF-OCCUPATION

Our corporate headquarters are located in Fusheng Building, No.4 Huixin East Street, Chaoyang District, Beijing, PRC (中國北京市朝陽區惠新東街4號富盛大廈). We rent our headquarters from an Independent Third Party for a term commencing on April 1, 2008 and expiring on March 31, 2013. We do not anticipate any difficulty in renewing this lease or in finding replacement premises. We also maintain offices in Chongqing, Chengdu, Beijing, Shanghai, Xi’an, Wuxi and Hong Kong where we have operations. Such offices are located in leased properties owned by Independent Third Parties and in our own properties, particulars of which are summarized below:

	Property	Occupancy Status	Lease term	Current Usage
1.	No. 4 Huixin East Street, Fusheng Building, Block 2, 7/F, Chaoyang District, Beijing 100029, PRC	Leased (Note 1 and 2)	April 1, 2008 to March 31, 2013	office
2.	No. 4 Huixin East Street, Fusheng Building, Block 1, 3/F, Chaoyang District, Beijing 100029, PRC	Leased (Note 1 and 2)	April 1, 2007 to May 9, 2013	office
3.	Room 2501-2512, Shanghaimeit, No. 2299 Yan’an West Road, Shanghai 200336, PRC	Leased (Note 2)	November 1, 2007 to November 25, 2010	office
4.	No. 35, Hongji Middle Road, Jinjiang District, Chengdu 610041, PRC	Self-owned	N/A	office
5.	No. 1 Yan Yin Road, Qujiang New District, Xi’an, PRC	Self-owned	N/A	office
6.	No. 4, 6/F Beian Xing Block, Jiangbei District Beicheng Tian Street, Chongqing 400020 PRC	Self-owned	N/A	office
7.	15th Floor, 1 Duddell Street, Central, Hong Kong	Leased	February 15, 2008 to February 14, 2011	office
8.	Block 8-1, No. 77 Jinghui East Street, Taikang Garden, Wuxi, PRC	Leased (Note 1 and 2)	July 15, 2009 to July 14, 2015	office

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Notes:

1. Based on the legal opinion of Commerce and Finance Law Offices, the PRC legal advisers to our Company, no title documents regarding the property have been provided to prove that the lessor of the property is the legal owner. However, Commerce and Finance Law Offices advised that, given that the lease agreement signed between the lessor and the relevant member of our Group as lessee is valid and legally binding on the parties, in the event that the relevant member of our Group is required to move out of the property due to any disputes in connection with the title of the property, the relevant member of our Group will be entitled to claim against the lessor for damages arising therefrom.
2. The relevant lease has not been registered with the relevant PRC governmental authority. However, Commerce and Finance Law Offices are of the view that this does not affect the validity and enforceability of the lease agreement nor will it affect the rights of the relevant member of our Group to use the property. Commerce and Finance Law Offices have also advised that our use of the property does not constitute any illegal act on the part of the relevant member of our Group.

On the basis of the legal advice from our PRC legal advisers as referred to in Notes 1 and 2 above, we are of the view that the leased properties in items 1, 2, 3 and 8 above are not crucial to our operations as they are used as offices or for ancillary use only. We believe that, in the unlikely event that the relevant members of our Group are required to move out of such premises due to the legal issues mentioned in the said notes above, we will have no difficulty in finding replacement premises and we do not expect there will be any material adverse impact on us.

In addition to the above, we also have other leased properties in the PRC which are being used by our regional companies. For further information, please refer to the section headed “Appendix IV — Property Valuation”.

SUPPLIERS AND CUSTOMERS

Our major suppliers are construction material suppliers and construction contractors, and the five largest suppliers accounted for approximately 23.0%, 19.3%, 10.4% and 9.9% of our total purchases for the three financial years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009, respectively. Our single largest supplier for the three financial years ended December 31, 2006, 2007, 2008 and for the six months ended June 30, 2009 accounted for approximately 7.6%, 6.1%, 3.1% and 2.1% of our purchases, respectively. Our five largest customers accounted for approximately, 1.8%, 2.3%, 2.1% and 6.9% of our total revenue for the three financial years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2009, and our largest customer accounted for approximately 0.5%, 0.5%, 0.5% and 1.6% respectively, of our total revenue during those periods.

None of our directors, their associates or any Shareholders which, to the knowledge of the directors, owns more than 5% of our share capital as of the Latest Practicable Date, has any interest in any of our largest suppliers and customers.

COMPETITION

Competition in the PRC property market has intensified over the past few years. We compete against state-owned, privately owned and international developers in the PRC. Key competitive factors include the size and the geographic location of land reserves, the types of properties offered, brand recognition, price, and design and service qualities.

BUSINESS

We believe that the PRC property market has large growth potential. However, different regions of the PRC have different regulatory restrictions on property development and consumer preference typically varies between different regions of the PRC. We therefore utilize a “multiple product, selected regional focus” strategy to develop our business by undertaking various development projects and selling different types of properties in an effort to capture a leading market position in each regional market. According to the China Index Academy, we ranked:

- first in Chongqing, in terms of both contract sales and GFA of residential properties sold in 2005, 2006, 2007 and 2008
- second in Beijing, in terms of contract sales of residential properties in 2008
- third in Chengdu, in terms of contract sales of residential properties in 2007 and 2008

We believe that, with our solid and strong foothold in multiple regions, diversified product portfolio, expertise in both development as well as investment properties, we are less vulnerable to changes in market condition. Further, given our brand recognition, product creativity, creditworthiness, reputation, quality products and services and our excellent management skills in developing properties in the past decade, we believe we can react promptly to the challenges in the PRC property market. For further information, please refer to “There is fierce competition among real estate developers for land and property buyers” in the “Risk Factors” section of this document.

INTELLECTUAL PROPERTY

We believe our well-known brand, as formally recognised on a national level, is an invaluable asset. We have built up our brand through consistent delivery of high quality services and products of various types. We will use all reasonable and proper measures to protect our proprietary rights with regard to intellectual property developed in the process of our business development. We have made applications in respect of innovative designs of certain of our projects. For details, please refer to the section headed “Appendix VII — Further Information About Our Group — Intellectual property rights of our Group” in this document. To our knowledge, as at the Latest Practicable Date, we have not infringed upon any intellectual property rights owned by other parties nor are we aware of any third party’s infringement of our intellectual property rights.

As at the Latest Practicable Date, we have made one application to the Trade Marks Registry for the registration of the following trademark which is still pending (application no. 301132550):

(A) 

(B) 

(C) LongFor 龙湖地产

(D) LongFor 龍湖地產

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The Trade Marks Registry issued an examination report to our application for registration of the above trademark upon the first instance of our submission of an application on the grounds that:

- 1) some of the marks in the application were considered not to form a series of trademarks and the said application should be divided into two separate divisional applications as follows;

(A) 

(A) LongFor 龙湖地产

(B) 

(B) LongFor 龍湖地產

and

- 2) there were queries by the Trade Marks Registry as to the use that the Company has made of the trademark and the variety of goods and services in respect of which the trademark was proposed to be registered.

In response to that, we have applied to divide the original application into two separate divisional applications and made subsequent submissions to the Trade Marks Registry in respect of their queries. We have received legal advice that there is a good chance that we can successfully register the said trademarks.

INSURANCE

We maintain assets insurance policies for our properties and assets. We effect all-risk insurance and third party insurance for certain of our projects under development (including our investment properties), as we did in the first and second phases of the Bamboo Grove and the Chunsen Land projects. We maintain insurance policies including property all-risk insurance, public liability insurance, and loss of profit insurance with respect to our investment properties, including insurance coverage for damages arising from or in connection with the occurrence of an earthquake where any amount so claimed exceeds RMB400,000. Our insurance policies cover two of our property projects under construction, namely, our Bamboo Grove project and our Chunsen Land project in Chongqing, for damages arising from or in connection with the occurrence of an earthquake. Based on customary industry practice of property developers in the PRC, our directors are of the view that the insurance coverage of our Group is adequate.

We have also contributed to social insurance for our employees as required by the PRC social security regulations such as a pension contribution plan, medical insurance plan, unemployment insurance plan and work-related injury insurance plan. Our insurance policies cover all our employees for injuries arising from or in connection with the occurrence of an earthquake.

To help ensure construction quality and safety, we engage qualified professional firms as well as the quality supervision units of the relevant local government authorities to oversee the construction process. For further information, please refer to the section headed “Business — Contracting, Procurement, Project Management and Quality Control”. Under the current PRC regulatory regime, property construction companies are responsible for quality and safety control during the construction period and are required to take out accident insurance for construction workers carried out at construction sites. We deduct quality assurance reserve funds for the construction project from the construction payment to the property

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construction companies. We have taken steps, as described above, to prevent construction accidents and personal injuries. Furthermore, under PRC law, construction companies bear primary civil liability where they are responsible for causing personal injuries, accidents and death arising out of their construction work, unless they can prove themselves not at fault. The owner of a construction property may also bear civil liability where he is responsible for causing the personal injuries and deaths, unless he can prove himself not at fault. Our PRC legal adviser has advised us that we will generally be able to defend ourselves as the property owner if, for example, a personal injury claim is brought against us and we have taken out supplementary insurance coverage for our staff to cover any potential occurrence of accidental injuries or major illness and such insurance coverage is broad enough to cover injuries suffered in connection with an event of earthquake. We have not experienced any material business interruptions since we commenced our operations. During the Track Record Period, there was no incident of material personal injury or death suffered by our contractors in connection with our contracts with them.

ENVIRONMENTAL MATTERS

Property developers are subject to PRC national environmental laws and regulations as well as environmental regulations promulgated by the relevant local government authorities. For further information on such laws and regulations, please refer to the section of the document headed “Appendix V - Summary of Principal PRC Legal and Regulatory Provisions”.

Each of our property development projects is required under PRC law to undergo environmental assessments. We submit the relevant environmental impact study, report or environmental impact analysis table to the environmental authorities before approval is granted for commencement of construction of our projects. In obtaining approval, an entity must have filed, during the phase of feasibility study of the construction project, an environmental report of the construction project, an environmental impact report and an environmental impact registration form (collectively, “**EIE Documents**”). All EIE Documents are subject to the approval of the authorized environmental protection administrations. If, following the approval of such environmental impact evaluation documentation, the nature, scale, location and applied production technique of the project undergo substantial changes or, for whatever reason, the construction project does not start within 5 years of the approval date of the EIE Documents, the construction entity must re-submit such EIE Documents for approval. The approval from the relevant government authorities specifies the standards applicable to the implementation of the construction works as regards air pollution, noise emissions and water and waste discharge and we enforce these conditions while the construction project is in progress. Such measures are required to be incorporated into the design, construction and operation of the general constructions. Upon completion of each property development, the relevant government authorities also inspect the site to ensure that applicable environmental standards have been complied with, and the resulting reports are then presented together with other specified documents to the local construction administration authorities for their records.

As regards the impact of our business operations on the environment, construction waste is produced from all our projects. We have obtained approvals on all EIE Documents submitted in relation to our projects. Furthermore, we have obtained ISO 14001: 1996 certification in recognition of the quality of our environmental performance in our Fragrant Forest project and we have successfully renewed this certification each year since. To date, we have complied with all applicable environmental laws and regulations in all material respects, we have not been involved in any incident of environmental pollution, and none of our

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projects have been fined nor penalised for any misconduct in relation to environmental protection. Our PRC legal advisers are of the opinion that our Group has fully complied with all the relevant environmental rules and regulations and that we have obtained all the required permits and environmental approvals for our production facilities.

Specific measures taken by us to ensure our compliance with applicable environmental laws and regulations include conducting noise level tests, electro-magnetic radiation level tests, and concrete fillers tests, inspecting the construction materials on site and removing materials which do not comply with environmental laws and regulations, conducting weekly sampling and additional sampling on site to ensure compliance and immediately requiring contractors to rectify any problems. Construction contractors are responsible for compliance with applicable environmental laws and regulations during the construction stage.

We encourage our contractors to use equipment and facilities and to adopt or develop new technologies which are more environmentally friendly. Although inventing environmental protection technology is beyond the scope of our business, we are highly conscious of the need for environmental protection and will always look to adopt new technologies that are helpful in protecting the environment. For example, we have engaged and consulted environmental specialists and we impose contractual obligations on contractors requiring them to comply with environmental laws and regulations and to use only products and technologies which are in compliance with environmental laws and regulations.

LEGAL PROCEEDINGS

We are in compliance with all applicable laws and regulations in all material respects. However, we have been involved in litigation proceedings in the past concerning the quality of our products and services or contractual arrangements with our external contractors which, in our view, are immaterial in terms of their impact on our financial and operational conditions. These litigation proceedings have all been settled or otherwise aborted. Our PRC legal advisers are of the opinion that, according to guidance issued by the Supreme Court of China, although the plaintiffs had withdrawn their pleas, they may nevertheless revive their actions by bringing the matter before the court again for hearing. In addition, we are subject to legal or arbitration proceedings, disputes or claims in the ordinary course of business. None of our directors has been or is currently subject to any legal proceedings, legal disputes or arbitration procedures and there is no other litigation or claim of material importance pending or threatened against any member of our Group.

COMPLIANCE

As at the Latest Practicable Date, we have complied, in all material respects, with all the relevant and applicable PRC laws and regulations governing the business of property development and management. We have obtained all licenses, permits and certificates for the purpose of operating our business.

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LABOR AND SAFETY

As of the Latest Practicable Date, we have complied with the current PRC laws and regulations with respect to labor, health, safety, insurance, and accidents, including the Labor Law of the PRC 《中華人民共和國勞動法》, the Labor Contract Law of the PRC 《中華人民共和國勞動合同法》, the Interim Regulations on Collection and Payment of Social Insurance Premiums 《社會保險費徵繳暫行條例》, the Regulations on Work-related Injury Insurances 《工傷保險條例》, the Regulations on Unemployment Insurance 《失業保險條例》, the Trial Procedures for Childbirth Insurance for Enterprise Employees 《企業職工生育保險試行辦法》 and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time, for our operations in the PRC.

According to the Labor Law of the PRC 《中華人民共和國勞動法》 and the Labor Contract Law of the PRC 《中華人民共和國勞動合同法》, labor contracts shall be concluded if labor relationships are to be established between our employees and members of our Group. We must provide wages which are no lower than local minimum wage standards to the employees from time to time. We are required to establish a system for labor safety and sanitation, strictly abide by State rules and standards and provide relevant education to our employees. We are also required to provide our employees with labor safety and sanitation conditions that satisfy or meet State rules and standards and carry out regular health examinations of our employees engaged in hazardous occupations. The Labor Contract Law of the PRC 《中華人民共和國勞動合同法》 was enforced on January 1, 2008. Our directors confirmed that this law does not have any material impact on the Group’s business and operations.

As required under the Regulation of Insurance for the Interim Regulations on Collection and Payment of Social Insurance Premiums 《社會保險費徵繳暫行條例》, the Regulations on Work-related Injury Insurances 《工傷保險條例》, the Regulations on Unemployment Insurance 《失業保險條例》 and the Trial Procedures for Childbirth Insurance for Enterprise Employees 《企業職工生育保險試行辦法》, we provide our employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance and medical insurance.

According to the Safety Production Law of the PRC 《中華人民共和國安全生產法》 enacted by the Standing Committee of the National People’s Congress on June 29, 2002 and enforced on November 1, 2002, entities that are engaged in production and business operation activities within the PRC shall observe all relevant laws, rules and regulations concerning production safety and establish and perfect the conditions and system of responsibility for production safety. It requires that entities shall maintain conditions for safe production as provided in the Production Safety Law and other relevant laws, administrative regulations, national standards and industrial standards. Any entity that is not sufficiently equipped to ensure safe production may not engage in production and business operation activities. It also requires entities to offer education and training programs to their employees regarding production safety. The design, manufacture, installation, use, checking and maintenance of safety equipment is required to conform with applicable national or industrial standards. In addition, it requires entities to provide labor protection equipment that meets the national or industrial standards to employees and to supervise and educate them to wear or use such equipment according to the prescribed rules.

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The aforementioned laws and regulations set forth relevant provisions on working hours, work safety, rest and vacation, wages, health and safety, social insurance and welfare for employees of our Group. Our PRC legal adviser has confirmed that, during the Track Record Period, there was no material violation of currently applicable PRC labor and safety regulations nor were there any material employee safety issues involving our Group. Our human resources department is responsible for dealing with employees’ safety and security matters. We are planning to further strengthen and improve our systems and management in respect of labor and safety in all respects in order to reduce potential future risks in this regard. Measures taken by us to comply with the abovementioned applicable laws and regulations include requiring the contractors to prepare a work safety implementation plan; requiring the contractors to comply with our onsite work safety requirements; paying for work safety related expenses; distributing work safety protection gear to workers; imposing a contractual obligation on the contractors to comply with work safety guidelines and consider related expenses; appointing experienced personnel to conduct weekly and additional work safety inspections and supervision; and ensuring the workers have the prerequisite qualifications for special construction work.