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

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

## OVERVIEW

We focus on high-end residential property developments and are one of the leading property developers in Fujian Province, according to the China Real Estate Top 10 Research Team (an independent research team established in 2003 that consists of 27 core members including the Enterprise Research Institute of the Development Center of the State Council, the Real Estate Research Institute of Tsinghua University, the China Index Academy and the China Real Estate Association). Headquartered in Xiamen, we focus on the development of high-end residential property developments in the more prosperous regions of Fujian Province in the Western Taiwan Strait Economic Zone, including the greater metropolitan areas of Xiamen, Quanzhou and Zhangzhou, and Fuzhou. These four regions together accounted for approximately 69.8% of Fujian Province's GDP in 2008. In addition, we are also expanding into selected areas in the Bohai Economic Rim and the Pearl River Delta Economic Zone that we believe have similar, if not higher, growth potential as compared to Xiamen, Quanzhou, Fuzhou and Zhangzhou.

According to the research reports prepared by the China Real Estate Top 10 Research Team, we were one of the "Top 100 Real Estate Developers in China" in 2008 and 2009, based on a number of factors including scale, profitability and growth rate. We were also named as one of the "Stars of the China Top 100 Real Estate Developers" in 2008 and 2009 in the same reports based on factors including our corporate culture, development strategy and high level of professionalism.

As of November 30, 2009, we had a land bank with an aggregate GFA and planned GFA of 6,876,063 sq.m. (including approximately 4,826,943 sq.m. of GFA and planned GFA attributable to us on the basis of our effective interest in the relevant parcels of land) comprising (i) completed projects held for sale or investment with an aggregate GFA of approximately 220,298 sq.m., projects under development with an aggregate planned GFA of approximately 1,248,419 sq.m. and projects held for future development with an aggregate planned GFA of approximately 3,749,920 sq.m., for all of which we have obtained the relevant land use rights certificates, (ii) projects with an aggregate planned GFA of approximately 209,543 sq.m. for which we had entered into land use rights grant contracts or for which we had successfully tendered for the land but had not yet obtained land use rights certificates, and (iii) projects with an aggregate planned GFA of approximately 1,447,883 sq.m. for which we had entered into master agreements with local governments but had not concluded the public tender process and/or entered into relevant land grant contracts. Among these, an aggregate GFA and planned GFA of approximately 5,786,154 sq.m., including an aggregate GFA and planned GFA of approximately 4,120,661 sq.m. attributable to us on the basis of our effective interest in the relevant parcels of land, representing approximately 84.1% and 85.4% of our total GFA and planned GFA, and total GFA and planned GFA attributable to us, respectively, is located in the greater metropolitan areas of Xiamen, Quanzhou and Zhangzhou, and Fuzhou in Fujian Province, and the remainder of our land bank is located in Beijing and Shanxi Province in the Bohai Economic Rim and Guangdong Province in the Pearl River Delta Economic Zone. We believe that our current land bank will be sufficient to meet our development and construction needs for approximately three to five years.

Fujian Province is located directly across the Taiwan Strait on China's eastern coast, and is adjacent to the Pearl River Delta and the Yangtze River Delta economic zones. Situated in the heart of South East China, we believe Fujian Province is the key constituent of the Western Taiwan Strait Economic Zone, one of the focus areas for future development in the PRC according to the "Several Opinions on supporting Fujian Province to accelerate the development of the Western Taiwan Strait Economic Zone" (關於支持福建省加快建設海峽西岸經濟區的若干意見) issued by the State Council on May 6, 2009. We believe the province will continue to enjoy strong economic growth and will strengthen its position as one of the more developed provinces within the PRC in terms of GDP growth. We are of the view that the property market in Fujian Province will benefit from the overall economic growth of the province. In addition, Fujian Province is estimated to be the place of origin of more than 10 million overseas Chinese whom we believe will promote further growth in GDP of Fujian Province and will also become potential buyers of properties as they invest in other businesses in the province. We believe we are in a strong position to capitalize on any resultant increase in demand for properties, particularly in the greater metropolitan areas of Xiamen, Quanzhou and Zhangzhou, and Fuzhou.

Our property development projects are generally situated in what we believe are prime locations in major cities in Fujian Province, Beijing, Linfen in Shanxi Province and Shenzhen in Guangdong Province. We believe one of our strengths is our ability to acquire land situated in locations with long term appreciation potential at relatively low costs, transform them into high-end property development projects through high-quality design and construction and sell such properties to our targeted customers. Our targeted customers are primarily individuals with relatively high disposable income, who aim to enjoy a high standard of living at reasonable costs. We also consider investing in certain low to medium-cost properties after consideration of a number of factors, including turnover rate and cash flow.

## OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

- Leading property developer in Fujian Province and a proven track record in other regions in China
- Professional, detail-oriented and comprehensive project management system and a commitment to high-quality standards and strict financial discipline
- Sufficient land bank in locations with long-term appreciation value acquired at a relatively early stage to support our future development
- Strong brand recognition and a reputation for high-quality products which allow us to enjoy a high level of customer loyalty and pricing advantage
- Experienced and professional management team and high-quality work-force

See the section headed "Business — Our Competitive Strengths" in this prospectus for a detailed description of these strengths.

## OUR BUSINESS STRATEGIES

Our key business strategies are:

- Selectively expand our operations into other growth areas in China and further strengthen our leading position in the residential property development market in Fujian Province
- Continue to focus primarily on residential property development while achieving an optimal business portfolio to diversify income streams
- Continue to expand our land bank prudently through multiple channels
- Further optimize our capital and financing structure
- Further enhance our brand recognition and distinguish ourselves from our competitors

See the section headed "Business — Our Business Strategies" in this prospectus for a detailed description of these strategies

## RISK FACTORS

There are certain risks involved in our operations. These risks can be categorized into (i) risks relating to our business; (ii) risks relating to the property sector in the PRC; (iii) risks relating to conducting operations in the PRC; and (iv) risks relating to the Global Offering. A detailed discussion of the risk factors is set forth in the section headed "Risk Factors" in this prospectus. The following is a list of the risk factors:

### Risks Relating to Our Business

- Our business is heavily dependent on the performance of the real estate market in the PRC, particularly in Fujian Province
- The global financial markets have experienced significant deterioration and volatility since early 2008, which have had negative repercussions on the global economy and, as a result, may adversely affect our business, liquidity, financial condition, results of operations and prospects
- We may not be able to obtain land use rights certificates with respect to certain parcels of land in which we currently have interests
- Our profitability may fluctuate substantially due to the periodic reassessment of fair value gains or losses on our investment properties

- The appraised value of our properties may be different from the actual realizable value and is subject to change
- Our business depends on our ability to acquire suitable sites with long-term appreciation potential for property development
- Because we derive our revenue principally from the sale of our completed projects, our results of operations may vary significantly from period to period
- We may not be able to obtain adequate funding for our property developments
- Our business may be adversely affected by future increases in interest rates
- We may not be able to complete our development projects on time or at all
- We may not be successful in expanding into geographic areas where we have not historically operated
- Our business strategies, plans for expansion to new business segments, and new products may not be successful
- We had net current liabilities during the Track Record Period, and our ability to raise funding may be adversely affected by our net current liability position
- We have limited cash resources and are dependent on future cash flows generated from our business and obtaining additional financing to support our expansion and property developments
- We face contractual risks relating to the pre-sale of properties, including the risk that property developments cannot be completed, or cannot be completed on time
- We guarantee the mortgage loans of our pre-sale customers until the relevant property ownership certificates are delivered to the mortgagee banks, and we may become liable to the mortgagee banks if our customers default on their mortgage payments during this period and any changes in laws and regulations governing the guarantee in respect of such mortgage loans may affect our sales
- We are subject to legal and business risks if we fail to maintain qualification certificates
- Our operations may be affected if the land use rights relating to the SCE Building are revoked due to inconsistent land use
- The relevant PRC tax authorities may challenge the basis on which we calculate our LAT obligations
- Our success depends significantly on our ability to retain our senior management team and our ability to attract additional management and other qualified personnel

- Our Controlling Shareholders may exert substantial influence over us and may not act in the best interests of our independent shareholders

- We rely on our trade name and trademarks, and any infringement or inappropriate use of our trade name or trademarks may be detrimental to our reputation and profitability

- Potential liability for non-compliance with environmental laws and regulations could result in substantial costs

- We may suffer losses and claims arising from uninsured risks

- Our reliance on independent contractors for completion of our projects may result in substantial costs and delays

- Disputes with our project development partners may adversely affect our business

- Volatility in the prices of construction materials could adversely affect our business and financial performance

- Resettlement negotiations may add costs or cause delays in completion of our development projects

- We rely heavily on dividend payments from our subsidiaries and jointly-controlled entities for funding

- We have not paid any dividends in the past and there can be no assurance that we will pay dividends in the future

- Acts of God, epidemics, including the recent outbreak of A/H1N1 influenza, and other disasters could affect our business

**Risks Relating to the Property Sector in the PRC**

- We face intense competition from other real estate developers

- The restrictive measures adopted from time to time by the PRC Government to curtail the overheating of, and foreign investment in, the PRC property market could slow the industry's rate of growth or cause the property market to decline

- The real estate and property development industry in the PRC is still in a relatively early stage of development and lacks adequate infrastructure support

- The PRC Government may reclaim our land and impose other penalties on us if we fail to comply with the terms of the relevant land grant contracts

**Risks Relating to Conducting Operations in the PRC**

- Our remittance of offshore funds into the PRC is subject to approval by the PRC Government, as a result of which we may encounter delays in respect of the use of, or may not be able to use for our intended purposes, the net proceeds from the Global Offering
- Changes in the economic and political environment in the PRC and policies adopted by the PRC government to regulate its economy may adversely affect our business, operating results and financial condition
- The treatment of our companies for PRC corporate income tax purposes is unclear
- Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under PRC tax law
- Fluctuation of the Renminbi may adversely affect our operations and financial results
- We are subject to PRC Government controls on currency conversion
- The implementation of the new labor contract law and the potential increase in labor costs in the PRC may adversely affect our business and profitability
- The PRC legal system is less developed than legal systems in certain other jurisdictions and embodies inherent uncertainties that could limit the legal protection available to us and to our shareholders
- It may be difficult to effect service of process upon us or our Directors or senior officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts

**Risks Relating to the Global Offering**

- There has been no prior public market for our Shares and the liquidity of our Shares may be low
- Our Share price may be volatile
- Our Shareholders may experience immediate dilution and their shareholdings may be further diluted as a result of future equity fund raising
- Facts and statistics in this prospectus relating to the PRC economy and the PRC real estate industry may not be reliable
- We are incorporated under Cayman Islands law and Cayman Islands law may provide less protection to minority shareholders than Hong Kong law

## RECENT DEVELOPMENTS ON REGULATORY MEASURES AFFECTING THE PROPERTY MARKET IN THE PRC

Most recently, the PRC government has tightened land-sale regulations for developers. The new rules include a minimum down payment requirement on land purchases from the government. The new rules, which were issued jointly by the Ministry of Finance, MLR, PBOC, the Ministry of Supervision of the PRC (中國監察部) and the National Audit Office of the PRC (中國審計署) on November 18, 2009, require a minimum down payment of 50% of the land premium relating to land purchases from the PRC government. The new rules also provide that the installment period stipulated in the relevant land grant contracts may not exceed one year generally, provided that, for special projects, upon collective approval by the relevant government authorities, the installment period stipulated in the relevant land grant contracts can be two years. Developers will not be permitted to acquire any new land if they fail to pay such land premium in time. The new rules also forbid local governments from giving discounts to developers or allowing developers to delay payments except as stipulated by the State Council.

In addition, on December 22, 2009, the Ministry of Finance and the State Administration of Taxation jointly issued the *Notice on Adjusting the Business Tax Policies upon Transferring Residential Properties by Individuals (Cai Shui [2009] No.157)《關於調整個人住房轉讓營業稅政策的通知》(財稅[2009]157號)*. Pursuant to the notice, commencing from January 1, 2010, business tax will be levied upon the transfer of a non-ordinary residential house by an individual within five years from the date of purchase and the business tax to be levied will be calculated based on the full amount of the sale proceeds. For an individual transferring a non-ordinary residential house after five years from the date of purchase, or transferring an ordinary residential house within five years from the date of purchase, the business tax to be levied will be calculated based on the difference between the income from the sale of such property and its purchase price. An individual transferring an ordinary residential house after five years from the date of purchase, will be exempt from the business tax.

## SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial statements for the periods and as of the dates indicated. This summary has been extracted from and should be read in conjunction with, our audited consolidated financial statements included in the Accountants' Report in Appendix IA to this prospectus. The basis of preparation is set out in note 2.2 of section II of the Accountants' Report in Appendix IA to this prospectus.

**Consolidated Statements of Comprehensive Income**

| | Year ended December 31, | | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2008 | 2009 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (unaudited) | *RMB'000* |
| Revenue | 327,396 | 371,694 | 331,179 | 329,698 | 550,102 |
| Cost of sales | (261,244) | (242,727) | (203,335) | (202,459) | (284,642) |
| **Gross profit** | 66,152 | 128,967 | 127,844 | 127,239 | 265,460 |
| Other income and gains | 8,231 | 43,476 | 6,962 | 6,245 | 13,739 |
| Changes in fair value of investment properties | 38,145 | 168,247 | 211,366 | 176,187 | 222,836 |
| Selling and marketing expenses | (21,751) | (46,268) | (27,143) | (23,046) | (22,846) |
| Administrative expenses | (23,801) | (57,650) | (64,883) | (51,189) | (53,891) |
| Other expenses | (3) | (589) | (247) | (247) | — |
| Finance costs | (240) | (1,376) | (3,324) | (2,397) | (2,368) |
| Share of profits and losses of: | | | | | |
| Jointly-controlled entities | (1,416) | (3,261) | (4,697) | (5,808) | 2,002 |
| Associates | (112) | (888) | (4,413) | (2,996) | (3,317) |
| **Profit before tax** | 65,205 | 230,658 | 241,465 | 223,988 | 421,615 |
| Tax | (13,418) | (70,581) | (75,606) | (68,867) | (147,883) |
| **Profit for the year/period** | 51,787 | 160,077 | 165,859 | 155,121 | 273,732 |
| **Other comprehensive income/(loss):** | | | | | |
| Share of other comprehensive income of jointly-controlled entities | 1,532 | 569 | 649 | 645 | 5 |
| Exchange differences on translation of foreign operations | 13,737 | 35,166 | 34,637 | 33,838 | (6,975) |
| Other comprehensive income/(loss) for the year/period | 15,269 | 35,735 | 35,286 | 34,483 | (6,970) |
| **Total comprehensive income for the year/period** | 67,056 | 195,812 | 201,145 | 189,604 | 266,762 |
| Profit/(loss) attributable to: | | | | | |
| Equity holders of the Company | 50,607 | 159,206 | 168,458 | 156,930 | 276,994 |
| Minority interests | 1,180 | 871 | (2,599) | (1,809) | (3,262) |
| | 51,787 | 160,077 | 165,859 | 155,121 | 273,732 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Equity holders of the Company | 64,639 | 187,418 | 199,135 | 186,905 | 270,055 |
| Minority interests | 2,417 | 8,394 | 2,010 | 2,699 | (3,293) |
| | 67,056 | 195,812 | 201,145 | 189,604 | 266,762 |

**Consolidated Statements of Financial Position**

| | As of December 31, | | | As of September 30, |
|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **ASSETS** | | | | |
| Current assets | 1,302,625 | 1,535,203 | 2,680,853 | 4,241,949 |
| Non-current assets | 725,452 | 2,640,352 | 2,685,915 | 4,344,085 |
| **Total assets** | 2,028,077 | 4,175,555 | 5,366,768 | 8,586,034 |
| **LIABILITIES AND EQUITY** | | | | |
| Current liabilities | 1,389,418 | 3,083,834 | 4,359,644 | 4,923,069 |
| Non-current liabilities | 565,070 | 715,613 | 433,197 | 1,439,587 |
| **Total liabilities** | 1,954,488 | 3,799,447 | 4,792,841 | 6,362,656 |
| **Total equity** | 73,589 | 376,108 | 573,927 | 2,223,378 |
| **Total liabilities and equity** | 2,028,077 | 4,175,555 | 5,366,768 | 8,586,034 |

In accordance with HKAS40, the Hong Kong Accounting Standard for investment properties issued by the Hong Kong Institute of Certified Public Accountants, investment properties, including investment properties under construction, may be recognized by using either the fair value model or the cost model. We have chosen to recognize investment properties, including investment properties under construction, as non-current assets at their fair value, as determined by an independent property valuer, as of each reporting date, because we are of the view that periodic fair value adjustments in accordance with prevailing market conditions provide a more up-to-date picture of the value of our investment properties.

During the Track Record Period and for the nine months ended September 30, 2009, properties that were completed and held by our Group for investment in the PRC have been valued by DTZ, an independent property valuer. For such completed investment properties, DTZ has adopted an income approach which takes into account the expected rental income of the properties derived from the existing leases or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have then been capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, DTZ has made reference to comparable sale transactions as available in the relevant market.

DTZ has valued investment properties under construction on the basis that each such property will be developed and completed in accordance with the Group's latest development proposals. In arriving at the market value, DTZ has adopted a direct comparison approach by making reference to comparable sales evidence as available in the relevant market and has also taken into account the expended construction costs and the costs that will be expended to complete the properties to reflect the quality of the completed properties. Prospective investors should be aware that such appraised value may be different from the actual realizable value, if any, and is subject to change.

Any gain or loss arising from changes in the fair value of investment properties, including investment properties under construction, is recognized in our statement of comprehensive income in the year in which the gain or loss arises. Such fair value gain or loss is calculated based on the difference between (i) the fair value as of each reporting date as determined by the independent valuer and (ii) the total additional costs incurred by our Group during the relevant reporting period plus the fair value as of the prior reporting date. In the years ended December 31, 2006, 2007 and 2008, and the nine months ended September 30, 2009, our Group recorded upward fair value adjustments on our investment properties, amounting to approximately RMB38.1 million, RMB168.2 million, RMB211.4 million and RMB222.8 million, respectively, in our consolidated statements of comprehensive income (which contributed to the related deferred tax expenses for these years), representing 58.4%, 72.9%, 87.5% and 52.8%, respectively, of our profit before tax in the same period. The fluctuations in the fair market value of our investment properties in the Track Record Period were primarily due to the addition and completion of new investment properties, as well as their overall appreciation.

In light of the above, prospective investors should be aware that upward fair value adjustments, which reflect, among other things, unrealized capital gains in the value of our investment properties at the relevant reporting dates and sometimes arise upon the reclassification of our properties as investment properties, are not profit generated from day-to-day rental income from our investment properties, are largely dependent on the conditions prevailing in the property markets, and do not generate cash inflow to us for dividend distribution to our Shareholders unless such investment properties are disposed of and the capital gains are realized. The amounts of revaluation adjustments have been, and may continue to be, significantly affected by the prevailing property market conditions and may be subject to market fluctuations. Consequently, we cannot assure you that changes in the fair value of our investment properties will give rise to the previous or any levels of percentage contribution to our profits, or that any such contribution will not decrease in the future or reflect a loss. In particular, the fair value of our investment properties could decrease in the event that the market for comparable properties in the PRC experiences a downturn as a result of general economic conditions or PRC Government policies or otherwise. Any such decrease in the fair value of our investment properties could have a material adverse effect on our financial position and results of operations.

Finance costs stated in our consolidated statements of comprehensive income primarily consist of interest costs net of capitalized interest relating to properties under development and acquisition of land. Not all of the interest costs related to a project can be capitalized. As a result, our finance costs may fluctuate from period to period depending on the level of interest costs that are capitalized within the reporting period as well as changes in the amount of outstanding principal and interest rates. The total amount of interest capitalized in the years ended December 31, 2006, 2007 and 2008 and the nine months ended September 30, 2009 was RMB24.3 million, RMB60.3 million, RMB81.3 million and RMB63.0 million, respectively.

## PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2009

### Bases and Assumptions

We have prepared our estimated profits attributable to equity holders of our Company for the year ended December 31, 2009 on the basis of our audited consolidated results for the nine months ended September 30, 2009 and an estimate of our consolidated results for the three months ended December 31, 2009. Our profit estimate has been presented on a basis consistent in all material respects with the accounting policies normally adopted by us as summarized in the Accountants' Reports in Appendix IA to this prospectus. We have made the following principal assumptions in the preparation of our profit estimate:

- there will be no material changes in existing political, legal, fiscal, market or economic conditions in the PRC;
- there will be no changes in policies, legislation, regulations, or practices in the PRC which may adversely affect our Group's business or operations;
- there will be no significant changes in the government policies in the PRC governing the pricing and selling of our properties;
- there will be no material changes in the bases or rates of taxation or the policies with respect to imposition of such taxation, in the PRC;
- there will be no material changes in the rates of inflation, interest, or foreign currency exchange from those presently prevailing in the markets relevant to the business activities of our Group;
- our Group's operations and financial performance will not be materially and adversely impacted by any of the risk factors set out in the section headed "Risk Factors" in this prospectus; and
- our Group's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of our Directors, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents.

Further assumptions made when valuing our investment properties, in addition to the assumptions underlying the basis of valuation used to estimate the fair value of investment properties as adopted by our independent property valuer, include assumptions that (i) the interior decoration work for the investment properties in World City in Beijing will be completed in accordance with schedule at the projected costs; (ii) the current financial, economic and political conditions which prevail in the PRC and in the cities and provinces near our investment properties, and which are material to the rental income generated by our investment properties, will remain unchanged; (iii) the conditions in which our investment properties are being operated and which are material to the revenue and costs of such properties will be unchanged; (iv) property-specific factors such as the provision of building facilities, building specifications, heating/ventilation/air conditioning and other mechanical systems, ancillary supporting retail services, quality of property management and tenants' profiles will remain unchanged; and (v) the leases relating to any lease-expired units of the properties will be renewed at normal commercial terms.

**Summary of the World City Project**

The following table provides a summary of the World City project, which was the main source of revenue of our Company for the year ended December 31, 2009 and is projected to contribute approximately 96% of the total estimated revenue of our Company for the year ended December 31, 2009:

| **Up to September 30, 2009** | | | | |
|---|---|---|---|---|
| **Sale proceeds received[(1)]** | **Pre-sales/ sales GFA[(1)]** | **2008 average selling price per sq.m. in respect of properties sold/pre-sold** | **First nine months of 2009 average selling price per sq.m. in respect of properties sold/pre-sold** | **Actual completion date** |
| ***(RMB million)*** | ***(sq.m.)*** | ***(RMB/sq.m.)*** | ***(RMB/sq.m.)*** | |
| 1,477.7 | 54,023 | 33,497 | 28,339 | November 2008 |

*Note:*

(1) The delivery of 61% of the pre-sold GFA in World City, which contributed 62% of the sale proceeds received up to September 30, 2009, is expected to take place in 2010 in accordance with the delivery schedule under the relevant property sale agreement and the relevant sale proceeds will only be recognized as revenue upon delivery of such properties.

Except for the World City project and the delivery of the properties in World City and certain car parking spaces in Sapphire Peninsula (Xiamen), we did not complete any other projects or deliver any other properties to relevant customers in 2009.

**Sensitivity analysis on fair value of investment properties**

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

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Changes in revaluation increase percentage on investment properties compared to our estimated revaluation increase percentage on investment properties | -15% | -10% | -5% | 0% | 5% | 10% | 15% |
| Impact on estimated consolidated profit attributable to equity holders of the Company (RMB million) | (41.8) | (27.9) | (13.9) | — | 13.9 | 27.9 | 41.8 |

If the estimated fair value gain of our investment properties rises/declines by 5%, our net profit for the year ended December 31, 2009 will be not less than RMB378.9 million/RMB351.1 million, respectively (i.e. 3.8%) higher/lower, respectively, than our targeted 2009 net profit.

If the estimated fair value gain of our investment properties rises/declines by 10%, our net profit for the year ended December 31, 2009 will be not less than RMB392.9 million/RMB337.1 million, respectively (i.e. 7.6%) higher/lower, respectively, than our targeted 2009 net profit.

If the estimated fair value gain of our investment properties rises/declines by 15%, our net profit for the year ended December 31, 2009 will be not less than RMB406.8 million/RMB323.2 million, respectively (i.e. 11.5%) higher/lower, respectively, than our targeted 2009 net profit.

The above sensitivity illustration is intended for reference only, and any variation could exceed the ranges given, and potential investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive, and (ii) the profit estimate is subject to further and additional uncertainties. While we have considered for the purposes of the profit estimate what our Directors believe is the best estimate of the fair value of our investment properties as of December 31, 2009, the fair value of our investment properties and/or any fair value changes in our investment properties as of the relevant time may differ materially from our estimate, and is dependent on market conditions and other factors that are beyond our control. Our net profit attributable to our equity holders for the year ended December 31, 2009 will involve gains and losses that may arise on the fair value changes of our investment properties and our profit estimate involves estimates and assumptions in this regard which may prove to be incorrect.

**Profit estimate for the year ended December 31, 2009**

| | Before revaluation of investment properties net of deferred tax effect | After revaluation of investment properties net of deferred tax effect |
|---|---|---|
| Estimated consolidated net profit attributable to our equity holders *(Note 1)*................................................ | not less than RMB86 million (approximately HK$98 million) | not less than RMB365 million (approximately HK$414 million) |
| Unaudited pro forma estimated earnings per Share — Fully diluted *(Note 2)*........................ | not less than RMB0.030 (approximately HK$0.034) | not less than RMB0.128 (approximately HK$0.145) |

*Notes:*

(1) The bases and assumptions on which the above profit estimate has been prepared are set out in Appendix III to this prospectus.

(2) The calculation of the estimated earnings per Share on a pro forma basis is based on the estimated consolidated net profit attributable to our equity holders for the year ended December 31, 2009 assuming that our Company had been listed since January 1, 2009 and a total of 2,853,200,000 Shares were in issue during the entire year, respectively. This calculation assumes that neither the Over-allotment Option nor the options which may be granted under the Share Option Scheme will be exercised.

(3) The unaudited pro forma estimated earnings per Share of RMB0.128 as presented in Appendix II to this prospectus has not taken into account any Shares which may be issued upon the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme.

With a view to obtaining additional capital to fund our property development business, we and the Controlling Shareholders entered into a subscription agreement with May Star Holdings Limited, Metro Crown Holdings Limited, Lead Choice International Limited, Keywell International Investment Limited, Prime Courage International Limited, Goodwill International (Holdings) Limited, Standard Investment Management Limited, Park Commercial Holdings Limited, Infinite Ocean Holdings Limited, Times Land Limited and Bright Master Investments Limited (collectively, the "**Financial Investors**") on August 21, 2009 pursuant to which, the Financial Investors agreed to subscribe for an aggregate 12,660 Shares (representing 11.24% of the enlarged issued share capital of the Company immediately after completion of such subscription) for a total consideration of HK$775,383,360 (the "**Pre-IPO Placing**"). Completion of the subscription by the Financial Investors took place on August 28, 2009. For details of the Pre-IPO Placing and each of the Financial Investors, please refer to the section headed "History, Reorganization and Group Structure — Investment by Financial Investors" in this prospectus.

## USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,679 million (assuming an Offer Price of HK$2.95 per Offer Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering and assuming that the Over-allotment Option is not exercised.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 50%, which represents approximately HK$839.5 million, will be used for payment of outstanding land premiums and to acquire new land for development in the PRC, including approximately HK$493 million for payment of the land premium for the Sapphire Peninsula (Quanzhou) (Phase 2), HK$102 million for the payment of the land premium for the parcel of land in Nan'an we obtained through the bidding process on January 6, 2010 and the remaining amount of approximately HK$244.5 million will be used for the future acquisition of new land for development in the PRC. As of the date of this prospectus, our Directors confirm that our Company has not entered into any agreement or negotiation, nor do we have any definite plans at present, in relation to any potential acquisition of new land other than as disclosed in this prospectus;

- approximately 40%, which represents approximately HK$671.6 million, will be used for the development of our existing property projects, including HK$200 million for Sapphire Peninsula (Quanzhou) (Phase 1), HK$200 million for Sapphire Peninsula (Quanzhou) (Phase 2), HK$100 million for Sapphire Boomtown (Phase 1), HK$100 million for Sapphire Boomtown (Phase 2) and HK$71.6 million for SCE International Community (Phase 1); and

- approximately 10%, which represents approximately HK$167.9 million, will be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK$3.30 per Offer Share, being the highest end of the stated Offer Price range, the net proceeds will be increased by approximately HK$204 million. If the Offer Price is fixed at HK$2.60 per Offer Share, being the lowest end of the stated Offer Price range, the net proceeds will be reduced by approximately HK$204 million. To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be approximately (i) HK$288 million (assuming an Offer Price of HK$3.30 per Offer Share, being the highest end of the stated Offer Price range), (ii) HK$258 million (assuming an Offer Price of HK$2.95 per Offer Share, being the mid-point of the estimated Offer Price range) and (iii) HK$227 million (assuming an Offer Price of HK$2.60 per Offer Share, being the lowest end of the stated Offer Price range). If the Over-allotment Option is exercised in full, our Directors intend to apply the net proceeds from the issue of additional Shares to the development of our existing property projects.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not commercially viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate proceeds to other existing or new property development projects.

To the extent that the net proceeds of the Global Offering, including any additional net proceeds that we would receive if the Over-allotment Option were exercised, are not immediately used for the purposes described above they will be placed in short term demand deposits with licensed banks or financial institutions.

## DIVIDENDS AND DIVIDEND POLICY

Subject to the Companies Law, we, through a general meeting, may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by our Board. Our Articles of Association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of our share premium account or any other fund or account which may be authorized for this purpose in accordance with the Companies Law.

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

Our Directors are expected to declare dividends, if any, in Hong Kong dollars with respect to Shares on a per Share basis and we expect to pay such dividends in Hong Kong dollars. Any declaration of dividends will depend upon a number of factors including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. There can be no assurance that dividends of any amount will be declared or distributed in any given year.

## GLOBAL OFFERING STATISTICS(1)

| | Based on an Offer Price of HK$2.60 | Based on an Offer Price of HK$3.30 |
|---|---|---|
| Market capitalization of our Shares (2) | HK$7,418 million | HK$9,416 million |
| Prospective price/earnings multiple | | |
| Pro forma fully diluted (3) | 17.9 times | 22.7 times |
| Unaudited pro forma adjusted consolidated net tangible asset value per Share (4) | HK$1.08 (RMB0.95) | HK$1.22 (RMB1.08) |

*Notes:*

1. All statistics in this table assume that the Over-allotment Option is not exercised.

2. The calculation of market capitalization is based on 2,853,200,000 Shares expected to be in issue following completion of the Global Offering and the Capitalization Issue.

3. The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the estimated earnings per Share for the year ended December 31, 2009, on a pro forma fully diluted basis at the respective Offer Prices of HK$2.60 and HK$3.30.

4. The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus and taking into account the indicative Offer Prices of HK$2.60 and HK$3.30 per Offer Share and 2,853,200,000 Shares expected to be in issue following the completion of the Global Offering and Capitalization Issue.