
HISTORY, REORGANIZATION AND GROUP STRUCTURE

HISTORY AND DEVELOPMENT

Our origin can be traced from SCG Hong Kong, a company founded by our Chairman, Mr. Wong, in 1995. Through this company, Mr. Wong started to focus on real estate development, property investment and management in China in 1996. We established our first project company in 1996 and completed our first property development project, Junda Center, in Quanzhou, Fujian Province in 1997. In 1998, we carried out an urban redevelopment project in Jin Huai Street in Quanzhou which laid the foundation for our further expansion into the real estate market in Fujian Province.

In 2000, we further explored and capitalized on opportunities in the property development market in Xiamen, Fujian Province and commenced our first property development project in Xiamen, namely the Jun Jing Garden project, a high-end residential project. After completing the Jun Jing Garden project, we began developing other projects in Xiamen through newly established project companies, which were each set up to manage and develop a specific project. These property development projects included Jade Lakefront Manor, a high-end villa developed in 2003, Green Lake Mansion, a luxury lakeside apartment complex developed in 2004, Sapphire Peninsula, a panoramic sea view apartment complex developed in 2005, and Seashore Suite No. 1, a low-density and deluxe sea view residential project developed in 2006.

Building on our experience in the real estate market in Fujian Province, and in light of the development of the economy and growth of the real estate market in the PRC at the time, we started focusing on the development of mid- to high-end residential properties, including villas, luxury hotel-style service apartments, large malls and residential complexes and commercial properties, as well as expanding into other regions in the PRC in 2006. In 2006, we started the Beijing World City property development project, comprising luxury hotel-style service apartments, deluxe mansions and a themed commercial street, located in the central business district of Beijing.

In 2006, we established our corporate headquarters in Xiamen, Fujian Province. Subsequently, we set up major operating subsidiaries and regional offices in Beijing, Shenzhen, Shanxi, Fuzhou, Quanzhou, Shishi, Nan'an, Jinjiang and Zhangzhou. In 2007, our Company was incorporated in contemplation of the Global Offering.

KEY DEVELOPMENTS PRIOR TO OUR REORGANIZATION

Since our establishment, we have set up or acquired project companies for some of our new property developments. Details of key establishments, acquisitions and disposals are set out below. For details regarding our developments, please refer to the section headed “Business — Our Property Development Business — Description of Our Property Development Projects” in this prospectus.

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Acquisition of SCE Seashore Suite No. 1

SCE Seashore Suite No. 1 is the project company in charge of the development of Seashore Suite No.1 in Xiamen. It was originally founded by seven individuals, who are Independent Third Parties, with a total registered capital of US\$2.1 million. In March 2003, for the purposes of further developing our business, Sunny Fond Investment Limited, our wholly-owned subsidiary, acquired the entire equity interest in SCE Seashore Suite No. 1. for a consideration of US\$2.1 million. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms. Upon completion of the acquisition and approval from relevant PRC Government authorities in March 2003, SCE Seashore Suite No. 1 became our wholly-owned subsidiary. In view of the additional capital required for the commencement of the development of Seashore Suite No. 1 in Haicang Port District, Xiamen, the registered capital of SCE Seashore Suite No. 1 was increased to US\$4 million in March 2004 and further to US\$7 million in March 2005. According to a capital verification report dated April 9, 2005, Sunny Fond Investment Limited had contributed US\$7 million in aggregate to the registered capital of SCE Seashore Suite No. 1 by March 2005.

Acquisition of SCE Xiamen Sapphire Peninsula

SCE Xiamen Sapphire Peninsula is the project company in charge of the development of Sapphire Peninsula (Xiamen). The company was originally founded in 1998 by two individuals and a PRC property development enterprise in Xiamen, all being Independent Third Parties, with a registered capital of RMB10 million. On September 20, 2003, for the purposes of further developing our business, Flash Ruby International Limited, one of our wholly-owned subsidiaries, acquired the entire equity interest in SCE Xiamen Sapphire Peninsula from the then shareholders for a consideration of RMB10 million. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms, and with reference to the then registered capital of SCE Xiamen Sapphire Peninsula. Upon completion of the acquisition and approval from the relevant PRC Government authorities in January 2004, SCE Xiamen Sapphire Peninsula became our wholly-owned subsidiary. In view of the additional capital required for the commencement of the development of Sapphire Peninsula (Xiamen), the registered capital and total investment amount of SCE Xiamen Sapphire Peninsula was increased to HK\$20 million in June 2005. According to a capital verification report dated June 9, 2005, Flash Ruby International Limited had contributed HK\$20 million in aggregate to the registered capital of SCE Xiamen Sapphire Peninsula by June 2005.

Acquisition of SCE World City

SCE World City is the project company in charge of the development of Beijing World City. It was originally founded by two PRC entities respectively incorporated in Beijing and Xiamen, both being Independent Third Parties, in 2004. In view of the property development opportunities in Beijing, in December 2004, SCE Xiamen acquired a 75% equity interest in SCE World City from one of the shareholders for a consideration of RMB7.5 million, representing 75% of the then total registered capital of SCE World City. Such consideration was agreed upon after arm's length consideration and on normal commercial terms. Upon completion of the acquisition, the parties further increased the registered capital of SCE World City to RMB70 million, pursuant to which SCE Xiamen made an aggregate capital contribution of RMB67.5 million, representing 96.4% of the total registered capital. In June 2005, the other shareholder transferred the 3.6% equity interest in SCE World City to another PRC company in

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Quanzhou, an Independent Third Party. In July 2005, the registered capital of SCE World City was further increased to RMB100 million, of which SCP International, our then 85%-owned subsidiary, contributed an additional RMB30 million and such contribution was completed in June 2006. After such capital contribution, SCE Xiamen held a 67.5% interest in SCE World City, SCP International held a 30% interest and the remaining shareholder held a 2.5% interest, and such 2.5% interest was acquired by SCE Xiamen for a consideration of RMB2.5 million in July 2007. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms, with reference to the then registered capital of SCE World City.

Establishment of SCE Xiamen Guanjun

In view of the attractive and convenient location of the parcel of land in Xiamen then held by Xiamen Aviation Industrial Company Limited* (廈門航空工業有限公司), SCE Xiamen entered into a cooperation agreement with Xiamen Aviation Industrial Company Limited on April 6, 2005, pursuant to which the companies agreed to incorporate SCE Xiamen Guanjun to manage the construction of SCE Building. Pursuant to the cooperation agreement, SCE Xiamen contributed RMB8 million, representing 80% of the total registered capital of SCE Xiamen Guanjun and Xiamen Aviation Industrial Company Limited contributed RMB2 million. Subsequently in July 2007, SCE Xiamen contributed an additional RMB30 million to SCE Xiamen Guanjun. Upon completion of the capital contribution by SCE Xiamen, SCE Xiamen owns a 95% equity interest and Xiamen Aviation Industrial Company Limited owns a 5% equity interest in SCE Xiamen Guanjun. Xiamen Aviation Industrial Company Limited has delegated all its power to SCE Xiamen in relation to the daily management and control over the operations of SCE Xiamen Guanjun. Each of Xiamen Aviation Industrial Company Limited and its ultimate beneficial owner is an Independent Third Party.

Acquisition of SCE Noble Mansion

SCE Noble Mansion is the project company in charge of the development of Noble Mansion in Quanzhou. SCE Noble Mansion was incorporated by Mr. Chen Yuanlai, one of our current Shareholders, and Mr. Wong Kin Nam, an Independent Third Party, on July 6, 2001. In November 2004, for the purposes of further developing our business, SCE Xiamen, our wholly-owned subsidiary, together with three Independent Third Parties, acquired the entire equity interest in SCE Noble Mansion, of which SCE Xiamen held a 12.75% equity interest. Pursuant to an agreement dated May 15, 2006, Gain Fortune (China) Limited acquired 30% of the total equity interests from one of the individual shareholders of SCE Noble Mansion. Subsequently, on July 31, 2007, the other shareholders sold all their then held shares in SCE Noble Mansion to SCE Xiamen and Gain Fortune (China) Limited for an aggregate consideration of RMB27.48 million, which was agreed upon based on arm's length negotiation and on normal commercial terms, and of which SCE Xiamen paid a total of RMB8.28 million for the additional 17.25% equity interest acquired from the other shareholders. Upon completion of the transfer in October 2007, SCE Xiamen held a 30% equity interest in SCE Noble Mansion and Gain Fortune (China) Limited held 70%. The board of directors of SCE Noble Mansion comprises three directors, including one director appointed by SCE Xiamen and two directors appointed by Gain Fortune (China) Limited. The board of directors are responsible for decision-making and management of the operations of SCE Noble Mansion. The approval of matters, including any increase or reduction in capital of SCE Noble Mansion, its profit distribution plan, financing and guarantee related matters, its business strategies, its property development plans and design proposals, its annual financial budget, as well as capital expenditures

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exceeding RMB100,000, are subject to the unanimous consent of all directors. In addition, pursuant to the cooperation agreement, profits of SCE Noble Mansion will be allocated to each of its shareholders based on their respective pro-rata equity interest and the shareholders shall bear additional liability pro rata to each of their contribution. Gain Fortune (China) Limited is a company owned equally by Chui Wai Fook (徐偉福) and Yeung Lin Kar (楊連嘉), who in turn equally own South Asia Real Estate Development Limited. South Asia Real Estate Development Limited is one of the leading local real estate developers in Quanzhou City and we believe cooperating with South Asia Real Estate Development Limited is beneficial to our Group. South Asia Real Estate Development Limited is also our joint venture partner with respect to our investment in SCE Golf Course and SCE Purple Lake International as disclosed below. The ultimate beneficial owners of South Asia Real Estate Development Limited are Independent Third Parties.

Acquisition of SCE Sunshine Town

SCE Sunshine Town is the project company in charge of the development of Sunshine Town in Nan'an. On May 16, 2005, for the purposes of further developing our business, SCE Xiamen acquired a 66.67% equity interest in SCE Sunshine Town from Quanzhou Junyi Engineering Construction Company Limited* (泉州市駿益工程建設有限公司), an Independent Third Party, for a consideration of RMB4 million, which was agreed upon after arm's length negotiation and on normal commercial terms. SCE Xiamen further contributed RMB14 million to SCE Sunshine Town on the same date. As a result of the acquisition and capital contribution, SCE Xiamen holds a 90% interest in SCE Sunshine Town, and the remaining 10% interest is held by Mr. Huang Jiayi, one of our current Shareholders and one of the original founders of SCE Sunshine Town. The above acquisition and capital contribution were completed in June 2005.

Acquisition of SCE Golf Course

In view of the property development opportunities in Jinjiang, South Asia Real Estate Development Limited and SCP International jointly acquired the then entire issued share capital in Well China International Investment Holdings Limited from its two individual shareholders, both Independent Third Parties, in October 2006 at par value. On the same day, further shares in Well China Investment Holdings Limited were allotted to both South Asia Real Estate Development Limited and SCP International at par value. Prior to the acquisition and allotment, Well China Investment Holdings Limited was a dormant company with no assets and no business operations. Upon completion of the acquisition and allotment, South Asia Real Estate Development Limited held 51% of the entire issued share capital of Well China International Investment Holdings Limited and SCP International held the remaining 49%. Pursuant to a shareholders' agreement, SCP International is entitled to a 50% voting right in the board of directors of Well China International Investment Holdings Limited. South Asia Real Estate Development Limited is one of the leading local real estate developers in Quanzhou City and we believe cooperating with South Asia Real Estate Development Limited is beneficial to our Group. South Asia Real Estate Development Limited is also our joint venture partner with respect to our investment in SCE Noble Mansion.

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In January 2007, Well China International Investment Holdings Limited acquired 49% of the entire issued share capital of Star Choice Holdings Limited from COSCO (H.K.) Property Development Limited and its associates for a consideration of HK\$108 million, which was agreed upon after arm's length negotiation and on normal commercial terms. This acquisition was completed in January 2007. Upon completion of the acquisition, the remaining 51% of the issued share capital of Star Choice Holdings Limited was held by COSCO (H.K.) Property Development Limited, holding 50% of the issued share capital, and StarField Investments Ltd., holding 1% of the issued share capital. Star Choice Holdings Limited legally and beneficially owns 85% of the issued and paid up share capital in SCE Golf Course, which currently owns a piece of land planned for development as a golf course in Jinjiang, and the remaining 15% of the equity interest in SCE Golf Course is held by China Shipowners Mutual Assurance Association. Each of COSCO (H.K.) Property Development Limited, StarField Investments Ltd, China Shipowners Mutual Assurance Association and their respective ultimate beneficial owners are Independent Third Parties.

Establishment of SCE Purple Lake International

SCE Purple Lake International is a project company incorporated by SCE Xiamen and an individual, an Independent Third Party, on March 26, 2007 in the PRC with a registered capital of RMB30 million, of which SCE Xiamen held a 49% equity interest and the individual shareholder held the remaining 51% equity interest. On March 5, 2008, for the purposes of further developing our business, the individual shareholder transferred his 51% equity interest to South Asia Real Estate Development Limited. South Asia Real Estate Development Limited is also our joint venture partner with respect to our investment in SCE Noble Mansion and SCE Golf Course. Pursuant to the cooperation agreement, the board of directors of SCE Purple Lake International shall comprise six directors, including three directors to be appointed by SCE Xiamen and three directors to be appointed by the other shareholder. Accordingly, we have appointed three directors to the board and hence are entitled to a 50% voting right in its board of directors. Daily management of SCE Purple Lake International has been delegated to members of its senior management, who were jointly appointed by the shareholders, except that the approval of certain matters, including the increase in capital of SCE Purple Lake International, its profit distribution plan, financing and guarantee related matters, its business strategies, its annual work plan and annual financial budget, as well as capital expenditures exceeding RMB100,000, are subject to the unanimous consent of all directors. In addition, pursuant to the cooperation agreement, profits of SCE Purple Lake International will be allocated to each of its shareholders based on their respective pro-rata equity interest and the shareholders shall bear additional liability pro rata to each of their contribution. In contemplation of the additional capital required for the development of SCE Purple Lake International, SCE Xiamen and South Asia Real Estate Development Limited agreed to increase the registered capital of SCE Purple Lake International from RMB30 million to RMB150 million in July 2009, of which RMB73.5 million was contributed by SCE Xiamen and RMB76.5 million was contributed by South Asia Real Estate Development Limited.

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Establishment of SCE Sapphire Uptown

SCE Sapphire Uptown was jointly incorporated by SCE Xiamen and Nan'an Huaxin Property Company Limited* (南安市華信房地產有限公司) on July 31, 2007 in the PRC with a total registered capital of RMB50 million, of which SCE Xiamen contributed RMB25.5 million, representing a 51% interest, and Nan'an Huaxin Property Company Limited contributed RMB24.5 million, representing a 49% interest. Nan'an Huaxin Property Company Limited is a property developer in Nan'an and an Independent Third Party. Pursuant to a shareholders' agreement, SCE Xiamen and Nan'an Huaxin Property Company Limited had agreed to jointly develop Sapphire Uptown in Nan'an. SCE Sapphire Uptown is the project company in charge of the development of Sapphire Uptown in Nan'an.

Acquisition of SCE Shanxi Yuanhong

SCE Shanxi Yuanhong is the project company in charge of the development of SCE International Community in Linfen, Shanxi. For the purposes of further developing our business, pursuant to an equity transfer agreement dated August 11, 2007, SCE Xiamen acquired a 60% equity interest in SCE Shanxi Yuanhong from Su Fulun (蘇福倫), an Independent Third Party, and the then sole shareholder of SCE Shanxi Yuanhong, for a consideration of RMB75 million, representing 60% of the total registered capital of SCE Shanxi Yuanhong. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms. On August 20, 2007, SCE Xiamen, Su Fulun and Zhongguan (Quanzhou) Technology Enterprise Limited* (中冠(泉州)科技實業有限公司) entered into a cooperation agreement to regulate the operations of SCE Shanxi Yuanhong and to increase its registered capital to RMB100 million, of which SCE Xiamen was responsible for contributing 60% of the registered capital, which amounted to RMB60 million, and each of Su Fulun and Zhongguan (Quanzhou) Technology Enterprise Limited was responsible for contributing 20% of the registered capital, which amounted to RMB20 million each. Pursuant to the cooperation agreement, each of the parties is entitled to appoint one director to the board of directors of SCE Shanxi Yuanhong for every 20% equity interest it holds. Further, on February 1, 2008, Su Fulun entered into an equity transfer agreement with Zhonghuirong (Fujian) Investment Company Limited* (中匯融(福建)創業投資有限公司), pursuant to which he agreed to transfer his entire 20% equity interest in SCE Shanxi Yuanhong to Zhonghuirong (Fujian) Investment Company Limited for a consideration of RMB20 million. Each of Zhongguan (Quanzhou) Technology Enterprise Limited and Zhonghuirong (Fujian) Investment Company Limited and their respective ultimate beneficial owners is an Independent Third Party.

Expiration of the operating term of Quanzhou Junda Property Development Co., Ltd.

Quanzhou Junda Property Development Co., Ltd. was one of our wholly-owned project companies which managed the Junda Center project. The construction of Junda Center was completed in September 1998 and had passed all requisite government inspections in January 1999. All of the saleable units of this project were sold in 1999. On March 18, 2006, the operating term of Quanzhou Junda Property Development Co., Ltd. expired. In order to avoid unnecessary administrative costs associated with the maintenance of this project company which solely managed the construction and sale of Junda Center, we did not extend the term of Quanzhou Junda Property Development Co., Ltd. Pursuant to relevant PRC laws and regulations, a company must operate within the term prescribed on its business license. As Junda Center, the sole development project of Quanzhou Junda Property Development Co., Ltd. was fully completed and sold at the time of the expiration of the operating term

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and Quanzhou Junda Property Development Co., Ltd has not been operating after the expiration of the operating term, our Directors are of the view that there was no material adverse effect on the development of Junda Center, as it was fully completed and sold at the time of the expiration of the operating term of Quanzhou Junda Property Development Co., Ltd.

Disposal of Chongqing Chuangguan Real Estate Development Co., Ltd

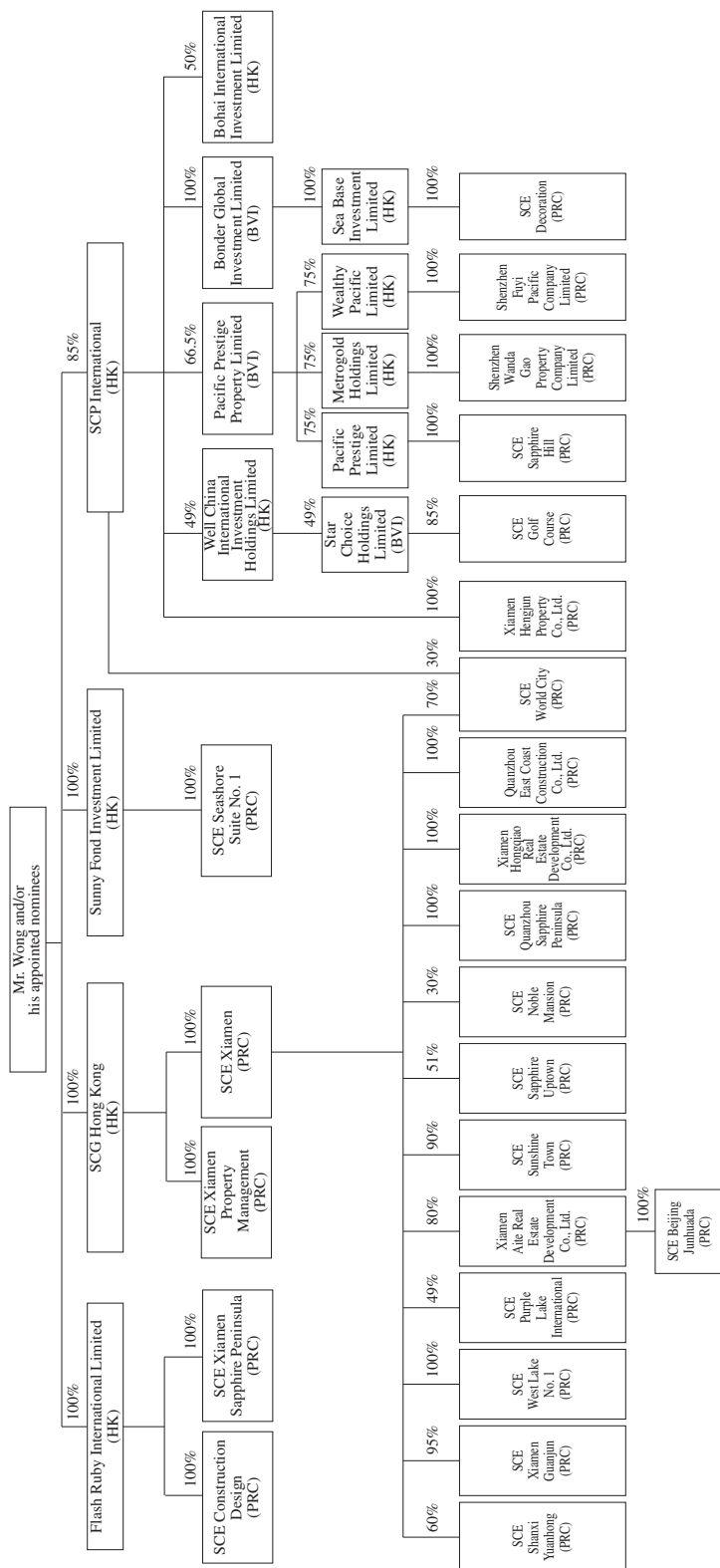
In May 2007, we disposed of our indirect interest in our jointly-controlled entity, Chongqing Chuangguan Real Estate Development Co., Ltd. through the sale of our 50% interest in Elite Land Development Limited to Warkaville Holdings Limited, a subsidiary of China Aoyuan Property Group Limited and an Independent Third Party, for a consideration of RMB185.8 million, of which RMB51.1 million was used to settle the then outstanding amount due to us from Chongqing Chuangguan Real Estate Development Co., Ltd. The total gain on disposal amounted to RMB34.9 million. The consideration was determined after arm's length negotiation and on normal commercial terms with reference to the market price of the properties nearby. The transaction was completed on May 31, 2007. Chongqing Chuangguan Real Estate Development Co., Ltd. is a project company originally acquired by SCP International in August 2004 as an initial investment in the Chongqing property development business. In order to focus on our strategies to further strengthen our leading position in the residential property development market in Fujian Province, we decided to dispose of Chongqing Chuangguan Real Estate Development Co., Ltd. At the date of the disposal, the principal asset of Chongqing Chuangguan Real Estate Development Co., Ltd. was a piece of land in Chongqing City and its principal liabilities were amounts due to related companies. No development or pre-sale had been commenced by Chongqing Chuangguan Real Estate Development Co., Ltd. before May 31, 2007.

Save as disclosed above, our other wholly-owned project companies, including SCE West Lake No. 1 and SCE Quanzhou Sapphire Peninsula, were incorporated by our Company during the Track Record Period in view of different property development opportunities in Fujian. For details of the properties developed by each of these wholly-owned project companies, please refer to the section headed "Business — Our Property Development Business — Description of Our Property Development Projects" in this prospectus. In addition, for details of the respective place and date of establishment and operations of such companies, as well as the nominal value of registered or paid-up capital, please refer to the section headed "II. Notes to Financial Information — 1. Corporate Information and Reorganization" in the Accountants' Report in Appendix IA.

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Corporate structure prior to the Reorganization

The following diagram sets out our corporate structure immediately prior to the Reorganization in contemplation of the Global Offering:



Note:

- Prior to the Reorganization, the entire issued share capital of each of Flash Ruby International Limited, Sunny Fund Investment Limited and SCG Hong Kong, and 85% of the issued share capital of SCP International were originally beneficially owned and directly held by Mr. Wong and/or his appointed nominees.
- Mr. Wong's appointed nominees were Mr. Wong Cheung Tak and Ms. Huang Chao Ying. Mr. Wong Cheung Tak is the brother-in-law of Mr. Wong and Ms. Huang is the sister of Mr. Wong.
- Mr. Wong Cheung Tak has signed four confirmations confirming that each registered share held in his name in the register of members of Flash Ruby International Limited, Sunny Fund Investment Limited, SCG Hong Kong and SCP International was held in trust exclusively for the sole benefit and to the order of Mr. Wong and that Mr. Wong Cheung Tak was a nominee with no right of title or interest.
- Ms. Huang Chao Ying has signed a confirmation confirming that each registered share held in her name in the register of members of SCP International was held in trust exclusively for the sole benefit and to the order of Mr. Wong and that she was a nominee with no right of title or interest.
- The above trust arrangements were all terminated on December 31, 2007 when all the issued shares in Flash Ruby International Limited, Sunny Fund Investment Limited, SCG Hong Kong and SCP International were transferred to Harbour Full Investments Limited, New Sky Investments Limited, Ally Health Investments Limited and Dragon Tale Investments Limited, respectively, after our Reorganization.

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OUR REORGANIZATION

We have taken the following steps as part of our Reorganization in contemplation of the Global Offering:

Incorporation of our Company and our offshore subsidiaries

Our Company was incorporated in the Cayman Islands on November 30, 2007, with a total issued share capital of one subscriber Share which was issued and allotted to Codan Trust Company (Cayman) Limited. On November 30, 2007, the subscriber Share was transferred to Newup and we issued and allotted an additional 99,999 Shares to Newup, an investment holding company incorporated in the BVI and directly and wholly-owned by Mr. Wong. Newup held a total of 100,000 Shares as of December 13, 2007, representing the then entire issued share capital of our Company.

Between August and October 2007, we had also incorporated six new direct and indirect wholly-owned subsidiaries in the BVI, namely Affluent Way, Harbour Full Investments Limited, New Sky Investments Limited, Ally Health Investments Limited, Dragon Tale Investments Limited and Sunsonic Investments Limited, to act as intermediate holding companies for holding equity interests in our operating subsidiaries and project companies. Our Company directly wholly-owns Affluent Way, which in turn wholly-owns each of the other five BVI subsidiaries as mentioned in this paragraph and, through such subsidiaries, the operating subsidiaries and project companies within our Group.

Transfer of the Hong Kong and BVI intermediate holding companies of our operating subsidiaries and project companies to our newly incorporated offshore intermediate holding companies

Following the incorporation of our Company and our offshore subsidiaries, with a view to simplifying our shareholding structure, all the issued shares in the Hong Kong and BVI intermediate holding companies of our operating subsidiaries and project companies then held, either directly or indirectly, by Mr. Wong and/or his appointed nominees, were transferred to our various newly incorporated offshore intermediate holding companies on December 31, 2007.

As a result, the entire issued share capital of Flash Ruby International Limited was transferred to Harbour Full Investments Limited; the entire issued share capital in Sunny Fond Investment Limited was transferred to New Sky Investments Limited; the entire issued share capital of SCG Hong Kong was transferred to Ally Health Investments Limited; 85% of the entire issued share capital of SCP International was transferred to Dragon Tale Investments Limited, and 66.5% of the entire issued share capital of Pacific Prestige Property Limited and the entire issued share capital of Bonder Global Investment Limited was transferred to Affluent Way.

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Transfer of part of our Shares from Newup to other shareholders

On December 31, 2007, Newup, the then sole Shareholder of our Company, transferred an aggregate of 18% of our issued share capital equally amongst each of Rising Trade (a BVI investment holding company directly and wholly-owned by Mr. Chen Yuanlai), Wealthy Gate (a BVI investment holding company directly and wholly-owned by Mr. Cheng Hiu Lok) and Merit Star (a BVI investment holding company directly and wholly-owned by Mr. Huang Jiaxi), at an aggregate consideration of RMB85,722,000 paid by each of the transferees in equal proportions, which was agreed upon with reference to the audited pro forma consolidated net asset value of our Company as at September 30, 2007, and after arm's length negotiation and on normal commercial terms. Each of Mr. Chen Yuanlai, Mr. Cheng Hiu Lok and Mr. Huang Jiaxi are business partners or acquaintances of Mr. Wong and the transfers were made as a commercial arrangement. Mr. Chen, Mr. Cheng and Mr. Huang decided to co-invest in our business in consideration of (i) each of their then involvement in the real estate industry and were interested in investing in a real estate venture, and (ii) the opportunity to jointly invest in a real estate business with an existing business partner. Mr. Huang Jiaxi was an Independent Third Party at the time of the share transfer and did not, and currently does not, have any other relationship with our Company, our Directors and our senior management save as disclosed herein.

Upon completion of the above transfers, Newup, Rising Trade, Wealthy Gate and Merit Star, held 82%, 6%, 6% and 6%, respectively, of the equity interests in our Company.

Disposal or dissolution of our subsidiaries and project companies for completed projects

(1) Xiamen Hengjun Property Co., Ltd.

On July 9, 2008, SCP International, one of our wholly-owned subsidiaries, transferred the entire equity interest in Xiamen Hengjun Property Co., Ltd., our wholly-owned subsidiary, to an Independent Third Party at a consideration of RMB2,288,280.95. Such consideration was agreed upon with reference to the net asset value of Xiamen Hengjun Property Co., Ltd. on April 30, 2008 and after arm's length negotiation and on normal commercial terms. Prior to the disposal, Xiamen Hengjun Property Co., Ltd. was principally engaged in property investment and management businesses. In particular, it managed and owned a number of carpark spaces, in which the purchaser of Xiamen Hengjun Property Co., Ltd. was interested in investing. Xiamen Hengjun Property Co., Ltd. had not carried out any property development activities from the date of its incorporation to the date of the disposal.

(2) Xiamen Aite Real Estate Development Co., Ltd.

In line with industry practice, each of our projects was developed through a project company established in the PRC. In December 2008, in contemplation of the Global Offering and in order to avoid unnecessary administrative costs incurred for maintenance of project companies for completed projects, we dissolved one of our project companies, Xiamen Aite Real Estate Development Co., Ltd.* (廈門艾特房地產開發有限公司), which developed the Green Lake Mansion, a project that was completed in August 2006. The dissolution was approved by the relevant PRC Government authorities and became effective

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on January 9, 2009. For details relating to the development, please refer to the section headed “Business — Our Property Development Business — Description of Our Property Development Projects — Other projects which are fully completed and sold and therefore not included in our land bank — Green Lake Mansion” in this prospectus.

Acquisition of additional equity interests in existing operating subsidiaries

(1) Pacific Prestige Limited

Pacific Prestige Limited was incorporated on March 24, 2006 by Pacific Prestige Inc., a company incorporated in the United States and an Independent Third Party. In April 2006, our subsidiary, Pacific Prestige Property Limited, originally acquired (by subscription) a 75% equity interest in Pacific Prestige Limited at par value amounting to HK\$75. Pacific Prestige Limited had no assets and was not engaged in any active business operations at the time of the subscription.

Pacific Prestige Property Limited is a company incorporated in the BVI on March 15, 2006, in which our subsidiary, Affluent Way, holds a 66.5% interest, and our joint venture partners, Rise Way Resources Limited (威振資源有限公司) and Hardwell International Limited (毅華國際有限公司), both Independent Third Parties, holds a 20% and 13.5% interest, respectively.

Pacific Prestige Limited wholly owns SCE Sapphire Hill, a company incorporated in the PRC and the subsidiary through which we plan to develop the Sapphire Hill project in Shenzhen City, the details of which are set out in the section headed “Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects to be acquired for future development — Sapphire Hill” in this prospectus.

With a view to increasing our interest in the Sapphire Hill project, we acquired an additional 20% interest in Pacific Prestige Limited from Pacific Prestige Inc. for a consideration of HK\$74,150,000. Such consideration was settled by the transfer of our 75% equity interest stake in Metrogold Holdings Limited and Wealthy Pacific Limited to Pacific Prestige Inc. for a nominal consideration of HK\$75 each, being the equivalent of the par value of the shares in each of the companies then held by Pacific Prestige Property Limited and which was determined in consideration of their respective net liabilities as of the date of the disposal, and a waiver of our outstanding shareholder’s loan in each of these companies, which in aggregate amounted to approximately HK\$74 million. Prior to the completion of the transaction, our 66.5% owned subsidiary, Pacific Prestige Property Limited held a 75% equity interest in each of Metrogold Holdings Limited and Wealthy Pacific Limited. Metrogold Holdings Limited and Wealthy Pacific Limited were investment holding companies and each held a subsidiary in the PRC, which subsidiaries were previously intended to be used for acquiring land banks for future development. As the respective progress in acquiring land banks for future development by each of Metrogold Holdings Limited and Wealthy Pacific Limited was slower than expected, our Group decided to dispose of our interest in each of these companies. As of the date of the disposal, Metrogold Holdings Limited and Wealthy Pacific Limited were not engaged in any active business operations and the consolidated net liabilities of Metrogold Holdings Limited and its subsidiary, and Wealthy Pacific Limited and its subsidiary,

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as of such date, were approximately RMB445,000 and RMB154,000, respectively. This transaction was completed on December 27, 2007. Upon completion of the transaction, Pacific Prestige Property Limited holds a 95% equity interest in Pacific Prestige Limited and does not have any equity interest in either Metrogold Holdings Limited or Wealthy Pacific Limited.

(2) *SCP International*

On December 31, 2007, as part of the Reorganization, Dragon Tale Investments Limited, our then newly-incorporated wholly-owned subsidiary, acquired the remaining 15% of the issued share capital in SCP International from Mr. Cheng Hiu Lok at a consideration of HK\$1,327,834. Such consideration was calculated based on the audited net asset value of SCP International as of September 30, 2007, agreed upon after arm's length negotiation and on normal commercial terms. SCP International, through its operating subsidiaries, was mainly engaged in property development in Quanzhou. Upon completion of the acquisition, SCP International became our indirectly wholly-owned subsidiary.

(3) *SCE Sunshine Town*

SCE Sunshine Town, our subsidiary incorporated in the PRC, is developing the Sunshine Town project in Nan'an City. Prior to January 2008, SCE Xiamen, our indirect wholly-owned subsidiary, held a 90% equity interest and Mr. Huang Jiayi, one of our current Shareholders, held a 10% equity interest in SCE Sunshine Town. In January 2008, SCE Xiamen acquired the remaining 10% equity interest in SCE Sunshine Town from Mr. Huang Jiayi at a consideration of RMB2 million. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms. Upon completion of this acquisition, SCE Sunshine Town became our wholly-owned subsidiary. In November 2008, we further contributed RMB50 million to increase the registered capital of SCE Sunshine Town in contemplation of the commencement of the development of the Sunshine Town project.

(4) *Bohai International Investment Limited and SCE World City*

Bohai International Investment Limited is an investment holding company incorporated in Hong Kong on July 12, 2000. SCP International, our wholly-owned subsidiary, and Womei International Limited (沃美國際有限公司), each held 50% of the issued share capital of Bohai International Investment Limited. Each of Womei International Limited and its ultimate beneficial owner is an Independent Third Party.

On March 7, 2008, to further simplify our corporate structure, SCP International transferred all its 50% interest in Bohai International Investment Limited to Dragon Tale Investments Limited, our indirect wholly-owned subsidiary at par value, for a total consideration of HK\$5,000, which was determined after arm's length negotiation and on normal commercial terms. On the same date, Dragon Tale Investments Limited acquired the remaining 50% interest in Bohai International Investment Limited from Womei International Limited at par value, for a total consideration of HK\$5,000. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms. At the time of the acquisition, Bohai International Investment Limited was a dormant company with no assets and no business operations. Upon completion of the transfer and the acquisition, Bohai International Investment Limited became our indirect wholly-owned subsidiary.

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To further simplify our corporate structure, SCP International, our wholly-owned subsidiary, transferred 30% interests it held in SCE World City to Bohai International Investment Limited, our wholly-owned subsidiary, on May 7, 2009 for a total consideration of RMB30 million. In July 2009, SCE Xiamen, our wholly-owned subsidiary, transferred the remaining 70% interests it held in SCE World City to Bohai International Investment Limited for a total consideration of RMB70 million. As a result of these transfers, SCE World City became a wholly-owned subsidiary of Bohai International Investment Limited. SCE World City is responsible for developing the World City project in Beijing, the details of which are set out in the section headed “Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Completed projects for sale or investment — World City” in this prospectus.

REGULATION ON THE ACQUISITION OF DOMESTIC ENTERPRISES BY FOREIGN INVESTORS

On August 8, 2006, six PRC Government authorities, including MOFCOM and the CSRC, promulgated a new regulation, namely the Regulations on the Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “**Acquisition Regulation**”), effective September 8, 2006. Article 40 of the Acquisition Regulation (“**Article 40**”) requires that an offshore special purpose vehicle formed for listing purposes and controlled directly or indirectly by PRC companies or residents shall obtain the approval of the CSRC prior to the listing and trading of the securities of such offshore special purpose vehicle on an overseas stock exchange. Based on its understanding of current PRC laws, regulations and rules, our PRC legal advisor has advised us that Article 40 does not apply to our Group and that the listing of our Company on the Hong Kong Stock Exchange does not require CSRC approval as our ultimate shareholder, Mr. Wong, was a resident of Hong Kong when he founded our Group in 1995 and is not considered a PRC domestic natural person. Accordingly, our Company founded by Mr. Wong is not considered a special-purpose company as defined in Article 39 which falls within the scope of application of Article 40.

RECENT DEVELOPMENTS

Since our Reorganization, we have acquired a number of operating subsidiaries and project companies in order to capitalize on opportunities available in the regions where we primarily focus our business and developments, as well as to expand our capabilities on property development related services.

(1) *SCE Sapphire Boomtown*

SCE Sapphire Boomtown is a company incorporated in the PRC on March 27, 2003, which owns the site for the development of Sapphire Boomtown in Zhangzhou. To increase our Group’s land bank, Flash Ruby International Limited, through its wholly-owned subsidiary SCE Xiamen Sapphire Peninsula, entered into agreements with the original founders of SCE Sapphire Boomtown and their associates on November 26, 2007, pursuant to which SCE Xiamen Sapphire Peninsula agreed to acquire the entire outstanding equity interest of and assume all the outstanding shareholders’ loan in SCE Sapphire Boomtown from each of Chen Youhu (陳友護), Chen Youfa (陳友發), Gao Longshang (高龍山) and Yang Jinhui (楊金輝) (collectively, the “**Original Founders**”), each an Independent Third Party and who held 25%, 25%, 20% and 30%, respectively, equity interests in SCE Sapphire Boomtown. The aggregate consideration for the acquisition and the assignment of the then outstanding shareholders’ loan was

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approximately RMB454 million. Such consideration was agreed upon after arm's length negotiation and on normal commercial terms. The transaction was completed on December 25, 2007. Subsequently, on July 1, 2009, the Original Founders entered into agreements with SCE Xiamen Sapphire Peninsula to repurchase 20% of the outstanding equity interest in SCE Sapphire Boomtown, of which Chen Youhu acquired 3.75%, Chen Youfa acquired 3.75%, Yang Jinhui acquired 7.5% and Gao Longshan acquired 5%. The aggregate consideration for the repurchase amounted to approximately RMB91 million, which was based on 20% of the same consideration paid by SCE Xiamen Sapphire Peninsula in 2007, including 20% of the then outstanding shareholders' loan. Our Directors believe that the Original Founders possess extensive experience and expertise in real estate development in Zhangzhou and that their participation and involvement in our development of Sapphire Boomtown will be beneficial to us. For details in relation to the development, please refer to the section headed "Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects held for future development — Sapphire Boomtown. The repurchase was completed on August 31, 2009 and is currently undergoing the necessary registration procedures with relevant government authorities.

(2) *SCE Wuyi Oasis*

SCE Wuyi Oasis is the project company in charge of the development of Wuyi Oasis in Fuzhou. It is wholly-owned by Poly-Wuyi (Hong Kong) Development Limited, in which we held a 50% interest through Wai Cheong Enterprises Limited and Polytic (China) Properties Investment Holdings Limited. The remaining 50% interest is held by Wu Yi Enterprises Co., Ltd., a subsidiary of China Wuyi Co., Ltd., a company listed on the Shenzhen Stock Exchange.

In view of its prime and convenient location, our Company decided to invest in Wuyi Oasis. Pursuant to a share transfer agreement dated December 5, 2007, our subsidiary, Affluent Way, acquired the entire issued share capital of Wai Cheong Enterprises Limited and Polytic (China) Properties Investment Holdings Limited, respectively, from Bai Yuan (China) Holdings Investment Management Company Limited. Each of Bai Yuan (China) Holdings Investment Management Company Limited and its ultimate beneficial owners is an Independent Third Party. The aggregate consideration of the acquisition was RMB62,280,000. Such consideration was agreed upon after arm's length negotiation, on normal commercial terms, and was calculated based on the net asset value of SCE Wuyi Oasis as of October 31, 2007. Affluent Way also accepted the assignment of the then outstanding shareholders' loan owed to Wai Cheong Enterprises Limited and Polytic (China) Properties Investment Holdings Limited by SCE Wuyi Oasis, at cost, which totaled HK\$13,300,400. These share transfers were completed on January 5, 2008.

The first and second phases of the Wuyi Oasis project were substantially completed at the time of the acquisition. For details, please refer to the sections headed "Business — Our Property Development Business — Description of our Property Development Projects — Our Land Bank — Completed projects for sale or investment — Wuyi Oasis (Phases 1 and 2)" and "Projects under development — Wuyi Oasis (Phase 3)" in this prospectus.

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(3) *New Bright Construction & Landscape Limited and Royal Dragon International Advertising Limited*

On December 31, 2007, Sunsonic Investments Limited, one of our wholly-owned subsidiaries, acquired the entire issued share capital of each of New Bright Construction & Landscape Limited and Royal Dragon International Advertising Limited, both Hong Kong incorporated companies, from Mr. Huang Jiayi, one of our current minority shareholders, at par value, for a total consideration of HK\$100, respectively. These companies are dormant companies with no assets and no business operations and were acquired in contemplation of future expansion into property development related business.

(4) *SCE Golden Coast*

In order to further expand into Fujian Province and to take advantage of the construction and development already undertaken in the Golden Coast project in Shishi City, our wholly-owned subsidiary, Affluent Way, established Grand Richy Investments Limited, an associate of our Company in which we hold 45% equity interest, Capture Development Limited holds 30% equity interest and Mankind Development Company Limited (萬佳發展有限公司) holds 25% equity interest, on April 18, 2008 to acquire Aupoint International Holdings Limited. Pursuant to a cooperation agreement entered into among Affluent Way, Mankind Development Company Limited and Capture Development Limited, the board of directors of Grand Richy Investment Limited comprised six directors, including three directors appointed by SCE Xiamen. Aupoint International Holdings Limited wholly owns SCE Golden Coast, which is the project company responsible for managing the Golden Coast project in Shishi City. Each of Capture Development Limited, Mankind Development Company Limited, and their respective ultimate beneficial owners, is an Independent Third Party.

On June 26, 2008, Grand Richy Investments Limited entered into an agreement with the then existing shareholders of Aupoint International Holdings Limited, each an Independent Third Party, to acquire from them the entire issued share capital of Aupoint International Holdings Limited at an aggregate consideration of HK\$300,000,000, which included an assignment of a shareholder's loan, of which HK\$200,000,000 was already paid as at the Latest Practicable Date and the remaining HK\$100,000,000 is payable on December 31, 2009. Such consideration was determined after arm's length negotiation and on normal commercial terms. This transaction was completed on June 30, 2009.

SCE Golden Coast is the project company in charge of the development of Golden Coast in Shishi City and is wholly-owned by Aupoint International Holdings Limited. For details of the Golden Coast project, please refer to the section headed "Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects held for future development — Golden Coast" in this prospectus.

(5) *SCE Quanzhou Property Management*

In view of the increasing number of our developments in Quanzhou and the need to maintain the quality and image of the properties that we have developed, on August 4, 2008, SCE Xiamen Property Management, our wholly-owned subsidiary, acquired the entire equity interest in SCE Quanzhou Property Management (formerly known as Quanzhou Junhe Property Management Co., Ltd.

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(泉州眾和物業管理有限公司)) from Mr. Xu Shaohua, an Independent Third Party, for a total consideration of RMB1,000,000, which is equivalent to the total registered capital of SCE Quanzhou Property Management. The principal business activity of SCE Quanzhou Property Management is property management for the Century Star and West Lake No. 1 developments in Quanzhou.

(6) *SCE World City Management*

On August 21, 2008, our wholly-owned subsidiary, Affluent Way, acquired the entire issued share capital of Sourceup International Limited, an investment holding company incorporated in the BVI, from Mr. Huang Jiayi, one of our current Shareholders, at par value, for total consideration of US\$100. Sourceup International Limited in turn wholly-owns Max Fresh Investments Limited, a limited liability company incorporated in the BVI. Both of these companies are investment holding companies.

Max Fresh Investments Limited wholly owns SCE World City Management. As of the date of this prospectus, SCE World City Management is a dormant company with no assets and no business operations.

(7) *SCE Fortune Plaza*

SCE Fortune Plaza is the project company in charge of the development of the Fortune Plaza project in Quanzhou. SCE Fortune Plaza also wholly-owns SCE Sports Center, the company in charge of the management of Quanzhou Haixia Sports Center (海峽體育中心), which is located next to our Fortune Plaza project. In view of opportunities arising from the acceleration of the development of the Western Taiwan Strait Economic Zone proposed by the PRC Government, SCE Xiamen, our wholly-owned subsidiary, entered into a share transfer agreement with each of Ding Shizhong (丁世忠), Feili Group (Fujian) Co., Ltd.* (菲莉集團(福建)有限公司), Lai Shixian (賴世賢), Fujian Haoyiju Investment Development Company Limited* (福建好易居投資發展有限公司) and Quanzhou Huanqiu Shoes and Garments Co., Ltd.* (泉州寰球鞋服有限公司) (collectively, the “**Fortune Plaza Sellers**”), each being an Independent Third Party, on September 15, 2009, pursuant to which SCE Xiamen agreed to acquire a 58% equity interest in SCE Fortune Plaza from the Fortune Plaza Sellers for aggregate consideration of RMB859,400,000, which has been fully settled as of the Latest Practicable Date. Such consideration was agreed upon after arm’s length negotiation and on normal commercial terms. Completion of the acquisition took place on September 22, 2009. Each of SCE Xiamen, Ding Shizhong, Feili Group (Fujian) Co., Ltd. and Fujian Haoyiju Investment Development Company Limited will hold a 58%, 17%, 15% and 10% equity interest in SCE Haixi, respectively. For details of the Fortune Plaza project, please refer to the sections headed “Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects under development — Fortune Plaza (Phase 1)” and “Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects held for future development — Fortune Plaza (Phases 2 and 3)” in this prospectus.

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(8) *SCE Regent*

In view of the opportunities for property development in Haicang, SCE Xiamen, our wholly-owned subsidiary, established SCE Regent on November 12, 2009 in the PRC with a registered capital of RMB144 million. SCE Regent will be in charge of the development of the Regent project. Further, on November 16, 2009, SCE Xiamen entered into a cooperation agreement with Mateland Holdings Limited, pursuant to which Mateland Holdings Limited agreed to further inject RMB96 million to the registered capital of SCE Regent. As of the Latest Practicable Date, the increase in registered capital of SCE Regent to RMB240 million as contemplated under the cooperation agreement has been approved by the relevant government authorities, but pending completion of the capital verification and the relevant registration procedures. As a result of such increase in registered capital, SCE Regent became a sino-foreign joint venture and 60% of its total registered capital is held by SCE Xiamen and 40% by Mateland Holdings Limited. Mateland Holdings Limited is indirectly held as to 75% by James Pei Chun Tien, Michael Puk Sun Tien and Tien Huynh Ngoc Hoa, Mary, who are also the ultimate beneficial owners of Park Commercial, one of our Financial Investors, which subscribed for 490 Shares in the Pre-IPO Placing, representing 0.44% and 0.33% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively. In addition, Mr. Fung Ka Pun, our non-executive Director, is also a director of Mateland Holdings Limited.

For details of the Regent project, please refer to the section headed “Business — Our Property Development Business — Description of Our Property Development Projects — Our Land Bank — Projects contracted to be acquired — The Regent” in this prospectus.

(9) *SCE Shanxi Yuanhong*

On January 4, 2010, SCG Hong Kong, one of our wholly-owned subsidiaries, entered into a non-legally binding letter of intent with Asia-Link (China) Investment Ltd., a holding company of Zhongguan (Quanzhou) Technology Enterprise Limited* (中冠(泉州)科技實業發展有限公司), with respect to the proposed acquisition of 20% equity interest in SCE Shanxi Yuanhong currently held by Zhongguan (Quanzhou) Technology Enterprise Limited* (中冠(泉州)科技實業發展有限公司) by our Group. Pursuant to the letter of intent, the parties agreed to enter into a legally binding share transfer agreement, which shall set out the terms and conditions and the consideration for the proposed acquisition, within 90 days from the date of the letter of intent. Completion of the share transfer is to take place upon the completion of the relevant registration procedures with the relevant government authorities, which is currently expected to be within 30 days from the date of the definitive share transfer agreement.

OUR MAIN OPERATING SUBSIDIARIES, JOINTLY-CONTROLLED ENTITIES AND ASSOCIATES

As of the Latest Practicable Date, we owned 27 main operating subsidiaries, jointly-controlled entities, and project companies, all of which are engaged in real estate development and other ancillary businesses.

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The following table is a summary of the corporate information of our main operating subsidiaries, jointly-controlled entities and project companies:

No.	Company (Place of Incorporation)	Project/Business	Our Shareholding	Details of Other Shareholders (if any)
(1)	SCE Construction Design (PRC)	Construction design services	100%	—
(2)	SCE Xiamen Sapphire Peninsula (PRC)	Sapphire Peninsula in Xiamen	100%	—
(3)	SCE Property Agency (PRC)	Property agency services for Seashore Suite No. 1 in Xiamen, West Lake No. 1 and Century Star in Quanzhou	Wholly-owned by China Bright Investments Limited, one of our associates in which we hold a 20% interest through our wholly-owned subsidiary Harbour Full Investments Limited, which jointly established China Bright Investments with other majority shareholders on July 10, 2009	Each of Chang Yung Yi (張永義) and Li Shih Hua (李世華) holds 50% and 30% interest, respectively, in China Bright Investments Limited
(4)	SCE Seashore Suite No. 1 (PRC)	Seashore Suite No.1 in Xiamen	100%	—
(5)	SCE Xiamen (PRC)	Investment holding and trading of construction materials	100%	—
(6)	SCE Xiamen Property Management (PRC)	Property management for Green Lake Mansion, Jade Lakeside Villas, Sapphire Peninsula and SCE Building in Xiamen	100%	—
(7)	SCE Quanzhou Property Management (PRC)	Property management for Century Star and West Lake No. 1 in Quanzhou	100%	—
(8)	SCE Sapphire Hill (PRC)	Sapphire Hill in Shenzhen	63.175% equity interest held indirectly through Pacific Prestige Property Limited, our 66.5%-owned subsidiary, which in turn owns 95% equity interests in Pacific Prestige Limited, the holding company of SCE Sapphire Hill	36.825% equity interest indirectly held by the following companies: - Rise Way Resources Limited (威振資源有限公司) (owns 20% interest in Pacific Prestige Property Limited) - Hardwell International Limited (毅華國際有限公司) (owns 13.5% interest in Pacific Prestige Property Limited) - Pacific Prestige Inc. (owns 5% interest in Pacific Prestige Limited)
(9)	SCE Decoration (PRC)	Interior design and decoration for various projects of our Company	100%	—

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No.	Company (Place of Incorporation)	Project/Business	Our Shareholding	Details of Other Shareholders (if any)
(10)	SCE World City (PRC)	World City in Beijing	100%	—
(11)	New Bright Construction & Landscape Limited (HK)	Landscaping for various projects of our Company	100%	—
(12)	Royal Dragon International Advertising Limited (HK)	Advertising for various projects of our Company	100%	—
(13)	SCE Wuyi Oasis (PRC)	Wuyi Oasis in Fuzhou	50% equity interest indirectly held through Poly-Wuyi (Hong Kong) Development Limited, which in turn wholly owns SCE Wuyi Oasis	50% equity interest is indirectly held by Wuyi Enterprises Co. Ltd through Poly-Wuyi (Hong Kong) Development Limited
(14)	SCE Golden Coast (PRC)	Golden Coast in Shishi	45% equity interest indirectly held by Affluent Way through its 45% interests in Grand Richy Investments Limited, which in turn wholly owns Aupoint International Holdings Limited, the holding company of SCE Golden Coast	55% equity interest indirectly held by Capture Development Limited (as to 30%) and Mankind Development Company Limited (萬佳發展有限公司) (as to 25%) through Grand Richy Investments Limited
(15)	SCE Sapphire Boomtown (PRC)	Sapphire Boomtown in Zhangzhou	80%	20% equity interest is held by the following individuals: <ul style="list-style-type: none"> - Gao Longshan (高龍山) as to 5% - Chen Youhu (陳友護) as to 3.75% - Chen Youfa (陳友發) as to 3.75% - Yang Jinhui (楊金輝) as to 7.5% (pending completion of registration)
(16)	SCE Shanxi Yuanhong (PRC)	SCE International Community in Linfen	60%	40% equity interest is held by the following Independent Third Parties: <ul style="list-style-type: none"> - Zhongguan (Quanzhou) Technology Enterprise Development Company Limited* (中冠(泉州)科技實業發展有限公司) as to 20% - Zhonghuirong (Fujian) Investment Company Limited* (中匯融(福建)創業投資有限公司) as to 20%

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No.	Company (Place of Incorporation)	Project/Business	Our Shareholding	Details of Other Shareholders (if any)
(17)	SCE Xiamen Guanjun (PRC)	SCE Building in Xiamen	95%	5% equity interest is held by Xiamen Aviation Industrial Company Limited* (廈門航空工業有限公司)
(18)	SCE West Lake No. 1 (PRC)	West Lake No. 1 in Quanzhou	100%	—
(19)	SCE Purple Lake International (PRC)	Purple Lake International in Jinjiang	49%	51% equity interest is held by South Asia Real Estate Development Limited
(20)	SCE Noble Mansion (PRC)	Noble Mansion in Quanzhou	30%	70% equity interest is held by Gain Fortune (China) Limited
(21)	SCE Quanzhou Sapphire Peninsula (PRC)	Sapphire Peninsula in Quanzhou	100%	—
(22)	SCE Sunshine Town (PRC)	Sunshine Town in Quanzhou	100%	—
(23)	SCE Sapphire Uptown (PRC)	Sapphire Uptown in Nan'an	51%	49% equity interest is held by Nan'an Huaxin Property Company Limited* (南安市華信房地產有限公司)
(24)	SCE Golf Course (PRC)	Development of a Golf Course in Jinjiang	20.4085% effective equity interests held indirectly through our 49% jointly-controlled entity, Well China International Investment Holdings Limited, which in turn holds 49% of equity interests in Star Choice Holdings Limited. We are a passive investor in SCE Golf Course	51% equity interest in Well China International Investment Holdings Limited is held by South Asia Real Estate Development Limited. 50% equity interest in Star Choice Holdings Limited is held by COSCO (H.K.) Property Development Limited and 1% by StarField Investments Ltd. 15% equity interest in SCE Golf Course is held by China Shipowners Mutual Assurance Association

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No.	Company (Place of Incorporation)	Project/Business	Our Shareholding	Details of Other Shareholders (if any)
(25)	SCE Fortune Plaza (PRC)	Fortune Plaza in Quanzhou	58%	42% equity interest is held by the following Independent Third Parties: - Ding Shizhong (丁世忠) as to 17% - Feili Group (Fujian) Co., Ltd.* (菲莉集團(福建)有限公司) as to 15% - Fujian Haoyiju Investment Development Company Limited* (福建好易居投資發展有限公司) as to 10%
(26)	SCE Sports Center (PRC)	Management of Quanzhou Haixia Sports Center (海峽體育中心)	58% equity interest indirectly held through SCE Fortune Plaza, which in turn wholly owns SCE Sports Center	42% equity interest is indirectly held by the following Independent Third Parties - Ding Shizhong (丁世忠) as to 17% - Feili Group (Fujian) Co., Ltd.* (菲莉集團(福建)有限公司) as to 15% - Fujian Haoyiju Investment Development Company Limited* (福建好易居投資發展有限公司) as to 10%
(27)	SCE Regent	The Regent in Xiamen	60% (as approved by the relevant government authorities, but pending registration and capital verification)	40% by Mateland Holdings Limited (as approved by the relevant government authorities, but pending completion of the capital verification and relevant registration)

In respect of companies which are not wholly-owned by us, unless otherwise specified, the other shareholders of these companies and their respective ultimate beneficial owners are parties not connected with and independent from our Directors and Shareholders at the Latest Practicable Date.

INVESTMENT BY FINANCIAL INVESTORS

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 (“**May Star**”), Metro Crown Holdings Limited (“**Metro Crown**”), Lead Choice International Limited (“**Lead Choice**”), Keywell International Investment Limited (“**Key Well**”), Prime Courage International Limited (“**Prime Courage**”), Goodwill International (Holdings) Limited (“**Goodwill International**”), Standard Investment Management Limited (“**Standard Investment**”), Park Commercial Holdings Limited (“**Park Commercial**”), Infinite Ocean Holdings Limited (“**Infinite Ocean**”), Times Land Limited (“**Times Land**”)

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and Bright Master Investments Limited (“**Bright Master**” and together with May Star, Metro Crown, Lead Choice, Key Well, Prime Courage, Goodwill International, Standard Investment, Park Commercial, Infinite Ocean and Times Land, 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**”). The consideration was determined with reference to the financial performance of the Company and market comparables of PRC property companies whose shares are listed on the Stock Exchange. The Pre-IPO Placing was based on arm’s length negotiations between the Company and the Financial Investors. The Company considers that the placing price of the Pre-IPO Placing represented the fair business value of the Company at the date of completion of the Pre-IPO Placing, which represented a 7.2% discount to the maximum Offer Price. Completion of the subscription by the Financial Investors took place on August 28, 2009.

As all of the Financial Investors and their ultimate beneficial owners, other than May Star, Goodwill International and Park Commercial, are independent of, and not connected with, the Company or the Controlling Shareholders, all the shares subscribed by the Financial Investors under the Pre-IPO Placing will be counted towards the public float. Under the subscription agreement, each of the Financial Investors has agreed not to, directly or indirectly, without prior consent of us and the Joint Bookrunners, dispose of or transfer any Shares subscribed under the Pre-IPO Placing for a period of six months commencing from the Listing Date. Under the subscription agreement, the Financial Investors have further agreed with the other parties to the subscription agreement (including the Company and the Controlling Shareholders) to use all reasonable endeavors to ensure that any disposal or transfer of the Shares subscribed under the Pre-IPO Placing after such six-month period will not create a disorderly or false market for the Shares and will be in compliance with the SFO.

Newup has granted a put option to each Financial Investor under the subscription agreement which will allow each Financial Investor to request Newup to purchase all (but not some) of the Shares subscribed by that Financial Investor under the Pre-IPO Placing if the listing of our Shares on the Hong Kong Stock Exchange does not take place before December 31, 2011. Such option is exercisable by each Financial Investor within 30 days after December 31, 2011 and the put option price payable by Newup shall be the sum of the total subscription price paid by the Financial Investor exercising the option and simple interest of 10% per annum on the subscription price calculated from August 28, 2009 to the date of payment by Newup. Mr. Wong has further provided a guarantee to the Financial Investors in relation to the obligations of Newup under the subscription agreement. The put option and the guarantee from Mr. Wong shall expire upon Listing of our Company.

None of the Financial Investors will have any right with respect to the Company after completion of the Global Offering which is otherwise not available to the Shareholders in general.

The details of the Financial Investors are set out below:

- May Star is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is held as to 49% by Lau Kit Ling, 49% by Wong Siu Por and 2% by Chan Wing Luk. May Star subscribed for 3,170 Shares in the Pre-IPO Placing for a consideration of HK\$194,152,073, representing 2.81% and 2.22% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and

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immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively. Wong Siu Por is a director of two of our subsidiaries, Pacific Prestige Property Limited and Pacific Prestige Limited, and thus May Star is a connected person of our Company.

- Metro Crown is a limited liability company incorporated in the British Virgin Islands and principally engaged in investment holdings. It is held as to approximately 26.7% by So Tung Wan, approximately 26.7% by Wang Ya Nan, approximately 13.3% by Yeung Lai Lai, approximately 13.3% by Tsoi Ki Tai and 20% by HKI Fortune Plaza Limited which is held as to 60% by H.K.I. Holdings (China) Limited, a group member of the HKI Group, and 40% by St. Goldchi Holding Limited. St. Goldchi Holding Limited is held as to approximately 33.33% by Yeung Sing Tung, approximately 33.33% by Chan Kam Shing and approximately 33.33% by Sheung Chi Wai. Metro Crown subscribed for 2,450 Shares in the Pre-IPO Placing for a consideration of HK\$150,054,442, representing 2.17% and 1.72% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Lead Choice is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is wholly-owned by Yang Tse Yung. Lead Choice subscribed for 1,910 Shares in the Pre-IPO Placing for a consideration of HK\$116,981,218, representing 1.70% and 1.34% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Keywell International is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is held as to 57% by Tsoi Kwing Ming and as to 43% by So Wai Chiu. Keywell International subscribed for 1,250 Shares in the Pre-IPO Placing for a consideration of HK\$76,558,389, representing 1.11% and 0.88% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Prime Courage is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is held as to 50% by Co An and as to 50% by Ching Carlos Jacinto. Prime Courage subscribed for 1,000 Shares in the Pre-IPO Placing for a consideration of HK\$61,246,711, representing 0.89% and 0.70% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.

HISTORY, REORGANIZATION AND GROUP STRUCTURE

- Goodwill International is a limited liability company incorporated in Hong Kong and is principally engaged in investment holdings. It is held as to approximately 25.44% by Bo Hing Limited, approximately 19.00% by Fung Ka Pun, approximately 9.70% by Nuptial Limited, approximately 6.16% by HK 888 Limited, approximately 7.66% by Fairich Investment Limited, approximately 6.03% by Rose Garden Company Limited, approximately 5.48% by Designcase Limited, approximately 4.48% by Bryngold Limited, approximately 2.51% by Liberty Company Limited, approximately 2.51% by Profit Source Limited, approximately 2.33% by Standard Union Investment Limited, approximately 2.09% by Parasuccess Investment Limited, approximately 2.09% by Unijoy Limited, approximately 1.26% by Fullpath Nominees Limited, approximately 1.23% by Parkview Management Services Limited, approximately 0.88% by Chau Chin Hung, approximately 0.63% by Heng Hian Mok; and approximately 0.52% by Chan Kee Leung, Gary. The largest shareholder of Goodwill International, Bo Hing Limited, is held as to 60% by Fung Ka Pun and 40% by Choi Hon Hing, the spouse of Fung Ka Pun. Fairich Investment Limited is a wholly-owned subsidiary of Winbox International (Holdings) Limited, a company listed on the Hong Kong Stock Exchange and in which Fung Ka Pun is a substantial shareholder. As of the Latest Practicable Date, according to publicly available information, Fung Ka Pun is interested and deemed to be interested in 25.29% in the aggregate of Winbox International (Holdings) Limited. Goodwill International subscribed for 700 Shares in the Pre-IPO Placing for a consideration of HK\$42,872,698, representing 0.62% and 0.49% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively, of which, Goodwill International held 81 Shares in the amount of RMB4,374,000 and 130 Shares in the amount of RMB7,020,000 in trust for Chow Yu Chun, Alexander and Gainbest Investments Limited. Gainbest Investments Limited is held as to 50% by Goodwill International and 50% by HSBC International Trustee Limited.
- Standard Investment is a limited liability company incorporated in Hong Kong and is principally engaged in financial services and investments in domestic private equity. It is held as to 60% by Luo Yong, 20% by Yu Jia and 20% by Chen Zhao Jing. Standard Investment subscribed for 630 Shares in the Pre-IPO Placing for a consideration of HK\$38,585,428, representing 0.56% and 0.44% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Park Commercial is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is indirectly owned as to 60% by James Pei Chun Tien, 20% by Michael Puk Sun Tien and 20% by Tien Huynh Ngoc Hoa, Mary, who are also the ultimate beneficial owners of, and who collectively hold a 75% equity interest in, Mateland Holdings Limited, a shareholder holding a 40% equity interest in SCE Regent, one of our subsidiaries. Accordingly, Park Commercial is a connected person of our Company and the Shares held by it shall not be counted towards the public float. Park Commercial subscribed for 490 Shares in the Pre-IPO Placing for a consideration of HK\$30,010,888, representing 0.44% and 0.34% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.

HISTORY, REORGANIZATION AND GROUP STRUCTURE

- Infinite Ocean is a limited liability company incorporated in the British Virgin Islands and is principally engaged in security investments. It is wholly-owned by Broadway Photo Services (Holdings) Limited, which is in turn indirectly wholly-owned by Li Tze Leung and his family members. Infinite Ocean subscribed for 490 Shares in the Pre-IPO Placing for a consideration of HK\$30,010,888, representing 0.44% and 0.34% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Times Land is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holdings. It is wholly-owned by Sun Tracker Limited (Trustee of the Times Trust). Times Land subscribed for 410 Shares in the Pre-IPO Placing for a consideration of HK\$25,111,151, representing 0.36% and 0.29% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.
- Bright Master is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investments. It is held as to 50% by Kwok Siu Ming, Chairman and Chief Executive Officer of Sa Sa International Holdings Limited, a company listed on the Hong Kong Stock Exchange, and 50% by Kwok Sze Wai, Melody. Bright Master subscribed for 160 Shares in the Pre-IPO Placing for a consideration of HK\$9,799,474, representing 0.14% and 0.11% of the issued share capital of the Company immediately after completion of the Pre-IPO Placing and immediately after completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised), respectively.

To our Directors' best knowledge and belief, none of the Financial Investors are connected among themselves in a manner which will lead to them being viewed as a group or being considered as a Substantial Shareholder.

HISTORY, REORGANIZATION AND GROUP STRUCTURE

Notes:

1. To centralize the management of our projects in Quanzhou, we transferred the entire equity interest in SCE Sunshine Town then held by SCE Xiamen to SCE West Lake No. 1, our wholly-owned subsidiary incorporated in the PRC, and the transfer was approved by relevant PRC governmental authorities and became effective on January 5, 2009. In addition, we transferred our 51% equity interest in SCE Sapphire Uptown then held through SCE Xiamen to SCE West Lake No. 1, and the transfer was approved by the relevant PRC governmental authorities and became effective on April 15, 2009.
2. In contemplation of the dissolution of Xiamen Aite Property Development Co., Ltd. as mentioned in the paragraph headed “Disposal or dissolution of our subsidiaries and project companies for completed projects — (2) Xiamen Aite Real Estate Development Co., Ltd.” above, the entire equity interests in SCE Beijing Junhuada, a company that was initially wholly-owned by Xiamen Aite Real Estate Development Co., Ltd., was transferred to Xiamen Hongqiao Real Estate Development Co., Ltd.* (廈門虹橋房地產開發有限公司). Xiamen Hongqiao Real Estate Development Co., Ltd. is an investment holding company and SCE Beijing Junhuada is a dormant company with no assets and no business operations.
3. Each of SCE Beijing Property Management, China Strait Investments Group Limited, Precise Profit Investments Limited, Good Concept Consultancy Limited, Splendid Park Design Limited and SCE Century are our wholly-owned operating subsidiaries incorporated after the Reorganization. Each of these companies is a dormant company with no assets and no business operations.
4. SCE World City Management is a dormant company with no assets and no business operations. For details, please refer to the paragraph headed “Recent Developments — (6) SCE World City Management” above.
5. Quanzhou East Coast Construction Co., Ltd. is a dormant company with no assets and no business operations.
6. Save for the subsidiaries, jointly-controlled entities and project companies listed in the table under the section headed “Our Main Operating Subsidiaries, Jointly-Controlled Entities and Associates” and the dormant companies as mentioned above, all of our other subsidiaries as shown in the corporate chart above are investment holding companies.
7. As of the Latest Practicable Date, the increase in registered capital of SCE Regent and the capital injection of RMB96 million, (representing 40% of the enlarged registered capital of SCE Regent) by Mateland Holdings Limited has been approved by the relevant government authorities, but pending completion of the capital verification and the relevant registration procedures. For details, please refer to the paragraph headed “Recent Developments — (8) SCE Regent” above.
8. As of the Latest Practicable Date, the Company is currently undergoing the necessary registration procedures with relevant government authorities in relation to repurchase of the 20% equity interest in SCE Sapphire Boomtown by the Original Founders. For details, please refer to the paragraph headed “Recent Developments — (1) SCE Sapphire Boomtown” above.

