



New Way to Work



“We feel completely at home in our new office. The facilities and services are simply superb and up to international standard, just as those in international financial centres like London or New York. It makes our work day a whole lot easier and downright more efficient...”

Business Review

Shanghai

Shanghai

Area : 6,340 km²

Population: 13.5 million










Location : Shanghai



HIGHLIGHTS

The construction of World Expo 2010 Shanghai China finally started at the waterfront of the Huangpu River in downtown Shanghai in the summer of 2006. Being the first World Expo focusing on the theme of city with “Better City, Better Life” as its slogan, and serving as a platform for technological advancement, innovation and interaction, the 2010 Expo will thrust Shanghai into the undisputable high-tech and information technology service centre for the Yangtze River Delta as well as the whole country.



-  Light rail transit
-  Metro line
-  Bridge
-  Tunnel
-  Shanghai Zhongshan Square
-  Shanghai Hong Kong New World Garden
-  Shanghai Hong Kong New World Tower
-  Shanghai Ramada Plaza
-  New World Mayfair Hotel Shanghai

(For project details, please refer to 'Major project profiles' starting from page 170)






Foreign capital plays a dominant part in Shanghai's property investment market. Expatriates living in the city for more than one year reached 100,000 by the end of 2005. Global institutional investors continue their spending spree especially on en bloc service apartments with price tag hitting the billion mark, apparently attracted by the steady rising rental rate and further appreciation of RMB.

Notwithstanding the central government's new comprehensive measures to curb speculation and bubbles in the market, Shanghai residential market continue to perform reasonably well with presale volume reaching over 80,000 units during the first half of 2006. New projects within inner ring road on the average account for only about 10% of the total presale and property with price over RMB20,000 per sq. m. accounts only for roughly 2%. This depicts the long term investment value of luxurious apartment in core central location.

Business Review

Shanghai



-  Bridge
-  Completed development
-  Future development
-  World Expo Sites
-  Shanghai Hong Kong New World Garden

By the end of 2005, foreign banks have set up 87 operations and 100 representative offices in Shanghai. The position as China's financial centre has been driving the demand for Grade A office space. Total take-up of prime office space during the past year reached 550,000 sq. m.. The Group's flagship investment property, Shanghai Hong Kong New World Tower, located in Shanghai's core Huaihai Road Central business district, was 93% leased up by the end of FY2006. The prevailing market rental rate reached US\$32 per sq. m. per month in the area.

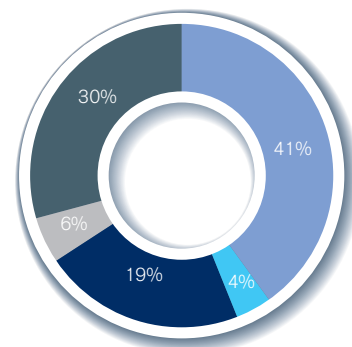
The master plan of Shanghai Hong Kong New World Garden has been approved by the municipal authority. Situated on the northern edge of the Shanghai Expo site and connected directly with the subway line serving the Expo, the massive project comprising mainly of luxurious apartment, commercial and hotel properties. It will be one of the largest residential developments along the Huangpu River in city core.

PROPERTY PORTFOLIO

There are two major property development projects with GFA of 775,915 sq. m.. Shanghai Zhongshan Square Phase III is under planning and the remaining phases of Shanghai Hong Kong New World Garden are under development. The latter will comprise a large scale development complex of residential, commercial, office and hotel buildings.

Shanghai - development properties for sale

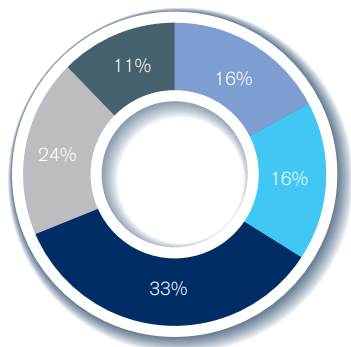
Total GFA 775,915 sq. m.



-  Residential
-  Commercial
-  Office
-  Hotel
-  Others

Shanghai – completed investment properties

Total GFA 248,762 sq. m.



- Residential
- Commercial
- Office
- Hotel
- Others

INVESTMENT PROPERTIES

There are three completed investment properties with total GFA of 248,762 sq. m..

Benefiting from the mature property market in Shanghai, the occupancy rate of Shanghai Hong Kong New World Tower office space recorded over 90%, and the shopping mall of Shanghai Ramada Plaza was fully occupied during the year under review.

New World Mayfair Hotel Shanghai, the largest 4-star hotel in Shanghai with over 860 guest rooms recorded satisfactory occupancy rate during the year under review. Meanwhile, Apartment Belvedere of Shanghai Ramada Plaza recorded over 95% occupancy rate.



Business Review

Dalian

Dalian

Area : 12,574 km²

Population: 5.6 million

Location : Liaoning Province



HIGHLIGHTS

Without much fanfare, Dalian has steadily established itself as the offshore software development hub during the past five years with an annual growth rate of 50%. The municipal government anticipates by the year 2012, the gross production value of its software and information service industry will reach RMB80 billions, or one sixth of the total GDP. Apart from attracting major high-technology players such as IBM, Dell and Hewlett-Packard, the majority of the foreign investment comes from Japan. Currently, there are over 2,500 Japanese companies in Dalian.



Dalian – completion schedule

sq. m.

FY2008	Dalian New World Tower	Residential, Commercial, Hotel, Carpark	215,166
	Total		215,166

The Group's landmark mixed-use project in the city's commercial district, Dalian New World Plaza has enjoyed enormous success as the revamped shopping strip, Tianjin Street, beside the project has redrawn the pedestrian towards this area. The sale of the twin towers, Manhattan Tower I and II on top of the retail podium of Dalian New World Plaza has nearly come to its end.

Dalian New World Tower, another important mixed-use project under development, is located at the main business district Zhongshan Road. The 40-storey-plus hotel tower on top of the commercial podium commands spectacular view of the harbour and the grand hotel lobby below will set the standard for true international grandeur.

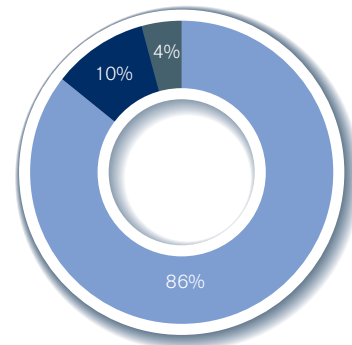
Business Review

Dalian



Dalian – development properties for sale

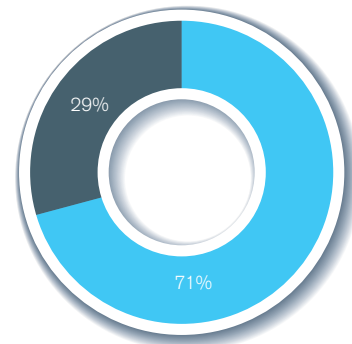
Total GFA 131,519 sq. m.



■ Residential
■ Office
■ Others

Dalian – completed investment property

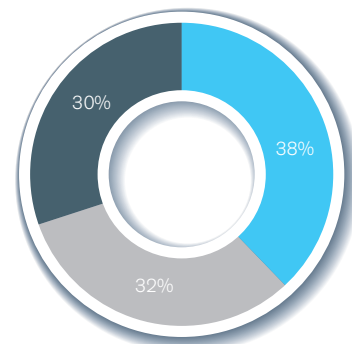
Total GFA 69,196 sq. m.



■ Commercial
■ Others

Dalian – investment property under development

Total GFA 111,960 sq. m.



■ Commercial
■ Hotel
■ Others

PROPERTY PORTFOLIO

The two major property development projects, Dalian Manhattan Tower I and II and Dalian New World Tower, consists of 131,519 sq. m. of saleable GFA. We expect to build 215,166 sq. m. GFA in FY2008.

INVESTMENT PROPERTY

Dalian New World Plaza consists of 69,196 sq. m. of commercial space, of which around 32,000 sq. m. was leased by Dalian New World Department Store.

The hotel portion of Dalian New World Tower will enable the Group to enter into hospitality business in Dalian.

Business Review

Shenyang



Shenyang

Area : 13,000 km²

Population : 7.2 million

Location : Liaoning Province








HIGHLIGHTS

Shenyang, the leading city of the three northeastern provinces, recorded a double digit growth in GDP during the first half of 2006, a concrete signal of the continuous transformation of the city from state planned industrial heartland of northeastern China towards an open market economy. Symbolic projects such as the Shenyang Subway Line No.1, Olympic Stadium and other urban infrastructure have progressed steadily during the past year. The Municipal Government has clearly taken every step vigorously.

Business Review

Shenyang



-  Bridge
-  Completed development
-  To be completed in next two years
-  Future development
-  Shenyang New World Garden

(For project details, please refer to 'Major project profiles' starting from page 170)

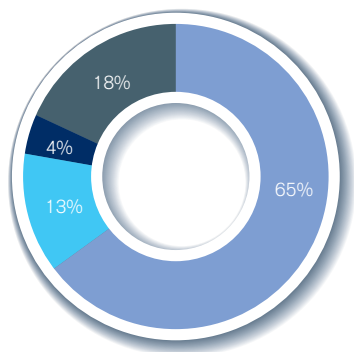
The Group's flagship large scale community development, Shenyang New World Garden has regained its momentum with an upscale high-rise apartment phase in the pipeline, providing well over 1,000 units. The remaining phases of the site has undergone a comprehensive redesign to take full advantage of the vibrant commercial development in the vicinity and to maximize the utilisation of the riverbank lifestyle.

Early in the year the Group has also embarked on a new mixed-use commercial project on Nanjing Street in Heping District, adjacent to the New World Hotel Shenyang. The development consists of a single tower block of office and service apartment on top of a retail podium.

Shenyang – completion schedule			sq. m.
FY2008	Shenyang New World Garden	Residential, Carpark	165,082
Total			165,082

Shenyang – development properties for sale

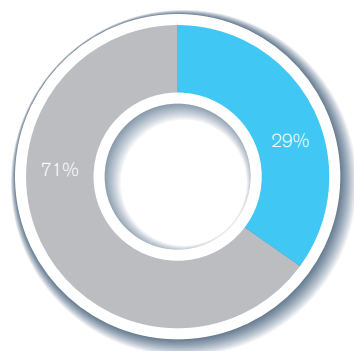
Total GFA 2,925,659 sq. m.



- Residential
- Commercial
- Office
- Others

Shenyang – completed investment properties

Total GFA 48,511 sq. m.



- Commercial
- Hotel

PROPERTY PORTFOLIO

There is one major property development project with GFA of 2,925,659 sq. m.. We expect to build 165,082 sq. m. GFA in FY2008.

INVESTMENT PROPERTY

New World Hotel Shenyang has just been re-opened in September 2006 after renovation.

