



New Culture and Entertainment



“This is my rendezvous point during the day, no doubt about it. Shopping, groceries and other daily activities all could be conveniently conducted in the community commercial centre. Best of all, I will usually run into some of my friends and neighbours and we will have a pleasant afternoon having tea and chat together...”

Business Review

Wuhan

Wuhan

Area : 8,494 km²









Population: 8.5 million

Location : Hubei Province



HIGHLIGHTS

Wuhan is the undisputed industrial and transportation hub of central China. To reinforce this status, the municipal government has planned to invest a total of RMB64.8 billion in infrastructure such as a new airport terminal, railway station, ports, highways and bridges during the Eleventh Five Year Plan period. State Development and Reform Authority has just approved the plan for the building of seven subway lines in the city. Subway Lines No. 1, 2 and 4 totalling 60 km. will be built between 2006 and 2012.

-  Railway station
-  Bridge
-  Embankment
-  Wuhan Menghu Garden
-  Wuhan New World Centre
-  Wuhan Changqing Garden
-  Wuhan Xin Hua Garden
-  Wuhan New World Trade Tower

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



| Wuhan – completion schedule | | | sq. m. |
|-----------------------------|-------------------------------------|--|----------------|
| FY2006 | Wuhan Menghu Garden Phase IIA | Residential | 23,671 |
| | Wuhan Changqing Garden Phase VIA | Residential, Commercial, Office, Carpark | 81,516 |
| | Wuhan Xin Hua Garden Phase III | Residential, Commercial, Carpark | 97,514 |
| | Wuhan New World Trade Tower Tower I | Office | 60,366 |
| Total | | | 263,067 |
| FY2007 | Wuhan Menghu Garden Phase III | Residential | 26,663 |
| | Wuhan New World Centre | Residential, Office, Carpark | 239,479 |
| | Wuhan Changqing Garden Phase VIB | Residential, Commercial, Carpark | 75,642 |
| Total | | | 341,784 |
| FY2008 | Wuhan New World Centre | Office | 49,432 |
| | Wuhan Menghu Garden Phase IVA | Residential | 70,000 |
| | Wuhan Changqing Garden Phase VIB | Residential | 142,001 |
| | Wuhan Xin Hua Garden Phase IV | Residential, Commercial, Carpark | 61,442 |
| Total | | | 322,875 |

Business Review

Wuhan



During the first seven months of 2006, Wuhan's GDP achieved a 27% growth to RMB160 billion. Retail figures also recorded a 17% rise to RMB71 billion in the same period. Within the central commercial district alongside the Jiefang Road, new mega malls and commercial facilities are under construction to capture the rising spending power of the region.

Wuhan New World Centre is the landmark of mixed-use development located at the bustling intersection of the core Jiefang Road commercial district. Due to complete before the end of 2006, this most anticipated project comprises of a five-star hotel, luxurious apartments, Grade A offices, a department store and retail walking street.

The leasing activity of Wuhan New World Trade Tower has been very successful. Sony, Fedex, Honda, Philips and 3M are just a few of the long list of global tenants who find this building built and managed by New World is a rare Grade A office in the city with true international standard and up to their stringent requirement.

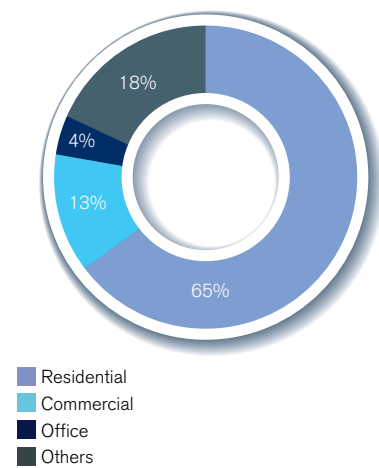
Riding on the successful sales of Phase I, Wuhan Menghu Garden Phase II has enticed the interest of the home buyers with a modern design. Nearly 90% of all the launched duplex townhouses unit were sold during the first half of the year.

Wuhan Changqing Garden has always been the star neighborhood of the city. During the year under review, Phase VI was launched for sale and over 600 residential units were sold.

Wuhan Xin Hua Garden is an urban residential development in convenient location of Hankou, catering to the needs of young professional couples. Its Phase III mid-rise apartments were launched for sale during the year under review and were almost sold out.

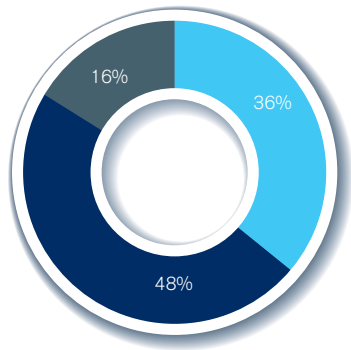
Wuhan – development properties for sale

Total GFA 2,468,806 sq. m.



Wuhan – completed investment properties

Total GFA 258,402 sq. m.



- Commercial
- Office
- Others

PROPERTY PORTFOLIO

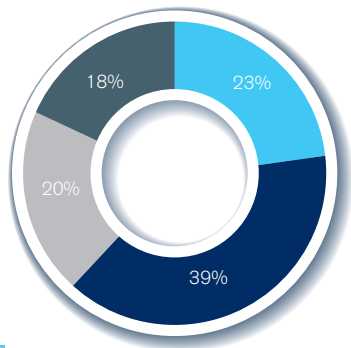
There are four major property development projects with GFA of 2,468,806 sq. m.. A total saleable GFA of 176,344 sq. m. was completed during the year, including 174,627 sq. m. residential space and 1,717 sq. m. of commercial space. We expect to build 341,784 sq. m. GFA in FY2007 and a further 322,875 sq. m. GFA in FY2008.

INVESTMENT PROPERTIES

There are four completed investment property projects and two investment properties under development with 258,402 sq. m. and 191,156 sq. m. respectively. During the year under review, 60,366 sq. m. of office space in Wuhan New World Trade Tower was completed.

Wuhan – investment properties under development

Total GFA 191,156 sq. m.



- Commercial
- Office
- Hotel
- Others



Business Review

Jinan

Jinan

Area : 8,154 km²

Population: 5.9 million

Location : Shandong Province



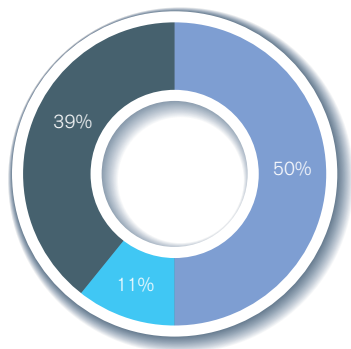
HIGHLIGHTS

Jinan is reputed for its long and colourful history, underground springs, the Yellow River to the north and Tai Mountain to the south. The city has an annualised average GDP of 14.2% for the past five years and will host the 11th National Games in 2009. The municipal government recognises the fact that to increase the magnitude of urban renewal in the city core while protecting the springs and their cultural value, new paradigm has to be in place. As such, the city has been pioneering the China Sustainable Energy Program with US-based The Energy Foundation, to develop the exclusive-lane Bus Rapid Transit (“BRT”) pilot project, aiming to provide efficient, station-to-station, high-speed mass transit at only a fraction of the subways cost. The first phase of 13 km BRT has started last year and would be operational in a year’s time.

| Jinan – completion schedule | | | | sq. m. |
|-----------------------------|--------------------------------|-------------|--|----------------|
| FY2007 | Jinan Springs Plaza | Commercial | | 20,893 |
| Total | | | | 20,893 |
| FY2008 | Jinan Sunshine Garden Phase II | Residential | | 108,689 |
| | Jinan Springs Plaza | Commercial | | 23,333 |
| Total | | | | 132,022 |

Jinan – development properties for sale

Total GFA 540,437 sq. m.



- Residential
- Commercial
- Others

Jinan Sunshine Garden Phase I is almost completely sold out. Construction of Phase II is underway and will provide new urban apartments for over one thousand families. Jinan Springs Plaza, an eye-gripping new mixed-use commercial project in the city's oldest core commercial district, is the most anticipated urban project set to represent the contemporary facet of Jinan. Masterminded by the American architect Benjamin Wood, who is renowned for his work in Shanghai's Xintiandi, the design makes use of the springs well found on the site to develop a spring-themed low-rise modernist structure comprised of Soho-style loft and exciting intertwined pedestrian-centered retail, catering and cultural themed corridor.

PROPERTY PORTFOLIO

In Jinan, the Group has two major property development projects with a GFA of 540,437 sq. m.. We expect to build 20,893 sq. m. GFA in FY2007, and a further 132,022 sq. m. GFA in FY2008.

