
INDUSTRY OVERVIEW

We have extracted and derived the information in the section below, in part, from various official government publications and a commissioned report from China Index Academy. See “—Sources of Information” below. We believe that such sources are appropriate for the information below and have taken reasonable care in extracting and reproducing such information. We and the Joint Sponsors have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information sourced from official government publications has not been independently verified by us, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective affiliates or advisers, or any party involved in the Global Offering and no representation is given as to its accuracy.

SOURCES OF INFORMATION

In connection with the Global Offering, we commissioned a research report from China Index Academy, or the CIA Report, for use in part in this prospectus to provide prospective investors with necessary information on the industry and market segments in which we operate and our competitive position, including forward-looking information. China Index Academy has charged us a total fee of RMB550,000 for the preparation of the commissioned report, which we believe is in line with the market rate for such reports.

China Index Academy is a real estate research organization in the PRC, founded in 2004 following the merger of four real estate research bodies: China Real Estate Index System (CREIS), Soufun Research Institute, China Villa Index System and the Top 10 Research Group of PRC Real Estate. A division of New York Stock Exchange-listed SouFun Holdings Limited, China Index Academy is now the largest real estate research firm in the PRC, with branches in 75 cities and a team of approximately 500 professional analysts, according to China Index Academy. Its principal predecessor, the CREIS, had been founded in 1994, since when it has compiled a comprehensive proprietary database on the real estate industry and markets in the PRC. The report from China Index Academy is based on (i) primary sources, including survey results in our proprietary database and (ii) secondary sources, including primarily government databases. In preparing forecasts and other estimates, China Index Academy adopted, among other things, random sampling, cash flow discount analysis and proprietary modeling techniques. China Index Academy is an independent third party.

MACRO-ECONOMIC ENVIRONMENT IN THE PRC

The PRC economy has achieved substantial growth since the PRC government introduced economic reforms in the late 1970s. Such growth was further accelerated by the country’s accession to the World Trade Organization in 2001 as a result of increasing inflow of foreign investment across all sectors of the economy. Between 2007 and 2012, China’s nominal GDP increased from approximately RMB26,581 billion in 2007 to approximately RMB51,932 billion in 2012 at a CAGR of approximately 14.3%, making the PRC one of the fastest-growing economies in the world. Due to the global financial crisis, China’s GDP growth in 2008 slowed to 9.6% as compared to 14.2% in the year before. In response to the crisis, the PRC government had introduced a RMB4 trillion stimulus package in 2008 in effort to increase liquidity available to the market. The PRC government has also introduced policies to encourage domestic spending and increased investment in infrastructure and fixed assets development.

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Over the same period, China's GDP per capita grew at a CAGR of 13.7% from RMB20,169 in 2007 to RMB38,354 in 2012, demonstrating a significant increase in purchasing power of the PRC population.

The table below sets out selected economic statistics of the PRC for the years indicated:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Nominal GDP (RMB billions)	26,581	31,405	34,090	40,151	47,288	51,932	14.3%
Real GDP growth rate (%)	14.2	9.6	9.2	10.4	9.3	7.8	N/A
Per capita GDP (RMB)	20,169	23,708	25,608	30,015	35,181	38,354	13.7%
Fixed asset investment (RMB billions)	13,732	17,283	22,460	25,168	31,149	37,468	22.2%
Per capita disposable income of urban households (RMB)	13,786	15,781	17,175	19,109	21,810	24,565	12.2%
Population (millions)	1,321	1,328	1,335	1,341	1,347	1,354	0.5%

Source: National Bureau of Statistics of China

PRC PROPERTY MARKET OVERVIEW

Growth of the Property Market in the PRC

The favorable economic environment in the PRC has fuelled the growth of the PRC property market. From 2007 to 2012, investment in real estate development grew at a CAGR of 23.2%, increasing from RMB2,529 billion in 2007 to RMB7,180 billion in 2012. According to the National Bureau of Statistics of China, a total of approximately 985 million sq.m. of residential GFA was sold in 2012, representing a substantial increase as compared to the 701 million sq.m. sold in 2007.

Prices for real estate in the PRC also experienced remarkable growth between 2007 and 2012, with average prices of residential properties growing at a CAGR of 8.3% over the same period, increasing from RMB3,645 per sq.m. in 2007 to RMB5,430 per sq.m. in 2012. Average prices for commodity properties (including residential properties, office buildings, houses for business use and others) also rose significantly between 2007 and 2012 at a CAGR of approximately 8.4% as demand for real estate from investors increased.

The upward trend of the PRC property industry is also evidenced by the growth in revenue from the sale of commodity properties, with the total real estate sales revenue leaping from RMB2,989 billion in 2007 to RMB6,446 billion in 2012. During the same period, total commodity GFA sold increased from approximately 773.5 million sq.m. in 2007 to approximately 1,113.0 million sq.m. in 2012.

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The table below sets out selected data relating to the PRC property market for the years indicated:

	2007	2008	2009	2010	2011	2012	2007- 2012 CAGR
Real estate investment (RMB billions) . . .	2,529	3,120	3,624	4,826	6,180	7,180	23.2%
Residential investment (RMB billions) . . .	1,801	2,244	2,561	3,403	4,432	4,937	22.4%
Total GFA of commodity properties completed (million sq.m.)	606	665	727	787	926	994	10.4%
Total GFA of commodity properties sold (million sq.m.)	773.5	659.7	947.6	1,047.6	1,093.7	1,113.0	7.5%
Average price of commodity properties (RMB per sq.m.)	3,864	3,800	4,681	5,032	5,357	5,791	8.4%
Average price of residential properties (RMB per sq.m.)	3,645	3,576	4,459	4,725	4,993	5,430	8.3%
Sales revenue of commodity properties (RMB billions)	2,989	2,507	4,436	5,272	5,859	6,446	16.6%
Sales revenue of residential properties (RMB billions)	2,557	2,120	3,843	4,412	4,820	5,347	15.9%

Source: National Bureau of Statistics of China

Key Drivers of PRC Property Market

In addition to the strong sustainable growth of the PRC economy which has resulted in rising disposable income among the population in the PRC, the rapid pace of urbanization and real estate market reforms undertaken by the central government are other key factors contributing to the growing demand in the PRC property sector.

Urbanization

In recent years, the pace of urbanization in the PRC has been remarkable. Urbanization rates rose from 45.9% in 2007 to 52.6% in 2012. Urban disposable income has also increased from RMB13,786 in 2007 to RMB24,565 in 2012. The United Nations Population Division (聯合國人口署) estimates PRC urbanization rates to reach 61% by 2020 and 77% by 2050. Should this materialize, there is expected to be further demand for urban properties. The table below sets out selected data relating to urbanization trends in the PRC for the years indicated:

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Population (million)	1,321.3	1,328.0	1,334.5	1,340.9	1,347.4	1,354.0	0.5%
Urban population (million)	606.3	624.0	645.1	669.8	690.8	711.8	3.3%
Urbanization rate (%)	45.9	47.0	48.3	50.0	51.3	52.6	N/A
Per capita disposable income of urban households (RMB)	13,786	15,781	17,175	19,109	21,810	24,565	12.2%

Source: National Bureau of Statistics of China

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COMPARISON OF FIRST-, SECOND- AND THIRD-TIER CITIES OF CHINA

China's first-tier cities commonly refer to Beijing, Shanghai, Guangzhou and Shenzhen, which represent the most economically developed areas of the country. Second-tier cities normally refer to the other municipalities directly administered by the central government, provincial capitals and other economically advanced cities, including Tianjin, Shijiazhuang, Taiyuan, Hohhot, Shenyang, Dalian, Changchun, Harbin, Nanjing, Hangzhou, Ningbo, Hefei, Fuzhou, Xiamen, Nanchang, Jinan, Qingdao, Zhengzhou, Wuhan, Changsha, Nanning, Haikou, Chongqing, Chengdu, Guiyang, Kunming, Xi'an, Lanzhou, Xining, Yinchuan, Urumqi, Wuxi, Suzhou, Wenzhou, Beihai and Sanya, with the other cities referred to as third-tier, according to China Index Academy.

From 2007-2012, the 14 cities where we operated, including eight second-tier cities and six third-tier cities, enjoyed faster growth due to urbanization and faster economic development. During 2007-2012, nominal GDP grew at an average CAGR of 19.0% in the eight second-tier cities and 14.5% in the six third-tier cities where we operated, while first-tier cities had an average CAGR of 12.5% over the same period. Per capita GDP grew at an average CAGR of 16.2% in the eight second-tier cities and 13.7% in the five third-tier cities where we operated (Guilin data unavailable), which is higher than the first-tier cities' (Guangzhou data unavailable) average CAGR of 8.1% during the same period. In terms of per capita disposable income of urban households, the average CAGR was 13.1% in the eight second-tier cities and 11.7% in the six third-tier cities, while it was 11.0% in the first-tier cities during the period of 2007-2012.

Real estate investments in the eight second-tier cities and six third-tier cities have achieved remarkable growth with an average CAGR of 20.6% and 21.9%, respectively, from 2007 to 2012, much higher than an average CAGR of 11.6% of the first-tier cities during the same period. Total GFA of residential properties sold in the eight second-tier cities and six third-tier cities experienced stable growth, with an average CAGR of 4.4% and 9.0%, respectively, from 2007 to 2012, while during the same period the first-tier cities saw their total GFA of residential properties sold declined by an annual compound rate of 4.4% due to limited amount of land for development. Average prices of residential properties sold in the eight second-tier cities and six third-tier cities recorded significant increase with an average CAGR of 10.7% and 12.2%, respectively, from 2007 to 2012, more than an average CAGR of 8.7% of the first-tier cities in the same period, which implies more volatility for that period compared to some first-tier city markets.

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The following table demonstrates a comparison between China's first-tier cities and the second- and third-tier cities where we operate in terms of economic growth and real estate developments for the periods indicated.

	Cities Where We Operate										Average CAGR 2007-2012										
	National		First-Tier		Second-Tier		Third-Tier		Tier I		Tier II		Tier III								
	Beijing	Shanghai	Shenzhen	Guangzhou	Tianjin	Chongqing	Wuhan	Changsha	Nanning	Shenyang	Chengdu	Wuxi	Yantai	Dongying	Luzhou	Guilin	Weifang	Qingyuan			
Macroeconomic Data in 2012																					
Nominal GDP (RMB billions)	1,780	2,010	1,295	1,355	1,289	1,146	800	640	250	661	814	757	528	300	185	149	401	103	12.5%	19.0%	14.5%
Per capita (RMB)	87,091	85,000	123,247	—	91,181	39,083	79,089	89,903	35,138	80,532	57,624	117,400	75,672	145,395	48,462	—	43,681	27,426	8.1%	16.2%	13.7%
Real GDP growth rate (%)	7.7	7.5	10.0	10.5	13.8	13.6	11.4	13.0	12.3	10.0	13.0	10.1	10.3	12.1	11.7	13.3	10.6	5.1	N/A	N/A	N/A
Per capita disposable income of urban households (RMB)	36,469	40,188	40,742	38,054	29,626	22,968	27,061	30,288	22,561	26,431	27,194	35,663	30,045	30,953	22,181	22,300	25,818	19,514	11.0%	13.1%	11.7%
Population millions	20.7	23.8	10.5	—	14.1	29.5	10.1	7.1	—	8.2	14.2	6.5	—	2.1	—	—	9.2	3.8	—	N/A	N/A
Cities Where We Operate																					
Real Estate Data in 2012																					
Real estate investment (RMB billions)	315	238	74	137	126	251	157	103	36	97	189	194	57	15	23	18	47	18	11.6%	20.6%	21.9%
Residential investment (RMB billions)	163	145	47	83	84	171	99	70	25	61	117	133	46	12	11	14	34	15	10.3%	19.3%	21.9%
Total GFA of commodity properties completed (million sq.m.)	23.9	23.1	4.3	12.9	25.4	40.0	10.5	14.0	6.6	8.1	21.1	20.7	5.1	2.2	2.4	1.6	7.2	3.0	N/A	9.2%	6.9%
Total GFA of residential properties sold (million sq.m.)	19.4	19.0	5.3	13.3	16.6	45.2	15.8	15.3	6.3	9.2	28.4	24.7	10.6	3.8	3.5	3.2	11.2	3.9	N/A	5.3%	9.4%
Average price of commodity properties residential (RMB/sq.m.)	17,022	14,061	19,590	13,163	8,218	5,080	7,344	6,101	6,003	8,391	7,288	6,321	5,483	4,422	4,743	4,233	3,856	4,609	8.6%	11.3%	12.1%
Average price of residential properties (RMB/sq.m.)	16,554	13,870	18,996	12,001	8,010	4,805	6,895	5,602	5,619	7,745	6,678	5,989	5,260	4,402	4,293	3,975	3,657	4,397	8.7%	10.7%	12.2%

Source: National Bureau of Statistics of China

Notes:

(1) Guangzhou data unavailable.

(2) Guilin data unavailable.

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KEY REAL ESTATE MARKETS

Tianjin

Overview

Tianjin is one of four municipalities directly administered by the PRC government and one of the largest port cities of northern China. As the main port serving Beijing, Tianjin is one of the most important commercial and trade centers in northern China. Tianjin has experienced rapid economic growth with a nominal GDP of RMB1,289 billion in 2012, representing a CAGR of 19.7% over the period from 2007 to 2012. Per capita GDP also continued to increase from RMB47,970 in 2007 to RMB91,181 in 2012. The table below sets out selected data relating to economic development in Tianjin for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	525	672	752	922	1,131	1,289	19.7%
Real GDP growth rate (%)	15.5	16.5	16.5	17.4	16.4	13.8	N/A
Per capita GDP (RMB)	47,970	58,656	62,574	72,994	85,213	91,181	13.7%
Fixed-asset investment (RMB billions)	239	340	501	651	751	887	30.0%
Per capita disposable income of urban households (RMB)	16,357	19,423	21,402	24,293	26,921	29,626	12.6%
Population (millions)	11.2	11.8	12.3	13.0	13.5	14.1	4.9%

Source: National Bureau of Statistics of China

Tianjin Property Market

Construction and development of economic development zones (e.g., Binhai New Area) promote real estate investment in Tianjin. Real estate investment increased from RMB51 billion in 2007 to RMB126 billion in 2012, representing a CAGR of 20.1%. The table below sets out selected data relating to real estate investment in Tianjin for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	51	65	74	87	108	126	20.1%
Residential investment (RMB billions)	34	46	49	57	69	84	19.7%
Total GFA of commodity properties completed (million sq.m.)	17.0	18.0	19.0	21.0	21.0	25.4	8.3%
Total GFA of commodity properties sold (million sq.m.)	15.5	12.5	15.9	15.1	15.9	16.6	1.4%
Average price of commodity properties (RMB per sq.m.)	5,811	6,015	6,886	8,230	8,745	8,218 ⁽¹⁾	7.2%
Average price of residential properties (RMB per sq.m.)	5,576	5,598	6,605	7,940	8,548	8,010 ⁽¹⁾	7.5%
Sales revenue of commodity properties (RMB billions) . . .	90	75	109	125	139	137	8.7%
Sales revenue of residential properties (RMB billions) . . .	78	64	97	103	117	121	9.1%

Source: National Bureau of Statistics of China

Note:

- (1) The average property prices in Tianjin decreased slightly in 2012 as compared to 2011, primarily as a result of increased supply of, and the resultant increased transactions in, government-subsidized affordable housing and resettlement housing, which typically carries lower average selling prices, in 2012, according to CIA.

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The city's average selling price of residential properties increased from RMB5,576 per sq.m. in 2007 to RMB8,010 per sq.m. in 2012, representing a CAGR of 7.5%. Keeping the continued growth from 2007 to 2012, the GFA of residential properties completed and GFA of residential properties under development reached 19.1 million sq.m. and 69.2 million sq.m. in 2012 respectively. According to the National Bureau of Statistics of China, 15.1 million sq.m. residential properties in GFA were sold in Tianjin in 2012 compared to 14.0 million sq.m. in 2007.

Prices in the commodity property market kept increasing over the past years reaching RMB8,218 per sq.m. in 2012, representing a CAGR of 7.2% from 2007 to 2012. According to the National Bureau of Statistics of China, commodity properties of 16.6 million sq.m. in GFA were sold in 2012 compared to 15.5 million sq.m. in 2007.

Chengdu

Overview

Chengdu is the capital city of Sichuan Province and has emerged as an important commercial hub of Southwest China. In April of 2011, the State Council stated in its official reply to the "Regional Planning for Chengdu-Chongqing Economic Zone (成渝經濟區區域規劃)" that efforts should be made to establish Chengdu-Chongqing area as an important economic center in West China by 2015. Benefiting from such "West Development Strategy (西部大開發戰略)," Chengdu achieved a GDP of RMB814 billion in 2012, ranking eighth in China. The city experienced steady GDP growth for the six years from 2007 to 2012, during which Chengdu's nominal GDP grew from RMB332 billion to RMB814 billion, representing a CAGR of approximately 19.6%. Per capita GDP also increased from RMB26,525 in 2007 to RMB57,624 in 2012. The table below sets out selected data relating to economic development in Chengdu for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	332	390	450	555	695	814	19.6%
Real GDP growth rate (%)	15.3	12.1	14.7	15.0	15.2	13.0	N/A
Per capita GDP (RMB)	26,525	30,855	35,215	41,253	49,438	57,624	16.8%
Fixed-asset investment (RMB billions)	240	300	402	426	500	589	19.7%
Per capita disposable income of urban households (RMB)	13,617	15,580	17,589	19,920	23,048	27,194	14.8%
Population (millions)	12.6	12.7	12.9	14.1	14.1	14.2	2.4%

Source: National Bureau of Statistics of China

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Chengdu Property Market

Real estate investment increased from RMB91 billion in 2007 to RMB189 billion in 2012, representing a CAGR of 15.9%. The table below sets out selected data relating to real estate investment in Chengdu for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007- 2012 CAGR</u>
Real estate investment (RMB billions)	91	92	95	128	160	189	15.9%
Residential investment (RMB billions)	60	61	63	80	104	117	14.4%
Total GFA of commodity properties completed (million sq.m.)	10.9	12.1	17.4	15.8	15.7	21.1	14.2%
Total GFA of commodity properties sold (million sq.m.)	22.3	14.6	27.1	25.6	27.1	28.4	5.0%
Average price of commodity properties (RMB per sq.m.)	4,276	4,857	4,925	5,937	6,675	7,288	11.3%
Average price of residential properties (RMB per sq.m.)	4,198	4,778	4,864	5,827	6,311	6,678	9.7%
Sales revenue of commodity properties (RMB billions) . .	95	71	133	152	181	207	16.8%
Sales revenue of residential properties (RMB billions) . . .	88	65	124	133	146	162	13.1%

Source: National Bureau of Statistics of China

Despite the affect of the global recession and a major earthquake in Sichuan in 2008, the city's average selling price of residential properties continued to increase to RMB6,678 per sq.m. in 2012, representing a CAGR of 9.7% over the period from 2007 to 2012. According to the National Bureau of Statistics of China, 24.2 million sq.m. residential properties GFA were sold in 2012 comparing to 20.8 million sq.m. in 2007.

Average prices in the commodity property market in Chengdu was RMB7,288 per sq.m. in 2012, representing a CAGR of 11.3% from 2007 to 2012. According to the National Bureau of Statistics of China, 28.4 million sq.m. commodity properties GFA were sold in 2012 comparing to 22.3 million sq.m. in 2007.

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Chongqing

Overview

Chongqing is one of the four municipalities directly administered by the PRC government, together with Beijing, Shanghai and Tianjin. It is located on the edge of the Yunnan-Guizhou Plateau, intersected by the Jialing River and the upper reaches of the Yangtze River. As a pilot city for reforms under the West Development Strategy, Chongqing has become one of the most important commercial hubs and transportation centers in Southwest China and its GDP continues to grow at a rapid pace. In 2012, Chongqing achieved a GDP of RMB1,146 billion, ranking seventh in China. From 2007 to 2012, Chongqing's nominal GDP grew from RMB468 billion to RMB1,146 billion, representing a CAGR of approximately 19.6%. Per capita GDP also experienced high growth from RMB16,629 in 2007 to RMB39,083 in 2012. The table below sets out selected data relating to economic development in Chongqing for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	468	579	653	793	1001	1146	19.6%
Real GDP growth rate (%)	15.9	14.5	14.9	17.1	16.4	13.6	N/A
Per capita GDP (RMB)	16,629	20,490	22,920	27,596	34,500	39,083	18.6%
Fixed-asset investment (RMB billions)	316	405	532	693	769	938	24.3%
Per capita disposable income of urban households (RMB)	12,591	14,368	15,749	17,532	20,250	22,968	12.8%
Population (millions)	28.2	28.4	28.6	28.8	29.2	29.5	0.9%

Source: National Bureau of Statistics of China

Chongqing Property Market

Real estate investment in Chongqing increased from RMB85 billion in 2007 to RMB251 billion in 2012, representing a CAGR of 24.2%. The table below sets out selected data relating to real estate investment in Chongqing for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	85	99	124	162	202	251	24.2%
Residential investment (RMB billions)	52	62	79	109	144	171	26.7%
Total GFA of commodity properties completed (million sq.m.)	22.5	23.7	29.1	26.3	34.2	40.0	12.1%
Total GFA of commodity properties sold (million sq.m.)	35.5	28.7	40.0	43.1	45.3	45.2	4.9%
Average price of commodity properties (RMB per sq.m.)	2,723	2,785	3,442	4,281	4,734	5,080	13.3%
Average price of residential properties (RMB per sq.m.)	2,588	2,640	3,266	4,040	4,492	4,805	13.2%
Sales revenue of commodity properties (RMB billions)	97	80	138	185	215	230	18.9%
Sales revenue of residential properties (RMB billions)	86	70	123	161	183	197	18.1%

Source: National Bureau of Statistics of China

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According to the National Bureau of Statistics of China, 41.1 million sq.m. residential properties GFA were sold in 2012 comparing to 33.1 million sq.m. in 2007.

Average prices in the commodity property market in Chongqing was RMB5,080 in 2012, representing a CAGR of 13.3% from 2007 to 2012. According to the National Bureau of Statistics of China, 45.2 million sq.m. commodity properties GFA were sold in 2012 comparing to 35.5 million sq.m. in 2007.

Changsha

Overview

Changsha is the capital city of Hunan Province and an economic center in South-Central China. Driven by the “Rise of Central China (中部崛起)” policy, Changsha has experienced strong economic growth and real estate market development. In 2013, Changsha ranked 14th in the “Attractiveness of Real Estate Development of Cities at Prefecture Level and Above” prepared by the China Index Research Institute. In 2012, Changsha achieved a GDP of RMB640 billion, representing a CAGR of approximately 23.9% over the period from 2007 to 2012. Per capita GDP also increased significantly from RMB33,711 in 2007 to RMB89,903 in 2012. The table below sets out selected data relating to economic development in Changsha for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	2007-2012 CAGR
Nominal GDP (RMB billions)	219	300	374	455	562	640	23.9%
Real GDP growth rate (%)	16.0	15.1	14.7	15.5	14.5	13.0	N/A
Per capita GDP (RMB)	33,711	45,765	56,620	66,464	79,530	89,903	21.7%
Fixed-asset investment (RMB billions)	145	189	240	307	343	401	22.7%
Per capita disposable income of urban households (RMB)	16,153	17,891	20,238	22,814	26,451	30,288	13.4%
Population (millions)	6.4	6.5	6.5	7.0	7.1	7.1	2.3%

Source: National Bureau of Statistics of China

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Changsha Property Market

Real estate investment in Changsha has experienced robust growth over the past years. Real estate investment increased from RMB41 billion in 2007 to RMB103 billion in 2012, representing a CAGR of 20.5%. The table below sets out selected data relating to real estate investment in Changsha for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Real estate investment (RMB billions)	41	49	50	68	93	103	20.5%
Residential investment (RMB billions)	34	38	39	52	69	70	15.6%
Total GFA of commodity properties completed (million sq.m.)	7.0	7.6	13.1	13.9	14.3	14.0	14.9%
Total GFA of commodity properties sold (million sq.m.)	9.8	8.6	14.1	16.8	15.1	15.3	9.3%
Average price of commodity properties (RMB per sq.m.)	3,305	3,288	3,648	4,418	5,862	6,101	13.0%
Average price of residential properties (RMB per sq.m.)	3,191	3,165	3,533	4,322	5,481	5,602	11.9%
Sales revenue of commodity properties (RMB billions)	32	28	51	74	88	93	23.6%
Sales revenue of residential properties (RMB billions)	30	25	48	70	76	78	21.2%

Source: National Bureau of Statistics of China

According to the National Bureau of Statistics of China, 13.9 million sq.m. residential properties GFA were sold in 2012 comparing to 9.3 million sq.m. in 2007.

Average prices in the commodity property market in Changsha was RMB6,101 per sq.m. in 2012, representing a CAGR of 13.0% from 2007 to 2012. According to the National Bureau of Statistics of China, 15.3 million sq.m. commodity properties GFA were sold in 2012 compared to 9.8 million sq.m. in 2007.

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Wuhan

Overview

Wuhan is the capital city of Hubei Province and an economic and industrial hub in central China. As one of the four railway hubs in China, Wuhan has continued to benefit from the Rise of Central China policy. Its renovation of city village and revitalization of the old city area have created growth opportunities for the real estate industry. Wuhan's economy experiences strong growth momentum. From 2007 to 2012, Wuhan's nominal GDP increased from RMB321 billion to RMB800 billion, representing a CAGR of approximately 20.1%. Per capita GDP also increased greatly from RMB36,347 in 2007 to RMB79,089 in 2012. The table below sets out selected data relating to economic development in Wuhan for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	321	412	462	557	676	800	20.1%
Real GDP growth rate (%)	15.6	15.1	13.7	14.7	12.5	11.4	N/A
Per capita GDP (RMB)	36,347	46,035	51,144	58,961	68,315	79,089	16.8%
Fixed-asset investment (RMB billions)	173	225	300	375	426	503	23.8%
Per capita disposable income of urban households (RMB)	14,358	16,712	18,385	20,806	23,738	27,061	13.5%
Population (millions)	8.9	9.0	9.1	9.8	10.0	10.1	2.6%

Source: National Bureau of Statistics of China

Wuhan Property Market

Real estate investment in Wuhan has continued to increase from RMB46 billion in 2007 to RMB157 billion in 2012, representing a CAGR of 27.9%. The table below sets out selected data relating to real estate investment in Wuhan for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	46	56	78	102	128	157	27.9%
Residential investment (RMB billions)	33	41	50	60	75	99	24.5%
Total GFA of commodity properties completed (million sq.m.)	9.3	8.7	9.5	9.0	11.7	10.5	2.5%
Total GFA of commodity properties sold (million sq.m.)	11.4	7.3	10.9	12.1	13.3	15.8	6.8%
Average price of commodity properties (RMB per sq.m.)	4,664	4,781	5,329	5,746	7,193	7,344	9.5%
Average price of residential properties (RMB per sq.m.) . .	4,516	4,681	5,199	5,550	6,676	6,895	8.8%
Sales revenue of commodity properties (RMB billions) . . .	53	35	58	70	96	116	16.9%
Sales revenue of residential properties (RMB billions) . . .	48	32	54	61	79	96	14.7%

Source: National Bureau of Statistics of China

According to the National Bureau of Statistics of China, 13.9 million sq.m. in GFA of residential properties were sold in 2012 comparing to 10.7 million sq.m. in 2007.

Average prices in the commodity property market in Wuhan was RMB7,344 in 2012, representing a CAGR of 9.5% from 2007 to 2012. GFA of commodity properties under development increased rapidly at a

INDUSTRY OVERVIEW

CAGR of approximately 16.5% from 2007 to 2012. According to the National Bureau of Statistics of China, 15.8 million sq.m. in GFA of commodity properties were sold in 2012 comparing to 11.4 million sq.m. in 2007.

Shenyang

Overview

As the capital city of Liaoning Province, Shenyang has long been an economic and industrial center in northeast China. In the near future, it is expected to grow into one of China's central cities with the establishment of the Greater Shenyang Metropolitan Zone (大瀋陽都市區) with its rail traffic network being fully developed. Benefiting from the PRC government's policy to rejuvenate old industrial bases in the northeast, Shenyang experienced robust growth in nominal GDP, from RMB316 billion in 2007 to RMB661 billion in 2012, representing a CAGR of approximately 15.9%. Per capita GDP also increased significantly from RMB45,561 in 2007 to RMB80,532 in 2012. The table below sets out selected data relating to economic development in Shenyang for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	316	378	427	502	592	661	15.9%
Real GDP growth rate (%)	20.5	16.3	14.1	14.1	12.3	10.0	N/A
Per capita GDP (RMB)	45,561	54,248	54,654	62,357	72,648	80,532	12.1%
Fixed-asset investment (RMB billions)	236	301	352	414	458	563	19.0%
Per capita disposable income of urban households (RMB)	14,607	17,013	18,475	20,541	23,326	26,431	12.6%
Population (millions)	—	7.8	7.9	8.1	—	8.2	N/A

Source: National Bureau of Statistics of China

Shenyang Property Market

Real estate investment in Shenyang has experienced constant and rapid growth from RMB73 billion in 2007 to RMB194 billion in 2012, representing a CAGR of approximately 21.6%. The table below sets out selected data relating to real estate investment in Shenyang for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	73	101	119	145	168	194	21.6%
Residential investment (RMB billions)	56	73	80	100	126	133	19.0%
Total GFA of commodity properties completed (million sq.m.)	12.9	12.9	12.9	13.9	19.8	20.7	9.9%
Total GFA of commodity properties sold (million sq.m.)	14.6	14.7	15.3	17.5	21.7	24.7	11.1%
Average price of commodity properties (RMB per sq.m.)	3,699	4,127	4,464	5,411	5,884	6,321	11.3%
Average price of residential properties (RMB per sq.m.)	3,536	3,856	4,196	5,109	5,613	5,989	11.1%
Sales revenue of commodity properties (RMB billions)	54	60	68	95	127	156	23.6%
Sales revenue of residential properties (RMB billions)	48	50	57	77	109	132	22.4%

Source: National Bureau of Statistics of China

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GFA of residential properties completed in Shenyang grew at a CAGR of approximately 8.6% from 2007 to 2012, reaching levels of 16.4 million sq.m. in 2012. According to the National Bureau of Statistics of China, 22.0 million sq.m. residential properties GFA were sold in 2012 compared to 13.6 million sq.m. in 2007.

Average prices in the commodity property market in Shenyang increased to RMB6,321 per sq.m. in 2012, representing a CAGR of 11.3% over the period from 2007 to 2012. Both GFA of commodity properties completed and GFA of commodity properties under development increased to 20.7 million sq.m. and 110.0 million sq.m. in 2012 respectively. According to the National Bureau of Statistics of China, 24.7 million sq.m. commodity properties GFA were sold in 2012 compared to 14.6 million sq.m. in 2007.

Wuxi

Overview

Wuxi is a city in Jiangsu Province and an important commercial and industrial hub in the Yangtze River Delta Region. With its 2012 nominal GDP over RMB757 billion, it is a core city on the northern edge of the Yangtze River Delta city belt. From 2007 to 2012, Wuxi's nominal GDP grew from RMB388 billion in 2007 to RMB757 billion in 2012, representing a CAGR of approximately 14.3%. Per capita GDP also increased significantly from RMB65,570 in 2007 to RMB117,400 in 2012. The table below sets out selected data relating to economic development in Wuxi for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Nominal GDP (RMB billions)	388	446	499	579	688	757	14.3%
Real GDP growth rate (%)	15.3	12.4	11.6	13.2	11.6	10.1	N/A
Per capita GDP (RMB)	65,570	73,733	81,146	92,167	107,437	117,400	12.4%
Fixed-asset investment (RMB billions)	167	188	239	299	317	362	16.7%
Per capita disposable income of urban households (RMB)	20,898	23,605	25,027	27,750	31,638	35,663	11.3%
Population (millions)	6.0	6.1	6.2	6.4	6.4	6.5	1.5%

Source: National Bureau of Statistics of China

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Wuxi Property Market

Real estate investment in Wuxi increased from RMB38 billion in 2007 to RMB97 billion in 2012, representing a CAGR of approximately 20.8%. The table below sets out selected data relating to real estate investment in Wuxi for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Real estate investment (RMB billions)	38	45	46	61	87	97	20.8%
Residential investment (RMB billions)	26	30	30	43	58	61	18.6%
Total GFA of commodity properties completed (million sq.m.)	7.4	10.7	7.2	10.0	8.1	8.1	2.0%
Total GFA of commodity properties sold (million sq.m.)	7.7	5.4	11.1	10.1	6.5	9.2	3.8%
Average price of commodity properties (RMB per sq.m.)	4,573	5,372	5,997	7,690	8,678	8,391 ⁽¹⁾	12.9%
Average price of residential properties (RMB per sq.m.) . .	4,363	5,137	5,858	7,354	8,085	7,745 ⁽¹⁾	12.2%
Sales revenue of commodity properties (RMB billions) . . .	35	29	67	78	57	78	17.2%
Sales revenue of residential properties (RMB billions)	30	24	57	63	43	61	15.4%

Source: National Bureau of Statistics of China

Note:

- (1) The average property prices in Wuxi decreased slightly in 2012 as compared to 2011, primarily as a result of increased supply of commodity properties that came to the market during 2012 following a relatively high level of housing starts in Wuxi in the previous years, according to CIA.

GFA of residential properties under development in Wuxi grew at a CAGR of approximately 12.0%, reaching 38.4 million sq.m. in 2012.

Yantai

Overview

Yantai is a city in Shandong Province and an important port city located in Eastern China. Yantai has experienced rapid economic growth in recent years because of the PRC government's "Shandong Peninsula Blue Economic Zone Plan (山東半島藍色經濟區發展規劃)." Also, driven by its proximity to the ocean and abundant natural resources, Yantai's nominal GDP increased from RMB288 billion in 2007 to RMB528 billion in 2012, representing a CAGR of approximately 12.9%. Per capita GDP also increased from RMB41,271 in 2007 to RMB75,672 in 2012. The table below sets out selected data relating to economic development in Yantai for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Nominal GDP (RMB billions)	288	341	370	436	491	528	12.9%
Real GDP growth rate (%)	16.6	13.6	13.5	14.1	12.1	10.3	N/A
Per capita GDP (RMB)	41,271	48,656	52,683	62,254	70,380	75,672	12.9%
Fixed-asset investment (RMB billions)	161	196	222	271	288	304	13.6%
Per capita disposable income of urban households (RMB)	16,772	19,350	21,125	23,288	26,542	30,045	12.4%
Population (millions)	7.0	7.0	7.0	7.0	7.0	—	N/A

Source: National Bureau of Statistics of China

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Yantai Property Market

Real estate investment in Yantai experienced a steady growth from RMB21 billion in 2007 to RMB57 billion in 2012, representing a CAGR of 22.9%. The table below sets out selected data relating to real estate investment in Yantai for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	21	27	27	39	57	57	22.9%
Residential investment (RMB billions)	16	21	20	30	44	46	24.1%
Total GFA of commodity properties completed (million sq.m.)	3.2	4.9	4.7	3.8	5.5	5.1	9.3%
Total GFA of commodity properties sold (million sq.m.)	5.6	6.1	7.0	11.7	12.9	10.6	13.4%
Average price of commodity properties (RMB per sq.m.)	3,183	3,336	3,883	4,077	4,979	5,483	11.5%
Average price of residential properties (RMB per sq.m.)	2,942	3,242	3,748	3,943	4,845	5,260	12.3%
Sales revenue of commodity properties (RMB billions)	18	20	27	48	64	58	26.4%
Sales revenue of residential properties (RMB billions)	15	18	24	41	57	51	28.2%

Source: National Bureau of Statistics of China

GFA of residential properties completed in Yantai increased from 2.5 million sq.m. in 2007 to 4.0 million sq.m. in 2012.

Dongying

Overview

Dongying is a city of Shandong Province and the home for Shengli Oilfield, one of China's largest oil bases. From 2007 to 2012, Dongying's nominal GDP grew from RMB166 billion to RMB300 billion, representing a CAGR of approximately 12.5%. Per capita GDP also increased significantly from RMB84,081 in 2007 to RMB145,395 in 2012. The table below sets out selected data relating to economic development in Dongying for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	166	203	206	236	268	300	12.5%
Real GDP growth rate (%)	16.1	13.7	12.4	13.4	12.7	12.1	N/A
Per capita GDP (RMB)	84,081	101,520	102,370	116,404	130,811	145,395	11.6%
Fixed-asset investment (RMB billions)	70	87	110	135	132	196	23.0%
Per capita disposable income of urban households (RMB)	18,626	19,487	21,313	23,796	27,343	30,953	10.7%
Population (millions)	2.0	2.0	2.0	2.0	2.1	2.1	0.8%

Source: National Bureau of Statistics of China

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Dongying Property Market

Real estate investment in Dongying increased from RMB6 billion in 2007 to RMB15 billion in 2012, representing a CAGR of approximately 18.4%. The table below sets out selected data relating to real estate investment in Dongying for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Real estate investment (RMB billions)	6	7	8	10	12	15	18.4%
Residential investment (RMB billions)	5	5	6	8	10	12	21.0%
Total GFA of commodity properties completed (million sq.m.)	2.5	2.5	2.8	1.9	3.3	2.2	N/A
Total GFA of commodity properties sold (million sq.m.)	2.6	2.6	3.3	3.7	4.0	3.8	8.1%
Average price of commodity properties (RMB per sq.m.)	2,343	2,500	2,934	3,691	4,298	4,422	13.5%
Average price of residential properties (RMB per sq.m.) . .	2,224	2,396	2,905	3,662	4,091	4,402	14.6%
Sales revenue of commodity properties (RMB billions) . . .	6	7	10	14	17	17	22.8%
Sales revenue of residential properties (RMB billions)	5	6	9	13	15	15	23.2%

Source: National Bureau of Statistics of China

Nanning

Overview

Nanning is the capital city of Guangxi Zhuang Autonomous Region and an economic center in southwestern China. Driven by the “West Development Strategy,” Nanning has experienced robust economic growth from RMB107 billion in 2007 to RMB250 billion in 2012, representing a CAGR of approximately 18.6%. Per capita GDP also increased from RMB15,759 in 2007 to RMB35,138 in 2012. The table below sets out selected data relating to economic development in Nanning for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Nominal GDP (RMB billions)	107	132	153	180	221	250	18.6%
Real GDP growth rate (%)	17.2	14.5	15.1	14.2	13.5	12.3	N/A
Per capita GDP (RMB)	15,759	19,102	21,829	26,330	33,017	35,138	17.4%
Fixed-asset investment (RMB billions)	56	69	104	148	202	259	35.8%
Per capita disposable income of urban households (RMB)	11,877	14,446	16,254	18,032	20,005	22,561	13.7%
Population (millions)	6.8	7.0	7.0	6.7	6.7	—	N/A

Source: National Bureau of Statistics of China

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Nanning Property Market

Real estate investment in Nanning increased from RMB19 billion in 2007 to RMB36 billion in 2012, representing a CAGR of approximately 14.1%. The table below sets out selected data relating to real estate investment in Nanning for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	19	20	23	32	38	36	14.1%
Residential investment (RMB billions)	12	13	16	23	26	25	15.5%
Total GFA of commodity properties completed (million sq.m.)	4.2	4.6	4.4	5.2	5.1	6.6	9.6%
Total GFA of commodity properties sold (million sq.m.)	6.3	5.0	7.3	6.7	7.0	6.3	0.0%
Average price of commodity properties (RMB per sq.m.)	3,404	3,952	4,557	5,135	5,321	6,003	12.0%
Average price of residential properties (RMB per sq.m.)	3,273	3,726	4,463	4,942	5,133	5,619	11.4%
Sales revenue of commodity properties (RMB billions)	21	20	33	34	37	38	12.0%
Sales revenue of residential properties (RMB billions)	19	17	31	30	31	32	11.0%

Source: National Bureau of Statistics of China

GFA of residential properties completed in Nanning grew at a CAGR of approximately 8.6% from 2007 to 2012.

Average selling prices in the commodity property market in Nanning was RMB6,003 per sq.m. in 2012, representing a CAGR of 12.0% over the period from 2007 to 2012.

Guilin

Overview

Guilin is a city in the Guangxi Zhuang Autonomous Region and has long been regarded as one of China's most popular tourist destinations. Guilin has experienced robust economic growth from RMB74 billion in 2007 to RMB149 billion in 2012, representing a CAGR of approximately 14.9%. The table below sets out selected data relating to economic development in Guilin for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	74	88	95	110	133	149	14.9%
Real GDP growth rate (%)	14.8	12.9	13.8	13.8	11.8	13.3	N/A
Per capita GDP (RMB)	15,370	18,128	19,362	22,780	27,843	—	N/A
Fixed-asset investment (RMB billions)	40	49	66	91	114	146	29.4%
Per capita disposable income of urban households (RMB)	12,908	14,636	16,221	17,949	19,882	22,300	11.6%
Population (millions)	5.0	4.9	4.9	4.7	4.8	—	N/A

Source: National Bureau of Statistics of China

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Guilin Property Market

Real estate investment in Guilin has experienced constant growth from RMB8 billion in 2007 to RMB18 billion in 2012, representing a CAGR of approximately 17.4%. The table below sets out selected data relating to real estate investment in Guilin for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Real estate investment (RMB billions)	8	8	9	12	15	18	17.4%
Residential investment (RMB billions)	6	6	7	9	11	14	19.2%
Total GFA of commodity properties completed (million sq.m.)	1.4	1.9	1.8	1.9	1.7	1.6	2.1%
Total GFA of commodity properties sold (million sq.m.)	2.9	2.7	2.7	3.2	2.8	3.2	2.3%
Average price of commodity properties (RMB per sq.m.)	2,415	2,795	2,980	3,574	3,887	4,233	11.9%
Average price of residential properties (RMB per sq.m.)	2,295	2,635	2,864	3,460	3,750	3,975	11.6%
Sales revenue of commodity properties (RMB billions)	7	7	8	12	11	14	14.4%
Sales revenue of residential properties (RMB billions)	6	7	8	11	10	12	13.8%

Source: National Bureau of Statistics of China

Liuzhou

Overview

Liuzhou is the second-largest city in the Guangxi Zhuang Autonomous Region and an industrial center in southwestern China. Located at the intersection of the ASEAN Economic Zone, Pan-Pearl River Delta Economic Zone and West China Economic Zone, Guangxi Zhuang Autonomous Region is well positioned to connect China with ASEAN countries. As an advanced industrial base of the automobile, metallurgy and machinery industries, Liuzhou has experienced rapid economic growth. From 2007 to 2012, Liuzhou's nominal GDP grew from RMB76 billion in 2007 to RMB185 billion in 2012, representing a CAGR of approximately 19.6%. The table below sets out selected data relating to economic development in Liuzhou for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Nominal GDP (RMB billions)	76	91	105	132	158	185	19.6%
Real GDP growth rate (%)	15.5	14.0	16.3	15.8	10.8	11.7	N/A
Per capita GDP (RMB)	20,737	24,776	28,291	35,230	41,832	48,462	18.5%
Fixed-asset investment (RMB billions)	30	43	68	100	131	168	41.0%
Per capita disposable income of urban households (RMB)	12,866	14,474	16,017	17,766	19,615	22,181	11.5%
Population (millions)	3.6	3.7	3.7	3.8	3.8	—	N/A

Source: National Bureau of Statistics of China

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Liuzhou Property Market

Real estate investment in Liuzhou increased from RMB7 billion in 2007 to RMB23 billion in 2012, representing a CAGR of approximately 25.6%. The table below sets out selected data relating to real estate investment in Liuzhou for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	7	9	12	17	20	23	25.6%
Residential investment (RMB billions)	5	6	7	10	11	11	18.7%
Total GFA of commodity properties completed (million sq.m.)	1.6	0.9	2.3	1.1	3.2	2.4	7.8%
Total GFA of commodity properties sold (million sq.m.)	2.8	2.0	2.7	2.9	3.1	3.5	4.9%
Average price of commodity properties (RMB per sq.m.)	2,717	2,975	3,313	3,882	4,164	4,743	11.8%
Average price of residential properties (RMB per sq.m.)	2,531	2,725	3,053	3,562	3,905	4,293	11.1%
Sales revenue of commodity properties (RMB billions)	7	6	9	11	13	17	17.2%
Sales revenue of residential properties (RMB billions)	6	5	8	10	12	14	16.7%

Source: National Bureau of Statistics of China

Weifang

Overview

Weifang is a city in Shandong Province and located in the Bohai Rim Region (“環渤海區域”). From 2007 to 2012, Weifang’s nominal GDP grew from RMB206 billion to RMB401 billion, representing a CAGR of approximately 14.3%. Per capita GDP also experienced high growth from RMB23,349 in 2007 to RMB43,681 in 2012. The table below sets out selected data relating to economic development in Weifang for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	206	248	271	309	354	401	14.3%
Real GDP growth rate (%)	15.8	13.2	12.9	13.3	11.0	10.6	N/A
Per capita GDP (RMB)	23,349	27,923	30,338	34,260	38,820	43,681	13.3%
Fixed-asset investment (RMB billions)	118	152	186	230	260	301	20.7%
Per capita disposable income of urban households (RMB)	13,716	15,691	17,267	19,675	22,508	25,818	13.5%
Population (millions)	8.8	8.9	8.6	9.1	9.2	9.2	0.8%

Source: National Bureau of Statistics of China

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Weifang Property Market

Real estate investment in Weifang increased from RMB16 billion in 2007 to RMB47 billion in 2012, representing a CAGR of 24.8%. The table below sets out selected data relating to real estate investment in Weifang for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Real estate investment (RMB billions)	16	20	27	37	41	47	24.8%
Residential investment (RMB billions)	12	15	21	27	31	34	23.6%
Total GFA of commodity properties completed (million sq.m.)	4.2	6.4	6.1	7.5	8.0	7.2	11.1%
Total GFA of commodity properties sold (million sq.m.)	5.0	6.5	8.6	13.9	12.4	11.2	17.4%
Average price of commodity properties (RMB per sq.m.)	2,091	2,399	2,755	2,968	3,589	3,856	13.0%
Average price of residential properties (RMB per sq.m.)	2,009	2,310	2,591	2,808	3,442	3,657	12.7%
Sales revenue of commodity properties (RMB billions)	11	16	24	41	44	43	32.7%
Sales revenue of residential properties (RMB billions)	9	13	19	34	37	35	30.6%

Source: National Bureau of Statistics of China

Qingyuan

Overview

Qingyuan is a city in Guangdong Province near Guangzhou and a major economic and transportation hub. From 2007 to 2012, Qingyuan's nominal GDP grew from RMB56 billion to RMB103 billion, representing a CAGR of approximately 13.0%. Per capita GDP also increased significantly from RMB15,322 in 2007 to RMB27,426 in 2012. The table below sets out selected data relating to economic development in Qingyuan for the years indicated.

	2007	2008	2009	2010	2011	2012	2007-2012 CAGR
Nominal GDP (RMB billions)	56	65	72	87	100	103	13.0%
Real GDP growth rate (%)	24.8	10.1	12.8	12.9	8.3	5.1	N/A
Per capita GDP (RMB)	15,322	17,813	19,479	23,569	26,957	27,426	12.3%
Fixed-asset investment (RMB billions)	48	70	84	100	49	44	N/A
Per capita disposable income of urban households (RMB)	11,827	13,006	14,315	15,768	17,668	19,514	10.5%
Population (millions)	3.7	3.7	3.7	3.7	3.7	3.8	0.6%

Source: National Bureau of Statistics of China

INDUSTRY OVERVIEW

Qingyuan Property Market

Real estate investment in Qingyuan increased from RMB6 billion in 2007 to RMB18 billion in 2012, representing a CAGR of 22.5% over the same period. The table below sets out selected data relating to real estate investment in Qingyuan for the years indicated.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2007-2012 CAGR</u>
Real estate investment (RMB billions)	6	12	9	13	17	18	22.5%
Residential investment (RMB billions)	5	9	7	10	13	15	24.9%
Total GFA of commodity properties completed (million sq.m.)	1.6	1.9	2.0	2.4	1.9	3.0	12.9%
Total GFA of commodity properties sold (million sq.m.)	2.4	1.3	2.9	3.3	3.5	3.9	10.2%
Average price of commodity properties (RMB per sq.m.)	2,753	2,883	3,404	4,173	4,479	4,609	10.9%
Average price of residential properties (RMB per sq.m.)	2,660	2,694	3,271	4,064	4,355	4,397	10.6%
Sales revenue of commodity properties (RMB billions)	7	4	10	14	16	18	22.2%
Sales revenue of residential properties (RMB billions)	6	3	9	12	15	16	21.4%

Source: National Bureau of Statistics of China