

## **PROSPECTS**

The economy of mainland China is expected to continue its growing momentum. It is expected that China's accession to the World Trade Organisation and the successful bid for hosting the 2008 Olympic Games by Beijing will attract enormous amount of foreign investments to China in the coming years and that the economic reform in China will be deepened in a faster pace. It is anticipated that the real estate market in China will be benefited by the strong economy although competition in this sector will remain keen.

The Group anticipates an improvement in its operations in the second half year as Phase III of Anshan Greenland IT City, Phase II of Shenzhen Dragon Court and Phase I of Shanghai Ritz Villas will be launched for pre-sales in the second half year. Also, there has been significant improvement in the leasing of Wuhan Wah Zhong Trade Plaza and it is anticipated that there will be an increase in the rental income generated from this property.

Seeking for additions to landbank has been a continuing business exercise of the Group. Subsequent to the period under review, the Group has contracted to acquire a land parcel in Beijing with a total site area of about 410,000 sq.m. which will be developed into a villa estate.