

Management Discussion and Analysis



The project, located on Dongfeng East Road in Guangzhou's desirable Dongshan District, has earned a distinctive

reputation as one of the most sought-after residential addresses in Guangzhou. With a total site area of approximately 60,000 sq.m., the entire project includes 8 residential towers and an approximately 140,000 sq.m. commercial/office complex, to be developed in several phases. Now in place are Phases I and II, which comprise 4 residential towers (Towers 1 to 4), and the well-appointed residents' clubhouse, Eastern Club. Other deluxe facilities including a 50-metre swimming pool, tennis courts and golf amenities have also been completed, making

Eastern Place a fully self-sufficient exclusive community. Resident amenities are among the most luxurious and comprehensive available anywhere in downtown Guangzhou.

For Phase III, there are 2 towers (Towers 5 and 6) with 446 units, and the pre-sale permits were issued in June 2003. The pre-sale achieved an impressive result. For the year ended 31st July, 2004, 374 units were sold. For Phase IV (Towers 7 and 8), the development and construction plan has been approved by governmental authorities and the preliminary construction work has already begun.



Eastern Place — residential towers



The property, which enjoys a prime strategic location directly above the Gongyuanqian subway station, interchange station of Subway Lines No. 1 and 2, on Zhongshanwu Road, is now undergoing internal structural work and decoration. May Flower Plaza will provide commercial tenants with exceptional convenience and access to a well-developed transportation network, directly linked to two exits of the subway station and in close proximity to the bustling shopping street — Beijing Road Buxingjie, a popular and mature

shopping district. Its superior location has already drawn enormous traffic flow to the Plaza. The 13-storey complex will soon offer approximately 35,000 sq.m. office and commercial floor area, as well as a four-storey basement of approximately 14,000 sq.m. earmarked for commercial and car park use. Targeted to house a carefully selected mix of retail tenants, exhibition centres, restaurants and a cinema with state-of-the-art facilities, May Flower Plaza is scheduled to open in early 2005.



State-of-the-art cinema

Enjoyable shopping experience in May Flower Plaza

May Flower Plaza — a trendy & chic shopping arcade



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Zhongshan



Equipped with an extensive transportation network connecting to other major cities in the Mainland, Zhongshan's unparalleled infrastructure is second to none. Zhongshan is in close proximity to five airports within the region. The Zhongshan Port ranks among the top 10 national ports and top 100 international ports in terms of container handling capacity. All these have drawn an influx of foreign and local enterprises into the city, boosting prosperity of the property market in recent years.

Green urbanisation has become one of Zhongshan's city development priorities as part of an effort to enhance the quality of the city's living environment. At present, the green coverage of the city reached 38%. Zhongshan has earned the names of "National Clean City", "National Garden City", "National Model City for Environmental Protection", and won "the 1997 Habitat Scroll of Honor Award" by the United Nations. Given that the city is an ideal place to live and work, Zhongshan's property market is set to bloom, particularly the future of its residential sector.