

Business Review (continued)

Beijing

Beijing is the political economic and cultural centre of China. The total GDP of Beijing in 2005 was approximately RMB681.5 billion, and an increase of approximately 11.1% over 2004. It ranked second in GDP amongst all cities in China.

The Group entered the Beijing property market in 2002 after acquiring a piece of land for RMB3.16 billion by public tender. The land was developed into the project known as Beijing R&F City, the success of which laid the foundation for the group's nationwide expansion of its property development business. Given the heavy demand for property in Beijing, the impact of the 2008 Olympic Games to be hosted there, and the city's position as the political, economical and cultural centre of China, the Group expects the Beijing property market to become one of its most important markets.

As at 31 December 2005, the Group's had four projects under development in Beijing with a total GFA of approximately 3,080,000 sq. m. of which the total GFA under construction was approximately 870,000 sq. m.

Projects Under Development (PUD)	4
PUD Total GFA	870,000 sq. m.
Land Bank Total GFA	3,080,000 sq. m.

Tianjin

Tianjin is the economic center of the surrounding Bohai area. It is also one of the fastest growing cities in China economically. Its total GDP in 2005 was approximately 366.4 billion, an increase of approximately 14.5% as compared to 2004. Its GDP ranked sixth amongst all cities in China.

The Group acquired land for Tianjin R&F City at the end of 2004, and construction began in March 2005. Because Tianjin is a regional economic center with strong growth, there is healthy demand for property. The Group will continue its efforts to develop this market and increase its market share in Tianjin.

As at 31 December 2005, The Group had one project under development in Tianjin with a total GFA of approximately 927,000 sq. m., of which the total GFA under construction was approximately 318,000 sq. m.

Projects Under Development (PUD)	1
PUD Total GFA	140,000 sq. m.
Land Bank Total GFA	927,000 sq. m.

Xian

Xian is the capital city of Shaanxi Province, and with a total population of approximately 7.42 million, it is the largest city in the northwestern China. Xian is one of China's most famous tourist destinations, and it is also one of the most important cities to be developed in the northwest of the country. The economic development of Xian GDP will act as a leading indicator for other cities of the country in the west. Xian's total GDP in 2005 was approximately RMB127 billion, an increase of approximately 13.1% as compared to last year.

As at 31 December 2005, the Group has a project under development in Xian, with total GFA of approximately 980,000 sq. m., of which above ground GFA is approximately 140,000 sq. m.

Projects Under Development (PUD)	1
PUD Total GFA	318,000 sq. m.
Land Bank Total GFA	980,000 sq. m.

Chongqing

Chongqing is located in the southwestern part of China, upstream from Sanxia (The Three Gorge). It is the fourth municipality after Beijing, Tianjin and Shanghai to report directly to the State Council. It is also one of the largest cities in China, with a total population of approximately 30 million. Chongqing is an important industrial city specializing in heavy industries. In 2005, its total GDP was approximately RMB306.9 billion, an increase of 11.5% as compared to 2004. Its geographical location had meant that Chongqing is a focus for the economic development in the southwestern part of China.

In January 2006, the Group acquired a piece of land in Chongqing for RMB160 million. The site is located in a prime area of the city, with a site area of approximately 80,000 sq. m. and a total GFA of approximately 230,000 sq. m. The site will be used for large scale development, mainly for residential purposes. Construction of the project is scheduled to begin in the third quarter of 2006. The acquisition of this project in Chongqing marked a further significant step in the Group's nationwide business expansion.

Projects Under Development (PUD)	0
PUD Total GFA	0 sq. m.
Land Bank Total GFA	230,000 sq. m.

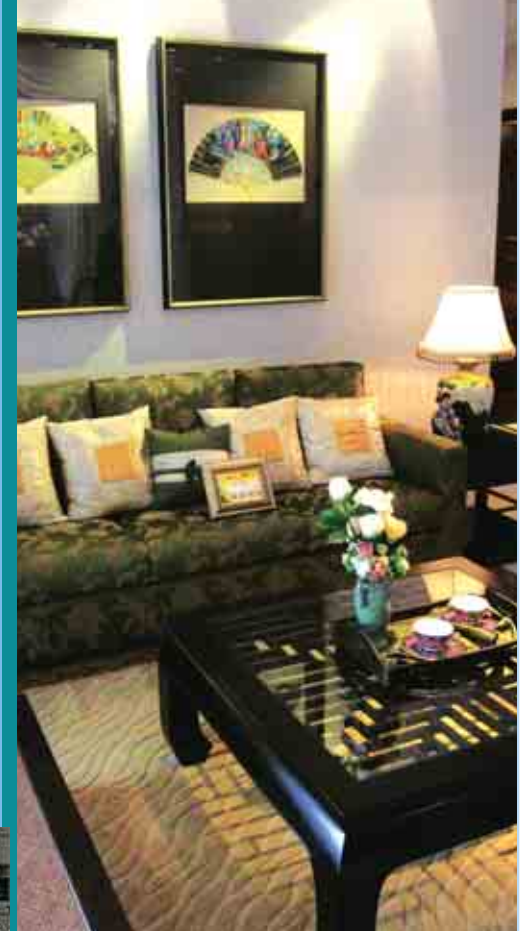
Flagship Project

R&F Peach Garden

R&F Peach Garden is located in the northwestern Guangzhou, at the junction of the Baiyun District and Liwan District known as Luochongwei, with the West Ring Road commercial area to its East. The entire development will provide approximately 9,800 residential units, 14,000 sq. m. of commercial space and 2,000 car parks. The project is the Group's largest-ever development project in Guangzhou. The development began in 2003 and is divided into five phases.

Total GFA is approximately **980,000** sq. m.





The site area is approximately 330,000 sq. m. (including the area for roads).

The total GFA is approximately 980,000 sq. m.

Approximately 890,000 sq. m. is for above-ground structure.

The entire project is expected to be completed in 2008.

Flagship Project

Guangzhou R&F City

Guangzhou R&F City is a major residential complex along the new Baiyun airport highway, situated at the Pingsha exit of the highway between the City and the airport and close to the national highway between Guangzhou and Huadu. The project is divided into "North" and "South" phases. Construction of the first four blocks of the south phase began in November 2004, and pre-sale commenced in November 2005.

Total GFA is approximately **570,000** sq. m.





The site area is approximately 340,000 sq. m.

The total planned GFA is approximately 570,000 sq. m.

Approximately 475,000 sq. m is for above-ground structure.

The entire project is expected to be completed in 2008.

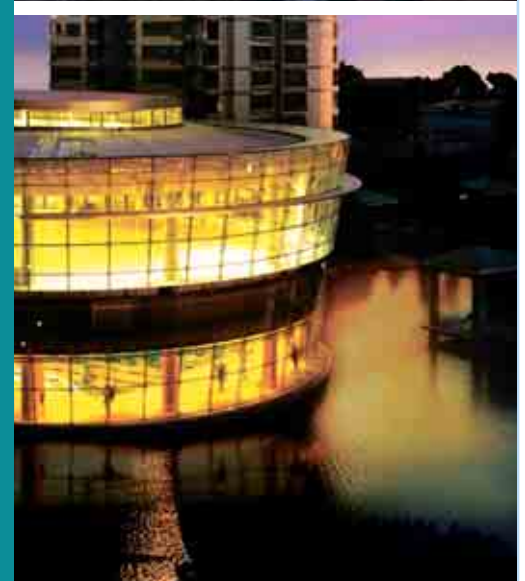
Flagship Project

Beijing R&F City

Located in the East Third Ring Road of Chaoyang District, Beijing R&F City is the Group's largest property development project in Beijing. The project will provide approximately 6,000 quality residential units, 95,000 sq. m. of office space, a commercial complex, and 5,400 car parks. Construction began in December 2002. The project is divided into four phases, of which to date phases 1 and 2 have been completed. Phase 3 of the project is currently development.

Total GFA is approximately **1,500,000** sq. m.





The site area is approximately 410,000 sq. m. (including the area for roads).

The total GFA is approximately 1,500,000 sq. m.

Approximately 1,190,000 sq.m is for above-ground structure.

The entire project is expected to be completed in December 2007.

Flagship Project

R&F Festival City

R&F Festival City is near the East Fifth Ring Road in Chaoyang District. The site is close to three highways leading to Tongzhou, Shenyang and Tianjin/Tanggu, and is located within an area earmarked for development by the municipal government in the near future. The project will develop into approximately 4,700 residential units, 94,000 sq. m. of commercial space, 92,000 sq. m. of office space and 2,000 car parks. Construction began in March 2005.

Total GFA is approximately **1,123,000** sq. m.





The site area is approximately 340,000 sq. m.

The total GFA is approximately 1,123,000 sq. m.

Approximately 940,000 sq.m is for above-ground structure.

The entire project is expected to be completed in December 2009.