

BUSINESS OVERVIEW

PROPERTY DEVELOPMENT

As of 31 December 2006, the Group had twenty-three projects at various stages of development. Twenty-one of the projects are located in Guangdong Province including eight in Guangzhou, five in Foshan, four in Jiangmen, one in Yangjiang, one in Shaoguan, one in Zhaoqing and one in Huizhou. Another two projects are located in other provinces including one in Changsha in Hunan Province, and one in Manzhouli in Inner Mongolia Autonomous Region.

As of 31 December 2006, the Group's twenty-three project had an aggregate completed GFA of 6,237,192 sq.m., on which it had built 36,951 units to house an estimated 129,000 people, an aggregate GFA under development of 4,281,889 sq.m., and an aggregate GFA of 12,525,272 sq.m., relating to properties held for future development.

PROPERTY MANAGEMENT

Through a wholly-owned property management subsidiary of the Company, Guangdong Country Garden Property Management Co. Ltd. ("Guangdong Management Co."), the Group provide post-sales property management and services to the residents of each of the projects developed.

The development status of the Group's hotel properties is as follows:

Name of Hotel	Location	Opening Date	Number of	
			Rooms	Star-rating
Shunde Country Garden Holiday Resort (順德碧桂園度假村)	Shunde Country Garden, Foshan	February 2000	152 rooms	Four-Star
Guangzhou Country Garden Phoenix City Hotel (廣州碧桂園鳳凰城酒店)	Country Garden Phoenix City, Guangzhou	November 2003	573 rooms	Five-Star
Qingyuan Country Garden Holiday Islands Hotel (清遠市碧桂園假日半島酒店)	Qingyuan Holiday Islands Country Garden, Qingyuan	December 2004	201 rooms	According to five-star rating standard (i) (in operation)
Heshan Country Garden Phoenix Hotel (鶴山碧桂園鳳凰酒店)	Heshan Country Garden, Jiangmen	July 2005	111 rooms	According to five-star rating standard (i) (in operation)
Wuyi Country Garden Phoenix Hotel (五邑碧桂園鳳凰酒店)	Wuyi Country Garden, Jiangmen	December 2005	95 rooms	According to five-star rating standard (i) (in operation)

As of 31 December 2006, the Group had approximately 11,544 staff members working for its 21 property management branches. The Group aims to continue to provide to purchasers of our properties comprehensive post-sales property management and services, including public security and assisting the management of public order, maintenance of public facilities, cleaning of public areas, domestic assistance, gardening and landscaping, intra-community shuttle bus operations and other customer services. The Group has established a market reputation for the quality of these services. For example, Guangdong Management Co. has been certified by the Ministry of Construction as a class-one property management company, the highest level a PRC property management company can achieve.

HOTELS DEVELOPMENT AND OPERATION

The hotels that the Group have developed and currently operates include one five-star hotel and one four-star hotel, as well as three hotels which have been developed to the five-star rating standard under the "Star-Rating Standard for Tourist Hotels". In addition, the Group has five hotels that are under construction in accordance with the five-star standard of the "Star-Rating Standard for Tourist Hotels".

BUSINESS OVERVIEW (CONTINUED)

Name of Hotel	Location	Opening Date	Number of Rooms	Star-rating
Yangjiang Country Garden Phoenix Hotel (陽江碧桂園鳳凰酒店)	Yangjiang Country Garden, Yangjiang	June 2007	349 rooms	According to five-star rating standard (i) (under construction)
Changsha Venice Palace Hotel (長沙威尼斯酒店)	Venice Palace, Changsha	October 2007	354 rooms	According to five-star rating standard (i) (under construction)
Taishan Country Garden Phoenix Hotel (台山碧桂園鳳凰酒店)	Taishan Country Garden, Jiangmen	February 2008	357 rooms	According to five-star rating standard (i) (under construction)
Xinhui Country Garden Phoenix Hotel (新會碧桂園鳳凰酒店)	Xinhui Country Garden, Jiangmen	February 2009	350 rooms	According to five-star rating standard (i) (under construction)
Gaoming Country Garden Phoenix Hotel (高明碧桂園鳳凰酒店)	Gaoming Country Garden, Foshan	February 2009	357 rooms	According to five-star rating standard (i) (under construction)

Notes:

- (i) Hotels are only allowed to apply for star hotel certification after one year of operation.
- (ii) Zhaoqing Gaoyao Country Garden Phoenix Hotel Co. Ltd. had acquired a parcel of land for the construction of a hotel.

Qingyuan Country Garden Holiday Islands Hotel and Heshan Country Garden Phoenix Hotel have commenced the process in applying for five-star rating standard in September 2005 and August 2006 respectively. Qingyuan Country Garden Holiday Islands Hotel has already received recognition from the Guangdong Province Hotel Star-rating Assessment Committee and is awaiting the final recognition from the Star-rating Committee under the China National Tourism Administration. Heshan Phoenix Hotel is in the process of applying to Jiangmen Municipal Tourism Bureau. Its application will be subject to review by the Guangdong Province Hotel Star-rating Assessment Committee and the Star-rating Committee under the China National Tourism Administration.

BUSINESS OVERVIEW (CONTINUED)

Business Outlook

The Board is confident of the future prospects of the Group and believes that the Group is one of the largest integrated real estate developers in China. The Group's key objectives are to build its leading position as an integrated property developer in the PRC, and to continue to invest in its land bank as appropriate opportunities arise. To accomplish these objectives, the Group plans to leverage on its leadership in residential property markets in Guangdong Province and other strategically selected districts to extend its operations into new geographical areas and to expand its project portfolio to include non-residential projects.

Solidifying the leadership in the residential property markets in which the Group currently operate

The Group will continue to focus on the development of large-scale suburban or newly urbanized residential community projects in Guangdong Province and other city such as Changsha City in Hunan Province, the PRC. The Group plans to exploit its extensive land bank, and purchases additional parcels of land where appropriate, to launch further residential sites in these markets that it will design, construct and manage by drawing upon our substantial experience and proven track record in this area.

Expansion into new geographical areas

The Group will identify and evaluate potential new projects in new geographical areas. The Group is looking to expand its business into other key cities outside of Guangdong

Province in the PRC to achieve a geographically diversified portfolio of projects across mainland China. It will leverage its strong brand name and extensive experience to develop high-quality properties in its chosen markets in these other areas.

Expansion into non-residential projects

The Group intends to continue to expand its hotel segment by not only incorporating hotels into future residential developments but also identifying suitable locations where it can develop and manage hotels that are independent of its residential projects. The Group believes its existing experience in building and operating hotels that form part of its residential developments will give it a competitive advantage in implementing these plans. It also plan to broaden its property portfolio to include new sectors, such as office properties. It has plans in place for developing office space to meet its own needs and to lease to other companies. This expansion into non-residential projects should enable it to diversify its income stream and achieve higher growth.

By implementing the future plans and strategies, the Group believes that it will be able to further strengthen the "Country Garden" brand and maximize profits and returns to shareholders.

BUSINESS OVERVIEW (CONTINUED)

Property Development

Completed Property Developments

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable GFA sold ⁽¹⁾ sq.m.	Completion Date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100	240,550	238,860	226,374	29 June 2002
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	270,799	100	54,247	53,997	53,812	13 December 2002
Huanan Country Garden — Phases One to Five and Phase Seven (華南碧桂園 一至五期及七期)	Guangzhou (Panyu)	1,017,401	100	683,201	629,618	565,713	30 December 2006
Licheng Country Garden (荔城碧桂園)	Guangzhou (Zengcheng)	559,148	100	414,134	391,894	265,354	25 September 2006
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	3,973,750	100	1,701,939	1,638,497	1,397,049	27 September 2006
Huanan Country Garden — Phase Six (華南碧桂園 — 六期)	Guangzhou (Panyu)	428,599	50	268,982	268,982	256,860	8 December 2006
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	505,722	100	56,581	54,992	10,863	30 November 2006
Holiday Islands — Huadu (假日半島 — 花都)	Guangzhou (Huadu)	532,417	100	20,419	20,219	20,219	10 December 2006
Shunde Country Garden — including Country Garden West Court (順德碧桂園 — 含碧桂園西苑)	Foshan (Shunde)	2,257,458	100	1,598,907	1,556,985	1,403,992	30 December 2006
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	274,708	90	68,854	59,025	58,783	15 July 2002
Peninsula Country Garden (半島碧桂園)	Foshan (Shunde)	294,490	100	183,822	180,390	176,095	14 September 2006
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	992,358	100	194,629	189,698	167,816	29 September 2006
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	569,330	100	18,371	18,371	0	30 December 2006
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,156,538	100	319,005	307,675	184,149	18 October 2006
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	688,219	100	301,330	294,583	185,996	14 October 2006
Yangdong Country Garden (陽東碧桂園)	Yangjiang (Yangdong)	389,734	100	112,221	97,835	35,629	3 November 2006
Total:		15,179,893		6,237,192	6,001,621	5,008,704	

Note:

- (1) “Completed GFA”, “Total completed saleable GFA” and “Total saleable GFA sold” for completed property developments are based on the surveying reports by relevant government departments.

BUSINESS OVERVIEW (CONTINUED)

Properties Under Development

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA under development ⁽¹⁾ sq.m.	Total saleable GFA under development ⁽²⁾ sq.m.	Actual/Estimated commencement date	Total saleable GFA pre-sold ⁽²⁾ sq.m.	Actual/Estimated pre-sale commencement date	Estimated completion date
Huanan Country Garden — Phases One to Five and Phase Seven (華南碧桂園一至五期及七期)	Guangzhou (Panyu)	1,017,401	100	229,533	226,453	25 February 2005	90,116	1 May 2006	30 June 2009
Licheng Country Garden (荔城碧桂園)	Guangzhou (Zengcheng)	559,148	100	38,958	38,958	18 October 2005	21,183	9 February 2005	10 April 2007
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	3,973,750	100	163,693	109,082	29 April 2006	22,371	23 September 2006	10 December 2007
Huanan Country Garden — Phase Six (華南碧桂園—六期)	Guangzhou (Panyu)	428,599	50	139,617	137,648	15 October 2004	129,928	24 July 2005	30 August 2007
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	505,722	100	50,968	50,281	30 June 2006	0	25 December 2005	30 November 2007
Holiday Islands — Huadu (假日半島—花都)	Guangzhou (Huadu)	532,417	100	192,095	190,040	11 January 2006	63,699	28 January 2006	10 December 2007
Shunde Country Garden — including Country Garden West Court (順德碧桂園—含碧桂園西苑)	Foshan (Shunde)	2,257,458	100	440,378	438,255	29 June 2005	100,022	1 February 2006	30 August 2008
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	274,708	90	153,284	152,739	9 December 2005	0	28 February 2007	15 May 2008
Peninsula Country Garden (半島碧桂園)	Foshan (Shunde)	294,490	100	110,668	106,922	11 April 2005	104,875	20 August 2005	30 October 2007
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	992,358	100	751,170	745,082	31 May 2006	0	1 January 2008	1 May 2009
Nanghai Country Garden (南海碧桂園)	Foshan (Nanghai)	569,330	100	397,561	390,742	28 June 2005	285,817	3 January 2006	30 September 2008
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,156,538	100	109,656	114,205	30 April 2006	23,600	1 October 2006	20 November 2007
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	688,219	100	128,223	104,383	30 April 2006	15,895	1 October 2006	30 October 2008
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	515,276	100	109,111	106,882	7 November 2005	53,045	6 August 2006	30 November 2007
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	3,421,215	100	259,095	257,844	31 March 2006	0	28 February 2007	20 May 2008
Yangdong Country Garden (陽東碧桂園)	Yangjiang (Yangdong)	389,734	100	277,513	271,109	29 April 2005	10,130	7 January 2006	20 June 2009
Zhaoqing Gaoxin Lanling Residence (肇慶高新區藍領公寓)	Zhaoqing (Gaoxin)	86,517	100	86,517	86,517	5 September 2006	0	1 December 2007	1 June 2008
Changsha Country Garden (長沙碧桂園)	Changsha (Xingsha)	1,028,463	100	643,849	600,394	1 September 2005	117,029	1 October 2006	30 November 2007
Total:		19,691,343		4,281,889	4,127,536		1,037,710		

Notes:

- (1) "GFA under development" is based on the actual measurements by the housing management department of the Group.
- (2) "Total saleable GFA under development" and "Total saleable GFA pre-sold" for properties under development are derived from the Commodity Properties Pre-sale Permit.

BUSINESS OVERVIEW (CONTINUED)

Properties for Future Development

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Actual/Estimated commencement date	Actual/Estimated pre-sale commencement date	Estimated Completion date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100	28,672	1 October 2008	1 May 2009	30 December 2010
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	270,799	100	216,552	1 October 2007	1 May 2008	30 December 2010
Huanan Country Garden — Phases One to Five and Phase Seven (華南碧桂園 一至五期及七期)	Guangzhou (Panyu)	1,017,401	100	104,667	1 March 2008	1 February 2009	30 December 2010
Licheng Country Garden (荔城碧桂園)	Guangzhou (Zengcheng)	559,148	100	106,056	1 March 2007	1 January 2008	30 December 2009
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	3,973,750	100	2,108,118	10 November 2006	1 May 2007	1 December 2013
Huanan Country Garden — Phase Six (華南碧桂園 — 六期)	Guangzhou (Panyu)	428,599	50	20,000	—	—	—
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	505,722	100	398,173	1 April 2007	1 May 2008	1 November 2010
Holiday Islands — Huadu (假日半島 — 花都)	Guangzhou (Huadu)	532,417	100	319,903	1 February 2007	1 July 2007	20 November 2009
Shunde Country Garden — including Country Garden West Court (順德碧桂園 — 含碧桂園西苑)	Foshan (Shunde)	2,257,458	100	218,173	13 April 2006	30 July 2007	30 December 2009
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	274,708	90	52,570	1 August 2008	3 January 2010	1 July 2011
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	992,358	100	46,559	—	—	—
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	569,330	100	153,398	—	—	—
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,156,538	100	1,727,877	1 June 2007	1 October 2007	1 March 2016
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	688,219	100	258,666	1 November 2006	1 May 2007	30 December 2009
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	515,276	100	406,165	1 April 2007	1 October 2008	30 October 2012
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	3,421,215	100	3,162,120	1 March 2007	1 January 2008	1 September 2019
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhengguan)	1,460,215	100	1,460,215	1 July 2007	1 October 2007	1 May 2019
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	691,974	90	691,974	—	—	—
Changsha Country Garden (長沙碧桂園)	Changsha (Xingsha)	1,028,463	100	384,614	1 January 2007	1 October 2007	1 September 2009
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	660,800	100	660,800	—	—	—
Total:		22,273,612		12,525,272			

Note:

(1) "GFA held for future development" for each project is the GFA expected to be built.