

## New Projects in Yunnan

Yunnan province possesses a unique combination of breathtaking landscape, ecology and cultural diversity as well as a mild climate that makes it a very attractive tourism destination for both local and foreign visitors. At present, about 70% of Yunnan's tourism revenue derives from sightseeing but the province has only limited offers for the upscale sector.

Yunnan provincial government aims to promote leisure resorts tourism with a higher percentage of revenue from F&B and entertainment, longer stay and a higher average spend per head of every visitor. Yunnan's 11th Five-Year Plan aims for total tourism spending to reach RMB63 billion in 2010 and to continue its rapid expansion to RMB150 billion in 2020. To stimulate the growth of the tourism sector, the provincial government has allocated resources to improve infrastructure, with new expressways, upgraded railways and the planned renovation of Kunming International Airport to become the fourth national gateway airport, after Beijing, Shanghai and Guangzhou.

The Company is planning to work closely with the provincial and city governments to help achieve their strategic goal of promoting and upgrading the tourism sector in four cities in Yunnan, namely Kunming, Lijiang, Dali and Shangri-La. Towards this end, the Company has signed a non-binding Memorandum of Understanding with Yunnan provincial government. We will also collaborate with the governments of these four cities to develop upscale tourism and lifestyle community resorts in their respective cities. The Company is still in discussion with the respective city governments on the master plans and GFA of the four projects. The final master plan and GFA will be subject to approval from the governments after land tender.



### 1 Kunming

Kunming is popularly known as the Eternal Spring City in China for its all-year round mild climate. Our proposed project is located at the northern shore of the scenic Dianchi Lake in upper Caohai. The project concept is to develop a master-plan development of public recreation, tourism, knowledge and innovation industry, art and culture facilities and an integrated residential community. The project is within 15 minutes driving distance from downtown Kunming.

The proposed project is sited on an approximately 4 sq.km. plot of land with approximately 2.5 million sq.m. of GFA. Within the proposed master plan is the Daguan Park, a site with historical significance to Kunming. The Company plans to develop the site based on sustainable development concepts and sensitivity to the ecology of the surrounding



environment. Within the master plan, a waterfront promenade along the Dianchi Lake is planned and a retail, F&B and entertainment area resembling Shanghai Xintiandi is also planned adjacent to the historical Daguan Park.

## 2 Lijiang

Lijiang is a popular holiday destination in China due to its breathtaking natural scenery and rich and diverse cultures, especially the unique Naxi culture. Our proposed site comprises multiple plots of land around the Lashihai Lake, famous for its bird habitat with over 200,000 migratory birds visiting annually. It is about 8 km. west of Lijiang Old Town, a UNESCO certified cultural heritage village.

The proposed project plans to develop world-class tourism facilities and create an economic cluster based on tourism with approximately 1.2 million sq.m. in GFA. Existing villages within the master plan would be maintained and the unique Naxi culture and lifestyle would be preserved.

## 3 Dali

Dali has a rich and colourful culture as well as unparalleled diversity in natural scenery. Our proposed project, planned on three parcels of land, is located on the eastern shore of Erhai Lake, with about an area of 15 million sq.m.

The proposed project has three components, namely Jinsuo Island, Harbour District and Upper Plateau at the north end of the project. These three components will have their own unique functions and attractions and would be connected by a water taxi circuit.

## 4 Shangri-La

Shangri-La is a mystical town made popular by a novel of the same name. Our proposed project is about approximately 50 minutes driving distance from Shangri-La's old town and 40 minutes from the airport. It has approximately 17.7 million sq.m. of land area with approximately 760,000 sq.m. of GFA.

The proposed site consists of three open meadows, which are enclosed by mountainous terrains. One of the meadows is planned to be developed as a ski resort. This "heaven on earth" would be developed based on sustainable development concepts and protection of the ecology, habitat and local cultures.