

INDUSTRY OVERVIEW

We have extracted and derived the information and statistics in the section below, in part, from various official government publications and sources as identified. We believe that the sources of the information in the section below are appropriate sources for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. While reasonable care has been taken in the extraction, compilation and reproduction of such information and statistics, neither we, nor any Selling Shareholder, nor the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Joint Sponsors and the Underwriters, nor any of our or their respective affiliates or advisors, nor any party involved in this Global Offering have commissioned the preparation of such information and statistics or independently verified such information and statistics directly or indirectly derived from such official government publications or make any representation as to their accuracy. The information and statistics may not be consistent with other information and statistics compiled within or outside China.

CHINA'S ECONOMY

The PRC economy has grown significantly since the PRC government introduced economic reforms in the late 1970's. China's accession to the World Trade Organization, or WTO, in 2001 has further accelerated the reform of the PRC economy. China's GDP increased from approximately RMB 15,987.8 billion in 2004 to approximately RMB 30,067.0 billion in 2008 at a compound annual growth rate, or CAGR, of approximately 17.1%. Per capita disposable income in China reached RMB 15,781.0 in 2008, representing an increase of approximately 14.5% over 2007. Investments in real estate in China were approximately RMB 3,058.0 billion in 2008, representing an increase of approximately 21.0% over 2007.

The table below sets out selected economic statistics for China for the years indicated.

	2004	2005	2006	2007	2008
GDP (RMB billion)	15,987.8	18,386.8	21,087.1	24,661.9	30,067.0
GDP growth rate (%)	10.1	10.4	11.1	11.4	9.0
GDP per capita (RMB)	12,336.0	14,103.0	16,084.0	18,665.0	22,640.0
GDP per capita growth rate (%)	9.4	9.8	10.5	16.0	21.3
Total imports and exports (US\$ billion)	1,154.6	1,421.9	1,760.4	2,173.8	2,561.6
Utilized FDI (US\$ billion)	60.6	60.3	69.5	74.8	92.4
Per capita disposable income (RMB)	9,421.6	10,493.0	11,759.0	13,785.8	15,781.0
Total savings of urban households (RMB billion)	11,955.5	14,105.1	16,158.7	17,621.3	22,150.3

Source: National Bureau of Statistics of China

INDUSTRY OVERVIEW

PRC PROPERTY MARKETS

Reform of the PRC property market did not commence until the 1990s. Prior to such reform, the PRC real estate development industry was part of the nation's centrally planned economy. In the 1990s, the PRC government initiated the housing reform and, as a result, the real estate and housing sector of China began its transition to a market-based system. A brief timeline of key housing reforms is set out below:

- | | |
|------|---|
| 1988 | The NPC amended the national constitution to permit the transfer of state-owned land use rights |
| 1992 | Sale of formerly public housing commenced in major cities |
| 1994 | The PRC government further implemented the reform and established an employer/employee-funded housing fund, and issued a regulation regarding pre-sale of commodity housing in cities |
| 1995 | The PRC government issued regulations regarding the transfer of real estate, establishing a regulatory framework for real estate sales |
| 1998 | The PRC government abolished the state-allocated housing policy |
| 1999 | The PRC government extended the maximum mortgage term to 30 years and formalized procedures for the sale of real estate in the secondary market |
| 2000 | The PRC government issued regulations to standardize the quality of construction projects, establishing a framework for administering construction quality |
| 2002 | The PRC government promulgated rules to require that state-owned land use rights be granted by way of tender, auction and listing-for-sale and eliminated the dual system for domestic and overseas home buyers in China |
| 2003 | The PRC government promulgated rules to require more stringent administration of real estate financing for the purpose of reducing credit and systemic risks associated with such financing |
| 2004 | The PRC government required real estate development projects (excluding affordable housing programs) to be financed by developers themselves from their capital funds with respect to 35%, rather than 20%, of the total projected capital outlay for such projects, imposed more restrictive requirements on pre-sale of commodity housing in cities and issued guidelines to commercial banks to further strengthen their risk control over real estate financing |

INDUSTRY OVERVIEW

- 2005 The PRC government adopted additional measures to discourage speculation in real properties, such as increasing the minimum down-payment to 30% of the total purchase price in selected cities where the housing price increased too fast, eliminating the preferential mortgage interest rate for residential housing, imposing a business tax of 5% on the proceeds from sales that occur within two years of purchase, and prohibiting resale of unfinished properties
- 2006 The PRC government implemented additional land supply, bank financing and other measures to curb fast increases in property prices, to encourage the development of middle- to low-end housing and to promote healthy development of the PRC property industry
- 2007 The PRC government issued regulations to increase the annual land use tax, and to impose such land use tax on foreign invested enterprises as well and to require that land use right certificates be issued only upon full payment of the land premium with respect to all of the land use rights under a land grant contract, which effectively stopped the practice of issuing land use right certificates in installments
- 2008 The PRC government took additional measures during the first half of the year to control money supply and discourage speculations in the residential property market, but took other measures during the second half of the year to combat the impact of the global economic downturn, to encourage domestic consumption in the residential property market and to support real estate development
- 2009 The PRC government reduced the minimum capital funding requirement for real estate development from 35% to 20% for ordinary commodity housing projects and affordable housing projects, and to 30% for other real estate projects

You may find additional information on housing reforms and recent regulatory developments with respect to the property industry of China in “— Measures Taken by PRC Government in Recent Years Relating to PRC Property Markets” below and “Appendix VI — Summary of PRC Laws Relating to the Property Sector” in this prospectus.

The housing reforms, together with the economic growth of China, emergence of the mortgage lending market and increasing urbanization rate, are key factors in creating a real estate market in China and in sustaining the growth of China’s real estate market. These and other government housing reform measures will continue to encourage private housing ownership in China. According to the National Bureau of Statistics of China, China’s urbanization rate, i.e. the proportion of the population residing in urban areas, rose from approximately 29.0% in 1995 to approximately 45.7% in 2008. Increases in the urban population of China will likely result in increases in demand for residential properties.

INDUSTRY OVERVIEW

The table below shows China's urbanization rate for the periods indicated.

	2004	2005	2006	2007	2008
Total population (millions)	1,299.9	1,307.6	1,314.5	1,321.3	1,328.0
Urban population (millions)	542.8	562.1	577.1	593.8	606.7
Urbanization rate (%)	41.8	43.0	43.9	44.9	45.7

Source: National Bureau of Statistics of China

Measures Taken by PRC Government in Recent Years Relating to PRC Property Markets

From 2004 to the first half of 2008, in order to prevent the overheating of the PRC economy and to achieve a balanced and sustainable economic growth, the PRC government took measures to control money supply, credit availability and fixed assets investment. The PRC government also took measures to discourage speculation in the residential property market and to increase the supply of affordable housing rather than high-end residential properties. In response to concerns over the scale of the increase in property investment, the PRC government introduced policies and measures to restrict such increase, including:

- limiting the monthly mortgage payment to 50% of an individual borrower's monthly income and limiting all monthly debt service payments of an individual borrower to 55% of his or her monthly income;
- requiring real estate developers to finance 35% rather than 20% of the total projected capital outlay of any property development with their capital funds;
- increasing the required reserve ratio of funds that a commercial bank must hold on deposit from 7.5% in first half of 2006 to 15% in January 2008, effectively reducing the amount of money a bank is able to lend;
- increasing the PBOC benchmark one-year bank lending interest rates and public housing funds rates in December 2007, with the PBOC one-year benchmark lending interest rate at 7.47% and the public housing funds rates at 4.77% for loans with maturities of no more than five years and 5.22% for loans with maturities of over five years; and
- tightening regulations governing mortgage lending and restricting approval of new development zones.

In April 2005, the Ministry of Construction and other relevant PRC government authorities jointly issued their Opinions on Stabilizing Property Prices 《關於做好穩定住房價格工作的通知》 followed by a set of certain measures to tackle the overheating of the real estate industry including:

- a business tax levy on the sales proceeds subject to the length of holding period and type of properties starting from June 1, 2005;
- a ban on onward transfer of pre-sold properties;

INDUSTRY OVERVIEW

- strict enforcement of the imposition of an idle land fee for any land that has remained undeveloped for one year or longer starting from the commencement date as stipulated in the land grant contract and forfeiture of land use rights for any land that has remained idle for two years or longer;
- a stop order and cancellation for projects not in compliance with their construction plans; and
- a ban on land provision for villa construction and a restriction on land provision for high-end residential property development.

In May 2006, the Ministry of Construction, NDRC, PBOC and other relevant PRC government authorities jointly issued their Opinions on Housing Supply Structure and Stabilization of Property Prices 《關於調整住房供應結構穩定住房價格的意見》. Such opinions reiterated the existing measures and ushered additional measures that aim at further curbing the rapid increases then in property prices in large cities and promoting healthy development of the PRC property market. These measures include:

- requiring that at least 70% of the land supply approved by a local government for residential property development for any given year must be used for developing low-to medium-cost and small- to medium-size units and low-cost rental properties;
- requiring that at least 70% of residential projects approved or constructed on or after June 1, 2006 must consist of units with a unit floor area of less than 90 square meters per unit and that projects which have received approvals prior to this date but have not obtained construction permits must adjust their planning in order to be in conformity with this new requirement, with the exception that municipalities under direct administration of the PRC central government, such as Beijing, Chongqing and Shanghai, provincial capitals and certain other cities may deviate from such ratio under special circumstances upon approval from the Ministry of Construction;
- increasing the minimum amount of down-payment from 20% to 30% of the purchase price of the underlying property if the unit floor area for the project is 90 square meters or more, effective from June 1, 2006;
- prohibiting commercial banks from lending to real estate developers with an internal capital ratio, calculated by dividing the internal funds by the total project capital required for the relevant projects, of less than 35%, restricting the grant or extension of revolving credit facilities to property developers holding a large amount of idle land or vacant commodity properties, and prohibiting commercial banks from accepting commodity properties which have been vacant for more than three years as security for their loans; and
- imposing a business tax levy on the entire sales proceeds from re-sale of properties if the holding period is shorter than five years, effective from June 1, 2006, as opposed to two years when such levy was initially introduced in June 2005, and allowing such business tax to be levied on the difference between the price for such re-sale and the

INDUSTRY OVERVIEW

original purchase price in the event that an individual transfers a property that is not an ordinary residential property even though such transfer takes place after five years from his/her date of purchase.

In May 2006, the Ministry of Land and Resources published an urgent notice to tighten up land administration 《關於當前進一步從嚴土地管理的通知》. In this notice, the Ministry of Land and Resources stressed that local governments must adhere to their annual overall land use planning and land supply plans and tighten up the control on land supply for non-agricultural use. The notice also requires local governments to suspend the supply of land for new villa projects to ensure adequate supply of land for more affordable housing.

In May 2007, MOFCOM and SAFE issued the Circular on Strengthening and Regulating the Examination and Approval and Supervision of Foreign Direct Investment in the Real Estate Sector 《關於進一步加強規範外商直接投資房地產業審批和監管的通知》, commonly known as Circular 50. Under Circular 50, prior to applying for establishment of real estate companies, foreign investors must first obtain land use rights or property ownership certificates, or must first enter into pre-sale or pre-grant agreements with respect to the land use rights or property ownership certificates. If foreign-invested enterprises in China engage in real estate development or operations or if foreign-invested real estate enterprises, or FIREEs, in China engage in new real estate project developments, they must first apply to the relevant PRC governmental authorities to expand their scope of business in accordance with the PRC laws and regulations related to foreign investments. In addition, the local PRC governmental authorities must file with MOFCOM for record their approvals of establishment of FIREEs, and must exercise due control over foreign investments in high-end properties. Foreign exchange authorities may not allow capital-account foreign exchange sales and settlements by FIREEs that have been established in contravention of these requirements.

In July 2007, SAFE issued a notice, commonly known as Notice 130, together with a list of FIREEs that had effected their filings with MOFCOM. According to Notice 130, SAFE will no longer process foreign debt registrations or applications by FIREEs for permission to purchase foreign exchange to service their foreign debt if such FIREEs have not obtained their approval certificates from the government before June 1, 2007. As a result of Notice 130, unless the approval certificate of an FIREE as of May 31, 2007 contained an aggregate investment amount, which includes its registered capital and foreign debt, sufficient to permit foreign currency to be injected into its operations in China, such FIREE effectively will no longer be able to borrow foreign debt, including shareholder loans and overseas commercial loans, to finance its operations in China. It can only use its capital contributions instead. SAFE further informed in Notice 130 that it will not process any foreign exchange registration (or change of such registration) or application for settlement of foreign currency under the capital account by any FIREE if it has obtained the relevant approval certificates from local government authorities on or after June 1, 2007 but has not completed its filing with MOFCOM.

In October 2007, the PRC government revised its Catalog of Guidance on Industries for Foreign Investment 《外商投資產業指導目錄》 by, among other things, removing the development of ordinary residences from the foreign-investment-encouraged category and adding the secondary market residential property trading and brokering into the foreign-investment-restricted category.

INDUSTRY OVERVIEW

In January 2008, the State Council issued a Notice on Promoting Economization of Land Use 《關於促進節約集約用地的通知》 with respect to the collection of additional land premium, establishment of a land utilization priority planning scheme, formulation of a system for assessing the optimal use of land and other proposed measures. The notice urges the full and effective use of existing construction land and the preservation of farming land. The notice also emphasizes the enforcement of the current rules on idle land fee for any land left idle for over one year but less than two years, with such idle land fee charged at 20% of the land grant premium. The notice further urges the financial institutions to exercise caution when they process loan applications from property developers that have failed to commence construction, to complete development of at least one third of the site area or to invest at least 25% of the total investment within one year of the construction date provided in the land grant contract.

Since October 2008, due to the global economic slowdown and financial market crisis, the PRC government has adopted a series of measures with respect to money supply, credit availability, fixed assets investment, tax reduction, and other areas to encourage domestic consumption, including support to the property market and real estate development such as the following:

- reducing the capital funding requirement for real estate developers from 35% to 20% for ordinary commodity housing projects and affordable housing projects, and 30% for other real estate projects;
- reducing the required deposit reserve ratio for commercial banks to 14.5% for large deposit-taking financial institutions and 13.5% for middle-to-small-sized deposit-taking financial institutions;
- reducing the PBOC benchmark one-year bank lending interest rate to 5.31%; and
- reducing the public housing funds rates to 3.33% (for loans with maturities of no more than five years) and 3.87% (for loans with maturities of over five years), respectively.

In October 2008, the Ministry of Finance and the State Administration of Taxation issued a Notice on Adjustments to Taxation on Real Estate Transactions 《關於調整房地產交易環節稅收政策的通知》 to reduce the deed tax to 1% for first-time buyers of ordinary residential properties with a unit floor area of less than 90 square meters. In addition, sales and purchases of residential properties are temporarily exempted from the stamp duty, and sales of residential properties are temporarily exempted from land value-added tax.

In December 2008, the General Office of the State Council released Several Opinions on Facilitating the Healthy Development of the Real Estate Market 《關於促進房地產市場健康發展的若干意見》, and the Ministry of Finance and the State Administration of Taxation jointly issued the Notice on the Policy of Business Tax on Re-sale of Personal Residential Properties 《關於個人住房轉讓營業稅政策的通知》 to encourage the consumption of ordinary residential properties and support the real estate development in response to the market changes, including:

- effective between January 1, 2009 and December 31, 2009, business tax will be imposed on transfers of non-ordinary residential properties that occur within two years, instead of five years as previously required, from their purchase dates;

INDUSTRY OVERVIEW

- for ordinary residential properties, business tax is exempted if they are transferred after two years from the purchase dates;
- for transfers of non-ordinary residential properties two years after their purchase dates and ordinary residential properties within two years of their purchase dates, business tax is levied on the balance between the relevant sale prices and purchase prices;
- individuals with existing ordinary residential properties smaller than the average size under their local standards may buy second ordinary residential properties with the favorable loan terms similar to first-time buyers; and
- the government will provide support to real estate development in response to the changing market conditions, including increasing credit financing to “low-to-medium-priced” or “small-to-medium-sized” ordinary commodity housing projects, particularly those under construction, and providing financial support to real estate developers with good credit standing for merger and acquisition activities.

Commodity Property Sales

Demand for real estate in China has seen a steady increase over the years. According to the National Bureau of Statistics of China, the total revenue from real property sales in China increased from approximately RMB 251.3 billion in 1998 to approximately RMB 2,407.1 billion in 2008. During the same period, the aggregate GFA sold in China increased from approximately 121.9 million square meters in 1998 to approximately 620.9 million square meters in 2008. Of the 620.9 million square meters of aggregate GFA sold in 2008, approximately 558.9 million square meters were residential properties, representing a decrease of approximately 20.3% from 2007.

The average price of commodity properties sold in China increased from RMB 2,778.0 per square meter in 2004 to RMB 3,877.0 per square meter in 2008, while the average price of residential properties sold increased from RMB 2,608.0 per square meter to RMB 3,655.0 per square meter during the same period. The average price of commodity properties sold in China in 2008 was calculated by dividing total sales proceeds by the aggregate GFA sold.

INDUSTRY OVERVIEW

The table below sets out selected statistics relating to the PRC property market for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	1,315.8	1,590.9	1,942.3	2,528.0	3,058.0
Total GFA sold (million square meters) . . .	382.3	554.9	618.6	761.9	620.9
GFA of residential properties sold (million square meters)	338.2	495.9	554.2	691.0	558.9
Average price of commodity properties (RMB/square meter)	2,778.0	3,168.0	3,367.0	3,885.0	3,877.0
Average price of residential properties (RMB/square meter)	<u>2,608.0</u>	<u>2,937.0</u>	<u>3,119.0</u>	<u>3,665.0</u>	<u>3,655.0</u>
Total sales revenue for commodity properties (RMB billion)	<u>1,037.6</u>	<u>1,757.6</u>	<u>2,082.6</u>	<u>2,960.4</u>	<u>2,407.1</u>
Total sales revenue for residential properties (RMB billion)	<u>861.9</u>	<u>1,456.4</u>	<u>1,728.8</u>	<u>2,532.4</u>	<u>2,042.4</u>

Source: *National Bureau of Statistics of China*

Top 10 PRC Real Estate Developers by Land Reserves

We set forth below the top 10 property developers in China as measured by land reserves as of September 30, 2009 as compiled by China Real Estate Appraisal and CRIC.

<u>Ranking</u>	<u>Company</u>
1	Evergrande Real Estate Group Limited
2	Country Garden Holdings Company Limited
3	Agile Property Holdings Limited
4	Hopson Development Holdings Limited
5	Shimao Property Holdings Limited
6	Greentown China Holdings Limited
7	China Overseas Land & Investment Ltd.
8	China Resources Land Limited
9	China Vanke Co., Ltd.
10	Poly Real Estate Group Co., Ltd.

Source: *China Real Estate Appraisal and CRIC*

INDUSTRY OVERVIEW

Top 20 PRC Real Estate Developers by Contracted Sales

We set forth below the top 20 property developers in China as measured by contracted sales for the nine months ended September 30, 2009 as compiled by China Real Estate Appraisal and CRIC.

<u>Ranking</u>	<u>Company</u>
1	China Vanke Co., Ltd.
2	Poly Real Estate Group Co., Ltd
3	China Overseas Land & Investment Ltd
4	Greentown China Holdings Limited
5	Evergrande Real Estate Group Limited
6	a private company
7	Guangzhou R&F Properties Co., Ltd
8	Shimao Property Holdings Limited
9	China Resources Land Limited
10	Gemdale Corporation
11	a private company
12	China Merchants Property Development Co., Ltd.
13	a private company
14	a private company
15	Sino-Ocean Land Holdings Limited
16	Yanlord Land Group Limited
17	Agile Property Holdings Limited
18	Country Garden Holdings Company Limited
19	a private company
20	a private company

Source: *China Real Estate Appraisal and CRIC*

INDUSTRY OVERVIEW

We set forth below the top 20 property developers in China as measured by contracted sales for the three months ended September 30, 2009 as compiled by China Real Estate Appraisal and CRIC.

Ranking	Company
1	Evergrande Real Estate Group Limited
2	China Vanke Co., Ltd.
3	Greentown China Holdings Limited
4	Poly Real Estate Group Co., Ltd
5	a private company
6	China Overseas Land & Investment Ltd
7	a private company
8	China Resources Land Limited
9	a private company
10	Gemdale Corporation
11	Shimao Property Holdings Limited
12	Guangzhou R&F Properties Co., Ltd
13	China Merchants Property Development Co., Ltd.
14	a private company
15	Yanlord Land Group Limited
16	Sino-Ocean Land Holdings Limited
17	a private company
18	Country Garden Holdings Company Limited
19	a private company
20	Hopson Development Holdings Limited

Source: *China Real Estate Appraisal and CRIC*

INDUSTRY OVERVIEW

Top 20 PRC Real Estate Developers by GFA Pre-sold

We set forth below the top 20 property developers in China as measured by GFA pre-sold for the nine months ended September 30, 2009 as compiled by China Real Estate Appraisal and CRIC.

<u>Ranking</u>	<u>Company</u>
1	Evergrande Real Estate Group Limited
2	China Vanke Co., Ltd.
3	a private company
4	Poly Real Estate Group Co., Ltd
5	China Overseas Land & Investment Ltd
6	a private company
7	Country Garden Holdings Company Limited
8	Shimao Property Holdings Limited
9	Greentown China Holdings Limited
10	Guangzhou R&F Properties Co., Ltd
11	China Resources Land Limited
12	a private company
13	a private company
14	Gemdale Corporation
15	Agile Property Holdings Limited
16	Sino-Ocean Land Holdings Limited
17	Jiangsu Future Land Co., Ltd.
18	China Merchants Property Development Co., Ltd.
19	a private company
20	a private company

Source: *China Real Estate Appraisal and CRIC*

INDUSTRY OVERVIEW

We set forth below the top 20 property developers in China as measured by GFA pre-sold for the three months ended September 30, 2009 as compiled by China Real Estate Appraisal and CRIC.

Ranking	Company
1	Evergrande Real Estate Group Limited
2	a private company
3	Poly Real Estate Group Co., Ltd
4	China Vanke Co., Ltd.
5	China Overseas Land & Investment Ltd
6	a private company
7	Country Garden Holdings Company Limited
8	Greentown China Holdings Limited
9	Shimao Property Holdings Limited
10	China Resources Land Limited
11	a private company
12	a private company
13	Gemdale Corporation
14	Guangzhou R&F Properties Co., Ltd
15	Sino-Ocean Land Holdings Limited
16	Agile Property Holdings Limited
17	Jiangsu Future Land Co., Ltd
18	China Merchants Property Development Co., Ltd.
19	a private company
20	Yanlord Land Group Limited

Source: China Real Estate Appraisal and CRIC

CHINA REAL ESTATE TOP 10 RESEARCH GROUP

China Real Estate Top 10 Research Group is an independent research institute constituted by Enterprise Research Institute of the Development Research Center of the State Council, Tsinghua University Real Estate Research Center and China Index Academy. It conducts surveys on an annual and nationwide basis with respect to various aspects of the property industry. Its evaluation results are published for public consumption and available at no cost on its website: <http://industry.soufun.com>. Contents available at such website do not constitute a part of this prospectus.

GUANGZHOU CITY

Guangzhou is the capital city of Guangdong Province. It covers a total area of approximately 7,434 square kilometers and had a population of approximately 10.2 million as of December 31, 2008. It is the third largest city in China in terms of GDP and the largest city in southern China. Guangzhou is approximately two hours away from Hong Kong and Shenzhen by train.

INDUSTRY OVERVIEW

The growth in the economy and population of Guangzhou has generated an increase in housing demand in the city. From 1996 to 2008, the population of Guangzhou has increased by more than 3.6 million, representing an increase of approximately 55.2%. The table below sets out selected economic statistics for Guangzhou for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	445.1	515.4	607.4	705.1	821.6
GDP per capita (RMB)	45,906.0	53,809.0	63,100.0	70,186.0	80,690.0
GDP per capita growth rate (%)	16.2	14.3	14.3	11.2	15.0
Year-end registered population (million)	7.4	7.5	7.6	7.7	10.2
Per capita disposable income (RMB)	16,884.0	18,287.0	19,851.0	22,469.0	25,317.0

Sources: Guangzhou Bureau of Statistics; National Bureau of Statistics of China

Residential real estate investments in Guangzhou have increased over the years. Total real estate investments in the city amounted to approximately RMB 76.2 billion in 2008, representing an increase of approximately 8.2% over 2007. GFA of completed residential properties in Guangzhou in 2008 was approximately 6.7 million square meters, representing a decrease of approximately 3.9% from 2007. In 2008, total residential GFA sold in Guangzhou amounted to approximately 9.3 million square meters, representing a decrease of approximately 27.3% from 2007. The average price of total residential GFA sold in Guangzhou in 2008 reached RMB 8,501.0 per square meter, representing an increase of approximately 6.4% over 2007.

The table below sets out key statistics relating to the property market in Guangzhou for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	44.1	50.8	55.7	70.4	76.2
GFA of residential properties completed (million square meters)	7.4	8.0	7.7	6.7	6.7
GFA of residential properties sold (million square meters)	8.1	11.3	11.6	12.8	9.3
Sales revenue from residential properties (RMB billion)	35.1	57.0	71.1	102.4	79.3
Average price of residential properties (RMB/square meter)	4,356.0	5,041.0	6,152.0	7,993.0	8,501.0

Sources: Guangzhou Bureau of Statistics; National Bureau of Statistics of China

INDUSTRY OVERVIEW

GUANGDONG PROVINCE

Guangdong Province is located in the heart of the Pearl River delta, adjacent to Hong Kong to its south. It covers a total area of approximately 179,757.0 square kilometers and had a population of approximately 95.4 million as of December 31, 2008. The Pearl River delta has been an important economic region in China with significant development and growth over the past decades. In line with the economic growth in Guangdong Province, the purchasing power of Guangdong residents has increased significantly over the years, which has supported the growth of the real estate market in Guangdong Province. The table below sets out selected economic statistics for Guangdong Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	1,886.5	2,236.7	2,620.4	3,067.4	3,569.6
GDP per capita (RMB)	20,876.0	24,438.0	28,332.0	32,713.0	37,588.0
GDP per capita growth rate (%)	13.1	12.4	12.9	12.9	8.7
Year-end registered population (million) . . .	78.0	79.0	80.5	81.6	95.4
Per capita disposable income (RMB)	13,628.0	14,770.0	16,015.6	17,699.3	19,732.9

Sources: Guangdong Province Bureau of Statistics; National Bureau of Statistics of China

Aggregate real estate investments in Guangdong Province reached approximately RMB 293.2 billion in 2008, representing an increase of approximately 16.5% over 2007. The GFA of completed residential properties in Guangdong Province was approximately 34.8 million square meters in 2008, representing an increase of approximately 5.1% over 2007. Total residential GFA sold in Guangdong Province in 2008 was approximately 43.8 million square meters, representing a decrease of approximately 22.8% from 2007. The average price of residential GFA sold in Guangdong Province in 2008 was RMB 5,754.0 per square meter, representing an increase of approximately 1.8% over 2007. The table below sets out selected statistics relating to the property market in Guangdong Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	135.6	159.2	183.4	251.9	293.2
GFA of residential properties completed (million square meters)	27.8	34.8	34.2	33.1	34.8
GFA of residential properties sold (million square meters)	30.1	45.5	46.9	56.7	43.8
Sales revenue from residential properties (RMB billion)	99.2	188.6	215.4	320.3	251.9
Average price of residential properties (RMB/square meter)	3,298.0	4,149.0	4,589.0	5,653.0	5,754.0

Sources: Guangdong Province Bureau of Statistics; National Bureau of Statistics of China

INDUSTRY OVERVIEW

CHONGQING MUNICIPALITY

Chongqing is one of the four municipalities under the direct administration of the PRC central government and an important economic hub in southwestern China. The table below sets out selected economic statistics for Chongqing for the years indicated.

	2004	2005	2006	2007	2008
GDP (RMB billion)	269.3	307.1	349.2	411.2	509.7
GDP per capita (RMB)	9,624.0	10,982.0	12,457.0	14,622.0	18,025.0
GDP per capita growth rate (%)	12.6	11.6	12.0	15.2	13.7
Year-end registered population (million) . . .	31.4	31.7	32.0	28.2	28.4
Per capita disposable income (RMB)	9,221.0	10,244.0	11,570.0	13,715.0	14,368.0

Source: Chongqing Bureau of Statistics

Real estate investments in Chongqing reached approximately RMB 99.1 billion in 2008, representing an increase of approximately 16.7% over 2007. The GFA of completed residential properties in Chongqing was approximately 19.5 million square meters in 2008, representing an increase of approximately 10.2% over 2007. Total residential GFA sold in Chongqing in 2008 was approximately 26.7 million square meters, representing a decrease of approximately 19.3% from 2007. The average price of residential GFA sold in Chongqing in 2008 was RMB 2,640.0 per square meter, representing an increase of approximately 2.0% over 2007. The table below sets out selected statistics relating to the property market in Chongqing for the years indicated.

	2004	2005	2006	2007	2008
Real estate investment (RMB billion)	39.3	51.8	63.0	84.9	99.1
GFA of residential properties completed (million square meters)	11.9	17.1	17.0	17.7	19.5
GFA of residential properties sold (million square meters)	11.4	17.9	20.1	33.1	26.7
Sales revenue from residential properties (RMB billion)	17.9	34.1	41.9	85.7	70.5
Average price of residential properties (RMB/square meter)	1,573.0	1,901.0	2,081.0	2,588.0	2,640.0

Sources: Chongqing Bureau of Statistics; National Bureau of Statistics of China

TIANJIN MUNICIPALITY

Tianjin is one of the four municipalities under the direct administration of the PRC central government and an economic and cultural center in China. The table below sets out selected economic statistics for Tianjin for the years indicated.

	2004	2005	2006	2007	2008
GDP (RMB billion)	311.1	369.8	435.9	501.8	635.4
GDP per capita (RMB)	30,575	35,783	41,163	45,829.0	55,473.0
GDP per capita growth rate (%)	14.9	12.9	11.9	11.2	11.3
Year-end registered population (million) . . .	9.3	9.4	9.5	9.6	11.8
Per capita disposable income (RMB)	11,467.0	12,639.0	14,283.0	16,357.0	19,423.0

Source: Tianjin Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Tianjin reached approximately RMB 65.4 billion in 2008, representing an increase of approximately 29.4% over 2007. The GFA of completed residential properties in Tianjin was approximately 14.6 million square meters in 2008, representing an increase of approximately 4.6% over 2007. Total residential GFA sold in Tianjin in 2008 was approximately 11.4 million square meters, representing a decrease of approximately 19.1% from 2007. The average price of residential GFA sold in Tianjin in 2008 was RMB 5,598.0 per square meter, representing an increase of approximately 0.7% over 2007. The table below sets out selected statistics relating to the property market in Tianjin for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	26.4	32.8	40.2	50.5	65.4
GFA of residential properties completed (million square meters)	10.1	12.7	13.1	14.4	14.6
GFA of residential properties sold (million square meters)	8.0	12.6	13.3	14.1	11.4
Sales revenue from residential properties (RMB billion)	23.5	50.4	62.0	78.1	63.6
Average price of residential properties (RMB/square meter)	2,950.0	3,987.0	4,649.0	5,557.0	5,598.0

Sources: Tianjin Bureau of Statistics; National Bureau of Statistics of China

WUHAN CITY

Wuhan is the capital city of Hubei Province and an economic and industrial hub in central China. The table below sets out selected economic statistics for Wuhan for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	188.2	223.8	259.0	314.2	396.0
GDP per capita (RMB)	23,148.0	26,279.0	29,899.0	37,904.0	47,526.0
GDP per capita growth rate (%)	14.5	13.0	12.9	26.8	25.4
Year-end registered population (million) . . .	7.9	8.0	8.2	8.3	8.3
Per capita disposable income (RMB)	9,564.0	10,849.7	12,360.0	14,357.6	16,712.4

Source: Wuhan Municipal Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Wuhan reached approximately RMB 57.0 billion in 2008, representing an increase of approximately 24.1% over 2007. The GFA of completed residential properties in Wuhan was approximately 7.7 million square meters in 2008, representing a decrease of approximately 5.3% from 2007. Total residential GFA sold in Wuhan in 2008 was approximately 6.8 million square meters, representing a decrease of approximately 36.1% from 2007. The average price of residential GFA sold in Wuhan in 2008 was RMB 4,680.0 per square meter, representing an increase of approximately 3.6% over 2007. The table below sets out selected statistics relating to the property market in Wuhan for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	23.3	29.8	36.6	46.0	57.0
GFA of residential properties completed (million square meters)	6.1	7.2	7.7	8.1	7.7
GFA of residential properties sold (million square meters)	6.1	8.3	9.1	10.7	6.8
Sales revenue from residential properties (RMB billion)	15.1	24.9	32.1	48.3	32.0
Average price of residential properties (RMB/square meter)	2,463.0	2,986.0	3,535.0	4,516.0	4,680.0

Sources: Wuhan Municipal Bureau of Statistics; National Bureau of Statistics of China

CHENGDU CITY

Chengdu is the capital city of Sichuan Province and an economic center in southwestern China. The table below sets out selected economic statistics for Chengdu for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	203.1	237.1	275.0	332.4	390.1
GDP per capita (RMB)	19,307.0	22,139.0	25,171.0	26,527.0	30,855.0
Year-end registered population (million) . . .	10.6	10.8	11.0	11.1	11.3
Per capita disposable income (RMB)	10,394.0	11,360.0	12,790.0	14,849.0	16,943.0

Source: Chengdu Municipal Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Chengdu reached approximately RMB 91.3 billion in 2008, representing an increase of approximately 0.3% over 2007. The GFA of completed residential properties in Chengdu was approximately 8.2 million square meters in 2008, representing a decrease of approximately 5.2% from 2007. Total residential GFA sold in Chengdu in 2008 was approximately 11.9 million square meters, representing a decrease of approximately 43.3% from 2007. The average price of residential GFA sold in Chengdu in 2008 was RMB 4,869 per square meter, representing an increase of approximately 16.2% over 2007. The table below sets out selected statistics relating to the property market in Chengdu for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	29.1	45.1	61.4	90.1	91.3
GFA of residential properties completed (million square meters)	7.0	6.0	9.6	8.6	8.2
GFA of residential properties sold (million square meters)	6.8	11.1	14.8	21.0	11.9
Sales revenue from residential properties (RMB billion)	15.2	31.9	51.9	88.1	58.0
Average price of residential properties (RMB/square meter)	2,224.0	2,870.0	3,499.0	4,190.0	4,869.0

Sources: Chengdu Municipal Bureau of Statistics; National Bureau of Statistics of China

SHENYANG CITY

Shenyang is the capital city of Liaoning Province and an economic and industrial center in northeastern China. The table below sets out selected economic statistics for Shenyang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	177.3	208.4	248.3	307.4	386.1
GDP per capita (RMB)	25,640.0	29,935.0	N/A	43,499.0	54,106.0
Year-end registered population (million) . . .	6.9	7.0	7.0	7.1	7.8
Per capita disposable income (RMB)	8,924.0	10,098.0	11,651.0	14,606.5	17,295.0

Source: Shenyang Municipal Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Shenyang reached approximately RMB 101.1 billion in 2008, representing an increase of approximately 38.5% over 2007. The GFA of completed residential properties in Shenyang was approximately 10.8 million square meters in 2008, representing a decrease of approximately 1.2% from 2007. Total residential GFA sold in Shenyang in 2008 was approximately 13.1 million square meters, representing a decrease of approximately 3.7% from 2007. The average price of residential GFA sold in Shenyang in 2008 was RMB 3,856.0 per square meter, representing an increase of approximately 9.4% over 2007. The table below sets out selected statistics relating to the property market in Shenyang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	34.3	41.4	53.8	73.0	101.1
GFA of residential properties completed (million square meters)	7.2	9.3	10.2	10.9	10.8
GFA of residential properties sold (million square meters)	4.9	9.3	11.5	13.6	13.1
Sales revenue from residential properties (RMB billion)	14.0	28.2	36.6	47.9	50.4
Average price of residential properties (RMB/square meter)	2,852.0	3,027.0	3,184.0	3,525.0	3,856.0

Sources: Shenyang Municipal Bureau of Statistics; National Bureau of Statistics of China

XI'AN CITY

Xi'an is the capital city of Shaanxi Province and an economic and cultural center in northwestern China. The table below sets out selected economic statistics for Xi'an for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	110.2	127.0	147.4	173.7	219.0
GDP per capita (RMB)	15,294.0	15,859.0	18,089.0	21,017.0	26,259.0
Year-end registered population (million) . . .	7.3	7.4	7.5	7.6	8.4
Per capita disposable income (RMB)	8,544.0	9,628.0	10,905.0	12,662.0	15,207.0

Sources: Xi'an Bureau of Statistics; National Bureau of Statistics of China

INDUSTRY OVERVIEW

Real estate investments in Xi'an reached approximately RMB 54.0 billion in 2008, representing an increase of approximately 39.5% over 2007. The GFA of completed residential properties in Xi'an was approximately 3.4 million square meters in 2008, representing a decrease of approximately 19.7% from 2007. Total residential GFA sold in Xi'an in 2008 was approximately 7.1 million square meters, representing a decrease of approximately 9.0% from 2007. The average price of residential GFA sold in Xi'an in 2008 was RMB 4,056.0 per square meter, representing an increase of approximately 26.2% over 2007. The table below sets out selected statistics relating to the property market in Xi'an for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	16.3	21.2	28.6	38.7	54.0
GFA of residential properties completed (million square meters)	1.4	3.0	3.4	4.2	3.4
GFA of residential properties sold (million square meters)	1.9	4.4	5.8	7.8	7.1
Sales revenue from residential properties (RMB billion)	4.5	11.7	18.0	25.2	28.8
Average price of residential properties (RMB/square meter)	2,394.0	2,686.0	3,073.0	3,215.0	4,056.0

Sources: Xi'an Bureau of Statistics; National Bureau of Statistics of China

NANJING CITY

Nanjing is the capital city of Jiangsu Province and an economic and cultural center in eastern China. The table below sets out selected economic statistics for Nanjing for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	206.7	241.1	277.4	327.5	377.5
GDP per capita (RMB)	35,770.0	40,887.0	46,114.0	44,852.0	50,327.0
GDP per capita growth rate (%).	15.2	12.8	10.9	11.5	9.1
Year-end registered population (million) . . .	5.8	6.0	6.1	6.2	6.2
Per capita disposable income (RMB)	11,602.0	14,997.0	17,538.0	20,317.0	23,123.0

Source: Nanjing Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Nanjing reached approximately RMB 50.8 billion in 2008, representing an increase of approximately 13.9% over 2007. The GFA of completed residential properties in Nanjing was approximately 8.9 million square meters in 2008, representing an increase of approximately 54.0% over 2007. Total residential GFA sold in Nanjing in 2008 was approximately 6.6 million square meters, representing a decrease of approximately 38.3% from 2007. The average price of residential GFA sold in Nanjing in 2008 was RMB 4,786.0 per square meter, representing a decrease of approximately 4.5% from 2007. The table below sets out selected statistics relating to the property market in Nanjing for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	29.3	29.6	35.1	45.6	50.8
GFA of residential properties completed (million square meters)	5.6	5.8	6.7	5.8	8.9
GFA of residential properties sold (million square meters)	5.4	9.0	9.4	10.7	6.6
Sales revenue from residential properties (RMB billion)	16.8	34.5	40.2	53.3	31.4
Average price of residential properties (RMB/square meter)	3,098.0	3,850.0	4,270.0	5,011.0	4,786.0

Sources: Nanjing Bureau of Statistics; National Bureau of Statistics of China

ZHENGZHOU CITY

Zhengzhou is the capital city of Henan Province and an economic center in central China. The table below sets out selected economic statistics for Zhengzhou for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	133.5	166.1	201.4	242.1	300.4
GDP per capita (RMB)	18,995.0	23,320.0	27,956.0	33,169.0	40,617.0
Year-end registered population (million) . . .	7.1	7.2	7.2	7.4	7.4
Per capita disposable income (RMB)	9,667.0	10,640.0	11,822.0	13,692.0	15,732.0

Source: Zhengzhou Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Zhengzhou reached approximately RMB 43.0 billion in 2008, representing an increase of approximately 43.8% over 2007. The GFA of completed residential properties in Zhengzhou was approximately 5.7 million square meters in 2008, representing an increase of approximately 5.6% over 2007. Total residential GFA sold in Zhengzhou in 2008 was approximately 6.3 million square meters, representing a decrease of approximately 37.6% from 2007. The average price of residential GFA sold in Zhengzhou in 2008 was RMB 3,648 per square meter, representing an increase of approximately 9.6% over 2007. The table below sets out selected statistics relating to the property market in Zhengzhou for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	12.2	16.8	23.0	29.9	43.0
GFA of residential properties completed (million square meters)	2.8	3.6	4.1	5.4	5.7
GFA of residential properties sold (million square meters)	3.0	5.6	7.5	10.1	6.3
Sales revenue from residential properties (RMB billion)	6.0	13.3	20.3	33.5	22.8
Average price of residential properties (RMB/square meter)	2,004.0	2,387.0	2,691.0	3,328.0	3,648.0

Sources: Zhengzhou Bureau of Statistics; National Bureau of Statistics of China

HENAN PROVINCE

Henan Province is in central western China and a few hours away from Beijing and Tianjin by train or highway. The table below sets out selected economic statistics for Henan Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	855.4	1,058.7	1,249.6	1,505.8	1,840.8
GDP per capita (RMB)	9,201.0	11,346.0	13,313.0	16,060.0	19,593.0
GDP per capita growth rate (%).	13.9	13.8	13.7	14.5	11.9
Year-end registered population (million) . . .	97.2	97.7	98.2	98.7	99.2
Per capita disposable income (RMB)	7,705.0	8,668.0	9,810.0	11,477.0	13,200.0

Sources: Henan Province Bureau of Statistics; National Bureau of Statistics of China

INDUSTRY OVERVIEW

Real estate investments in Henan Province reached approximately RMB 118.6 billion in 2008, representing an increase of approximately 41.7% over 2007. The GFA of completed residential properties in Henan Province was approximately 23.7 million square meters in 2008, representing an increase of approximately 1.3% over 2007. Total residential GFA sold in Henan Province in 2008 was approximately 27.4 million square meters, representing a decrease of approximately 23.5% from 2007. The average price of residential GFA sold in Henan Province in 2008 was RMB 2,169.0 per square meter, representing an increase of approximately 4.4% over 2007. The table below sets out selected statistics relating to the property market in Henan Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	25.9	38.9	58.2	83.7	118.6
GFA of residential properties completed (million square meters)	9.7	11.5	14.1	23.4	23.7
GFA of residential properties sold (million square meters)	9.4	15.4	21.9	35.8	27.4
Sales revenue from residential properties (RMB billion)	13.5	25.5	40.4	74.3	59.5
Average price of residential properties (RMB/square meter)	1,443.0	1,659.0	1,843.0	2,080.0	2,169.0

Sources: Henan Province Bureau of Statistics; National Bureau of Statistics of China

KUNMING CITY

Kunming is the capital city of Yunnan Province and an economic and cultural center in southwestern China. The table below sets out selected economic statistics for Kunming for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	94.6	106.2	120.3	139.4	160.5
GDP per capita (RMB)	18,773.0	17,560.0	19,633.0	22,578.0	25,826.0
Year-end registered population (million) . . .	5.0	5.1	5.1	5.2	6.2
Per capita disposable income (RMB)	9,045.9	9,615.9	10,766.0	12,083.0	14,482.0

Sources: National Bureau of Statistics of China; Kunming Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Kunming reached approximately RMB 26.2 billion in 2008, representing an increase of approximately 14.8% over 2007. The GFA of completed residential properties in Kunming was approximately 3.7 million square meters in 2008, representing an increase of approximately 37.6% over 2007. Total residential GFA sold in Kunming in 2008 was approximately 4.9 million square meters, representing a decrease of approximately 42.4% from 2007. The average price of residential GFA sold in Kunming in 2008 was RMB 3,595.0 per square meter, representing an increase of approximately 19.0% over 2007. The table below sets out selected statistics relating to the property market in Kunming for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	8.7	14.9	18.9	22.2	26.2
GFA of residential properties completed (million square meters)	1.7	3.8	4.9	2.6	3.7
GFA of residential properties sold (million square meters)	2.4	7.3	8.4	8.5	4.9
Sales revenue from residential properties (RMB billion)	5.8	18.5	23.0	25.6	17.8
Average price of residential properties (RMB/square meter)	2,437.0	2,513.0	2,733.0	3,020.0	3,595.0

Source: National Bureau of Statistics of China

JIANGSU PROVINCE

Jiangsu Province is in eastern China and one of the most prosperous regions in China. The table below sets out selected economic statistics for Jiangsu Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	1,500.4	1,830.6	2,164.5	2,556.0	3,031.3
GDP per capita (RMB)	20,223.0	24,560.0	28,814.0	33,689.0	40,000.0
GDP per capita growth rate (%)	20.2	21.4	17.3	16.9	18.7
Year-end registered population (million) . . .	74.3	74.7	75.5	76.2	76.8
Per capita disposable income (RMB)	10,482.0	12,319.0	14,084.0	16,378.0	18,680.0

Source: Jiangsu Province Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Jiangsu Province reached approximately RMB 306.4 billion in 2008, representing an increase of approximately 21.8% over 2007. The GFA of completed residential properties in Jiangsu Province was approximately 54.9 million square meters in 2008, representing an increase of approximately 6.4% over 2007. Total residential GFA sold in Jiangsu Province in 2008 was approximately 47.3 million square meters, representing a decrease of approximately 30.2% from 2007. The average price of residential GFA sold in Jiangsu in 2008 was RMB 3,871.0 per square meter, representing an increase of approximately 1.6% over 2007. The table below sets out selected statistics relating to the property market in Jiangsu Province for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	127.0	154.5	190.7	251.5	306.4
GFA of residential properties completed (million square meters)	32.2	45.0	47.5	46.4	54.9
GFA of residential properties sold (million square meters)	27.6	45.2	53.2	65.8	47.3
Sales revenue from residential properties (RMB billion)	66.7	142.2	179.5	250.8	183.1
Average price of residential properties (RMB/square meter)	2,418.0	3,146.0	3,375.0	3,811.0	3,871.0

Sources: Jiangsu Province Bureau of Statistics; National Bureau of Statistics of China

INNER MONGOLIA AUTONOMOUS REGION

Inner Mongolia is one of the provincial-level autonomous regions in China and borders Beijing to its south. The table below sets out selected economic statistics for Inner Mongolia for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	304.1	389.6	479.2	601.9	776.2
GDP per capita (RMB)	12,767.0	16,331.0	20,053.0	25,092.0	32,214.0
Year-end registered population (million) . . .	23.8	23.9	23.9	24.1	24.1
Per capita disposable income (RMB)	8,123.0	9,137.0	10,358.0	12,378.0	14,431.0

Sources: Inner Mongolia Autonomous Region Bureau of Statistics; National Bureau of Statistics of China

INDUSTRY OVERVIEW

Real estate investments in Inner Mongolia reached approximately RMB 73.6 billion in 2008, representing an increase of approximately 46.9% over 2007. The GFA of completed residential properties in Inner Mongolia was approximately 14.3 million square meters in 2008, representing a decrease of approximately 7.7% from 2007. Total residential GFA sold in Inner Mongolia in 2008 was approximately 18.7 million square meters, representing an increase of approximately 3.1% over 2007. The average price of residential GFA sold in Inner Mongolia in 2008 was RMB 2,239.0 per square meter, representing an increase of approximately 11.5% over 2007. The table below sets out selected statistics relating to the property market in Inner Mongolia for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	11.1	16.2	32.5	50.1	73.6
GFA of residential properties completed (million square meters)	4.8	7.2	11.0	15.5	14.3
GFA of residential properties sold (million square meters)	5.3	9.2	12.5	18.1	18.7
Sales revenue from residential properties (RMB billion)	6.5	12.9	20.3	36.3	41.8
Average price of residential properties (RMB/square meter)	1,225.0	1,402.0	1,627.0	2,008.0	2,239.0

Source: National Bureau of Statistics of China

TAIYUAN CITY

Taiyuan is the capital city of Shanxi Province in northern China. The table below sets out selected economic statistics for Taiyuan for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	76.4	89.3	101.3	125.5	146.8
GDP per capita (RMB)	22,423.0	26,175.0	29,497.0	36,377.0	42,378.0
Year-end registered population (million) . . .	3.3	3.4	3.4	3.5	3.5
Per capita disposable income (RMB)	9,353.0	10,476.0	11,741.0	13,745.0	15,230.0

Source: Taiyuan Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Taiyuan reached approximately RMB 12.2 billion in 2008, representing an increase of approximately 28.4% over 2007. The GFA of completed residential properties in Taiyuan was approximately 1.36 million square meters in 2008, representing an increase of approximately 51% over 2007. Total residential GFA sold in Taiyuan in both 2007 and 2008 was approximately 1.5 million square meters. The average price of residential GFA sold in Taiyuan in 2008 was RMB 3,556.0 per square meter, representing a decrease of approximately 0.6% from 2007. The table below sets out selected statistics relating to the property market in Taiyuan for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	6.3	7.9	8.0	9.5	12.2
GFA of residential properties completed (million square meters)	1.3	1.7	1.2	0.9	1.36
GFA of residential properties sold (million square meters)	1.1	1.8	1.2	1.5	1.5
Sales revenue from residential properties (RMB billion)	2.6	5.3	3.9	5.3	5.2
Average price of residential properties (RMB/square meter)	2,333.0	2,903.0	3,156.0	3,577.0	3,556.0

Source: National Bureau of Statistics of China

CHANGSHA CITY

Changsha is the capital city of Hunan Province and an economic center in south central China. The table below sets out selected economic statistics for Changsha for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	129.7	152.0	179.1	219.0	300.1
GDP per capita (RMB)	20,625.0	23,968.0	27,853.0	33,711.0	45,765.0
GDP per capita growth rate (%)	15.8	13.9	13.3	14.8	15.1
Year-end registered population (million) . . .	6.1	6.2	6.3	6.4	6.6
Per capita disposable income (RMB)	11,021.0	12,434.0	13,924.0	16,153.0	18,282.0

Source: Changsha Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Changsha reached approximately RMB 47.0 billion in 2008, representing an increase of approximately 15.3% over 2007. The GFA of completed residential properties in Changsha was approximately 6.3 million square meters in 2008, representing an increase of approximately 8.3% over 2007. Total residential GFA sold in Changsha in 2008 was approximately 7.7 million square meters, representing a decrease of approximately 18.1% from 2007. The average price of residential GFA sold in Changsha in 2008 was RMB 3,201.0 per square meter, representing an increase of approximately 0.3% over 2007. The table below sets out selected statistics relating to the property market in Changsha for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	17.6	25.6	30.4	41.3	47.0
GFA of residential properties completed (million square meters)	4.4	4.7	4.8	5.8	6.3
GFA of residential properties sold (million square meters)	4.1	6.1	6.9	9.4	7.7
Sales revenue from residential properties (RMB billion)	7.2	12.8	16.9	29.8	24.6
Average price of residential properties (RMB/square meter)	1,775.0	2,089.0	2,431.0	3,191.0	3,201.0

Sources: Changsha Bureau of Statistics; National Bureau of Statistics of China

GUIYANG CITY

Guiyang is the capital city of Guizhou Province and an economic center in southwestern China. The table below sets out selected economic statistics for Guiyang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	44.4	52.6	60.3	69.6	81.1
GDP per capita (RMB)	12,755	14,989	17,006	19,444	20,638
GDP per capita growth rate (%)	15.5	17.5	13.5	14.3	12.6
Year-end registered population (million) . . .	3.5	3.5	3.5	3.6	3.9
Per capita disposable income (RMB)	8,989	9,928	11,222	12,781	13,817

Source: Guiyang Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Guiyang reached approximately RMB 17.0 billion in 2008, representing an increase of approximately 25.6% over 2007. The GFA of completed residential properties in Guiyang was approximately 2.6 million square meters in 2008, representing an increase of approximately 15.4% over 2007. Total residential GFA sold in Guiyang in 2008 was approximately 3.9 million square meters, representing a decrease of approximately 4.9% from 2007. The average price of residential GFA sold in Guiyang in 2008 was RMB 2,866 per square meter, representing an increase of approximately 9.4% over 2007.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	7.2	9.1	10.8	13.5	17.0
GFA of residential properties completed (million square meters)	2.8	2.3	2.4	1.8	2.6
GFA of residential properties sold (million square meters)	2.0	3.3	3.6	4.1	3.9
Sales revenue from residential properties (RMB billion)	3.3	6.0	7.6	10.6	11.2
Average price of residential properties (RMB/square meter)	1,643	1,801	2,138	2,620	2,866

Source: Guiyang Bureau of Statistics

HEFEI CITY

Hefei is the capital city of Anhui Province and an economic center in eastern China. The table below sets out selected economic statistics for Hefei for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	56.0	85.4	107.4	133.4	166.5
GDP per capita (RMB)	13,378	18,960	23,203	28,134	34,482
GDP per capita growth rate (%)	24.8	41.7	22.4	21.3	22.6
Year-end registered population (million)	4.4	4.5	4.7	4.8	4.9
Per capita disposable income (RMB)	8,610	9,684	11,013	13,427	15,591

Source: Hefei Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Hefei reached approximately RMB 56.5 billion in 2008, representing an increase of approximately 45.9% over 2007. The GFA of completed residential properties in Hefei was approximately 3.6 million square meters in 2008, representing a decrease of approximately 30.4% from 2007. Total residential GFA sold in Hefei in 2008 was approximately 8.6 million square meters, representing a decrease of approximately 8.5% from 2007. The average price of residential GFA sold in Hefei in 2008 was RMB 3,459 per square meter, representing an increase of approximately 9.1% over 2007.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	13.8	19.1	28.2	38.5	56.5
GFA of residential properties completed (million square meters)	3.0	4.1	4.5	5.1	3.6
GFA of residential properties sold (million square meters)	3.1	5.4	5.8	9.4	8.6
Sales revenue from residential properties (RMB billion)	7.0	15.0	16.6	29.8	29.9
Average price of residential properties (RMB/square meter)	2,271	2,799	2,891	3,172	3,459

Source: Hefei Bureau of Statistics

NANNING CITY

Nanning is the capital city of Guangxi Zhuang Autonomous Region and an economic center in southwestern China. The table below sets out selected economic statistics for Nanning for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	61.9	72.3	87.0	106.3	131.6
GDP per capita (RMB)	9,542	10,967	12,947	15,685	19,142
GDP per capita growth rate (%)	17.3	14.9	18.1	21.1	22.0
Year-end registered population (million) . . .	6.5	6.6	6.7	6.8	6.9
Per capita disposable income (RMB)	9,531	10,037	10,938	11,877	14,446

Source: Nanning Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Nanning reached approximately RMB 19.9 billion in 2008, representing an increase of approximately 6.4% over 2007. The GFA of completed residential properties in Nanning was approximately 3.5 million square meters in 2008, representing an increase of approximately 2.2% over 2007. Total residential GFA sold in Nanning in 2008 was approximately 4.4 million square meters, representing a decrease of approximately 25.4% from 2007. The average price of residential GFA sold in Nanning in 2008 was RMB 3,720 per square meter, representing an increase of approximately 13.7% over 2007.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	6.6	10.6	13.9	18.7	19.9
GFA of residential properties completed (million square meters)	3.2	3.2	3.0	3.4	3.5
GFA of residential properties sold (million square meters)	3.1	4.2	4.2	5.9	4.4
Sales revenue from residential properties (RMB billion)	7.7	10.0	11.2	19.2	16.5
Average price of residential properties (RMB/square meter)	2,482	2,388	2,656	3,272	3,720

Source: Nanning Bureau of Statistics

SHIJIAZHUANG CITY

Shijiazhuang is the capital city of Hebei Province and an economic center in northern China. The table below sets out selected economic statistics for Shijiazhuang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	163.3	185.2	206.4	239.3	283.8
GDP per capita (RMB)	17,798	19,972	21,969	25,056	29,368
GDP per capita growth rate (%)	17.72%	12.21%	10.00%	14.05%	17.21%
Year-end registered population (million) . . .	9.2	9.3	9.4	9.6	9.7
Per capita disposable income (RMB)	8,622	10,040	11,495	13,205	15,062

Source: China Index Academy

INDUSTRY OVERVIEW

Real estate investments in Shijiazhuang reached approximately RMB 28.2 billion in 2008, representing an increase of approximately 43.1% over 2007. The GFA of completed residential properties in Shijiazhuang was approximately 1.8 million square meters in 2008, representing an increase of approximately 12.5% over 2007. Total residential GFA sold in Shijiazhuang in 2008 was approximately 2.9 million square meters, representing a decrease of approximately 17.1% from 2007. The average price of residential GFA sold in Shijiazhuang in 2008 was RMB 2,646 per square meter, representing an increase of approximately 0.08% over 2007. The table below sets out selected statistics relating to the property market in Shijiazhuang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	8.8	12.2	13.1	19.7	28.2
GFA of residential properties completed (million square meters)	0.8	1.7	2.2	1.6	1.8
GFA of residential properties sold (million square meters)	1.2	2.1	2.7	3.5	2.9
Sales revenue from residential properties (RMB billion)	1.8	3.6	5.4	9.3	7.6
Average price of residential properties (RMB/square meter)	1,534	1,705	1,977	2,644	2,646

Source: China Index Academy

NANCHANG CITY

Nanchang is the capital city of Jiangxi Province and an economic center in south eastern China. The table below sets out selected economic statistics for Nanchang for the years indicated.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GDP (RMB billion)	77.1	100.8	118.5	139.0	166.0
GDP per capita (RMB)	16,720.0	22,390.0	26,145.0	30,464.0	36,105.0
GDP per capita growth rate (%)	16.5	16.8	15.3	15.5	15.0
Year-end registered population (million)	4.6	4.8	4.8	4.9	5.0
Per capita disposable income (RMB)	8,744.0	10,301.0	11,243.0	13,076.0	15,112.0

Source: Nanchang Bureau of Statistics

INDUSTRY OVERVIEW

Real estate investments in Nanchang reached approximately RMB 16.3 billion in 2008, representing an increase of approximately 29.4% over 2007. The GFA of completed residential properties in Nanchang was approximately 3.0 million square meters in 2008, representing a decrease of approximately 14.3% from 2007. Total residential GFA sold in Nanchang in 2008 was approximately 3.3 million square meters, representing a decrease of approximately 28.3% from 2007. The average price of residential GFA sold in Nanchang in 2008 was RMB 3,361 per square meter, representing a decrease of approximately 4.2% from 2007.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Real estate investment (RMB billion)	8.5	11.0	11.1	12.6	16.3
GFA of residential properties completed (million square meters)	2.1	3.4	3.5	3.5	3.0
GFA of residential properties sold (million square meters)	1.9	2.3	3.6	4.6	3.3
Sales revenue from residential properties (RMB billion)	4.6	5.7	11.0	16.2	11.0
Average price of residential properties (RMB/square meter)	2,429	2,519	3,053	3,509	3,361

Sources: Nanchang Bureau of Statistics; National Bureau of Statistics of China