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MarketView

People's Republic of China

THIRD QUARTER 2007

PRC PROPERTY MARKET OVERVIEW

BEIJING - During the third quarter of 2007, demand for Beijing real estate witnessed an upswing.

- In the third quarter of 2007, the Beijing prime office market was active as take-up reached 162,545 sm, an 18.3% rise q-o-q. The average rent grew slightly, a 1.6% rise q-o-q to RMB 186 psm per month.
- In the third quarter, Beijing's luxury residential market was more active than the first half of 2007, especially in the serviced apartment leasing market. Many foreign enterprises renewed old contracts or signed new ones in the third quarter, thereby increasing demand in the leasing market. Serviced apartment rents rose 1.2% q-o-q to RMB 216.4 psm per month. The average rent for luxury apartments also increased.
- Big retailers are generally optimistic about retail market prospects in Beijing and are accelerating their entry; demand for prime retail property is robust. Ground floor and first floor rents increased by 0.5% and 3.3%, reaching RMB 28.6 psm per day and RMB 19.1 psm per day, respectively, in the third quarter.
- During the period under review, demand for industrial properties grew steadily. The average rent of industrial property was RMB 53 psm per month, a 1.9% rise q-o-q. The price of industrial land reached RMB 1,213 psm, a 1% rise q-o-q.

SHANGHAI - Every sector of the Shanghai property market expanded in the third quarter, with the industrial property sector posting the best performance.

- Grade A office rents registered 2.8% q-o-q growth while rents for Grade B properties increased by 2.7% q-o-q in the third quarter. The vacancy rate dropped by 0.9 percentage points to a record low of 3.5%. Metro Plaza in Changning and Urban Development International Tower in Xuhui came on stream, adding 63,667 sm of new office space to the market.
- The luxury residential sales market continued to rebound. First-hand luxury property transactions reached 1,149 units per month within the quarter, 38% greater than the second quarter's peak season. The capital values of both luxury apartments and villas registered further growth. The leasing market also maintained steady performance with further rental growth in luxury villas and serviced apartments.
- Prime ground floor rents continued to increase, with 1.6% q-o-q growth to RMB 41.2 psm per day, while increasing competition from secondary retail areas resulted in a downward correction for first floor rents in prime retail locations.
- The industrial land price rose by 15.6% q-o-q largely due to continued government control of the land supply. Meanwhile, the average rent of industrial properties rose by 6.7% to RMB 33.7 psm per month in this quarter.

GUANGZHOU - The Guangzhou property market was active in the third quarter. Rentals for prime office and retail space, and capital values for luxury residential witnessed moderate to substantial growth in the period under review.

- The Guangzhou prime office market was buoyant over the past three months. Average monthly rents and capital values of prime buildings increased q-o-q by 6.4% and 5.1% respectively. Taihua Real Estate (China) Company paid a record price of RMB 1.09 billion to secure plot B1-3 in Pearl River New City for an office development, which was equivalent to an accommodation value of RMB 11,912 psm.
- As for the residential market, significant price increases were seen in the high-end segment. The average capital value of luxury apartments grew by 10.8% q-o-q while that of villas rose by 11.8% from the previous quarter.
- Driven by strong demand from both multinational and domestic retailers for quality retail space, rental levels for Guangzhou prime retail properties recorded moderate increases in the quarter. The average monthly rent for ground floor space in shopping malls went up by 7.3% q-o-q to RMB 47.3 psm per day, and the overall vacancy rate dropped by 1.1 percentage points to 8.7% at the end of the quarter.
- The industrial sector reported relative stability in the third quarter with industrial rents remaining level. With industrial land resources in industrial parks like Science City becoming more scarce, access to prime industrial facilities is likely to become more competitive.

PRC PROPERTY MARKET OVERVIEW

TIANJIN - The Tianjin prime office leasing market remained relatively stable in the third quarter. The average rent reached RMB 98.7 psm per month, an increase of 0.2% q-o-q. With no new supply on the market, demand caused the vacancy rate to fall by 1.4 percentage points q-o-q to 17.7%. In the strata-title sales market, there are very few properties for sale and prices increased steadily. The average price rose 1% q-o-q to RMB 12,500 psm. Meanwhile, ground floor and first floor retail rents increased by 0.4% q-o-q and 1.8% q-o-q to RMB 16.7 psm per day and RMB 9.8 psm per day, respectively, in the third quarter. Due to major properties under renovation, the prime retail vacancy rate rose to 14.4%.

DALIAN - Demand was stable in the prime office market during the third quarter, and average rents increased moderately as vacancy levels continued to drop. Overall rents reached RMB 63.6 psm per month, growing by 1% q-o-q. The average vacancy rate declined to 20.1%, with no new completions registered during the quarter. Leasing activities were relatively muted and most transactions were concentrated in the Grade B office market. In the retail property sector, ground floor rents rose 1.1% q-o-q to RMB 25.4 psm per day. First floor rents reached RMB 16.9 psm per day, a moderate increase from last quarter. No new completions were reported during the quarter and the vacancy rate was down 0.5 percentage points to 2.2% in the prime retail market.

HANGZHOU - In the third quarter of 2007, average office rents grew by 1.6% q-o-q to RMB 107.3 psm per month. Prime office strata-title sales prices enjoyed continuous growth, with the average price rising 6.2% q-o-q to RMB 15,788 psm. There was no new prime office supply in Hangzhou in the third quarter of 2007, leading to the overall vacancy rate dropping 0.9 percentage points to 10.6%. More office buildings in Qianjiang New City are due to come on the sales market in the first half of 2008. Bank of Communications acquired the 43,229-sm Bluewhale International Building, with the transaction price recorded at approximately RMB 15,000 psm. Strong high-end retail demand and no new supply in the Hangzhou prime retail market kept vacancy levels low at 2.7%. In this quarter, rentals for ground floor and first floor recorded q-o-q growth of 4.2% and 3.7% respectively. Zhejiang Intime and Korea LOTTE jointly acquired Pacific Business Centre, a prime retail project in Wushan, with a total GFA of 130,000 sm.

CHENGDU - Chengdu prime office rents in this quarter reached RMB 89.9 psm per month, a slight increase of 0.6% q-o-q. Some Grade A office buildings with high occupancy rates such as Unionsun Yangkuo Plaza and Times Plaza raised their asking rents due to decreased available leasing space driving the average rental of Grade A office space up 2% q-o-q. The delayed release of some office buildings resulted in a shortage of new supply. Take-up was recorded at 25,215 sm, a big jump over last quarter, while vacancy levels for prime office dropped by 3.9 percentage points to 28.4% in the third quarter. At the same time, Chengdu's prime retail market witnessed rents continuing their steady increase. The vacancy rate rose to 6.4% from 6% in the last quarter as some department stores in Luomashi District registered increased vacancy levels as well as the new Maison Mode Lessin (Skyone Plaza) has yet to reach full occupancy. At the end of September, the Hongxing Road Square land plot located in the Chunxi Road retail micro market was transacted via public auction. This land plot occupies a site area of 54,857 sm to the south of Dacisi Road and east of Hongxing Pedestrian Street. With a plot ratio of 8.0 and the planned retail proportion destined to be no less than 30% of total GFA, the plot was acquired by Wharf Holdings at an accommodation value of around RMB 16,500 psm.

SHENZHEN - The prime office market in Shenzhen remained buoyant during the third quarter of 2007. The average price of quality office space soared by 9.8% to RMB 17,817 psm as occupiers continued to absorb office space through the sales market. Rents witnessed 2% q-o-q growth in the Grade A office market while an increase of 4.9% q-o-q was reported for Grade B buildings. Around 213,835 sm of quality office space was completed in the third quarter, including two Grade A premises: the office tower of CapitaRetail SZITIC Plaza and The Landmark. The overall vacancy rate fell from 15.9% in June to 13.6% in September. The retail market in Shenzhen was relatively stable during the review period, except for a significant rental surge in premium top-grade shopping centres in Luohu District like The Mixc. Average monthly rent for ground floor space of shopping malls was RMB 23.8 psm per day, a q-o-q decline of 0.8%; first floor rents rose by 2.3% q-o-q to RMB 12.8 psm per day. In September, the 45,180-sm second phase of CapitaRetail SZITIC Plaza was completed in the Xiangmihu area, which is fast emerging as a new retail hub in Shenzhen. The overall vacancy rate climbed to 8.2% by the end of the quarter.

XIAMEN - In the third quarter of 2007, there were no new completions in the Xiamen prime office market. The average price of prime office premises rose slightly, while rents remained level during the quarter. Future supply of prime office buildings in Xiamen will be concentrated in the Guanyinshan Business District and Wuyuanwan Business Zone. Six office buildings in Guanyinshan have topped off and will be put into operation early next year. Ruijing Commercial Plaza, the first large-scale shopping centre in east Xiamen, was completed in this quarter. The mall's opening is expected to facilitate the development of a retail market in east Xiamen. The overall vacancy rate of Xiamen's prime retail properties increased by 2.4 percentage points to 25.5% in the third quarter.

BEIJING PROPERTY MARKET FACT SHEETS

Prime Office Market Fact Sheet

Total Prime GFA : 6.4 million sm
Average prime monthly rental : Rose 1.6% to RMB 186 psm/month
Grade A : Rose 2.1% to RMB 250.1 psm/month
Grade B : Rose 1.5% to RMB 161.9 psm/month

CBD : Rose 2.6% to RMB 221.1 psm/month
Zhongguuancun : Rose 0.4% to RMB 152 psm/month
Finance Street : Rose 2% to RMB 198.5 psm/month (gross exclusive)

Average prime capital value:
Completed properties : Rose 4.3% at RMB 22,865 psm (gross)

Sale properties
CBD : Rose 9% to RMB 25,100 psm
Zhongguuancun : Rose 3.3% to RMB 15,500 psm
Finance Street : Rose 8.7% to RMB 28,250 psm (gross)

Take-up area : 162,545 sm (gross)
Vacancy rate : Dropped 1.5 percentage points to 11.3%

New supply
1. Chaoyang District, Zhongyu Plaza, 38,000 sm
2. Chaoyang District, Tower B, Gemdale Centre, 40,000 sm

Luxury Residential Market Fact Sheet

Total prime units : 24,775

Average prime monthly rental
Luxury Apartments : Rose 1.3% to RMB 104.3 psm/month (gross exclusive)
Luxury Villas : Rose 0.4% to RMB 138.8 psm/month (gross exclusive)
Serviced Apartments : Rose 1.2% to RMB 216.4 psm/month (gross inclusive)

Average prime capital value
Luxury Apartments : Rose 6.4% to RMB 24,665 psm (gross)
Luxury Villas : Rose 4.2% to RMB 23,550 psm (gross)

Major new supply :
Leasing:
Serviced Apartments
1. The Apartments on Finance Street, Xicheng, 245 units
2. Ambassy Court, Chaoyang, 202 units
3. Block C of Somerset Zhongguancun Apartments, Haidian, 172 units

Luxury Apartments
1. Central Park Phase 3, Chaoyang, 190 units
2. Upper East Side Phase 2, Chaoyang, 140 units

Sales:
Luxury Apartments
1. Burg Main, Chaoyang, 386 units
2. Fortune Heights, Chaoyang, 180 units
3. Royal & Yuan, Chaoyang, 339 units
4. Beijing Star River Phase 3, Chaoyang, 494 units
5. Wanda Lake Palace, Chaoyang, 610 units
6. Lufthansa Class, Chaoyang, 155 units
7. The River Side Phase 4, Chaoyang, 196 units
8. C-Park International Apartment, Xicheng, 450 units

Luxury Villas
1. Dragon Bay Phase 3, Shunyi, 108 units

Prime Retail Market Fact Sheet

Total prime GFA : 3.87 million sm

Average prime monthly rental
Prime Ground Floor : Rose 0.5% to RMB 28.6 psm/day (net exclusive)
Prime First Floor : Rose 3.3% to RMB 19.1 psm/day (net exclusive)

Take-up area : 253,573 sm (gross)

Vacancy level : Rose 0.3 percentage points to 6.5%

New supply :
1. Xizhimen CapitaRetail Mall, 89,000 sm (gross)
2. Seasons Place, 89,000 sm (gross)
3. Metro City, 105,000 sm (gross)

Industrial Market Fact Sheet

Average prime land value : Rose 1% to RMB 1,213 psm

Average prime monthly rental : Rose 1.9% to RMB 53 psm/month (gross exclusive, including industrial office, factory and warehouse)

Factory : RMB 38.2 psm/month (gross exclusive)

Warehouse & Logistics : RMB 29.3 psm/month (gross exclusive)

Industrial Office : RMB 86.6 psm/month (gross exclusive)

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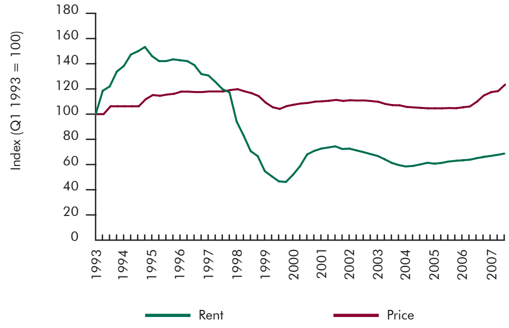
BEIJING PRIME OFFICE MARKET

New Supply ↓ **Take-up** ↑ **Vacancy Rate** ↓ **Prime Rents** ↑

- In the third quarter of 2007, the Beijing prime office market was active and take-up reached 162,545 sm, an 18.3% rise q-o-q. Average rents sustained slight growth, with a 1.6% rise q-o-q to RMB 186 psm per month.
- Two office buildings came on stream in the quarter, providing an office area of 78,000 sm. They are Zhongyu Plaza, located in Sanlitun, Chaoyang District (38,000 sm), and Gemdale Centre Tower B in CBD Chaoyang District (40,000 sm).
- Four projects are expected to be completed in the fourth quarter, providing prime office area of 318,000 sm. Despite the new supply, overall rents should maintain steady growth in 2007 as many projects expected to be completed within the year have been postponed and will enter the market in 2008.

CB Richard Ellis Beijing Prime Office Rental and Price Indices



MAJOR BEIJING PRIME OFFICE LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Chaoyang	China Life Tower	Caterpillar	1,973
Chaoyang	China Central Place	Bain & Co (China)	700
Haidian	Ideal Plaza	Bank of East Asia	2,700

The above information is reported according to the best of our knowledge but we do not guarantee its accuracy.

BEIJING LUXURY RESIDENTIAL MARKET

New Supply ↑ **Demand** ↑ **Average Rents** ↑ **Capital Values** ↑

- In the third quarter, the Beijing luxury residential market tended to be more active than in the first half year, particularly in the serviced apartment leasing market. Many foreign enterprises chose the third quarter to renew old contracts or sign new ones. Serviced apartment rents rose 1.2% q-o-q to RMB 216.4 psm per month.
- In the luxury apartment leasing market, rents of later phases have been raised following the success of the original phases of some projects. As a result, the average rent of luxury apartments rose by1.3% q-o-q to RMB 104.3 psm per month.
- Leasing demand for luxury villas continued to remain brisk, with rents increasing by 0.4% q-o-q to RMB 138.8 psm per month.

CB Richard Ellis Beijing Luxury Apartment Rental and Price Indices

MAJOR BEIJING LUXURY RESIDENTIAL LEASING TRANSACTIONS

District	Property Name	Type	Unit Area (sm gross)	Rents (RMB psm/month)
Chaoyang	Star River	Apartment	272	136
Chaoyang	Wanda Plaza	Apartment	60	113
Chaoyang	Marriott Executive Apartments Palm Spring Beijing	Serviced Apartment	125	217
Dongcheng	Oriental Plaza	Serviced Apartment	120	176
Shunyi	Yosemite	Villa	425	124

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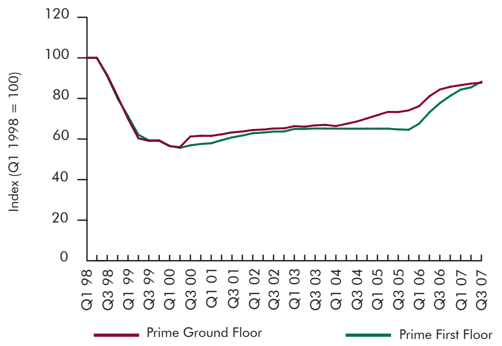
BEIJING PRIME RETAIL MARKET

New Supply ↓ **Take-up** ↓ **Vacancy Rate** ↑ **Prime Rents** ↑

- Three new prime shopping centres opened this quarter, increasing total stock of prime retail properties in Beijing to 3.87 million sm.
- Demand for prime retail property is robust, as big retailers are generally optimistic about retail market prospects in Beijing and are accelerating their entry. Although there was a relatively large amount of new supply, the vacancy rate only climbed slightly by 0.3 percentage points to 6.5% in the third quarter.
- Brisk demand continued to push retail rents up. Prime ground floor and first floor rents increased by 0.5% and 3.3%, reaching RMB 28.6 psm per day and RMB 19.1 psm per day, respectively, in the period under review.

CB Richard Ellis Beijing Prime Retail Rental Index



MAJOR BEIJING PRIME RETAIL LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Chaoyang	New Sanlitun	Element Fresh	917
Chaoyang	China Central Mall	Giorgio Armani	1,970
Chaoyang	SOLANA	Promod	400

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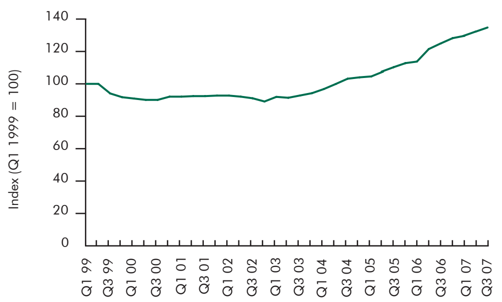
BEIJING INDUSTRIAL MARKET

Land Supply ↔ **Demand** ↑ **Facility Rents** ↑ **Land Price** ↑

- In the third quarter of 2007, demand for industrial properties showed steady growth, resulting in average industrial rents rising by 1.9% q-o-q to RMB 53 psm per month.
- The average asking price of industrial land was recorded at RMB 1,213 psm, a 1% rise q-o-q.
- On 5 July, Nestle, the world's largest food and beverage company, announced its first overseas R & D centre in Zhongguancun's Environmental Protection Park. Nestle's R & D centre is the company's first scientific research centre outside of its headquarters in Switzerland.

CB Richard Ellis Beijing Industrial Rental Index



MAJOR BEIJING INDUSTRIAL LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Daxing	Guosheng Science Park (#3 & #4 factory)	Lear Corporation	4,000
Tongzhou	Liando Valley U (factory)	League Sun Electronic	2,000

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SHANGHAI PROPERTY MARKET FACT SHEETS

Prime Office Market Fact Sheet

Total GFA	: 6.6 million sm
Average monthly rental	: Rose 2.7% to RMB 225.3 psm/month
Grade A	: Rose 2.8% to RMB 316.1 psm/month
Grade B	: Rose 2.7% to RMB 181.2 psm/month
Puxi	: Rose 2.6% to RMB 219.6 psm/month
Pudong	: Rose 3.3% to RMB 239.9 psm/month (gross exclusive)
Average capital value	: Rose 4.5% to RMB 27,239 psm
Puxi	: Rose 3.2% to RMB 27,087 psm
Pudong	: Rose 8.2% to RMB 27,922 psm (gross)
Take-up area	: 118,243 sm (gross)
Vacancy level	: Dropped 0.9 percentage points to 3.5%
New supply	:

1. Changning, Metro Plaza, 29,667 sm
2. Xuhui, Urban Development International Tower, 34,000 sm

Luxury Residential Market Fact Sheet

Average monthly rental

Luxury Apartments	: Remained unchanged at RMB 154.7 psm/month (gross exclusive)
Luxury Villas	: Rose 0.2% to RMB 186.3 psm/month (gross exclusive)
Serviced Apartments	: Rose 2.5% to RMB 197.2 psm/month (gross inclusive)

Average capital value

Luxury Apartments	: Rose 5.5% to RMB 27,092 psm (gross)
Luxury Villas	: Rose 0.1% to RMB 33,993 psm (gross)

New supply

Luxury Apartments:
1. Film Garden, Xuhui, 156 units
2. Royal Paris, Xuhui, 64 units
3. Prince Hills, Changning, 50 units
4. Qiangsheng Gubei Garden, Changning, 36 units
5. Mansion des Artistes, Changning, 155 units
6. Shanghai Park Avenue, Changning, 181 units
7. 8 Park Avenue, Jing'an, 96 units
8. Xinchang Residence, Huangpu, 126 units
9. The Bund Side, Huangpu, 12 units

Luxury Villas:
1. Shimao Sheshan Villas, Songjiang, 6 units
2. Buckingham Villa, Pudong, 30 units
3. Rancho Santa Fe Phase 3, Minhang, 6 units
4. Shanghai Rose Garden, Minhang, 6 units
5. Dream House, Qingpu, 4 units
6. Villa Riviera, Qingpu, 15 units
7. Pasadena Phase 2, Nanhui, 22 units

Serviced Apartments:
1. Crystal Pavilion, Jing'an, 42 units

Prime Retail Market Fact Sheet

Total GFA	: 2.2 million sm
Average monthly rental	
Ground floor	: Rose 1.6% to RMB 41.2 psm/day (net exclusive)
First floor	: Dropped 7.3% to RMB 26.8 psm/day (net exclusive)
Take-up area	: -1,765 sm (gross)
Vacancy level	: Rose 0.1 percentage points to 5.4%
New supply	: -

Industrial Market Fact Sheet

Average land value	: Rose 15.6% to RMB 1,039 psm (gross)
Average monthly rental	: Rose 6.7% to RMB 33.7 psm/month (gross exclusive)
Factory rent	: Rose 3.3% to RMB 26.9 psm/month (gross exclusive)
Warehouse rent	: Rose 9.2% to RMB 25.3 psm/month (gross exclusive)
R&D rent	: Rose 8.8% to RMB 67.1 psm/month (gross exclusive)

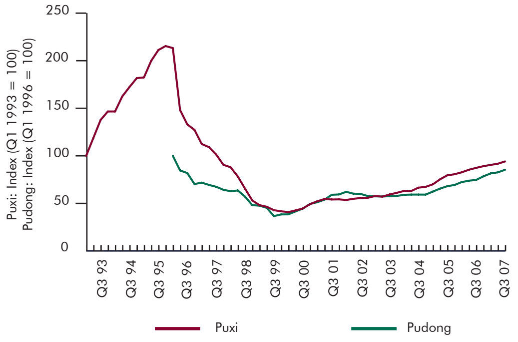
Total Available Facility Stock	: 935,300 sm
Baoshan Industrial Zone	: 65,000 sm
Caohejing High-tech Park	: 8,000 sm
Jinqiao Export Processing Zone(North)	: 10,000 sm
Jinqiao Export Processing Zone(South)	: 100,000 sm
Jiading Industrial Zone	: 100,000 sm
Kangqiao Industrial Zone	: 16,300 sm
Kunshan Industrial Zone	: 180,000 sm
Lingang Industrial Zone	: 200,000 sm
Minhang Economic & Technological Development Zone	: 0 sm
Qingpu Industrial Zone	: 100,000 sm
Songjiang Industrial Zone	: 80,000 sm
Suzhou Industrial Zone	: 16,000 sm
Waigaoqiao Free Trade Zone	: 10,000 sm
Zhangjiang High-tech Park	: 50,000 sm

SHANGHAI PRIME OFFICE MARKET

New Supply ↑ Take-up ↑ Vacancy Rate ↓ Prime Rents ↑

- As robust activity continued in Shanghai's office market in the third quarter of 2007, the vacancy rate dipped to a market-wide record low of 3.5%. With no new buildings added to the Grade A supply over the first three quarters of 2007, tightening vacancy and persistent demand saw prime rents increased by a further 2.8% during the third quarter.
- The average pre-commitment rate of buildings to be delivered during the remainder of 2007 is 30% while those due in early 2008 are expected to increase pre-commitments significantly in the fourth quarter of 2007.
- In the strata-title sales market, Zhong Rong Jasper Tower, a Grade A building under construction in Lujiazui CBD, sold 72 units at an average price of RMB 45,000 psm.

CB Richard Ellis Shanghai Prime Office Rental Index



MAJOR SHANGHAI PRIME OFFICE LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Pudong	Shanghai Bay	UOB	5,000
Pudong	Aurora Plaza	China Universal Asset Management	1,200
Huangpu	Ciro's Plaza	NEC	5,000
Luwan	Lan Sheng Building	Phoenix Technologies	1,270
Xuhui	The Centre	Avaya	1,479

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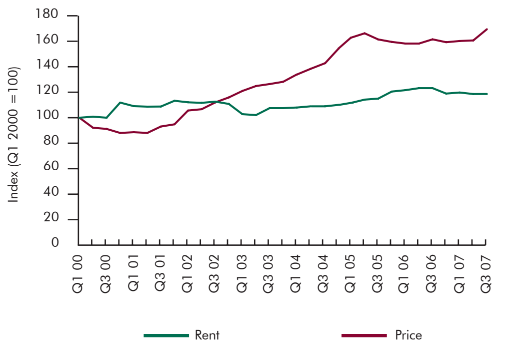
SHANGHAI LUXURY RESIDENTIAL MARKET

New Supply ↑ Demand ↑ Average Rents ↑ Capital Values ↑

- The strong recovery of the residential sales market continued in the traditional off-season of the summer months. In the third quarter, the average monthly transaction volume of first-hand residential properties reached 25,160 units, 20% higher than the traditional peak season in the second quarter, and 65% higher than the same period of 2006. The luxury sector achieved even stronger growth. The third quarter registered 1,149 transacted luxury units per month, 38% higher than the second quarter, and over 280% growth over the same period in 2006.
- Hutchison's Mansion des Artistes in Gubei launched 155 units in August, with 140 units sold within one month at an average price of about RMB 36,000 psm, 50% higher than the average price of other projects in the same area.
- In the leasing market, the serviced apartment sector continued to put on the brightest performance, in particular for prime properties near or within office hubs such as the Crescent, Chelsea, Somerset Grand Shanghai and Marriott Executive Apartment. The average rent for serviced apartments rose by 2.5% q-o-q to RMB 197.2 psm per month in the third quarter.

CB Richard Ellis Shanghai Luxury Apartment Rental and Price Indices



SELECTED LIST OF SHANGHAI LUXURY RESIDENTIAL LEASING TRANSACTIONS

District	Property Name	Type	Unit Area (sm gross)	Rents (RMB psm/month)
Huangpu	Marriott Executive Apartment	Serviced Apartment	105	446
Pudong	Green Court	Apartment	265	127
Jing'an	Merry Apartment	Apartment	162	100
Pudong	Seasons Villa	Villa	278	224

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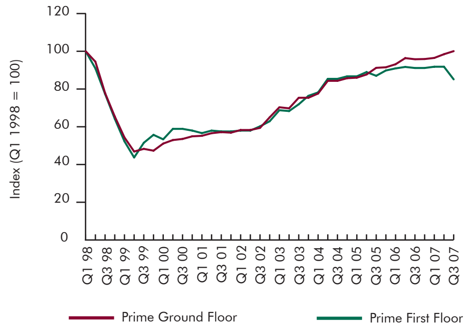
SHANGHAI PRIME RETAIL MARKET

New Supply ↓ Take-up ↓ Vacancy Rate ↑ Prime Rents ↓

- The retail market witnessed prime ground floor rental growth of 1.6% q-o-q to RMB 41.2 psm per day in the third quarter of 2007. However, prime first floor rents experienced considerable decline by 7.3% q-o-q to RMB 26.8 psm per day. The vacancy rate remained stable, rising by 0.1 percentage points q-o-q to 5.4%.
- On the back of the ongoing urbanisation trend, existing prime retail areas are facing increasing competition from rapidly developing secondary areas. In certain prime areas, concerns about the relocation of tenants to secondary hubs started to exert downward pressure on rents on the first floor and above, causing a decrease in rent q-o-q.

CB Richard Ellis Shanghai Prime Retail Rental Index



MAJOR SHANGHAI PRIME RETAIL LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Luwan	Huaihai 550	Mattel Group	3,000
Pudong	Laya Plaza	Zara	1,100
Pudong	Laya Plaza	Home Centre	5,300

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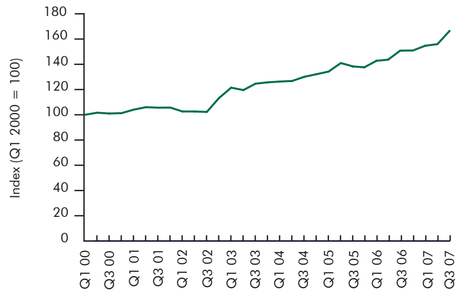
SHANGHAI INDUSTRIAL MARKET

Land Supply ↓ Demand ↑ Facility Rents ↑ Land Price ↑

- Due to government control of the industrial land supply, industrial land prices in Shanghai rose 15.6% q-o-q to RMB 1,039 psm in the third quarter of 2007.
- Land supply scarcity has led some companies to adopt a leasing strategy, fuelling demand for high quality industrial properties. The total available stock was reduced by 18.7% q-o-q to 935,300 sm this quarter.
- Targeting opportunities in the rapidly growing market for high quality logistics properties, Prologis recently invested in the construction of a new distribution park in Hongqiao Airport, its sixth in Shanghai.

CB Richard Ellis Shanghai Industrial Rental Index



MAJOR SHANGHAI INDUSTRIAL LEASING TRANSACTIONS

District	Property Name	Tenant	Type	Approximate Area Leased (sm gross)
Pudong	Zhangjiang High-tech Park	Lear	Factory	8,900
Pudong	Jinqiao Export Processing Zone (North)	Sokkia	Factory	4,200
Baoshan	Baoshan Industrial Zone	Evergreen Co Ltd	Factory	18,000

The above information is reported according to the best of our knowledge but we do not guarantee its accuracy.

GUANGZHOU PROPERTY MARKET FACT SHEETS

Prime Office Market Fact Sheet

Total prime GFA : 3.75 million sm

Average prime Monthly rental : Rose 6.4% to RMB 103.9 psm/month

Grade A : Rose 8.8% to RMB 129.4 psm/month

Pearl River New City : Rose 16.8% to RMB 113.7 psm/month (gross exclusive)

Average prime Capital value : Rose 5.1% to RMB 13,544 psm (gross)

Take-up area : 180,731 sm (gross)

Vacancy level : Rose 1.4 percentage points to 17.4%

New Supply :
1. Tianhe, China Shine Plaza, 126,363 sm
2. Tianhe, Fengxing Plaza, 85,700 sm
3. Peal River New City, International Finance Place, 64,838 sm

Luxury Residential Market Fact Sheet

Average prime monthly rental

Luxury apartments : Remained unchanged at RMB 61.3 psm /month (gross exclusive)

Luxury Villas : Rose 1% to RMB 147.8 psm/month (gross exclusive)

Serviced Apartments : Remained unchanged at RMB 177.7 psm/month (gross inclusive)

Average prime capital value

Luxury Apartments : Rose 10.8% to RMB 14,180 psm (gross)

Luxury Villas : Rose 11.8% to RMB 27,214 psm (gross)

New supply :
Serviced Apartments
1. Tianhe, R&F Edinburgh, 523 units

Prime Retail Market Fact Sheet

Total prime GFA : 1.25 million sm

Average prime monthly rental*
Prime ground floor : Rose 7.3% to RMB 47.3 psm/day (net exclusive)

Prime first floor : Rose 5.4% to RMB 24.8 psm/day (net exclusive)

Take-up area : 13,840 sm (gross)

Vacancy level : Dropped 1.1 percentage points to 8.7%

New supply : -

* Retail database has been adjusted to reflect current market conditions.

Industrial Market Fact Sheet

Average land value : Remained unchanged at RMB 445.3 psm

Average monthly rental : Rose 0.3% to RMB 25.3 psm/month (gross exclusive)

Factory : Rose 0.5% to RMB 21 psm/month (gross exclusive)

Warehouse & Logistics: Remained unchanged at RMB 26.3 psm/month (gross exclusive)

R&D : Remained unchanged at RMB 35.6 psm/month (gross exclusive)

GUANGZHOU PRIME OFFICE MARKET

New Supply ↑ Take-up ↑ Vacancy Rate ↑ Prime Rents ↑

- The Guangzhou prime office sector experienced growth in leasing and sales during the third quarter. Average rents climbed to RMB 103.9 psm per month, up 6.4% q-o-q. Driven by strong demand from multinational corporations in IT, logistics and banking, Grade A office rents increased by 8.8% q-o-q to RMB 129.4 psm per month.
- The capital value of Guangzhou prime office space witnessed 5.1% q-o-q growth to RMB 13,544 psm at the end of the quarter. The Tianhe Sports Centre area continued to be the most sought-after business zone with average prime office price rising by 8% q-o-q to RMB 15,841 psm in the quarter.
- Approximately 276,900 sm of prime office space was completed and added to the stock in the third quarter. New completions include two Grade A buildings: China Shine Plaza (Tianhe North) and International Finance Place (Pearl River New City), and a Grade B building, Fengxing Plaza (Tianhe North). The vacancy rate went up to 17.4% as of end of the quarter.

CB Richard Ellis Guangzhou Prime Office Rental and Price Indices

MAJOR GUANGZHOU PRIME OFFICE LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Tianhe	Teem Tower	KPMG	8,000
Tianhe	International Finance Place	Bank of Tokyo Mitsubishi	2,000
Tianhe	China Shine Plaza	HSBC	3,000
Tianhe	China Shine Plaza	New Balance	1,000
Tianhe	Skyfame Tower	Nike	1,500

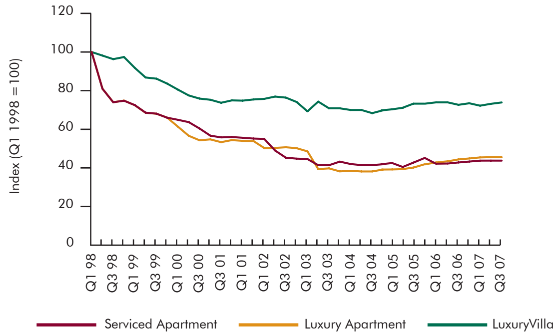
The above information is reported according to the best of our knowledge but we do not guarantee its accuracy.

GUANGZHOU LUXURY RESIDENTIAL MARKET

New Supply ↑ Demand ↑ Average Rents ↑ Capital Values ↑

- Luxury residential sales reported a sharp upswing in the third quarter. Restrictions on the development of villas and apartments with large unit size are anticipated to put a lid on the supply of these types of properties, driving the capital values of luxury villas and luxury apartments up on a quarterly basis by 11.8% and 10.8%, respectively, within the quarter.
- The high-end residential leasing market was relatively stable compared to the sales market. Villa rents increased slightly by 1% q-o-q, while high-end apartments and serviced apartments reported no rental change in the quarter.

CB Richard Ellis Guangzhou Luxury Residential Rental Indices



SELECTED LIST OF GUANGZHOU LUXURY RESIDENTIAL LEASING TRANSACTIONS

District	Property Name	Type	Unit Area (sm gross)	Rents (RMB psm/month)
Yuexiu	South China Salon	Serviced Apartment	365	148
Yuexiu	Gold Arch Riverdale	Serviced Apartment	189	164
Tianhe	Concordia	Apartment	130	112
Yuexiu	Luhu Parkview	Villa	469	128

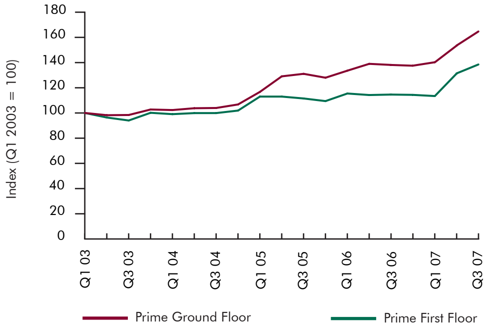
The above information is reported according to the best of our knowledge but we do not guarantee its accuracy.

GUANGZHOU PRIME RETAIL MARKET

New Supply ↔ Take-up ↓ Vacancy Rate ↓ Prime Rents ↑

- The rising purchasing power of Guangzhou residents has encouraged some domestic and overseas retailers to actively expand their operations in Guangzhou. With no new completions in the quarter, overall rent for quality retail space rose substantially, with ground floor and first floor rents increasing by 7.3% and 5.4%, q-o-q respectively.
- Following Gome's opening three new shops in the previous quarter, domestic electrical appliance chains continued to play an active role in the retail leasing market over the past three months. Suning Appliance opened its flagship store in Grand Tower, leasing about 10,000 sm from ground to third floors.
- In accordance with the opening of China's financial and banking sector, foreign banks are actively looking for prime quality retail space to open retail banking outlets.

CB Richard Ellis Guangzhou Prime Retail Rental Index



MAJOR GUANGZHOU PRIME RETAIL LEASING TRANSACTIONS

District	Property Name	Tenant	Approximate Area Leased (sm gross)
Tianhe	Grand Tower	Suning Appliance	10,000
Tianhe	Green Garden	Hang Seng Bank	200
Yuexiu	Metro Plaza	Guanghong Sports City	13,000
Yuexiu	Taojin Road	Citibank	400

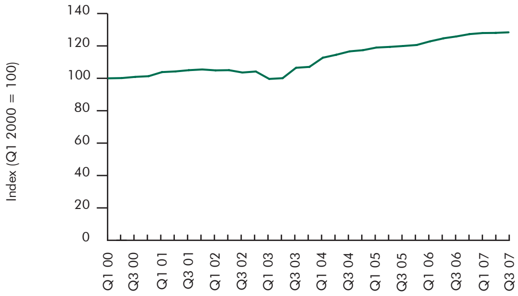
The above information is reported according to the best of our knowledge but we do not guarantee its accuracy.

GUANGZHOU INDUSTRIAL MARKET

Land Supply ↔ Demand ↑ Facility Rents ↑ Land Price ↔

- The Guangzhou industrial sector remained stable in the third quarter. R&D facility rent stood at the same level as the previous quarter, and manufacturing and warehouse facilities reported 0.5% and 0.2% rental growth on a quarterly basis, respectively.
- With industrial land being included in land use controls, industrial zones like the Guangzhou Development District and its sub-parks like Science City have restricted access. Priority is granted to the world's top 500 enterprises and those in high-tech industries, and the minimum "investment ratio" (invested capital amount per unit area) has been raised.
- Higher transparency is expected in the Guangzhou industrial land market as the result of the recent promulgation of regulations on industrial site transaction. The Guangzhou's industrial property market is expected to increasingly draw investors' attention in the future.

CB Richard Ellis Guangzhou Industrial Rental Index



DALIAN

Prime Office Market Fact Sheet

Total prime GFA	: 1.13 million sm
Average prime Monthly rental*	: Rose 1% to RMB 63.6 psm/month
Grade A	: Rose 1.8% to RMB 90.7 psm/month
Grade B	: Rose 0.3% to RMB 50.4 psm/month (gross exclusive)
Average prime capital value	: Remained unchanged at RMB 11,500 psm (gross)
Take-up area	: 6,590 sm (gross)
Vacancy level	: Dropped 0.5 percentage points to 20.1%
New supply	: -

* Office database has been adjusted to reflect the current market conditions.

Prime Retail Market Fact Sheet

Total GFA	: 0.72 million sm
Average prime monthly rental	
Ground Floor	: Rose 1.1% to RMB 25.4 psm/day (net exclusive)
First Floor	: Rose 0.2% to RMB 16.9 psm/day (net exclusive)
Take-up area	: 3,367 sm (gross)
Vacancy level	: Dropped 0.5 percentage points to 2.2%
New supply	: -

TIANJIN

Prime Office Market Fact Sheet

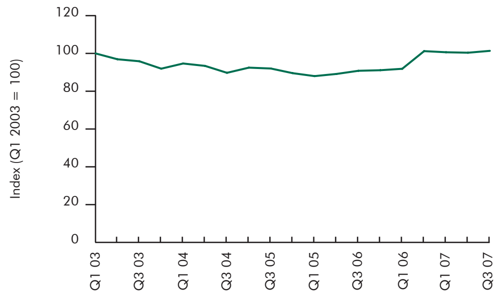
Total prime GFA	: 0.97 million sm
Average prime Monthly rental	: Rose 0.2% to RMB 98.7 psm/month
Grade A	: Rose 0.4% to RMB 136.4 psm/month
Grade B	: Remained unchanged at RMB 80.3 psm/month
Average prime capital value	: Rose 1% to RMB 12,500 psm (gross)
Take-up area	: 13,609 sm (gross)
Vacancy level	: Dropped 1.4 percentage points to 17.7%
New supply	: -

Prime Retail Market Fact Sheet

Total GFA	: 1.03 million sm
Average prime monthly rental	
Ground Floor	: Rose 0.4% to RMB 16.7 psm/day (net exclusive)
First Floor	: Rose 1.8% to RMB 9.8 psm/day (net exclusive)
Take-up area	: -45,577 sm (gross)
Vacancy level	: Rose 4.5 percentage points to 14.4%
New supply	: -

DALIAN PRIME OFFICE MARKET

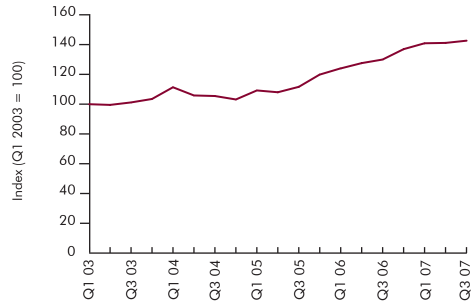
CB Richard Ellis Dalian Prime Office Rental Index



- In the third quarter, Dalian's prime office market remained stable. No new supply came on stream, and average rents rose slightly by 1% q-o-q to RMB 63.6 psm per month.
- The overall take-up rate slowed, with the market reverting to its traditional low season status. Take-up was recorded at 6,590 sm, down 3.5% q-o-q. With constantly increasing demand from expansion and newly emerging local small and medium enterprises, the take-up of Grade B office just launched on the market last year increased significantly. Tenants were mainly from trade and forwarding companies. Due to the lack of new supply, the overall market vacancy rate fell slightly to 20.1%.

DALIAN PRIME RETAIL MARKET

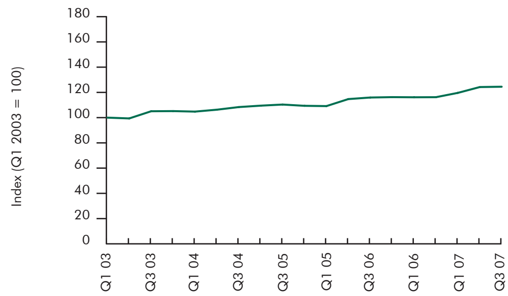
CB Richard Ellis Dalian Prime Retail Rental Index



- The Dalian prime retail stock stood at 720,000 sm in September. Ground floor rents increased by 1.1% q-o-q to a record RMB 25.4 psm per day. First floor rents increased by 0.2% q-o-q, to be recorded at RMB 16.9 psm per day.
- The retail vacancy rate in Dalian fell by 0.5 percentage points to 2.2%. With a constant shortage of new prime retail properties, market competition was fierce as firms scrambled to get space in existing properties. Most department stores entered the peak of anniversary celebration sales this quarter, leading to fewer activities in brand upgrades and tenant adjustment.

TIANJIN PRIME OFFICE MARKET

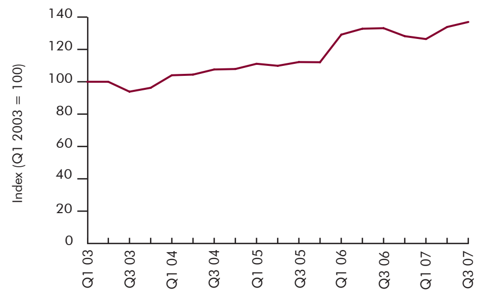
CB Richard Ellis Tianjin Prime Office Rental Index



- After increases in previous quarters, average prime office rents saw a marginal increase in the third quarter. The overall average rent reached RMB 98.7 psm per month, an increase of 0.2% compared to the end of June.
- Because there was no new supply, increased demand caused the vacancy rate to drop by 1.4 percentage points q-o-q to 17.7%.
- In the strata-title sales market, there was no new property for sale. The average price rose 1% q-o-q to RMB 12,500 psm. The trend for office property development is shifting from sales to developers holding and managing properties themselves.

TIANJIN PRIME RETAIL MARKET

CB Richard Ellis Tianjin Prime Retail Rental Index



- In the third quarter, the total stock of prime retail space in Tianjin was still 1.03 million sm, while take-up was recorded at -45,577 sm as the vacancy rate rose by 4.5 percentage points q-o-q to 14.4%.
- Prime retail market rents continued to rise steadily. Ground and first floor rents recorded marginal q-o-q growth of 0.4% and 1.8%, reaching RMB 16.7 psm per day and RMB 9.8 psm per day, respectively.
- No new supply of prime retail came on stream in the third quarter in Tianjin. Some floors of prime retail properties in Nanjing Road, Binjiang Street and Heping Road are undergoing renovation and brand adjustment. The Itokin Department Store is closed after being acquired by Lifestyle International.

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HANGZHOU

Prime Office Market Fact Sheet

Total prime GFA	: 1.15 million sm
Average prime Monthly rental	: Rose 1.6% to RMB 107.3 psm/month
Grade A	: Rose 0.9 % to RMB 141.6 psm/month
Grade B	: Rose 1.9% to RMB 97.5 psm/month (gross exclusive)
Average prime capital value	: Rose 6.2% to RMB 15,788 psm (gross)
Take-up area	: 10,084 sm (gross)
Vacancy level	: Dropped 0.9 percentage points t o 10.6%
New supply	: -

Prime Retail Market Fact Sheet

Total GFA	: 0.29 million sm
Average prime monthly rental	
Ground Floor	: Rose 4.2% to RMB 19.8 psm/day (net exclusive)
First Floor	: Rose 3.7% to RMB 16.1 psm/day (net exclusive)
Take-up area	: -4,830 sm (gross)
Vacancy level	: Rose 1.7 percentage points to 2.7%
New supply	: -

CHENGDU

Prime Office Market Fact Sheet

Total prime GFA	: 0.64 million sm
Average prime Monthly rental*	: Rose 0.6% to RMB 89.9 psm/month
Grade A	: Rose 2% to RMB 105.4 psm/month
Grade B	: Dropped 2.3% to RMB 68.3 psm/month (gross exclusive)
Average prime capital value	: Rose 6.9% to RMB 10,211 psm (gross)
Take-up area	: 25,215 sm (gross)
Vacancy level	: Dropped 3.9 percentage points to 28.4%
New supply	: -

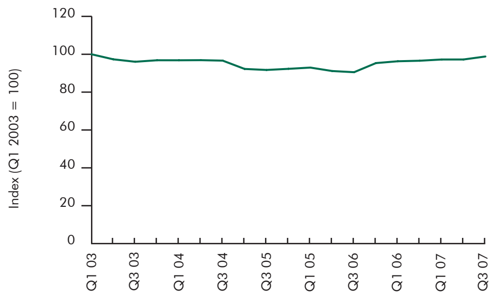
Prime Retail Market Fact Sheet

Total GFA	: 0.27 million sm
Average prime monthly rental	
Ground Floor	: Rose 1.1% to RMB 44.5 psm/day (net exclusive)
First Floor	: Rose 1% to RMB 25.4 psm/day (net exclusive)
Take-up area	: 7,022 sm (gross)
Vacancy level	: Rose 0.4 percentage points to 6.4%
New supply	:

1. Qingyang, Maison Mode Lessin (Skyone Plaza), 8,657 sm (gross)

HANGZHOU PRIME OFFICE MARKET

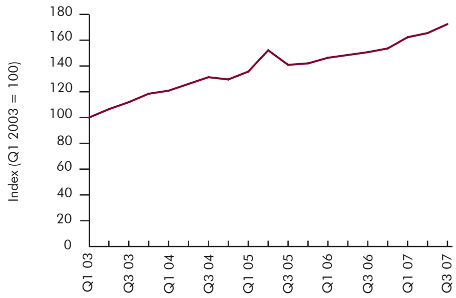
CB Richard Ellis Hangzhou Prime Office Rental Index



- As a result of Zheshang Times Mansion delaying opening, no new prime office supply came on stream in the third quarter. Although take-up dropped to 10,084 sm, the prime office market saw a fall in overall vacancy by 0.9 percentage points q-o-q to 10.6%.
- The average rental and capital values of prime office projects witnessed 1.6% and 6.2% q-o-q rises, respectively, in the third quarter to RMB 107.3 psm per month and RMB 15,788 psm.

HANGZHOU PRIME RETAIL MARKET

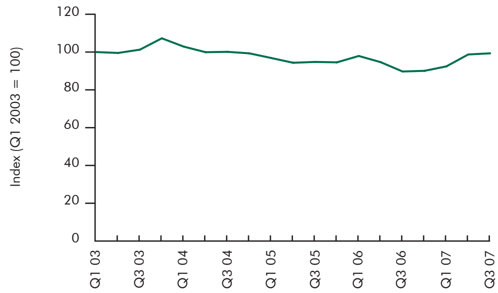
CB Richard Ellis Hangzhou Prime Retail Rental Index



- The closing of GDA Plaza in the third quarter caused take up to recorded at -4,830 sm and the overall vacancy rate to rise by 1.7 percentage points to 2.7%. A large number of prime retail projects will come on stream in emerging retail markets in the near future, such as Qianjiang New City and West City, as demand for retail space in these new areas remain strong.
- Average ground floor rent was RMB 19.8 psm per day in the third quarter, with a q-o-q increase of 4.2% while first floor rents rose by 3.7% to RMB 16.1 psm per day.

CHENGDU PRIME OFFICE MARKET

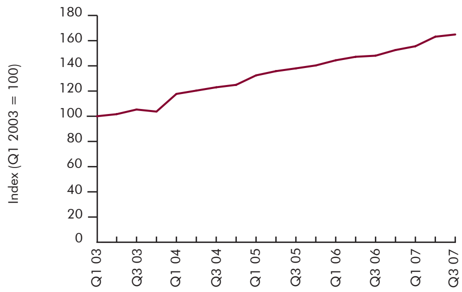
CB Richard Ellis Chengdu Prime Office Rental Index



- Some Grade A office buildings with high occupancy rates such as Unionsun Yangkuo Plaza and Times Plaza drove up the average rent of Grade A office space by 2% q-o-q to RMB 105.4 psm per month in the third quarter. On the contrary, some Grade B office buildings such as Fortune Centre slightly lowered their quoted rents, resulting in a decrease in average rents for Grade B office space overall. In this quarter, the average prime rent was RMB 68.3 psm per month, decreasing 2.3% from the previous quarter.
- The average sales price of Grade A office buildings was RMB 11,800 psm, up by 8.3% q-o-q; the average price for Grade B was RMB 8,225 psm, an increase of 4.4% q-o-q.

CHENGDU PRIME RETAIL MARKET

CB Richard Ellis Chengdu Prime Retail Rental Index



- In the third quarter, the average rent of prime retail properties in Chengdu increased slightly, ground floor rents rose by 1.1% q-o-q to RMB 44.5 psm per day while first floor rents increased by 1% q-o-q to RMB 25.4 psm per day.
- Along with the opening of their Skyone Plaza outlet, Maison Mode Lessin Department Stores carried out integrated brand adjustments and introduced a series of top-grade international brands to the Chengdu market for the first time, including Coach, Celine, Sergio Rossi, Tiffany & Co, Ferre, Galliano, I.T, Versace, See by Chloe, Baby Jane and others. Maison Mode Lessin (Skyone Plaza) has only opened the first to fourth floors so far. Talk and Bar & Restaurant situated on the fifth floor are still being renovated.

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SHENZHEN

Prime Office Market Fact Sheet

Total prime GFA : 4.4 million sm

Average prime Monthly rental* : Rose 4.6% to RMB 109.3 psm/month

Grade A : Rose 2% to RMB 132.1 psm/month
Grade B : Rose 4.9% to RMB 98 psm/month

Average prime capital value : Rose 9.8% to RMB 17,817 psm (gross)

Take-up area : 284,704 sm (gross)

Vacancy level : Dropped 2.3 percentage points to 13.6%

New supply :
1. CBD, The Landmark, 92,000 sm
2. Futian, CapitaRetail SZITIC Plaza office portion, 79,000 sm
3. Futian, China Economic Trade Building, 42,835 sm

* Office database has been adjusted to reflect the current market conditions.

Prime Retail Market Fact Sheet

Total GFA : 0.81 million sm

Average prime monthly rental*
Ground Floor : Dropped 0.8% to RMB 23.8 psm/day (net exclusive)
First Floor : Rose 2.3% to RMB 12.8 psm/day (net exclusive)

Take-up area : 30,527 sm (gross)

Vacancy level : Rose 1.5 percentage points to 8.2%

New supply : -
1. Futian, CapitaRetail SZITIC Plaza Phase 2, 45,181 sm

* Retail database has been adjusted to reflect the current market conditions.

XIAMEN

Prime Office Market Fact Sheet

Total prime GFA : 0.8 million sm

Average prime Monthly rental* : Rose 0.3% to RMB 72.3 psm/month

Grade A : Dropped 3.3% to RMB 99.4 psm/month
Grade B : Rose 2.7% to RMB 61.7 psm/month

Average prime capital value : Rose 1.3% to RMB 9,692 psm (gross)

Take-up area : 2,386 sm (gross)

Vacancy level : Dropped 0.3 percentage points to 4.8%

New supply : -

* Office database has been adjusted to reflect the current market conditions.

Prime Retail Market Fact Sheet

Total GFA : 0.82 million sm

Average prime monthly rental*
Ground Floor : Rose 0.7% to RMB 10.3 psm/day (net exclusive)

First Floor : Rose 0.6% to RMB 8.9 psm/day (net exclusive)

Take-up area : 26,970 sm (gross)

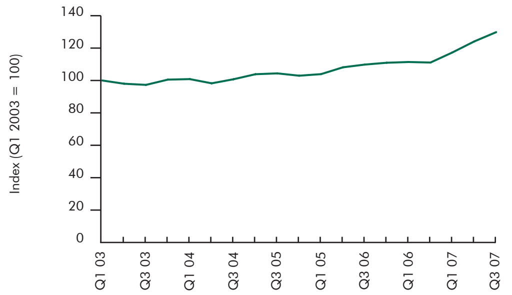
Vacancy level : Rose 2.4 percentage points to 25.5%

New supply :
1. Siming, Ruijing Retail Plaza, 60,000 sm

* Retail database has been adjusted to reflect the current market conditions.

SHENZHEN PRIME OFFICE MARKET

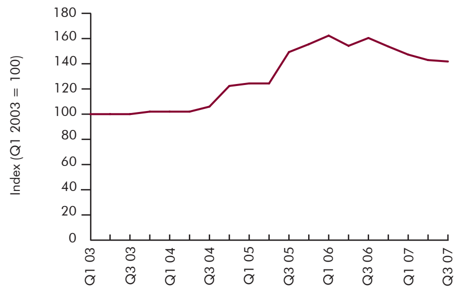
CB Richard Ellis Shenzhen Prime Office Rental Index



- The overall sales price for prime office buildings achieved substantial growth of 9.8% from last quarter, driven by strong demand from office space purchasers with the purpose of self-occupation. The average price of Grade A office properties stood at RMB 24,235 psm, resulting in a sharp q-o-q rise of 13.2%.
- Monthly rents for prime office space in Shenzhen increased by 4.6% q-o-q. With comparatively limited new completions, Grade B office rents registered a sharper rise than the Grade A segment.
- Total prime office stock reached 4.4 million sm at end of the third quarter with 213,835 sm of newly completed space having been added in the third quarter.

SHENZHEN PRIME RETAIL MARKET

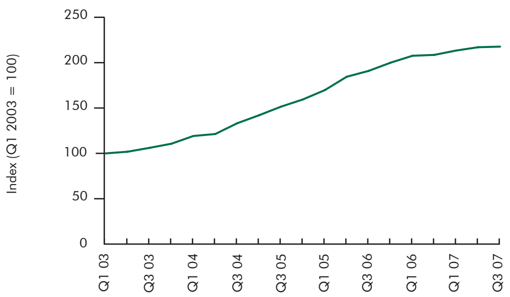
CB Richard Ellis Shenzhen Prime Retail Rental Index



- Overall rental stability was reported in the Shenzhen prime retail market during the third quarter. Premium retail premises in Luohu District, The Mixc, represented an exception. Retail rents in the mall reported an above average rise over the past three months.
- Average monthly rents for the ground floor space of shopping malls stayed at RMB 23.8 psm per day while that of the first floor rose slightly by 2.3% to RMB 12.8 psm per day.
- The second phase of CapitaRetail SZITIC Plaza was completed in the quarter, adding 45,180 sm of quality retail space to the market. With the completion of this project and the Pacificmall which opened earlier this year, a regional retail hub is taking shape in the Xiangmihu area.

XIAMEN PRIME OFFICE MARKET

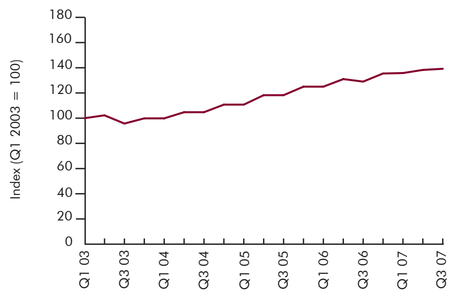
CB Richard Ellis Xiamen Prime Office Rental Index



- During the third quarter of 2007, the Xiamen prime office market was stable. Prime office rents remained as in the previous quarter, while average prices registered a q-o-q increase of 1.3%. Office buildings newly completed since last year, such as Lixin Plaza and Zhongmin Building, recorded sharper price growth than the overall market this quarter.
- With no new completions entering the Xiamen prime office market, the overall vacancy rate dropped further from 5.1% at end of June to 4.8% at the end of September.

XIAMEN PRIME RETAIL MARKET

CB Richard Ellis Xiamen Prime Retail Rental Index



- Prime retail space in large-scale shopping malls in Xiamen witnessed a slowdown in rental growth during the third quarter of 2007. Monthly rents for retail space in both the ground and first floors of shopping centres reported less than 1% q-o-q increases.
- The first large-scale shopping centre in the eastern part of Xiamen Island, Ruijing Commercial Plaza, was completed and opened in the third quarter, adding about 60,000 sm of quality retail space to the market. The overall vacancy rate of prime retail premises in Xiamen increased by 2.4 percentage points to 25.5% at the end of the quarter.

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LOCAL MARKET INFORMATION (OFFICE)

Beijing

Prime office properties in Beijing are concentrated in four main districts: the Jianguomenwai CBD in Chaoyang; Wangfujing/Chang'an East Avenue in Dongcheng; Zhongguancun in Haidian and the Fuchengmenwai/Fuxingmen Finance Street areas in Xicheng.

Shanghai

Prime office properties are found in both Puxi and Pudong. In Puxi, prime office properties are concentrated in the Changning, Huangpu, Jing'an, Luwan and Xuhui districts, with major office hubs including Hongqiao, People's Square, Nanjing Road West, Huaihai Road Middle and Xujiahui. In Pudong, prime office properties are mainly clustered in the Lujiazui CBD, New Shanghai Commercial City and the Zhuyuan Commercial and Trade Zone.

Guangzhou

Prime office properties in Guangzhou are concentrated in the Tianhe and Yuexiu districts. In Tianhe, prime office properties are located in both Tianhe Sports Centre and Pearl River New City. In Yuexiu, prime office properties are clustered along Huanshi East Road, Dongfeng Road and Zhongshan Road.

Dalian

The prime office properties in Dalian cluster in Zhongshan and Xigang districts. Zhongshan District is the core area of office supply in Dalian and major prime office properties are located along both sides of Renmin Road and in Sanba Square. In Xigang District, prime office properties mainly cluster along Zhongshan Road and in Xinkai Road area.

Tianjin

Prime office properties in Tianjin are concentrated in the Heping and Hexi districts. Most prime office properties in Tianjin are located in the Xiaobailou area and along both Youyi Road and Nanjing Road. Xiaobailou Area: 80% are local companies – international trade, shipping, logistics; IT-related companies. Nanjing Road: 60% are foreign companies – financial services/banking; international trade, shipping, logistics; consulting. Youyi Road: 80% are local companies: financial services/banking; IT-related companies. The Haihe Riverfront and TEDA (Tianjin Economic-Technological Development Area) are also viewed as emerging business districts.

Hangzhou

Prime office properties are found in three major business districts: Huanglong, Wulin and Qingchun-Fengqi, where they are clustered around the Huanglong Sports Centre, Wulin Square, Qingchun Road and Fengqi Road.

Chengdu

Prime office properties in Chengdu are mostly clustered in the CBD precinct (defined as the area bounded by Xinhua Road to the North, Hongxing Road to the East, Binjiang Road to the South and Dongchenggen Road to the West) and areas along the South Renmin Road.

Shenzhen

Shenzhen Grade A office buildings cluster in the traditional area – Caiwuwei, Luohu District and the emerging zone – Futian CBD. Better quality, new office completions and supply in Futian CBD are absorbing office occupiers relocating from Luohu District. Prime office market in Nanshan District used to be dominated by industrial offices in high-tech industrial zones. Along with the recent completions of quality office properties in the district, overall profile of Nanshan prime office market has been upgraded.

Xiamen

Prime office buildings in Xiamen are concentrated in Lundu-Sibei CBD and Binbei Financial Centre in Siming District. Demand for quality office space currently exceeds the available stock. The first Grade A office building in Huli District – Xiduo International Office Building was recently launched. However, limited availability failed to completely satisfy existing demand. Demand is predicted to exceed supply until the three office towers in Guanyinshan Business District come into the market by the end of 2007. More quality office supplies are expected in Huli District along with the development of Wuyuanwan Business Centre. The east coast area of Xiamen is expected to emerge as a new commercial centre then.

LOCAL MARKET INFORMATION (RETAIL)

Beijing

Prime retail properties in Beijing are concentrated in four main commercial areas, comprising the Wangfujing area in Dongcheng District; the Xidan area in Xicheng District; greater CBD area in Chaoyang District and the Chaoyangmenwai and Lufthansa areas in Chaoyang District.

Shanghai

Prime retail properties in Shanghai are concentrated in six main commercial areas, including Central Huaihai Road, Nanjing Road West, Nanjing Road East, The Bund, Xujiahui and Hongqiao. Several areas are emerging as sub-central retail areas, comprising Zhongshan Park areas, Wujiachang and Daning.

Guangzhou

Prime retail properties in Guangzhou are concentrated in four districts: Tianhe (Tianhe Sports Stadium and Pearl River New City), Yuexiu (Huanshi Road East, Beijing Road and Lingyuan Road West), Liwan (Shangxiajiu Road) and Haizhu (Jiangnanxi).

Dalian

The three major retail areas in Dalian are Qingniwa, Renmin Road and Xi'an Road. Qingniwa is the conventional retail area in Dalian. Most of the high-end brand stores are located in Renmin Road area. Xi'an Road area emerged as a new retail area in recent years, mainly targeting local residents.

Tianjin

Prime retail properties in Tianjin are concentrated in the city centre and Binhai New Area. In the city centre, prime retail facilities are located in five areas, Heping Road, Binjiang Road, Nanjing Road, Youyi Road and Eastern Road. The TEDA in Binhai New Area has emerged only recently and developed quickly into another major retail hub in Tianjin.

Hangzhou

There are three municipal retail micro-markets in Hangzhou, including Wulin, Hubin and Wushan. Major prime retail projects are located along Yan'an Road in Wulin and Hubin.

Chengdu

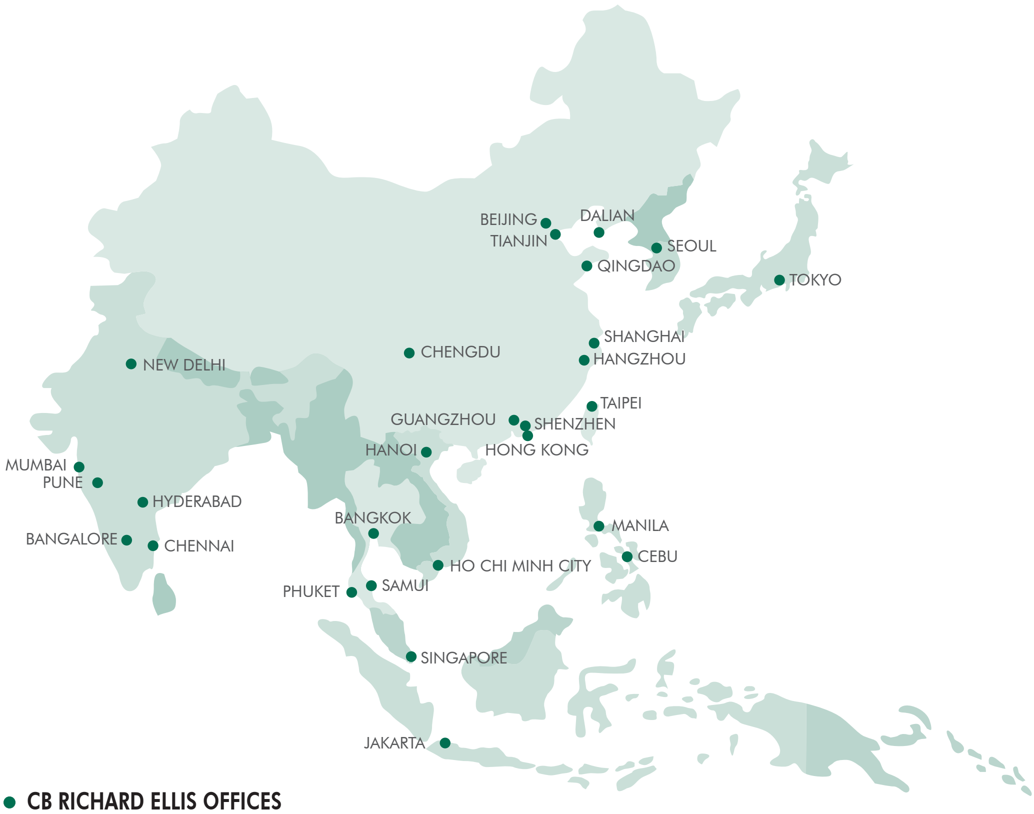
Chunxi Road, Yanshikou, Luomashi and Zongbei are the four traditional retail precincts in Chengdu. In particular, Chunxi Road, as a regional retail hub in Southwest China, has established a good reputation for both local shoppers and tourists. As such, shops in such locations always command a higher rental.

Shenzhen

Major retail micro-markets in Shenzhen are Dongmen, Renminnan and Diwang in Luohu District, Huaqiangbei and CBD area in Futian District and Nanshan central area in Nanshan District. Dongmen, Renminnan, Diwang and Huaqiangbei represent the most mature shopping destinations for Shenzhen residents and tourists. Futian CBD and Nanshan central area are emerging retail hubs with a number of large-scale quality shopping centres in the pipeline.

Xiamen

There are three main retail areas in Xiamen, namely Zhongshan Road, Railway Station and Jiahe Road. The Zhongshan Road retail hub is the busiest one. With the continuous expansion of city centre, the retail catchments of Railway Station and Jiahe Road became increasingly mature and supply of retail premises kept growing. Currently, three large-scale shopping centres are under construction in Zhongshan Road area: Tiger City, Nanzhong Plaza and Hongkong Times Plaza. Once these are completed, available retail space in the Zhongshan Road area may exceed demand in the market.



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